

VOLUME 6
JOURNAL
OF THE
HOUSE
OF REPRESENTATIVES
SEVENTY-EIGHTH SESSION
OF THE
LEGISLATURE
STATE OF MINNESOTA

1994

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

EIGHTY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 5, 1994

The House of Representatives convened at 1:30 p.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

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

A quorum was present.

Farrell was excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Ozment 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. 1483 and H. F. No. 377, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bergson moved that the rules be so far suspended that S. F. No. 1483 be substituted for H. F. No. 377 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1662 and H. F. No. 1792, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wejcman moved that the rules be so far suspended that S. F. No. 1662 be substituted for H. F. No. 1792 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1959 and H. F. No. 2244, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Tunheim moved that S. F. No. 1959 be substituted for H. F. No. 2244 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2011 and H. F. No. 3004, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Jaros moved that S. F. No. 2011 be substituted for H. F. No. 3004 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2135 and H. F. No. 2260, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Garcia moved that S. F. No. 2135 be substituted for H. F. No. 2260 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2255 and H. F. No. 2954, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Johnson, A., moved that S. F. No. 2255 be substituted for H. F. No. 2954 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2246 and H. F. No. 2572, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Waltman moved that the rules be so far suspended that S. F. No. 2246 be substituted for H. F. No. 2572 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2262 and H. F. No. 2533, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Koppendraye moved that S. F. No. 2262 be substituted for H. F. No. 2533 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2345 and H. F. No. 2391, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Olson, K., moved that the rules be so far suspended that S. F. No. 2345 be substituted for H. F. No. 2391 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2422 and H. F. No. 2677, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Brown, C., moved that S. F. No. 2422 be substituted for H. F. No. 2677 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2462 and H. F. No. 2587, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Seagren moved that the rules be so far suspended that S. F. No. 2462 be substituted for H. F. No. 2587 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2464 and H. F. No. 2737, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kahn moved that S. F. No. 2464 be substituted for H. F. No. 2737 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2491 and H. F. No. 2728, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Bertram moved that S. F. No. 2491 be substituted for H. F. No. 2728 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2503 and H. F. No. 2513, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Lieder moved that S. F. No. 2503 be substituted for H. F. No. 2513 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2572 and H. F. No. 2776, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Van Engen moved that the rules be so far suspended that S. F. No. 2572 be substituted for H. F. No. 2776 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2579 and H. F. No. 3146, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Asch moved that S. F. No. 2579 be substituted for H. F. No. 3146 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2582 and H. F. No. 2957, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Carlson moved that S. F. No. 2582 be substituted for H. F. No. 2957 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2598 and H. F. No. 2953, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kahn moved that S. F. No. 2598 be substituted for H. F. No. 2953 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2671 and H. F. No. 2896, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Solberg moved that S. F. No. 2671 be substituted for H. F. No. 2896 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2710 and H. F. No. 2916, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Clark moved that the rules be so far suspended that S. F. No. 2710 be substituted for H. F. No. 2916 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 881, A bill for an act relating to St. Paul; authorizing the city to require employees to reside in the city.

Reported the same back with the following amendments:

Page 1, delete lines 13 to 15 and insert:

"Section 1 is effective the day after the governing body of the city of St. Paul complies with Minnesota Statutes, section 645.021, subdivision 3."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

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

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

The report was adopted.

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

H. F. No. 2115, A bill for an act relating to highway safety; requiring persons age 55 or over to complete a refresher course in accident prevention in order to remain eligible for a reduction in private passenger vehicle insurance rates; amending Minnesota Statutes 1992, section 65B.28.

Reported the same back with the following amendments:

Page 2, line 4, delete the new language

Page 2, delete line 5

Page 2, line 6, delete the new language

Page 2, delete line 7 and insert "~~retake the~~ take a four-hour refresher course and receive a refresher course"

Page 2, line 11, delete everything after "1995" and insert a period

Page 2, delete lines 12 and 13

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

The report was adopted.

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

H. F. No. 2170, A bill for an act relating to elevators; regulating persons who construct and repair elevators; requiring inspections; creating an advisory committee; setting minimum code standards; amending Minnesota Statutes 1992, sections 183.355, subdivision 3; 183.357; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [183.3521] [ELEVATOR MECHANICS; REGISTRATION.]

The wiring, installation, alteration, modernization, removal, and repair of the mechanical and electrical apparatus of an elevator that is used to move persons must be performed by a person registered by the commissioner as an elevator mechanic or by a person acting under the direct on-site supervision of a registered elevator mechanic. A registered mechanic may supervise not more than two persons performing work otherwise required to be performed by a registered mechanic.

To be registered by the commissioner, a person must have successfully completed the national elevator industry education program or a program found by the commissioner to be equivalent and must possess an elevator constructor or master elevator constructor license issued by the state board of electricity. Nothing in this section will supersede or replace chapter 326.

Sec. 2. Minnesota Statutes 1992, section 183.355, subdivision 3, is amended to read:

Subd. 3. [MINIMUM REQUIREMENTS.] No person, firm, or corporation may construct, install, remove, or repair an elevator that does not meet the minimum requirements of ~~this chapter~~, adopted sections 183.351 to 183.358, rules, or national codes adopted by rule.

Sec. 3. Minnesota Statutes 1992, section 183.357, subdivision 1, is amended to read:

Subdivision 1. [PERMITS.] No person, firm, or corporation may construct, perform alterations, remove, or install an elevator without ~~first filing an application for~~ obtaining a permit with the department of labor and industry or a

municipality authorized by subdivision 3 to inspect elevators. ~~Projects under actual construction before July 1, 1989, are not required to obtain a permit from the department.~~ Upon successfully completing inspection and the payment of the appropriate fee, the owner must be granted an operating permit for the elevator.

Sec. 4. Minnesota Statutes 1992, section 183.357, subdivision 2, is amended to read:

Subd. 2. [CONTRACTOR LICENSES.] The commissioner ~~may~~ shall by rule establish criteria for the qualifications of elevator contractors and issue licenses based upon proof of the applicant's qualifications.

Sec. 5. Minnesota Statutes 1992, section 183.358, is amended to read:

183.358 [RULES.]

The commissioner ~~may~~ shall adopt rules for the following purposes:

(1) to set a fee under section ~~16A.128~~ 16A.1285 for processing a construction or installation permit or elevator contractor license application;

(2) to set a fee under section ~~16A.128~~ 16A.1285 to cover the cost of elevator inspections;

(3) to establish minimum qualifications for elevator inspectors that must include possession of a current journeyman elevator electrician's license issued by the state board of electricity and proof of successful completion of the national elevator ~~construction mechanic examination~~ industry education program or equivalent experience;

(4) to establish criteria for the qualifications of elevator contractors;

(5) to establish elevator standards under sections 16B.61, subdivisions 1 and 2, and 16B.64; and

(6) to establish procedures for appeals of decisions of the commissioner under chapter 14 and procedures allowing the commissioner, before issuing a decision, to seek advice from the elevator trade, building owners or managers, and others knowledgeable in the installation, construction, and repair of elevators.

Sec. 6. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1995. Section 5 is effective the day following its final enactment.

Delete the title and insert:

"A bill for an act relating to elevators; regulating persons who may do elevator work; amending Minnesota Statutes 1992, sections 183.355, subdivision 3; 183.357, subdivisions 1 and 2; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2254, A bill for an act relating to traffic regulations; permitting white strobe lights on rural mail carrier vehicles; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; and 169.64, subdivision 8; Minnesota Statutes 1993 Supplement, section 169.64, subdivision 3.

Reported the same back with the following amendments:

Page 1, line 13, delete everything after "carrier" and insert "on a rural mail route."

Page 1, delete line 14

Pages 2 and 3, delete section 3, and insert:

"Sec. 3. Minnesota Statutes 1992, section 169.64, subdivision 8, is amended to read:

Subd. 8. [WHITE STROBE LAMPS.] (a) Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:

(1) A school bus that is subject to and complies with the color and equipment requirements of sections 169.441, subdivisions 1 and 2, and 169.442, subdivision 1. The lamp shall be permanently mounted on the longitudinal center line of the bus roof not less than five feet nor more than seven feet forward of the rear roof edge. It shall operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus; or

(2) A road maintenance vehicle owned or under contract to the department of transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.

(b) Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits an amber light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is a rural mail carrier vehicle, provided that the strobe lamp is mounted at the highest practicable point on the vehicle. The strobe lamp may only be operated while the vehicle is actually engaged during daylight hours in the delivery of mail to residents on a rural mail route.

(c) The A strobe lamp authorized by this section shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula."

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. 2273, A bill for an act relating to commerce; regulating certain insurance and real property licensing terms and fees; providing for two-year licensing; amending Minnesota Statutes 1992, sections 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.21, subdivision 2; 60K.03, subdivisions 1, 5, and 6; 60K.06; 60K.19, subdivision 8; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08, subdivisions 4 and 5; 82B.09, subdivision 1; 83.25; Minnesota Statutes 1993 Supplement, sections 60A.198, subdivision 3; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3.

Reported the same back with the following amendments:

Page 8, line 7, after "partnership" insert "renewal"

Page 9, delete lines 21 and 22 and insert:

"(c) Initial licenses issued under this section must be valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on October 31 of the expiration year assigned by the commissioner."

Page 10, line 2, delete "12" and insert "six"

Page 10, line 10, delete "reported" and insert "earned"

Page 10, line 17, delete "Licenses" and strike "issued" and insert "Licenses renewed"

Page 13, line 31, strike everything before "continuing" and insert "All"

Page 13, line 32, before "no" insert "must be earned"

Page 14, line 12, reinstate the stricken language

Page 14, delete lines 13 and 14 and insert:

"(1) at least two hours of training ~~every year~~ during each license period in courses in laws or regulations on agency representation and disclosure; and"

Page 14, line 15, reinstate the stricken "(2)"

Page 14, lines 19 to 21, reinstate the stricken language

Page 14, line 22, reinstate the stricken "status"

Page 14, line 23, after the stricken "report" insert "along with the continuing education report required" and reinstate "under paragraph (a)."

Page 15, line 2, delete "Licenses" and insert "Initial licenses"

Page 15, line 4, delete "of"

Page 15, line 5, delete the new language and insert "not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on August 31 of the expiration year assigned by the commissioner"

Page 15, line 8, after "(a)" insert "Licenses renewed under this chapter are valid for a period of 24 months."

Page 16, after line 6, insert:

"Sec. 20. Minnesota Statutes 1992, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. [LICENSE RENEWALS.] A licensed real estate appraiser shall present evidence satisfactory to the commissioner of having met the continuing education requirements of this chapter before the commissioner renews a license.

The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least ~~15~~ 30 classroom hours ~~per year~~; of instruction in courses or seminars that have received the approval of the commissioner. If the applicant's immediately preceding term of licensing consisted of 12 or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. If the immediately preceding term of licensing consisted of fewer than 12 months, no continuing education need be reported."

Page 16, line 33, delete "19" and insert "20"

Page 16, line 35, delete "20" and insert "21"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after "1;" insert "82B.19, subdivision 1;"

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

The report was adopted.

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

H. F. No. 2287, A bill for an act relating to the ethical practices board; clarifying definitions; strengthening enforcement powers; changing duties; requiring additional disclosure of lobbyist activities; facilitating reports of last-minute contributions; requiring return of public subsidies under certain conditions; amending Minnesota Statutes 1992, sections 10A.01, subdivisions 11, 25, 26, and 28; 10A.02, subdivisions 11 and 12; 10A.03, subdivisions 2 and 3; 10A.04, subdivisions 3, 4, 5, 6, and 7; 10A.05; 10A.08; 10A.09, subdivision 7; 10A.14, subdivision 4; 10A.15, by adding a subdivision; 10A.20, subdivisions 5 and 12; 10A.21, subdivision 3; 10A.23; 10A.31, subdivisions 6, 7, and 8; 10A.322, subdivision 4; 10A.324, subdivision 1; and 10A.34; repealing Minnesota Statutes 1992, sections 10A.09, subdivision 3; and 10A.21, subdivisions 1 and 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1992, section 10A.01, subdivision 7, is amended to read:

Subd. 7. "Contribution" means a transfer of funds or a donation in kind.

Contribution 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) forgiven, or (b) paid by an individual or an 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, 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.

Contribution does not include services provided without compensation by an individual volunteering personal 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. Contribution does not include the difference between the prevailing cost of a product or service and a discounted price for the product or service made available to a candidate, political party committee, ballot question committee, political committee, or political fund on the same terms as those offered to similarly situated persons.

Sec. 2. Minnesota Statutes 1993 Supplement, section 10A.01, subdivision 10c, is amended to read:

Subd. 10c. [NONCAMPAIGN DISBURSEMENT.] "Noncampaign 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 of the following purposes:

- (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 a public subsidy;
- (e) payment for food, beverages, entertainment, and facility rental for a fundraising 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 adjournment sine die of the legislature in the election year for the office held, and half the cost of services for a constituent by a member of the legislature or a constitutional officer in the executive branch performed from adjournment sine die to 60 days after adjournment sine die, excluding the value of services of legislative employees in preparing summaries of legislative activity for the public;

(g) a donation in kind given to the political committee, political fund, or principal campaign committee for purposes listed in clauses (e) and (f);

(h) payment for food and beverages provided to campaign volunteers while they are engaged in campaign activities;

(i) payment of expenses incurred by elected or appointed leaders of a legislative caucus in carrying out their leadership responsibilities;

(j) payment by a principal campaign committee of the candidate's expenses for serving in public office, other than for personal uses;

(k) costs of child care for the candidate's children when campaigning;

(l) fees paid to attend a campaign school;

(m) costs of a postelection party during the election year when a candidate's name will no longer appear on a ballot or the general election is concluded, whichever occurs first;

(n) interest on loans paid by a principal campaign committee on outstanding loans;

(o) filing fees;

(p) post-general election thank-you notes or advertisements in the news media;

(q) the cost of campaign material purchased to replace defective campaign material, if the defective material is destroyed without being used;

(r) transfers to a party unit as defined in section 10A.275, subdivision 3; and

(s) other purchases or payments specified in board rules or advisory opinions as being for any purpose other than to influence the nomination or election of a candidate or to promote or defeat a ballot question.

The board shall determine whether an activity involves a noncampaign disbursement within the meaning of this subdivision.

Sec. 3. Minnesota Statutes 1992, section 10A.01, subdivision 25, is amended to read:

Subd. 25. [LOCAL OFFICIAL.] "Local official" means a person who holds elective office in a political subdivision or who is appointed to or employed in a public position in a political subdivision in which the person has authority to make, ~~to recommend~~, or to vote on as a member of the governing body, ~~major final recommendations and decisions~~ regarding the expenditure or investment of public money. In a metropolitan governmental unit, "local official" includes a person appointed to or employed in a part-time or "acting" position.

Sec. 4. Minnesota Statutes 1992, section 10A.03, subdivision 2, is amended to read:

Subd. 2. The registration form shall be prescribed by the board and shall include (a) the name and address of the lobbyist, (b) the principal place of business of the lobbyist, (c) the name and address of each person, if any, by whom the lobbyist is retained or employed or on whose behalf the lobbyist appears, and, if different, of each principal by which the lobbyist is engaged, compensated, or authorized to lobby, and (d) a general description of the subject or subjects on which the lobbyist expects to lobby whether the lobbying is to influence legislative action, administrative action, or the official actions of a metropolitan governmental unit. If the lobbyist lobbies on behalf of an association the registration form shall include the name and address of the officers and directors of the association.

Sec. 5. Minnesota Statutes 1992, section 10A.03, subdivision 3, is amended to read:

Subd. 3. The board shall notify by certified mail ~~or personal service~~ any lobbyist who fails to file a registration form within five days after becoming a lobbyist. If a lobbyist fails to file a form within seven ~~five~~ days after receiving this ~~the~~ notice was mailed, the board may impose a late filing fee at \$5 ~~\$25~~ per day, not to exceed \$100 ~~\$250~~, commencing with the ~~eighth~~ sixth day after receiving the ~~the~~ notice was mailed. The board shall further notify by certified

mail or personal service any lobbyist who fails to file a form within 21 days ~~of receiving a~~ after the first notice was mailed that the lobbyist may be subject to a criminal penalty for failure to file the form. A lobbyist who ~~knowingly~~ fails to file a form within ~~seven~~ five days after receiving ~~a second this~~ this notice from the board is guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1992, section 10A.04, subdivision 5, is amended to read:

Subd. 5. The board shall notify by certified mail ~~or personal service~~ any lobbyist or principal who fails after seven days after a filing date imposed by this section to file a report or statement required by this section. If a lobbyist or principal fails to file a report within ~~seven~~ five days after ~~receiving this the~~ the notice was mailed, the board may impose a late filing fee of \$5 ~~\$25~~ \$25 per day, not to exceed ~~\$100~~ \$250, commencing with the ~~eighth~~ sixth day after ~~receiving the~~ the notice was mailed. The board shall further notify by certified mail or personal service any lobbyist or principal who fails to file a report within 21 days after ~~receiving a~~ the first notice was mailed that the lobbyist or principal may be subject to a criminal penalty for failure to file the report. A lobbyist or principal who ~~knowingly~~ fails to file such a report or statement within ~~seven~~ five days after receiving ~~a second this~~ this notice from the board is guilty of a misdemeanor.

Sec. 7. Minnesota Statutes 1992, section 10A.04, subdivision 7, is amended to read:

Subd. 7. [FINANCIAL RECORDS.] The board may randomly audit the financial records of lobbyists and principals required to report under this section. Lobbyists and principals shall retain for four years after the report was filed all records concerning the matters reported under this chapter, including vouchers, canceled checks, bills, invoices, worksheets, and receipts.

Sec. 8. Minnesota Statutes 1992, section 10A.05, is amended to read:

10A.05 [LOBBYIST REPORT.]

Within 30 days after each lobbyist filing date set by section 10A.04, the executive director of the board shall report to the governor, and the presiding officer of each house of the legislature, the names of the lobbyists registered who were not previously reported, the names of the persons ~~or~~ associations, or political subdivisions whom they represent as lobbyists, ~~the subject or subjects on which they are lobbying,~~ and whether in each case they lobby to influence legislative or administrative action or both. At the same times, the executive director of the board shall report to the governing body of each metropolitan governmental unit, the names of the registered lobbyists who attempt to influence the official action of metropolitan governmental units, and the names of the persons ~~or~~ associations, or political subdivisions whom they represent as lobbyists, ~~and the subject or subjects on which they are lobbying.~~

Sec. 9. Minnesota Statutes 1993 Supplement, section 10A.065, subdivision 1, is amended to read:

Subdivision 1. [REGISTERED LOBBYIST CONTRIBUTIONS; LEGISLATIVE SESSION.] A candidate for the legislature or for constitutional office, a candidate's principal campaign committee, ~~any other political committee with the candidate's name or title, any committee authorized by the candidate,~~ or a political committee established by all or a part of the party organization within a house of the legislature, shall not solicit or accept a contribution on behalf of a candidate's principal campaign committee, ~~any other political committee with the candidate's name or title, any committee authorized by the candidate,~~ or a political committee established by all or a part of the party organization within a house of the legislature, from a registered lobbyist, political committee, or political fund during a regular session of the legislature.

Sec. 10. Minnesota Statutes 1992, section 10A.065, is amended by adding a subdivision to read:

Subd. 6. [FEDERAL CANDIDATES.] This section does not prohibit a candidate for federal office from soliciting or accepting a contribution to the campaign for that office.

Sec. 11. Minnesota Statutes 1992, section 10A.08, is amended to read:

10A.08 [REPRESENTATION DISCLOSURE.]

Any public official who represents a client for a fee before any individual, board, commission or agency that has rule making authority in a hearing conducted under chapter 14, shall disclose the official's participation in the action to the board within 14 days after the appearance. The board shall notify by certified mail ~~or personal service~~ any

public official who fails to disclose the participation within 14 days after the appearance. If the public official fails to disclose the participation within ~~seven~~ five days ~~of after~~ this notice was mailed, the board may impose a late filing fee of \$5 \$25 per day, not to exceed \$100 \$250, commencing on the ~~eight~~ sixth day after ~~receiving the notice was~~ mailed. The board shall further notify by certified mail or personal service any individual who fails to disclose the participation within 21 days after the first notice was mailed that the individual may be subject to a criminal penalty for failure to disclose the participation. An individual who fails to disclose the participation within five days after receiving this notice is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 1992, section 10A.09, subdivision 7, is amended to read:

Subd. 7. The board shall notify by certified mail ~~or personal service~~ any individual who fails within the prescribed time to file a statement of economic interest required by this section. If an individual fails to file a statement within ~~seven~~ five days after ~~receiving this the~~ notice was mailed, the board may impose a late filing fee of \$5 \$25 per day, not to exceed \$100 \$250, commencing on the ~~eight~~ sixth day after ~~receiving the notice was~~ mailed. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after ~~receiving a the~~ first notice was mailed that the individual may be subject to a criminal penalty for failure to file a statement. An individual who fails to file a statement within ~~seven~~ five days after ~~a second~~ receiving this notice is guilty of a misdemeanor.

Sec. 13. Minnesota Statutes 1992, section 10A.14, subdivision 4, is amended to read:

Subd. 4. The board shall notify by certified mail ~~or personal service~~ any individual who fails to file a statement required by this section. If an individual fails to file a statement within ~~seven~~ five days after ~~receiving a the~~ notice was mailed, the board may impose a late filing fee of \$5 \$25 per day, not to exceed \$100 \$250, commencing with the ~~eight~~ sixth day after ~~receiving the~~ notice was mailed. The board shall further notify by certified mail or personal service any individual who fails to file a statement within 21 days after ~~receiving a the~~ first notice was mailed that such individual may be subject to a criminal penalty for failure to file the report statement. An individual who ~~knowingly~~ fails to file the statement within ~~seven~~ five days after receiving ~~a second this~~ notice from the board is guilty of a misdemeanor.

Sec. 14. Minnesota Statutes 1992, section 10A.15, subdivision 3a, is amended to read:

Subd. 3a. No treasurer of a principal campaign committee of a candidate or of a political committee or political fund shall deposit any transfer which on its face exceeds the limit on contributions to that candidate or political committee or political fund prescribed by section 10A.27 unless, at the time of deposit, the treasurer issues a check to the source for the amount of the excess.

Sec. 15. Minnesota Statutes 1992, section 10A.15, is amended by adding a subdivision to read:

Subd. 6. No contribution may be made by making a charge to a credit card or otherwise by use of a credit card.

Sec. 16. Minnesota Statutes 1993 Supplement, section 10A.20, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF REPORT.] Each report under this section shall disclose:

(a) The amount of liquid assets on hand at the beginning of the reporting period;

(b) The name, address and employer, or occupation if self-employed, of each individual, political party committee, principal campaign committee, ballot question committee, political committee, or political fund who within the year has made one or more transfers or donations in kind to the political committee or political fund during the reporting period, including the purchase of tickets for all fund raising efforts, which in aggregate within the year equal or exceed \$100 for legislative, judicial district, or statewide candidates or ballot questions, except as otherwise provided in this subdivision, together with the amount and date of each transfer or donation in kind, and the aggregate amount of transfers and donations in kind within the year from each source so disclosed. A donation in kind shall be disclosed at its fair market value. An approved expenditure is listed as a donation in kind. A donation in kind is considered consumed in the reporting period in which it is received. The names of contributors shall be listed in alphabetical order;

(c) The sum of contributions to the political party committee, principal campaign committee, ballot question committee, political committee, or political fund during the reporting period;

(d) Each loan made or received by the political party committee, principal campaign committee, ballot question committee, political committee, or political fund within the year in aggregate in excess of \$100, except as otherwise provided in this subdivision, continuously reported until repaid or forgiven, together with the name, address, occupation and the principal place of business, if any, of the lender and any endorser and the date and amount of the loan. If any loan made to the principal campaign committee of a candidate is forgiven at any time or repaid by any entity other than that principal campaign committee, it shall be reported as a contribution for the year in which the loan was made;

(e) Notwithstanding contrary provisions in paragraph (b) or (d), the amount of every transfer or donation in kind, regardless of amount, made by a lobbyist, political fund, or political committee other than a political party unit as defined in section 10A.275, to the principal campaign committee of a legislative or statewide candidate and the amount of every loan received, regardless of amount, from a lobbyist, political fund, or political committee other than a political party unit as defined in section 10A.275, by the principal campaign committee of a legislative or statewide candidate must be reported under this section.

(f) Each receipt in excess of \$100 not otherwise listed under clauses (b) to (d);

(f) (g) The sum of all receipts of the political party committee, principal campaign committee, ballot question committee, political committee, or political fund during the reporting period;

(g) (h) The name and address of each individual or association to whom aggregate expenditures, including approved expenditures, have been made by or on behalf of the political party committee, principal campaign committee, ballot question committee, political committee, or political fund during the reporting period that aggregate within the year in excess of \$100, together with the amount, date and purpose of each expenditure and the name and address of, and office sought by, each candidate on whose behalf the expenditure was made, identification of the ballot question which the expenditure is intended to promote or defeat, and in the case of independent expenditures made in opposition to a candidate, the name, address and office sought for each such candidate, except that an independent expenditure of less than \$300 per candidate by an association targeted to inform solely its own dues-paying members of the association's position on a candidate need not be itemized and an association that makes only this type of expenditure need not register with the board;

(h) (i) The sum of all expenditures made by or on behalf of the political party committee, principal campaign committee, ballot question committee, political committee, or political fund during the reporting period;

(i) (j) The amount and nature of any advance of credit incurred by the political party committee, principal campaign committee, ballot question committee, political committee, or political fund, continuously reported until paid or forgiven. If any advance of credit incurred by the principal campaign committee of a candidate is forgiven at any time by the creditor or paid by any entity other than that principal campaign committee, it shall be reported as a donation in kind for the year in which the advance of credit was incurred;

(j) (k) The name and address of each political party committee, ballot question committee, political committee, political fund, or principal campaign committee to which aggregate transfers have been made during the reporting period that aggregate in excess of \$100 have been made within the year, together with the amount and date of each transfer;

(k) (l) The sum of all transfers made by the political party committee, ballot question committee, political committee, political fund, or principal campaign committee during the reporting period;

(l) (m) ~~Except for contributions to a candidate or committee for a candidate for office in a municipality as defined in section 471.345, subdivision 1,~~ The name and address of each individual or association to whom aggregate ~~noncampaign~~ disbursements have been made during the reporting period that aggregate in excess of \$100 have been made within the year by or on behalf of a principal campaign committee, political party committee, ballot question committee, political committee, or political fund, together with the amount, date, and purpose of each ~~noncampaign~~ disbursement;

(m) (n) The sum of all ~~noncampaign~~ disbursements made within the year reporting period by or on behalf of a principal campaign committee, political party committee, ballot question committee, political committee, or political fund; and

(n) (o) A report filed under subdivision 2, clause (b), by a political party committee, ballot question committee, political committee, or political fund that is subject to subdivision 14, must contain the information required by subdivision 14, if the political party committee, ballot question committee, political committee, or political fund has

solicited and caused others to make aggregate contributions greater than \$5,000 between January 1 of the general election year and the end of the reporting period. This disclosure requirement is in addition to the report required by subdivision 14.

Sec. 17. Minnesota Statutes 1992, section 10A.20, subdivision 5, is amended to read:

Subd. 5. [PREELECTION REPORTS.] In any statewide election any loan, contribution, or contributions from any one source totaling \$2,000 or more, or in any judicial district or legislative election totaling more than \$400, received between the last day covered in the last report prior to an election and the election shall be reported to the board in one of the following ways:

- (1) in person within 48 hours after its receipt;
- (2) by facsimile transmission and first class mail sent within 48 hours after its receipt;
- (2) (3) by telegram or mailgram within 48 hours after its receipt; or
- (3) (4) by certified mail sent within 48 hours after its receipt.

These loans and contributions must also be reported in the next required report.

The 48-hour notice requirement does not apply with respect to a primary if the statewide or legislative candidate is unopposed in that primary.

Sec. 18. Minnesota Statutes 1993 Supplement, section 10A.20, subdivision 6b, is amended to read:

Subd. 6b. [INDEPENDENT EXPENDITURES; NOTICE.] (a) Within 24 hours after an individual, political party committee, principal campaign committee, political committee, or political fund makes or becomes obligated by oral or written agreement to make an independent expenditure in excess of \$100, other than an expenditure by an association targeted to inform solely its own dues-paying members of the association's position on a candidate, the individual, political party committee, principal campaign committee, political committee, or political fund shall file with the board an affidavit notifying the board of the intent to make the independent expenditure and serve a copy of the affidavit on each candidate in the affected race and on the treasurer of the candidate's principal campaign committee. The affidavit must contain the information with respect to the expenditure that is required to be reported under subdivision 3, paragraph (g); except that if an expenditure is reported before it is made, the notice must include a reasonable estimate of the anticipated amount. Each new expenditure requires a new notice.

(b) An individual or the treasurer of a political party committee, principal campaign committee, political committee, or political fund who fails to give notice as required by this subdivision, or who files a false affidavit of notice, is guilty of a gross misdemeanor and is subject to a civil fine of up to four times the amount of the independent expenditure ~~stated in the notice or of which notice was required, whichever is greater.~~

Sec. 19. Minnesota Statutes 1992, section 10A.20, subdivision 12, is amended to read:

Subd. 12. The board shall notify by certified mail ~~or personal service~~ any individual who fails to file a statement required by this section. If an individual fails to file a statement due January 31 within ~~seven~~ five days after receiving a notice ~~was mailed~~, the board may impose a late filing fee of \$5 ~~\$25~~ per day, not to exceed ~~\$400~~ \$250, commencing on the ~~eighth~~ sixth day after receiving notice ~~was mailed~~. If an individual fails to file a statement due before any primary or election within three days of the date due, regardless of whether the individual has received any notice, the board may impose a late filing fee of \$50 ~~\$100~~ per day, not to exceed ~~\$500~~ \$1,000, commencing on the fourth day after the date the statement was due. The board shall further notify by certified mail or personal service any individual who fails to file any statement within 14 days after ~~receiving~~ a first notice from the board ~~was mailed~~ that the individual may be subject to a criminal penalty for failure to file a statement. An individual who ~~knowingly~~ fails to file the statement within ~~seven~~ five days after receiving a ~~second~~ this notice ~~from the board~~ is guilty of a misdemeanor.

Sec. 20. Minnesota Statutes 1992, section 10A.21, subdivision 3, is amended to read:

Subd. 3. Statements and reports filed with a county auditor shall be available to the public in the manner prescribed by section 10A.02, subdivision 8, clause (e). Statements and reports of principal campaign committees shall be retained until four years after the election to which they pertain. Economic interest statements shall be retained until the subject of the statement is no longer a candidate or officeholder. Upon request of a county auditor, the board shall send the auditor a copy of a statement of economic interest filed with the board. The copy need not be certified.

Sec. 21. Minnesota Statutes 1992, section 10A.23, is amended to read:

10A.23 [CHANGES AND CORRECTIONS.]

Subdivision 1. [REPORT.] Any material changes in information previously submitted and any corrections to a report or statement shall be reported in writing to the board within ten days following the date of the event prompting the change or the date upon which the person filing became aware of the inaccuracy. The change or correction shall identify the form and the paragraph containing the information to be changed or corrected.

Subd. 2. [NOTICE; PENALTY.] If the board determines that a report or statement is inaccurate, the board shall notify by certified mail the person who filed the report or statement of the need to correct it. If the person fails to file a corrected report or statement within 20 days after the notice was mailed, the board may send a second notice by certified mail stating that a late filing fee is imposed at the rate of \$25 a day, not to exceed \$250, commencing with the day after the second notice was mailed. The second notice shall further state that a person who fails to file a corrected report or statement within 10 days after the second notice is mailed may be subject to a criminal penalty for failure to file the correction. Any person who ~~willfully~~ fails to report a material change or correction within 30 days after receiving this notice is guilty of a gross misdemeanor.

Sec. 22. Minnesota Statutes 1993 Supplement, section 10A.25, subdivision 2, is amended to read:

Subd. 2. (a) 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:

- (1) for governor and lieutenant governor, running together, \$1,626,691;
- (2) for attorney general, \$271,116;
- (3) for secretary of state, state treasurer, and state auditor, separately, \$135,559;
- (4) for state senator, \$40,669;
- (5) for state representative, \$20,335.

(b) If a special election cycle occurs during a general election cycle, expenditures by or on behalf of a candidate in the special election do not count as expenditures by or on behalf of the candidate in the general election.

(c) The expenditure limits in this subdivision for an office are increased by ten percent for a candidate who is ~~running a candidate~~ for that office for the first time and who has not ~~run~~ previously been a candidate for any other office whose territory now includes a population that is more than one-third of the population in the territory of the new office.

Sec. 23. Minnesota Statutes 1993 Supplement, section 10A.25, subdivision 6, is amended to read:

Subd. 6. During an election cycle, in any year before ~~an~~ the 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.

Sec. 24. Minnesota Statutes 1993 Supplement, section 10A.25, subdivision 11, is amended to read:

Subd. 11. [CARRYFORWARD; DISPOSITION OF OTHER FUNDS.] After all campaign expenditures and noncampaign disbursements for an election cycle have been made, an amount up to 50 percent of the election cycle expenditure limit for the office may be carried forward. Any remaining amount up to the total amount of the public subsidy from the state elections campaign fund ~~and any public matching subsidy~~ must be returned to the state treasury for credit to the general fund under section 10A.324. Any remaining amount in excess of the total public subsidy must be contributed to the state elections campaign fund or a political party for multicandidate expenditures as defined in section 10A.275.

Sec. 25. Minnesota Statutes 1993 Supplement, section 10A.25, subdivision 13, is amended to read:

Subd. 13. [INDEPENDENT EXPENDITURES; LIMITS INCREASED.] (a) The expenditure limits in this section are increased by the sum of independent expenditures made in opposition to a candidate plus independent expenditures made on behalf of the candidate's major political party opponents, other than expenditures by an association targeted to inform solely its own dues-paying members of the association's position on a candidate.

(b) Within 48 hours after receipt of an expenditure report or notice required by section 10A.20, subdivision 3, 6, or 6b, the board shall notify each candidate in the race of the increase in the expenditure limit for the candidates against whom the independent expenditures have been made.

(c) Within three days after providing this notice, the board shall pay each candidate against whom the independent expenditures have been made, if the candidate is eligible to receive a public subsidy and has raised twice the minimum match required, an additional public subsidy equal to one-half the independent expenditures. If the candidate has not already filed with the board an affidavit that the candidate has raised twice the minimum match required, the board need not make the payment until three days after the candidate has filed the affidavit. The amount needed to pay the additional public subsidy under this subdivision is appropriated from the general fund to the board.

Sec. 26. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 1, is amended to read:

Subdivision 1. [CONTRIBUTION LIMITS.] Except as provided in subdivisions 2, 2a, and 6, no candidate shall permit the candidate's principal campaign committee to accept aggregate contributions made or delivered by any individual, political committee, or political fund in excess of the following:

(a) to candidates for governor and lieutenant governor running together, \$2,000 in an election year for the office sought and \$500 in other years;

(b) to a candidate for attorney general, \$1,000 in an election year for the office sought and \$200 in other years;

(c) to a candidate for the office of secretary of state, state treasurer or state auditor, \$500 in an election year for the office sought and \$100 in other years;

(d) to a candidate for state senator, \$500 in an election year for the office sought and \$100 in other years; and

(e) to a candidate for state representative, \$500 in an election year for the office sought and \$100 in the other year.

The following deliveries are not subject to the bundling limitation in this subdivision:

(1) delivery of contributions collected by a member of the candidate's principal campaign committee, such as a block worker or a volunteer who hosts a fund raising event, to the committee's treasurer; and

(2) a delivery made by an individual on behalf of the individual's spouse.

Sec. 27. Minnesota Statutes 1992, section 10A.27, is amended by adding a subdivision to read:

Subd. 2a. [REPAYING DEBT.] An unsuccessful candidate whose principal campaign committee is being dissolved may accept contributions up to the maximum amount allowed in an election year for the office held or sought, regardless of whether the contribution is accepted in an election year, for purposes of repaying the committee's debt.

Sec. 28. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 9, is amended to read:

Subd. 9. (a) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a transfer or contribution from another candidate's principal campaign committee or from any other committee bearing the contributing candidate's name or title or otherwise authorized by the contributing candidate, unless the contributing candidate's principal campaign committee is being dissolved. A candidate's principal campaign committee shall not make a transfer or contribution to another candidate's principal campaign committee, except when the contributing committee is being dissolved.

(b) A candidate's principal campaign committee shall not accept a transfer or contribution from, or make a transfer or contribution to, a committee associated with a person who seeks nomination or election to the office of President, Senator, or Representative in Congress of the United States.

(c) A candidate or the treasurer of a candidate's principal campaign committee shall not accept a contribution from a candidate for political subdivision office in any state, unless the contribution is from the personal funds of the candidate for political subdivision office. A candidate or the treasurer of a candidate's principal campaign committee shall not make a contribution from the principal campaign committee to a candidate for political subdivision office in any state.

Sec. 29. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 10, is amended to read:

Subd. 10. [PROHIBITED CONTRIBUTIONS.] A candidate who accepts a public subsidy may not contribute to the candidate's own campaign during a year more than ten times the ~~candidate's election-year~~ contribution limit for that year for the office sought by the candidate under subdivision 1.

Sec. 30. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS FROM CERTAIN TYPES OF CONTRIBUTORS.] A candidate shall not permit the candidate's principal campaign committee to accept a contribution from a political committee ~~other than a political party unit as defined in section 10A.275~~, a political fund, a lobbyist, or a large giver, if the contribution will cause the aggregate contributions during the election cycle from those types of contributors to exceed an amount equal to 20 percent of the sum of:

(1) the expenditure limits for the election cycle for the office sought by the candidate; and

(2) the total noncampaign disbursements made by the candidate during the election cycle.

For purposes of this subdivision, "large giver" means an individual, other than the candidate, who contributes an amount that is more than \$100 and more than one-half the amount an individual may contribute.

Sec. 31. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 12, is amended to read:

Subd. 12. [CONTRIBUTIONS TO OTHER POLITICAL COMMITTEES OR FUNDS.] The treasurer of a political committee or political fund that makes contributions to candidates or to a political party unit, other than a candidate's principal campaign committee or a political party unit as defined in section 10A.275, shall not permit the political committee or political fund to accept aggregate contributions from an individual, political committee, or political fund in an amount more than ~~\$100~~ \$500 a year. A ballot question committee is exempt from this subdivision.

Sec. 32. Minnesota Statutes 1993 Supplement, section 10A.31, subdivision 4, is amended to read:

Subd. 4. (a) The amounts designated by individuals for the state elections campaign fund, less three percent, are appropriated from the general fund and shall be credited to the appropriate account in the state elections campaign fund and annually appropriated for distribution as set forth in subdivisions 5, 6 and 7. An amount equal to three percent shall be retained in the general fund for administrative costs.

(b) In addition to the amounts in paragraph (a), \$1,500,000 for each general election is appropriated from the general fund for transfer to the general account of the state elections campaign fund.

Sec. 33. Minnesota Statutes 1992, section 10A.31, subdivision 5, is amended to read:

Subd. 5. In each calendar year the money in the general account 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.

In each calendar year the money in each party account shall be allocated as follows:

(1) 14 percent for the offices of governor and lieutenant governor together;

(2) 2.4 percent for the office of attorney general;

(3) 1.2 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, $23\frac{1}{3}$ percent for the office of state senator, and $46\frac{2}{3}$ 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) ten percent for the state committee of a political party; money allocated to each state committee under this clause must be deposited in a separate account and must be spent for only those items enumerated in section 10A.275; money allocated to a state committee under this clause must be paid to the committee by the state treasurer as notified by the state ethical practices board as it is received in the account on a monthly basis, with payment on the 15th day of the calendar month following the month in which the returns were processed by the department of revenue, provided that these distributions would be equal to 90 percent of the amount of money indicated in the department of revenue's weekly unedited reports of income tax returns and property tax refund returns processed in the month, as notified by the department of revenue to the state ethical practices board. The amounts paid to each state committee are subject to biennial adjustment and settlement at the time of each certification required of the commissioner of revenue under subdivisions 7 and 10. If the total amount of payments received by a state committee for the period reflected on a certification by the department of revenue is different from the amount that should have been received during the period according to the certification, each subsequent monthly payment must be increased or decreased to the fullest extent possible until the amount of the overpayment is recovered or the underpayment is distributed.

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, money 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 money from the candidate's 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 the candidate's district the candidate's share of the dollars allocated in that county to the candidate's 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 the candidate's district for all candidates of that candidate's 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 that candidate's 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 the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

The sum of all the county shares calculated in the formula above is the candidate's share of the candidate's 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, amounts in the party's account shall be allocated based on (a) the number of people voting in the last general election in that part of the county in the candidate's district, divided by (b) the number of the people voting in that county in the last general election, multiplied by (c) the amount in the candidate's party account allocated in that county and set aside for the candidates for the office for which the candidate is running.

In a year in which the first election after a legislative reapportionment is held, "the candidate's 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~~ refused by 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) in the following year. ~~Money 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.~~

Sec. 34. Minnesota Statutes 1993 Supplement, section 10A.31, subdivision 7, is amended to read:

Subd. 7. Within two weeks after certification by the state canvassing board of the results of the general election, the board shall distribute the available funds in the general account, as certified by the commissioner of revenue on November 1 and according to allocations set forth in subdivision 5, in equal amounts to all candidates for each statewide office who received at least five percent of the votes cast in the general election for that office, and to all candidates for legislative office who received at least ten percent of the votes cast in the general election for the specific office for which they were candidates, provided that the public subsidy under this subdivision may not be paid in an amount that would cause the sum of the public subsidy paid from the party account plus the public subsidy paid from the general account and the public subsidy paid to match independent expenditures to exceed 50 percent of the expenditure limit for the candidate, or 50 percent of the expenditure limit that would have applied to the candidate if the candidate had not been freed from expenditure limits under section 10A.25, subdivision 10. If a candidate is entitled to receive an opponent's share of the general account public subsidy under section 10A.25, subdivision 10, the opponent's share must be excluded in calculating the 50 percent limit. Money from the general account not paid to a candidate because of the 50 percent limit must be distributed equally among all other qualifying candidates for the same office until all have reached the 50 percent limit or the balance in the general account is exhausted. ~~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.~~ If a candidate has not yet filed a campaign finance report required by section 10A.20, subdivision 2, or the candidate owes money to the board, the board shall not pay a public subsidy to the candidate until the report has been filed or the debt has been paid, whichever applies.

Sec. 35. Minnesota Statutes 1992, section 10A.31, subdivision 11, is amended to read:

Subd. 11. For the purposes of this section, a write-in candidate is a candidate only upon complying with the provisions of ~~section 10A.32, subdivision 3~~ sections 10A.322 and 10A.323.

Sec. 36. Minnesota Statutes 1993 Supplement, section 10A.31, subdivision 12, is amended to read:

Subd. 12. [UNOPPOSED CANDIDATE NOT ELIGIBLE.] A candidate who is unopposed in both the primary election and the general election is not eligible to receive a public subsidy from the state election campaign fund. The subsidy from the party account the candidate would otherwise have been eligible to receive must be paid to the state committee of the candidate's political party to be deposited in a special account under section 10A.31, subdivision 5, clause (6), and used for only those items permitted under section 10A.275.

Sec. 37. Minnesota Statutes 1993 Supplement, section 10A.315, is amended to read:

10A.315 [SPECIAL ELECTION SUBSIDY.]

(a) Each eligible candidate for a legislative office in a special election must be paid a public subsidy equal to the sum of:

(1) the party account money at the last general election for the candidate's party for the office the candidate is seeking; and

(2) the general account money paid to candidates for the same office at the last general election.

(b) If the filing period for the special election coincides with the filing period for the general election, the candidate must meet the matching requirements of section 10A.323 and the special election subsidy must be distributed in the same manner as money is distributed to legislative candidates in a general election.

(c) If the filing period for the special election does not coincide with the filing period for the general election, the procedures in this paragraph apply. A candidate who wishes to receive this public subsidy must submit a signed agreement under section 10A.322 to the board not later than the day after the candidate files the affidavit of candidacy or nominating petition for the office. The candidate must meet one-quarter of the matching requirements of section 10A.323. The special election subsidy must be distributed in the same manner as money in the party and general accounts is distributed to legislative candidates in a general election.

(d) The amount necessary to make the payments required by this subdivision is appropriated from the general fund to the ~~state treasurer~~ ethical practices board.

Sec. 38. Minnesota Statutes 1993 Supplement, section 10A.322, subdivision 1, is amended to read:

Subdivision 1. [AGREEMENT BY CANDIDATE.] (a) As a condition of receiving a public subsidy, a candidate shall sign and file with the board a written agreement in which the candidate agrees that the candidate will comply with sections 10A.25 and 10A.324.

(b) Before the first day of filing for office, the board shall forward agreement forms to all filing officers. The board shall also provide agreement forms to candidates on request at any time. The candidate may sign an agreement and submit it to the filing officer on the day of filing an affidavit of candidacy or petition to appear on the ballot, in which case the filing officer shall without delay forward signed agreements to the board. Alternatively, the candidate may submit the agreement directly to the board at any time before September 1 preceding the candidate's general election. An agreement may not be filed after that date. An agreement once filed may not be rescinded.

(c) The board shall forward a copy of any agreement signed under this subdivision to the commissioner of revenue.

(d) Notwithstanding any provisions of this section, when a vacancy occurs that will be filled by means of a special election and the filing period does not coincide with the filing period for the general election, a candidate may sign and submit a spending limit agreement at any time before the deadline for submission of a signed agreement under section 10A.315.

(e) A candidate who fills a vacancy in nomination that occurs after the deadline in paragraph (b) may file a spending limit agreement no later than the day after the candidate fills the vacancy.

Sec. 39. Minnesota Statutes 1992, section 10A.322, subdivision 4, is amended to read:

Subd. 4. [REFUND RECEIPT FORMS; PENALTY.] The board shall make available to a political party on request, other than the political party organization within a municipality or precinct, and to any candidate for whom an agreement under this section is effective, a supply of official refund receipt forms that state in boldface type that (1) a contributor who is given a receipt form is eligible to claim a refund as provided in section 290.06, subdivision 23, and (2) if the contribution is to a candidate, that the candidate has signed an agreement to limit campaign expenditures as provided in this section. The forms must provide duplicate copies of the receipt to be attached to the contributor's claim. A candidate who does not sign an agreement under this section and who willfully issues an official refund receipt form or a facsimile of one to any of the candidate's contributors is guilty of a misdemeanor.

Sec. 40. Minnesota Statutes 1993 Supplement, section 10A.323, is amended to read:

10A.323 [MATCHING REQUIREMENTS.]

In addition to the requirements of section 10A.322, to be eligible to receive a public subsidy under section 10A.31 ~~or 10A.312~~ a candidate or the candidate's treasurer shall file an affidavit with the board stating that during that calendar year the candidate has accumulated contributions from persons eligible to vote in this state in the amount indicated for the office sought, counting only the first \$50 received from each contributor:

(1) candidates for governor and lieutenant governor running together, \$35,000;

- (2) candidates for attorney general, \$15,000;
- (3) candidates for secretary of state, state treasurer, and state auditor, separately, \$6,000;
- (4) candidates for the senate, \$3,000; and
- (5) candidates for the house of representatives, \$1,500.

~~To be eligible to receive a public matching subsidy under section 10A.312, The affidavit must state the total amount of contributions that have been received from persons eligible to vote in this state and the total amount of those contributions received, disregarding the portion of any contribution in excess of \$50. For purposes of counting toward the matching requirement in this section, a contribution made by a check drawn on a joint account shall be allocated equally to each account holder, whether or not it was signed by all account holders.~~

The candidate or the candidate's treasurer shall submit the affidavit required by this section to the board in writing by September 1 of the general election year to receive the payment ~~based on the results of~~ made following the primary election, ~~by September 15 to receive the payment made October 1, by October 1 to receive the payment made October 15, by November 1 to receive the payment made November 15~~ made following the general election, and by December 1 to receive the payment made December 15.

Sec. 41. Minnesota Statutes 1993 Supplement, section 10A.324, subdivision 1, is amended to read:

Subdivision 1. [WHEN RETURN REQUIRED.] A candidate shall return all or a portion of the public subsidy received from the state elections campaign fund or the public matching subsidy received under section 10A.315, under the circumstances in this section or section 10A.25, subdivision 11.

(a) ~~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 in 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.~~

(b) To the extent that the amount of public subsidy received exceeds the aggregate of: (1) actual expenditures made by the principal campaign committee of the candidate; and (2) 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.

(b) If the board determines that a candidate has filed an affidavit of matching contributions under section 10A.323 that is not supported by the campaign finance reports filed by the candidate under section 10A.20, the board shall notify the treasurer of the candidate's principal campaign committee and demand return of any public subsidy paid to the candidate for that election cycle. The treasurer shall return the entire public subsidy to the board.

Sec. 42. Minnesota Statutes 1992, section 10A.335, is amended to read:

10A.335 [LEGISLATIVE MONITORING OF TAX CHECKOFF.]

For the purpose of determining whether the distribution formula provided in section 10A.31, subdivision 5, (a) assures that money will be returned to the counties from which they were collected, and (b) continues to have a rational relation to the support for particular parties or particular candidates within legislative 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 ~~\$2, or in the case of a joint return, \$4, is designated~~ an amount has been checked off for a political party.

Sec. 43. Minnesota Statutes 1992, section 10A.34, is amended to read:

10A.34 [REMEDIES.]

Subdivision 1. A person charged with a duty under ~~sections 10A.02 to 10A.34~~ this chapter shall be personally liable for the penalty for failing to discharge it.

Subd. 1a. The board may bring an action in the district court in Ramsey county to recover any late filing fee imposed or public subsidy paid pursuant to any provision of this chapter. All money recovered shall be deposited in the general fund of the state.

Subd. 2. The board or a county attorney may seek an injunction in the district court to enforce the provisions of sections 10A.02 to 10A.34 this chapter.

Subd. 3. Unless otherwise provided, a violation of sections 10A.02 to 10A.34 this chapter is not a crime.

Subd. 4. [AWARD OF COSTS.] If the board prevails in an action to enforce this chapter, the board may request and the court may award to the board its costs, disbursements, reasonable attorney's fees, and witness fees.

Sec. 44. Minnesota Statutes 1993 Supplement, section 211B.15, subdivision 2, is amended to read:

Subd. 2. [PROHIBITED CONTRIBUTIONS.] A corporation may not make a contribution or offer or agree to make a contribution, directly or indirectly, of any money, property, free service of its officers, ~~or employees, or members,~~ or thing of monetary value to a major political party, organization, committee, or individual to promote or defeat the candidacy of an individual for nomination, election, or appointment to a political office. For the purpose of this subdivision, "contribution" includes an expenditure to promote or defeat the election or nomination of a candidate to a political office that 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, a candidate or committee established to support or oppose a candidate.

Sec. 45. Minnesota Statutes 1993 Supplement, section 211B.15, subdivision 15, is amended to read:

Subd. 15. [NONPROFIT CORPORATION EXEMPTION.] The prohibitions in this section do not apply to a nonprofit corporation that:

- (1) cannot engage in is not organized or operating for the principal purpose of conducting a business activities;
- (2) has no shareholders or other persons affiliated so as to have a claim on its assets or earnings; and
- (3) was not established by a business corporation or a labor union and has a policy not to accept significant contributions from those entities.

Sec. 46. Minnesota Statutes 1993 Supplement, section 211B.15, subdivision 16, is amended to read:

Subd. 16. [EMPLOYEE POLITICAL FUND SOLICITATION.] Any solicitation of political contributions by an employee must be in writing, informational and nonpartisan in nature, and not promotional for any particular candidate or group of candidates. The solicitation must consist only of a general request on behalf of an ~~independent political committee (a conduit fund)~~ and must state that there is no minimum contribution, that a contribution or lack thereof will in no way impact the employee's employment, that the employee must direct the contribution to candidates of the employee's choice, and that any response by the employee shall remain confidential and shall not be directed to the employee's supervisors or managers. Questions from an employee regarding a solicitation may be answered orally or in writing consistent with the above requirements. Nothing in this subdivision authorizes a corporate donation of an employee's time prohibited under subdivision 2.

Sec. 47. Minnesota Statutes 1993 Supplement, section 290.06, subdivision 23, is amended to read:

Subd. 23. [REFUND OF CONTRIBUTIONS TO POLITICAL PARTIES AND CANDIDATES.] (a) A taxpayer may claim a refund equal to the amount of the taxpayer's contributions made in the calendar year to candidates and to any political party. The maximum refund for an individual must not exceed \$50 and, for a married couple filing jointly, must not exceed \$100. A refund of a contribution is allowed only if the taxpayer files a form required by the commissioner and attaches to the form a copy of an official refund receipt form issued by the candidate or party and signed by the candidate, the treasurer of the candidate's principal campaign committee, or the party chair or treasurer, after the contribution was received. The receipt forms must be numbered, and the data on the receipt that are not public must be made available to the ethical practices board upon its request. A claim must be filed with the commissioner not sooner than January 1 of the calendar year in which the contribution is made and no later than April 15 of the calendar year following the calendar year in which the contribution is made. A taxpayer may file only one claim per calendar year. Amounts paid by the commissioner after June 15 of the calendar year following the calendar year in which the contribution is made must include interest at the rate specified in section 270.76.

(b) No refund is allowed under this subdivision for a contribution to any candidate unless the candidate:

- (1) has signed an agreement to limit campaign expenditures as provided in section 10A.322 or 10A.43;

- (2) is seeking an office for which voluntary spending limits are specified in section 10A.25 or 10A.43; and
- (3) has designated a principal campaign committee.

This subdivision does not limit the campaign expenditure of a candidate who does not sign an agreement but accepts a contribution for which the contributor improperly claims a refund.

(c) For purposes of this subdivision, "political party" means a major political party as defined in section 200.02, subdivision 7, or a minor political party qualifying for inclusion on the income tax or property tax refund form under section 10A.31, subdivision 3a.

A "major or minor party" includes 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.

"Candidate" means a congressional candidate as defined in section 10A.41, subdivision 4, or a candidate as defined in section 10A.01, subdivision 5, except a candidate for judicial office.

"Contribution" means a gift of money.

(d) The commissioner shall make copies of the form available to the public and candidates upon request.

(e) The following data collected or maintained by the commissioner under this subdivision are private: the identities of individuals claiming a refund, the identities of candidates to whom those individuals have made contributions, and the amount of each contribution.

(f) The commissioner shall report to the ethical practices board by August 1 of each year a summary showing the total number and aggregate amount of political contribution refunds made on behalf of each candidate and each political party. These data are public.

(g) The amount necessary to pay claims for the refund provided in this section is appropriated from the general fund to the commissioner of revenue.

Sec. 48. [ERRONEOUS PAYMENTS RATIFIED.]

Payments made by the state treasurer in 1990 under Minnesota Statutes, section 10A.31, subdivision 6, are ratified, notwithstanding any errors of the commissioner of revenue in certifying the amounts due.

Sec. 49. [REPEALER.]

Minnesota Statutes 1992, sections 10A.09, subdivision 3; 10A.21, subdivisions 1 and 2; and 10A.324, subdivisions 2 and 4, are repealed.

Sec. 50. [TRANSITION.]

(a) During the period from January 1, 1993, to December 31, 1994, candidates seeking election to the house of representatives at the 1994 general election may accept from the kinds of contributors listed in section 10A.27, subdivision 11, aggregate contributions in an amount not greater than 20 percent of the sum of the following:

- (1) the election year contribution limit applicable to the candidate;
- (2) the contribution limit for the year before the election year for the office sought by the candidate; and
- (3) the total of any noncampaign disbursements made by the candidate from January 1, 1993, to December 31, 1994.

(b) During the period from January 1, 1991, to December 31, 1994, candidates seeking election to constitutional offices at the 1994 general election may accept from the kinds of contributors listed in section 10A.27, subdivision 11, aggregate contributions in an amount not greater than 20 percent of the sum of the following:

- (1) the election year contribution limit applicable to the candidate under Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 1;

(2) three times the contribution limit under Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 1, for the year before the election year for the office sought by the candidate; and

(3) the total of any noncampaign disbursements made by the candidate from January 1, 1993, to December 31, 1994.

Sec. 51. [EFFECTIVE DATE.]

This act is effective the day following final enactment. The amendment to section 10A.20, subdivision 3, is effective the day following final enactment and applies to the reporting of transfers, donations in kind, and loans received by the principal campaign committee of legislative and statewide candidates on and after January 1, 1994.

ARTICLE 2

Section 1. Minnesota Statutes 1992, section 10A.01, subdivision 7, is amended to read:

Subd. 7. "Contribution" means a transfer of funds or a donation in kind.

Contribution includes any loan or advance of credit to a political committee, political fund, ballot question committee, political party committee, or principal campaign committee, which loan or advance of credit is (a) forgiven, or (b) paid by an individual or an association other than the political committee, political fund, ballot question committee, political party committee, 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, 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.

Contribution does not include services provided without compensation by an individual volunteering personal time on behalf of a candidate, political party committee, ballot question committee, political committee, or political fund, or the publishing or broadcasting of news items or editorial comments by the news media.

Sec. 2. Minnesota Statutes 1992, section 10A.01, subdivision 7a, is amended to read:

Subd. 7a. "Transfer of funds" or "transfer" means money or negotiable instruments given by an individual or association to a political party committee, 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; or to a ballot question committee for the purpose of promoting or defeating a ballot question.~~

Sec. 3. Minnesota Statutes 1992, section 10A.01, subdivision 7b, is amended to read:

Subd. 7b. "Donation in kind" means anything of value other than 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; or to a ballot question committee for the purpose of promoting or defeating a ballot question.~~ Donation in kind includes an approved expenditure.

Sec. 4. Minnesota Statutes 1992, section 10A.01, is amended by adding a subdivision to read:

Subd. 14a. [POLITICAL PARTY COMMITTEE.] "Political party committee" is a party unit required to register under section 10A.14.

Sec. 5. Minnesota Statutes 1992, section 10A.01, subdivision 15, is amended to read:

Subd. 15. "Political committee" means 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.~~

~~"Political committee" includes a major political party as defined in subdivision 12, a minor political party as defined in subdivision 13, and any principal campaign committee formed pursuant to section 10A.19.~~

Sec. 6. Minnesota Statutes 1992, section 10A.01, subdivision 16, is amended to read:

Subd. 16. "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.~~

Sec. 7. Minnesota Statutes 1992, section 10A.01, is amended by adding a subdivision to read:

Subd. 17a. [PARTY UNIT.] "Party unit" means the party organization within each house of the legislature; the state party organization; or the party organization within a congressional district, county, legislative district, municipality, or precinct.

Sec. 8. Minnesota Statutes 1992, section 10A.01, subdivision 21, is amended to read:

Subd. 21. "Loan" means an advance of money or anything of value made to a political committee, political fund, political party committee, ballot question committee, or principal campaign committee.

Sec. 9. Minnesota Statutes 1992, section 10A.01, is amended by adding a subdivision to read:

Subd. 23a. [BALLOT QUESTION COMMITTEE.] "Ballot question committee" is an association as defined in subdivision 3 whose purpose is to promote or defeat a ballot question, including efforts to qualify or oppose the qualification of a question for the ballot, and which is required to register under section 10A.14.

Sec. 10. Minnesota Statutes 1993 Supplement, section 10A.065, subdivision 5, is amended to read:

Subd. 5. [POLITICAL PARTY COMMITTEE.] This section does not apply to a political party committee established by a state political party; by the party organization within a congressional district, county, legislative district, municipality, or precinct; by a candidate for a judicial office; or to a member of such a political committee acting solely on behalf of the committee.

Sec. 11. Minnesota Statutes 1992, section 10A.11, is amended to read:

10A.11 [ORGANIZATION OF POLITICAL COMMITTEES.]

Subdivision 1. Every political party committee, ballot question committee, and political committee shall have a chair and a treasurer. ~~Nothing in this chapter shall prohibit them from being who may be~~ the same individual.

Subd. 2. No contribution shall be accepted and no expenditure shall be made by or on behalf of a political committee at a time when there is a vacancy in the office of treasurer.

Subd. 3. The treasurer of a political committee may appoint as many deputy treasurers as necessary and shall be responsible for their accounts.

Subd. 4. The treasurer of a political committee may designate not more than two depositories in each county in which a campaign is conducted.

Subd. 5. No funds of a political committee shall be commingled with any personal funds of officers, members or associates of the committee.

Subd. 7. Any person who knowingly violates the provisions of this section is guilty of a misdemeanor.

Sec. 12. Minnesota Statutes 1992, section 10A.13, is amended to read:

10A.13 [ACCOUNTS WHICH MUST BE KEPT.]

Subdivision 1. The treasurer of a principal campaign committee, political party committee, political committee, ballot question committee, or political fund shall keep an account of:

(a) The sum of all contributions except any donation in kind valued at \$20 or less, made to the political committee or political fund;

(b) The name and address of each source of a transfer made to the ~~political~~ committee or ~~political~~ fund in excess of \$20, together with the date and amount of each;

(c) The name and address of each source of a donation in kind valued in excess of \$20, together with the date and amount;

(d) Each expenditure made by the committee or fund, together with the date and amount;

(e) Each approved expenditure made on behalf of the committee or fund, together with the date and amount; and

(f) The name and address of each ~~political~~ committee or ~~political~~ fund to which transfers in excess of \$20 have been made, together with the date and amount.

Any individual who knowingly violates any provision of this subdivision is guilty of a misdemeanor.

Subd. 2. The treasurer shall obtain a receipted bill, stating the particulars, for every expenditure in excess of \$100 made by, or approved expenditure in excess of \$100 made on behalf of, a ~~political~~ committee or ~~political~~ fund, and for any expenditure or approved expenditure in a lesser amount if the aggregate amount of lesser expenditures and approved expenditures made to the same individual or association during any year exceeds \$100. The treasurer shall preserve all receipted bills and accounts required to be kept by this section for four years.

Sec. 13. Minnesota Statutes 1992, section 10A.14, subdivision 1, is amended to read:

10A.14 [REGISTRATION OF ~~POLITICAL~~ COMMITTEES AND POLITICAL FUNDS.]

Subdivision 1. The treasurer of a political party committee, principal campaign committee, ballot question committee, political committee, or political fund shall register with the board by filing a statement of organization no later than 14 days after the date upon which the committee or fund has made a contribution, received contributions or made expenditures in excess of \$100.

Sec. 14. Minnesota Statutes 1993 Supplement, section 10A.14, subdivision 2, is amended to read:

Subd. 2. The statement of organization shall include:

(a) the name and address of the a political party committee, principal campaign committee, ballot question committee, political committee, or political fund;

(b) the name and address of any supporting association of a political fund or a ballot question committee;

(c) the name and address of the chair, the treasurer, and any deputy treasurers of the committee or fund;

(d) a listing of all depositories or safety deposit boxes used;

(e) a statement as to whether the ~~committee entity~~ is a principal campaign committee ~~as authorized by section 10A.19, subdivision 1, political party committee, ballot question committee, political committee, or political fund~~; and

(f) for political parties only, a list of categories of ~~substate party~~ units as defined in section ~~10A.27, subdivision 4 10A.01, subdivision 17a~~.

Sec. 15. [10A.145] [BALLOT QUESTION COMMITTEE.]

Subdivision 1. [GENERAL.] A ballot question committee must register at the time and in the manner required by section 10A.14 and must comply with the organization requirements of section 10A.11, keep accounts as required by section 10A.13, and file reports under section 10A.20. A ballot question committee may, if not prohibited by other law, accept money derived from dues or membership fees. Pursuant to section 10A.20, the treasurer shall disclose the name of any member whose dues, membership fees, and contributions deposited in the ballot question committee together exceed \$100 in any one year.

Subd. 2. [RESTRICTIONS; PENALTY.] A ballot question committee shall not make a contribution to a candidate, principal campaign committee, political party committee, political committee, or political fund. A ballot question committee shall not make independent expenditures on behalf of or in opposition to any candidate, or any expenditures on behalf of or in opposition to the candidates of any political party.

A person who knowingly violates the provisions of this subdivision is guilty of a misdemeanor.

Sec. 16. Minnesota Statutes 1992, section 10A.15, subdivision 1, is amended to read:

Subdivision 1. No anonymous contribution in excess of \$20 shall be retained by any political party committee, principal campaign committee, ballot question committee, political committee, or political fund, but shall be forwarded to the board and deposited in the general account of the state elections campaign fund.

Sec. 17. Minnesota Statutes 1992, section 10A.15, subdivision 2, is amended to read:

Subd. 2. Every individual who receives a contribution in excess of \$20 for a political party committee, principal campaign committee, ballot question committee, political committee, or political fund shall, on demand of the treasurer, inform the treasurer of the name and, if known, the address of the source of the contribution, together with the amount of the contribution and the date it was received.

Sec. 18. Minnesota Statutes 1992, section 10A.15, subdivision 3, is amended to read:

Subd. 3. All transfers received by or on behalf of any candidate, principal campaign committee, political party committee, political committee, ballot question committee, or political fund shall be deposited in an account designated "Campaign Fund of (name of candidate, committee or fund)." All transfers shall be deposited promptly upon receipt and, except for transfers received during the last three days of any reporting period as described in section 10A.20, shall be deposited during the reporting period in which they were received. Any transfer received during the last three days of a reporting period shall be deposited within 72 hours of receipt and shall be reported as received during the reporting period whether or not deposited within that period. Any deposited transfer may be returned to the contributor within 60 days of deposit. A transfer deposited and not returned within 60 days of that deposit shall be deemed for the purposes of this chapter, to be accepted by the candidate, political committee or political fund.

Sec. 19. Minnesota Statutes 1993 Supplement, section 10A.16, is amended to read:

10A.16 [EARMARKING CONTRIBUTIONS PROHIBITED.]

An individual, political committee, principal campaign committee, or political fund may not solicit or accept a contribution from any source with the express or implied condition that the contribution or any part of it be directed to a particular candidate other than the initial recipient. An individual, principal campaign committee, political committee, or political fund who knowingly accepts any earmarked contribution is guilty of a gross misdemeanor.

Sec. 20. Minnesota Statutes 1992, section 10A.17, subdivision 1, is amended to read:

Subdivision 1. No expenditure shall be made by a political party committee, principal campaign committee, ballot question committee, political committee, political fund, or principal campaign committee unless it is authorized by the treasurer or deputy treasurer of that committee or fund.

Sec. 21. Minnesota Statutes 1992, section 10A.17, subdivision 3, is amended to read:

Subd. 3. The treasurer or deputy treasurer of a political principal campaign committee may sign vouchers for petty cash of not more than \$100 per week for statewide elections or \$20 per week for legislative elections to be used for miscellaneous expenditures.

Sec. 22. Minnesota Statutes 1992, section 10A.18, is amended to read:

10A.18 [BILLS WHEN RENDERED AND PAID.]

Every person who has a bill, charge or claim against any political party committee, principal campaign committee, ballot question committee, political committee, or political fund for any expenditure shall render in writing to the treasurer of the committee or fund the bill, charge or claim within 60 days after the material or service is provided. Failure to so present the bill, charge or claim is a misdemeanor.

Sec. 23. Minnesota Statutes 1992, section 10A.20, subdivision 1, is amended to read:

Subdivision 1. The treasurer of every political party committee, principal campaign committee, ballot question committee, political committee, and political fund shall begin to file the reports required by this section in the first year it receives contributions or makes expenditures in excess of \$100 and shall continue to file until the committee or fund is terminated.

Sec. 24. Minnesota Statutes 1993 Supplement, section 10A.20, subdivision 2, is amended to read:

Subd. 2. The reports shall be filed with the board on or before January 31 of each year and additional reports shall be filed as required and in accordance with clauses (a) and (b).

(a) In each year in which the name of the candidate is on the ballot, the report of the principal campaign committee shall be filed ten days before a primary and a general election, seven days before a special primary and a special election, and ten days after a special election cycle. The report due after a special election may be filed on January 31 following the special election if the special election is held not more than 60 days before that date.

(b) In each general election year political party committees, political committees, ballot question committees, and political funds other than principal campaign committees shall file reports ten days before a primary and general election.

If a scheduled filing date falls on a Saturday, Sunday or legal holiday, the filing date shall be the next regular business day.

Sec. 25. Minnesota Statutes 1992, section 10A.20, subdivision 7, is amended to read:

Subd. 7. If no contribution is received or expenditure made by or on behalf of a candidate, political party committee, principal campaign committee, ballot question committee, political fund, or political committee during a reporting period, the treasurer of the committee or fund shall file with the board at the time required by this section a statement to that effect.

Sec. 26. Minnesota Statutes 1992, section 10A.20, subdivision 8, is amended to read:

Subd. 8. The board shall exempt any member of or contributor to any association, political party committee, principal campaign committee, ballot question committee, political committee, or political fund or any other individual from the provisions of this section if the member, contributor or other individual demonstrates by clear and convincing evidence that disclosure would expose the member or contributor to economic reprisals, loss of employment or threat of physical coercion.

An association, political party committee, principal campaign committee, ballot question committee, political committee, or political fund may seek an exemption for all of its members or contributors if it demonstrates by clear and convincing evidence that a substantial number of its members or contributors would suffer a restrictive effect on their freedom of association if members were required to seek exemptions individually.

Sec. 27. Minnesota Statutes 1992, section 10A.20, subdivision 10, is amended to read:

Subd. 10. Any individual, association, political party committee, principal campaign committee, ballot question committee, political committee, or political fund seeking an exemption pursuant to subdivision 8 shall submit a written application for exemption to the board. The board, without hearing, shall grant or deny the exemption within 30 days after receiving an application, and shall issue a written order stating the reasons for its action. The board shall publish its order in the State Register and give notice to all parties known to the board to have an interest in the matter. If the board receives a written objection to its action from any party within 20 days after publication of its order and notification of interested parties, the board shall hold a contested case hearing on the matter. Upon the filing of a timely objection from the applicant, an order denying an exemption shall be suspended pending the outcome of the contested case. If no timely objection is received the exemption shall continue to be in effect until a written objection is filed with the board in a succeeding election year. The board by rule shall establish a procedure so that any individual seeking an exemption may proceed anonymously if the individual would be exposed to the reprisals listed in subdivision 8 if the individual's identity were to be revealed for the purposes of a hearing.

Sec. 28. Minnesota Statutes 1992, section 10A.20, subdivision 13, is amended to read:

Subd. 13. [THIRD PARTY REIMBURSEMENT.] An individual, political party committee, principal campaign committee, ballot question committee, political committee, or political fund filing a report disclosing an expenditure or noncampaign disbursement that must be reported and itemized under subdivision 3, paragraph (g) or (l), that is a reimbursement to a third party is required to report the purpose of each expenditure or disbursement for which the third party is being reimbursed. An expenditure or disbursement is a reimbursement to a third party if it is for goods or services that were not directly provided by the individual or association to whom the expenditure or disbursement is made. Third party reimbursements include payments to credit card companies and reimbursement of individuals for expenses they have incurred.

Sec. 29. Minnesota Statutes 1992, section 10A.22, subdivision 1, is amended to read:

Subdivision 1. A report or statement required by sections 10A.11 to 10A.34 to be filed by a treasurer of a political party committee, principal campaign committee, ballot question committee, political committee, or political fund, or by any other individual, shall be signed and certified as true by the individual required to file the report. Any individual who signs and certifies to be true a report or statement knowing it contains false information or who knowingly omits required information is guilty of a gross misdemeanor.

Sec. 30. Minnesota Statutes 1992, section 10A.22, subdivision 5, is amended to read:

Subd. 5. A political party committee, political committee, or political fund making an expenditure on behalf of more than one candidate for state or legislative office shall allocate the expenditure among the candidates on a reasonable cost basis and report the allocation for each candidate.

Sec. 31. Minnesota Statutes 1992, section 10A.22, subdivision 7, is amended to read:

Subd. 7. [STATEMENT REQUIRED; PENALTY.] (a) The treasurer of a political party committee, principal campaign committee, ballot question committee, political committee, or political fund shall not accept a contribution of more than \$100 from an association not registered in this state unless the contribution is accompanied by a written statement which meets the disclosure and reporting period requirements imposed by section 10A.20. This statement shall be certified as true and correct by an officer of the contributing association. The political party committee, principal campaign committee, ballot question committee, political committee, or political fund which accepts the contribution shall include a copy of the statement with the report which discloses the contribution to the board. The provisions of this subdivision shall not apply when a national political party transfers money to its affiliate in this state.

(b) An unregistered association may provide the written statement required by this subdivision to no more than three political party committees, principal campaign committees, ballot question committees, political committees, or political funds in any calendar year. Each statement must cover at least the 30 days immediately preceding and including the date on which the contribution was made. An unregistered association or an officer of it is subject to a civil penalty up to \$1,000 if the association or its officer:

(1) fails to provide a written statement as required by this subdivision; or

(2) fails to register after giving the written statement required by this subdivision to more than three political committees or political funds in any calendar year.

An officer of an association who violates this paragraph is guilty of a misdemeanor.

Sec. 32. Minnesota Statutes 1992, section 10A.24, as amended by Laws 1993, chapter 318, article 2, section 19, is amended to read:

10A.24 [DISSOLUTION OR TERMINATION.]

Subdivision 1. [TERMINATION REPORT.] No political party committee, principal campaign committee, ballot question committee, political committee, or political fund shall dissolve until it has settled all of its debts and disposed of all its assets in excess of \$100 and filed a termination report. "Assets" include credit balances at vendors and physical assets such as computers and postage stamps. Physical assets must be listed at their fair market value. The termination report may be made at any time and shall include all information required in periodic reports.

Subd. 2. [TERMINATION ALLOWED.] Notwithstanding subdivision 1, after mailing notice to any remaining creditors by certified mail, a political party committee, principal campaign committee, ballot question committee, political committee, or political fund that has debts incurred more than six years previously, has disposed of all its assets, and has met the requirements of section 10A.20, subdivision 7, may file a termination report.

Sec. 33. Minnesota Statutes 1992, section 10A.242, subdivision 1, is amended to read:

Subdivision 1. [DISSOLUTION REQUIRED.] A political party committee, principal campaign committee, ballot question committee, political committee, or political fund must be dissolved within 60 days after receiving notice from the board that the committee or fund has become inactive. The assets of the committee or fund must be spent for the purposes authorized by section 211B.12 and other applicable law or liquidated and deposited in the general account of the state elections campaign fund within 60 days after the board notifies the committee or fund that it has become inactive.

Sec. 34. Minnesota Statutes 1993 Supplement, section 10A.27, subdivision 11, is amended to read:

Subd. 11. [CONTRIBUTIONS FROM CERTAIN TYPES OF CONTRIBUTORS.] A candidate shall not permit the candidate's principal campaign committee to accept a contribution from a political committee ~~other than a political party unit as defined in section 10A.275~~, a political fund, a lobbyist, or a large giver, if the contribution will cause the aggregate contributions from those types of contributors to exceed an amount equal to 20 percent of the expenditure limits for the office sought by the candidate. For purposes of this subdivision, "large giver" means an individual, other than the candidate, who contributes an amount that is more than \$100 and more than one-half the amount an individual may contribute.

Sec. 35. Minnesota Statutes 1993 Supplement, section 10A.28, subdivision 2, is amended to read:

Subd. 2. A candidate who permits the candidate's principal campaign committee to accept contributions in excess of the limits imposed by section 10A.27, and the treasurer of a political fund or political committee, ~~other than a principal campaign committee~~, who permits the committee or fund to accept contributions in excess of the limits imposed by section 10A.27, shall be subject to a civil fine of up to four times the amount by which the contribution exceeded the limits.

Sec. 36. [REPEALER.]

Minnesota Statutes 1992, section 10A.275, subdivision 3, is repealed.

Delete the title and insert:

"A bill for an act relating to the ethical practices board; clarifying definitions; strengthening enforcement powers; requiring additional disclosure of lobbyist activities; facilitating reports of last-minute contributions; clarifying campaign finance requirements; requiring return of public subsidies under certain conditions; amending Minnesota Statutes 1992, sections 10A.01, subdivisions 7, 7a, 7b, 15, 16, 21, 25, and by adding subdivisions; 10A.03, subdivisions 2 and 3; 10A.04, subdivisions 5 and 7; 10A.05; 10A.065, by adding a subdivision; 10A.08; 10A.09, subdivision 7; 10A.11; 10A.13; 10A.14, subdivisions 1 and 4; 10A.15, subdivisions 1, 2, 3, 3a, and by adding a subdivision; 10A.17, subdivisions 1 and 3; 10A.18; 10A.20, subdivisions 1, 5, 7, 8, 10, 12, and 13; 10A.21, subdivision 3; 10A.22, subdivisions 1, 5, and 7; 10A.23; 10A.24, as amended; 10A.242, subdivision 1; 10A.27, by adding a subdivision; 10A.31, subdivisions 5 and 11; 10A.322, subdivision 4; 10A.335; 10A.34; Minnesota Statutes 1993 Supplement, sections 10A.01, subdivision 10c; 10A.065, subdivisions 1 and 5; 10A.14, subdivision 2; 10A.16; 10A.20, subdivisions 2, 3, and 6b; 10A.25, subdivisions 2, 6, 11, and 13; 10A.27, subdivisions 1, 9, 10, 11, and 12; 10A.28, subdivision 2; 10A.31, subdivisions 4, 7, and 12; 10A.315; 10A.322, subdivision 1; 10A.323; 10A.324, subdivision 1; 211B.15, subdivisions 2, 15, and 16; 290.06, subdivision 23; proposing coding for new law in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1992, sections 10A.09, subdivision 3; 10A.21, subdivisions 1 and 2; 10A.275, subdivision 3; 10A.324, subdivisions 2 and 4."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2342, A bill for an act relating to taxation; motor fuels; establishing permit system for alternate fuel vehicles; setting permit fees based on vehicle weight; amending Minnesota Statutes 1993 Supplement, sections 296.02, subdivision 1a; and 296.025, subdivision 1a; proposing coding for new law in Minnesota Statutes, chapter 296.

Reported the same back with the following amendments:

Page 2, line 15, delete "\$290" and insert "\$350"

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

The report was adopted.

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

H. F. No. 2503, A bill for an act relating to energy; reestablishing electric energy policy; establishing a hierarchy of preferred electric energy sources; establishing a legislative task force to oversee implementation of energy policy; establishing intervenor compensation account with revenues from utility assessments; clarifying the availability of intervenor compensation in proceedings before the public utilities commission; authorizing the public utilities commission to set discounted rates for low-income customers; establishing specific guidelines for payment to small power producers and cogenerators under certain circumstances; requiring compliance by a utility with a conservation improvement and resource planning requirements prior to the utility seeking a certificate of need for new or expanded facilities and rate increases; amending various statutes to conform with the reestablished energy policy; providing funding for the building energy research center and the energy center at the Red Wing/Winona technical college; providing demonstration grants for wind energy conversion facilities at public post-secondary institutions; providing for state bonding; appropriating money; amending Minnesota Statutes 1992, sections 216A.07, subdivision 3; 216A.085, subdivision 1; 216B.01; 216B.02, by adding subdivisions; 216B.03; 216B.11; 216B.16, subdivision 6, and by adding a subdivision; 216B.162, subdivisions 2, 4, and 8; 216B.164, subdivisions 1, 3, 6, and 7; 216B.17, subdivisions 1, 6, and 6a; 216B.243, subdivisions 3, 3a, and 4; 216C.01, subdivision 1; 216C.05; 216C.09; 216C.10; 216C.14, subdivision 2; 216C.17, subdivision 5; 216C.18, subdivisions 1 and 1a; 216C.315; 216C.38, by adding a subdivision; and 216C.381, subdivision 1; Minnesota Statutes 1993 Supplement, sections 216B.16, subdivision 1; 216B.162, subdivision 7; 216B.164, subdivision 4; and 216B.2422, subdivisions 1, 2, 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C; repealing Minnesota Statutes 1992, sections 216B.16, subdivision 10; Minnesota Statutes 1993 Supplement, section 216B.242.

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

The report was adopted.

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

H. F. No. 2525, A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring administrative rulemaking; setting timelines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; establishing and regulating health care cooperatives; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.15, subdivision 1; 62A.303; 62A.48, subdivision 1; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 16, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.08, subdivisions 2, 5,

6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 65B.49, subdivision 2; 79.36; 256.9657, by adding a subdivision; 295.50, by adding subdivisions; and 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivision 2; 62J.32, subdivision 4; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, subdivision 11, and by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 19, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 144.1464; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9356, subdivision 3; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, and 12b; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; proposing coding for new law in Minnesota Statutes, chapters 43A; 62A; 62E; 62J; 62N; 62P; 144; and 317A; proposing coding for new law as Minnesota Statutes, chapters 62Q; and 308B; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16.

Reported the same back with the following amendments:

Page 18, line 22, after the period, insert "The advisory group expires June 30, 1997. No more than seven members may be of the same gender."

Page 59, line 8, after the period, insert "The advisory committee expires January 1, 1995."

Page 59, line 21, after the period, insert "The advisory committee expires January 1, 1995."

Page 64, line 12, after the period, insert "No more than one-half plus one of the members may be of the same gender."

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

The report was adopted.

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

H. F. No. 2598, A bill for an act relating to state government; board of government innovation and cooperation; authorizing local governments to apply to the board for waivers on behalf of nonprofit organizations providing services to the local governments; modifying certain powers and duties of the board; modifying grant programs administered by the board; appropriating money; amending Minnesota Statutes 1993 Supplement, sections 465.795, subdivision 7; 465.796, subdivision 2; 465.797, subdivisions 1, 2, 3, 4, and 5; 465.798; and 465.799; proposing coding for new law in Minnesota Statutes, chapter 465; repealing Minnesota Statutes 1992, section 465.80, subdivision 3; Minnesota Statutes 1993 Supplement, section 465.80, subdivisions 1, 2, 4, and 5.

Reported the same back with the following amendments:

Page 8, line 12, reinstate the stricken language and delete the new language

Page 9, line 13, reinstate the stricken language and delete the new language

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Governmental Operations and Gambling/State Government Finance Division.

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 2603, A bill for an act relating to civil actions; consolidating and recodifying statutes providing limitations on private personal injury liability; amending Minnesota Statutes 1992, section 144.761, subdivision 5; proposing coding for new law as Minnesota Statutes, chapter 604A; repealing Minnesota Statutes 1992, sections 31.50; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; 87.03; 604.05; 604.08; 604.09; and 609.662, subdivision 5.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GOOD SAMARITANS

Section 1. [604A.01] [GOOD SAMARITAN LAW.]

Subdivision 1. [DUTY TO ASSIST.] A person at the scene of an emergency who knows that another person is exposed to or has suffered grave physical harm shall, to the extent that the person can do so without danger or peril to self or others, give reasonable assistance to the exposed person. Reasonable assistance may include obtaining or attempting to obtain aid from law enforcement or medical personnel. A person who violates this subdivision is guilty of a petty misdemeanor.

Subd. 2. [GENERAL IMMUNITY FROM LIABILITY.] (a) A person who, without compensation or the expectation of compensation, renders emergency care, advice, or assistance at the scene of an emergency or during transit to a location where professional medical care can be rendered, is not liable for any civil damages as a result of acts or omissions by that person in rendering the emergency care, advice, or assistance, unless the person acts in a willful and wanton or reckless manner in providing the care, advice, or assistance. This subdivision does not apply to a person rendering emergency care, advice, or assistance during the course of regular employment, and receiving compensation or expecting to receive compensation for rendering the care, advice, or assistance.

(b) For the purposes of this section, the scene of an emergency is an area outside the confines of a hospital or other institution that has hospital facilities, or an office of a person licensed to practice one or more of the healing arts under chapter 147, 148, 150A, or 153. The scene of an emergency includes areas threatened by or exposed to spillage, seepage, fire, explosion, or other release of hazardous materials, and includes ski areas and trails.

(c) For the purposes of this section, "person" includes a public or private nonprofit volunteer firefighter, volunteer police officer, volunteer ambulance attendant, volunteer first provider of emergency medical services, volunteer ski patroller, and any partnership, corporation, association, or other entity.

(d) For the purposes of this section, "compensation" does not include payments, reimbursement for expenses, or pension benefits paid to members of volunteer organizations.

Sec. 2. [604A.02] [AID TO SHOOTING VICTIM.]

A person who is subject to the duty imposed by section 609.662, subdivision 3, who, without compensation or expectation of compensation, renders assistance to the injured person, is not liable for any civil damages as a result of acts or omissions by that person in rendering the assistance unless that person acts in a willful and wanton or reckless manner in rendering the assistance. This section does not apply to a person who renders the assistance during the course of regular employment and receives compensation or expects to receive compensation for rendering the assistance.

Sec. 3. [604A.03] [MISCELLANEOUS GOOD SAMARITAN LAWS.]

Certain persons who provide assistance at the scene of a hazardous materials response incident are not liable for damages to the extent provided in section 299A.51, subdivision 3.

ARTICLE 2

VOLUNTEER AND CHARITABLE ACTIVITIES

Section 1. [604A.10] [LIABILITY OF FOOD DONORS.]

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

(b) "Distressed food" means, in addition to the definition in section 31.495, certain perishable foods, as defined in section 28A.03, that may not be readily marketable due to appearance, freshness, grade, surplus, or other considerations and are not suspect of having been rendered unsafe or unsuitable for food use and are adequately labeled.

(c) "Food bank" means a surplus food collection and distribution system operated and established to assist in bringing donated food to nonprofit charitable organizations and individuals for the purpose of reducing hunger and meeting nutritional needs.

(d) "Food facility" means:

(1) a restaurant, food establishment, vehicle, vending machine, produce stand, temporary food facility, satellite food distribution facility, stationary mobile food preparation unit, or mobile food preparation unit;

(2) a place used in conjunction with the operations described in clause (1), including, but not limited to, storage facilities for food-related utensils, equipment, and materials; or

(3) a farmers' market.

(e) "Nonprofit charitable organization" means an organization that is incorporated under the Minnesota nonprofit corporation act and is operating for charitable purposes.

Subd. 2. [DONATION; DISTRESSED FOOD.] A food manufacturer, distributor, processor, or a person who donates or collects distressed food to or for a nonprofit charitable organization for distribution at no charge to the elderly or needy, or who directly distributes distressed food to the elderly or needy at no charge, is not liable for any injury, including, but not limited to, injury resulting from the ingestion of the distressed food, unless the injury is caused by the gross negligence, recklessness, or intentional misconduct of the food manufacturer, processor, distributor, or person.

Subd. 3. [DISTRIBUTION.] A food bank or nonprofit charitable organization that in good faith collects or receives and distributes to the elderly or needy, at no charge, food that is fit for human consumption at the time it is distributed, is not liable for any injury, including, but not limited to, injury resulting from the ingestion of the food, unless the injury is caused by the gross negligence, recklessness, or intentional misconduct of the food bank or nonprofit charitable organization.

Subd. 4. [OTHER FOOD DONATION.] A food facility that donates, to a food bank or other nonprofit charitable organization, food that is fit for human consumption at the time of donation and distributed by the food bank or nonprofit charitable organization to the elderly or needy at no charge, is not liable for any injury, including, but not limited to, liability resulting from ingestion of the food, unless the injury is caused by the gross negligence, recklessness, or intentional misconduct of the food facility.

Subd. 5. [AUTHORITY NOT RESTRICTED.] This section does not restrict the authority of the commissioner of agriculture to regulate or ban the use or consumption of distressed food donated, collected, or received for charitable purposes.

Sec. 2. [604A.11] [VOLUNTEER ATHLETIC COACHES AND OFFICIALS; PHYSICIANS AND TRAINERS; IMMUNITY FROM LIABILITY.]

Subdivision 1. [GRANT.] (a) No individual who provides services or assistance without compensation as an athletic coach, manager, official, physician, or certified athletic trainer for a sports team that is organized or performing under a nonprofit charter, and no community-based, voluntary nonprofit athletic association, or any

volunteer of the nonprofit athletic association, is liable for money damages to a player, participant, or spectator as a result of an individual's acts or omissions in the providing of that service or assistance either at the scene of the event or, in the case of a physician or athletic trainer, while the player, participant, or spectator is being transported to a hospital, physician's office, or other medical facility.

(b) This section applies to organized sports competitions and practice and instruction in that sport.

(c) For purposes of this section, "compensation" does not include reimbursement for expenses.

Subd. 2. [LIMITATION.] Subdivision 1 does not apply:

(1) to the extent that the acts or omissions are covered under an insurance policy issued to the entity for whom the coach, manager, or official serves;

(2) if the individual acts in a willful and wanton or reckless manner in providing the services or assistance;

(3) if the acts or omissions arise out of the operation, maintenance, or use of a motor vehicle;

(4) to an athletic coach, manager, official, physician, or certified athletic trainer who provides services or assistance as part of a public or private educational institution's athletic program; or

(5) if the individual acts in violation of federal, state, or local law.

The limitation in clause (1) constitutes a waiver of the defense of immunity to the extent of the liability stated in the policy, but has no effect on the liability of the individual beyond the coverage provided.

Sec. 3. [604A.12] [LIVESTOCK ACTIVITIES; IMMUNITY FROM LIABILITY.]

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

(b) "Inherent risks of livestock activities" means dangers or conditions that are an integral part of livestock activities, including:

(1) the propensity of livestock to behave in ways that may result in death or injury to persons on or around them, such as kicking, biting, or bucking;

(2) the unpredictability of livestock's reaction to things like sound, sudden movement, unfamiliar objects, persons, or other animals;

(3) natural hazards such as surface or subsurface conditions; or

(4) collisions with other livestock or objects.

(c) "Livestock" means cattle, sheep, swine, horses, ponies, donkeys, mules, hinnies, goats, buffalo, llamas, or poultry.

(d) "Livestock activity" means an activity involving the maintenance or use of livestock, regardless of whether the activity is open to the general public, provided the activity is not performed for profit. Livestock activity includes:

(1) livestock production;

(2) loading, unloading, or transporting livestock;

(3) livestock shows, fairs, competitions, performances, races, rodeos, or parades;

(4) livestock training or teaching activities;

(5) boarding, shoeing, or grooming livestock; or

(6) riding or inspecting livestock or livestock equipment.

(e) "Livestock activity sponsor" means a person who sponsors, organizes, or provides the facilities for a livestock activity that is open to the general public.

(f) "Participant" means a person who directly and intentionally engages in a livestock activity. Participant does not include a spectator who is in an authorized area.

Subd. 2. [IMMUNITY FROM LIABILITY.] Except as provided in subdivision 3, a nonprofit corporation, association, or organization, or a person or other entity providing services, livestock, facilities, or equipment for the use of a nonprofit corporation, association, or organization, is not liable for the death of or an injury to a participant resulting from the inherent risks of livestock activities.

Subd. 3. [EXCEPTIONS.] Subdivision 2 does not apply if any of the following exist:

(1) the person provided livestock for the participant and failed to make reasonable efforts to determine the ability of the participant to safely engage in the livestock activity or to determine the ability of the participant to safely manage the particular livestock based on the participant's representations of the participant's ability;

(2) the person provided equipment or tack for the livestock and knew or should have known that it was faulty to the extent that it caused the injury or death;

(3) the person owns or leases the land upon which a participant was injured or died because of a manmade dangerous latent condition and failed to use reasonable care to protect the participant;

(4) the person is a livestock activity sponsor and fails to comply with the notice requirement of subdivision 4; or

(5) the act or omission of the person was negligent.

Subd. 4. [POSTING NOTICE.] A livestock activity sponsor shall post plainly visible signs at one or more prominent locations in the premises where the livestock activity takes place that include a warning of the inherent risks of livestock activity and the limitation of liability under this section.

Sec. 4. [604A.13] [MISCELLANEOUS VOLUNTEER AND CHARITABLE ACTIVITIES.]

An individual and an individual's estate are not liable for an anatomical gift as provided in section 525.9221, paragraph (d).

Sec. 5. [EFFECTIVE DATE; APPLICATION.]

Section 3 is effective August 1, 1994, and applies to causes of action arising on or after that date.

ARTICLE 3

ACTIVITIES INVOLVING A PUBLIC BENEFIT OR FUNCTION

Section 1. [604A.20] [RECREATIONAL LAND USE; DEFINITIONS.]

Subdivision 1. [GENERAL.] For the purposes of sections 1 to 7, the terms defined in this section have the meanings given them, except where the context clearly indicates otherwise.

Subd. 2. [CHARGE.] "Charge" means any admission price asked or charged for services, entertainment, recreational use, or other activity or the offering of products for sale to the recreational user by a commercial for profit enterprise directly related to the use of the land.

Subd. 3. [LAND.] "Land" means privately owned or leased land, roads, water, watercourses, private ways and buildings, structures, and machinery or equipment when attached to the land.

Subd. 4. [OWNER.] "Owner" means the possessor of a fee interest or a life estate, tenant, lessee, occupant, or person in control of the land.

Subd. 5. [RECREATIONAL PURPOSE.] "Recreational purpose" includes, but is not limited to, hunting; trapping; fishing; swimming; boating; camping; picnicking; hiking; bicycling; horseback riding; firewood gathering; pleasure driving, including snowmobiling and the operation of any motorized vehicle or conveyance upon a road or upon or across land in any manner; nature study; water skiing; winter sports; and viewing or enjoying historical, archaeological, scenic, or scientific sites.

Sec. 2. [604A.21] [OWNER'S DUTY OF CARE OR DUTY TO GIVE WARNINGS.]

Except as provided in section 5, an owner:

- (1) owes no duty of care to render or maintain the land safe for entry or use by other persons for recreational purposes;
- (2) owes no duty to warn those persons of any dangerous condition on the land, whether patent or latent;
- (3) owes no duty of care toward those persons except to refrain from willfully taking action to cause injury; and
- (4) owes no duty to curtail use of the land during its use for recreational purposes.

Sec. 3. [604A.22] [OWNER'S LIABILITY.]

Except as provided in section 5, an owner who either directly or indirectly invites or permits without charge any person to use the land for recreational purposes does not by that action:

- (1) extend any assurance that the land is safe for any purpose;
- (2) confer upon the person the legal status of an invitee or licensee to whom a duty of care is owed; or
- (3) assume responsibility for or incur liability for any injury to the person or property caused by an act or omission of the person.

Sec. 4. [604A.23] [LIABILITY; LEASED LAND, WATER FILLED MINE PITS.]

Unless otherwise agreed in writing, sections 2 and 3 also apply to the duties and liability of an owner of the following land:

- (1) land leased to the state or any political subdivision for recreational purposes; or
- (2) idled or abandoned, water filled mine pits whose pit walls may slump or cave, and to which water the public has access from a water access site operated by a public entity.

Sec. 5. [604A.24] [OWNER'S LIABILITY; NOT LIMITED.]

Except as provided in sections 1 to 7, nothing in those sections limits liability that otherwise exists for injury suffered in any case where the owner charges the persons who enter or go on the land for the recreational use, except that in the case of land leased to the state or a political subdivision, any consideration received from the state or political subdivision by the owner for the lease is not considered a charge within the meaning of this section.

Sec. 6. [604A.25] [LAND USER'S LIABILITY.]

Nothing in sections 1 to 7:

- (1) creates a duty of care or ground of liability for injury to persons or property; or
- (2) relieves any person using the land of another for recreational purposes from any obligation that the person may have in the absence of sections 1 to 7 to exercise care in use of the land and in the person's activities on the land, or from the legal consequences of failure to employ that care.

Sec. 7. [604A.26] [DEDICATION; EASEMENT.]

No dedication of any land in connection with any use by any person for a recreational purpose takes effect in consequence of the exercise of that use for any length of time except as expressly permitted or provided in writing by the owner, nor shall the grant of permission for the use by the owner grant to any person an easement or other property right in the land except as expressly provided in writing by the owner.

Sec. 8. [604A.27] [BREATH ALCOHOL TESTING DEVICE IN LIQUOR ESTABLISHMENTS.]

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

(b) "Breath alcohol testing device" means a device that tests for alcohol concentration by using a breath sample.

(c) "Licensed premises" has the meaning given in section 340A.101, subdivision 15.

(d) "Liquor licensee" means a person licensed under sections 340A.403 to 340A.407 or 340A.414, and includes an agent or employee of a licensee.

Subd. 2. [IMMUNITY FROM LIABILITY.] (a) Subject to subdivision 3, a liquor licensee who administers or makes available a breath alcohol testing device in the licensed premises is immune from any liability arising out of the result of the test.

(b) Subject to subdivision 3, a designer, manufacturer, distributor, or seller of a breath alcohol testing device is immune from any products liability or other cause of action arising out of the result of a test by the breath alcohol testing device in a licensed premises.

Subd. 3. [IMMUNITY REQUIREMENTS.] Subdivision 2 applies only if:

(1) a conspicuous notice is posted in the licensed premises:

(i) informing patrons of the immunity provisions of subdivision 2 and notifying them that the test is made available solely for their own informal use and information; and

(ii) informing patrons of the alcohol-related driving penalties under sections 169.121 to 169.123, 169.129, and 609.21;

(2) the type of breath alcohol testing device is certified by the commissioner of public safety under subdivision 7; and

(3) the breath alcohol testing device test results are indicated as follows:

(i) the breath alcohol testing device shows a white light and gives a reading of alcohol concentration if alcohol concentration is less than .05;

(ii) the breath alcohol testing device shows a yellow light and gives a reading of alcohol concentration if alcohol concentration is .05 or more but less than .08;

(iii) the breath alcohol testing device shows an orange light and gives a reading of alcohol concentration if alcohol concentration is .08 or more but less than .10, and displays a message that states "You are close to the legal limit and your driving may be impaired"; or

(iv) the breath alcohol testing device shows a red light if alcohol concentration is .10 or greater but does not give a reading of alcohol concentration, and displays a message that states that the person fails the test.

Subd. 4. [EVIDENCE.] Evidence regarding the result of a test by a breath alcohol testing device in a licensed premises is not admissible in any civil or criminal proceeding.

Subd. 5. [DRAMSHOP.] This section does not affect liability under section 340A.801.

Subd. 6. [PREPARATION OF NOTICE.] The commissioner of public safety shall prepare and make available to liquor licensees the notices described in subdivision 3.

Subd. 7. [RULES; CERTIFICATION.] The commissioner of public safety shall adopt any rules reasonably required to implement this section, including performance and maintenance standards for breath alcohol testing devices. The commissioner shall certify breath alcohol testing devices that meet the performance standards. The costs of rulemaking and certification must be borne by the manufacturers of the breath alcohol testing devices.

Sec. 9. [604A.28] [MISCELLANEOUS PUBLIC BENEFIT OR FUNCTION.]

Subdivision 1. [NURSING HOME RECEIVERS.] Certain nursing home receivers are immune from personal liability as provided in section 144A.15, subdivision 4.

Subd. 2. [HEALTH CARE REVIEW ORGANIZATIONS.] Certain persons involved in health care review organization activities are immune from liability as provided in section 145.63.

Subd. 3. [BACKGROUND CHECKS.] Certain persons who issue certificates in conjunction with gun permit background checks are immune from liability as provided in section 624.713, subdivision 1.

ARTICLE 4

MISCELLANEOUS

Section 1. Minnesota Statutes 1992, section 127.03, subdivision 3, is amended to read:

Subd. 3. [IMMUNITY FROM CIVIL LIABILITY DEFENSE.] It is a defense to a civil action for damages against a teacher school official, as defined in section 609.2231, subdivision 5, or a volunteer in the school to prove that the force used by the teacher official or volunteer was reasonable, was in the exercise of lawful authority, and was necessary under the circumstances to restrain the pupil or to prevent bodily harm or death to another.

Sec. 2. Minnesota Statutes 1992, section 144.761, subdivision 5, is amended to read:

Subd. 5. [EMERGENCY MEDICAL SERVICES PERSONNEL.] "Emergency medical services personnel" means:

- (1) individuals employed to provide prehospital emergency medical services;
- (2) persons employed as licensed police officers under section 626.84, subdivision 1, who experience a significant exposure in the performance of their duties;
- (3) firefighters, paramedics, emergency medical technicians, licensed nurses, rescue squad personnel, or other individuals who serve as employees or volunteers of an ambulance service as defined by sections 144.801 to 144.8091, who provide prehospital emergency medical services;
- (4) crime lab personnel receiving a significant exposure while involved in a criminal investigation;
- (5) correctional guards, including security guards at the Minnesota security hospital, employed by the state or a local unit of government who experience a significant exposure to an inmate who is transported to a facility for emergency medical care; and
- (6) other persons who render emergency care or assistance at the scene of an emergency, or while an injured person is being transported to receive medical care, and who would qualify for immunity from liability under the good samaritan law, section 604.05 604A.01.

Sec. 3. Minnesota Statutes 1993 Supplement, section 540.18, subdivision 1, is amended to read:

Subdivision 1. The parent or guardian of the person of a minor who is under the age of 18 and who is living with the parent or guardian and who willfully or maliciously causes injury to any person or damage to any property is jointly and severally liable with such minor for such injury or damage to an amount not exceeding \$1,000, if such minor would have been liable for such injury or damage if the minor had been an adult; provided that the liability provided in this subdivision is limited to \$5,000 for personal injury damages and \$1,000 for property damages or, in the case of an indigent parent or guardian, services in an equivalent value performed for the person who suffered injury to person or property. Nothing in this subdivision shall be construed to relieve such minor from personal liability for such injury or damage. The liability provided in this subdivision is in addition to and not in lieu of any other liability which may exist at law. Recovery under this section shall be limited to special damages.

Sec. 4. Minnesota Statutes 1992, section 609.88, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer damage and may be sentenced as provided in subdivision 2:

- (a) Intentionally and without authorization damages or destroys any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6;

(b) Intentionally and without authorization ~~and~~ or with intent to injure or defraud alters any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6; or

(c) Distributes a destructive computer program, without authorization and with intent to damage or destroy any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6.

Sec. 5. Minnesota Statutes 1992, section 609.89, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer theft and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization or claim of right accesses or causes to be accessed any computer, computer system, computer network or any part thereof for the purpose of obtaining services or property; or

(b) Intentionally and without claim of right, and with intent to ~~permanently~~ deprive the owner of use or possession, takes, transfers, conceals or retains possession of any computer, computer system, or any computer software or data contained in a computer, computer system, or computer network.

Sec. 6. [609.8911] [REPORTING VIOLATIONS.]

A person who has reason to believe that any provision of section 609.88, 609.89, or 609.891 is being or has been violated shall report the suspected violation to the prosecuting authority in the county in which all or part of the suspected violation occurred. A person who makes a report under this section is immune from any criminal or civil liability that otherwise might result from the person's action, if the person is acting in good faith.

Sec. 7. [609.8912] [CIVIL REMEDIES.]

A cause of action exists for injury caused by a violation of section 609.88, 609.89, or 609.891. The cause of action exists against any person who commits computer damage, computer theft, or unauthorized computer access, regardless of whether the person is convicted of the violation. A person found liable for injuries under this section is liable to the injured person for compensatory damages.

This cause of action is in addition to and does not supplant any other available civil remedies.

Sec. 8. [REPEALER.]

Minnesota Statutes 1992, sections 31.50; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; 87.03; 604.05; 604.08; 604.09; and 609.662, subdivision 5, are repealed.

Sec. 9. [EFFECTIVE DATE.]

Sections 4 and 5 are effective August 1, 1994, and apply to crimes committed on or after that date. Section 7 is effective August 1, 1994, and applies to causes of action arising on or after that date."

Delete the title and insert:

"A bill for an act relating to civil actions; consolidating and recodifying statutes; providing limitations on private personal injury liability; requiring reporting of violations of computer crimes; providing a cause of action for injury caused by a violation of computer crimes; amending Minnesota Statutes 1992, sections 127.03, subdivision 3; 144.761, subdivision 5; 609.88, subdivision 1; and 609.89, subdivision 1; Minnesota Statutes 1993 Supplement, section 540.18, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 604A; repealing Minnesota Statutes 1992, sections 31.50; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; 87.03; 604.05; 604.08; 604.09; and 609.662, subdivision 5."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2645, A bill for an act relating to counties; providing for the filling by appointment of certain offices previously elective; providing for conforming changes; amending Minnesota Statutes 1992, section 382.01; repealing Minnesota Statutes 1992, section 382.02.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 375A.10, subdivision 2, is amended to read:

Subd. 2. [CERTAIN OFFICES.] In addition to the other options provided by sections 375A.01 to 375A.13, ~~any~~ a county may institute one or more of the following options; except that a county ~~which that~~ has adopted the auditor-administrator plan may not provide for the appointment of the auditor or the consolidation of the offices of auditor and treasurer while the auditor-administrator plan is in force:

(a) (1) provide for the appointment of one or more of the following offices if they have not been abolished by the adoption of other options: county auditor, county treasurer, ~~sheriff~~ coroner, or county recorder;

(b) (2) provide for the office of county civil counsel;

(c) (3) consolidation of the offices of county auditor and treasurer; and

(4) provide for the appointment of the office of sheriff.

Sec. 2. Minnesota Statutes 1992, section 375A.12, subdivision 2, is amended to read:

Subd. 2. [FORM OF GOVERNMENT OPTIONS.] (a) The options provided in sections 375A.01 to 375A.10 ~~shall~~, except the option provided by section 375A.10, subdivision 2, clause (1), may be adopted in any county only after an affirmative vote of the voters in the county on the question of the adoption of the option. Except as provided in section 375A.01, only one such plan may be submitted at any one election.

(b) The option provided by section 375A.10, subdivision 2, clause (4), may be exercised at any time after the affirmative vote of the voters in the county on the question of the adoption of the option as provided in this section.

(c) The option provided by section 375A.10, subdivision 2, clause (1), may be exercised by the county board without an affirmative vote of the voters in the county at any time there is a vacancy in any of the offices named in section 375A.10, subdivision 2, clause (1), provided that the vacancy occurs prior to March 1 in a year in which the term of office would expire. The county board shall publish its intention to make an office enumerated in section 375A.10, subdivision 2, clause (1), appointive once each week for three consecutive weeks in the official newspaper of the county before making an appointment and may proceed with the appointment without a referendum unless a petition signed by at least ten percent of the registered voters of the county voting in the last general election, requesting a referendum on the question of making the office appointive, is presented to the county board within 90 days after the date of the last published notice of the intent to make the office appointive. If a petition is presented to the county board, a referendum must be held as provided in this section. This paragraph supersedes a contrary provision of another general or special law or county charter provision.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective January 1, 1995."

Delete the title and insert:

"A bill for an act to counties; providing for the filling by appointment of certain offices in counties previously elective; providing for conforming changes; amending Minnesota Statutes 1992, sections 375A.10, subdivision 2; and 375A.12, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2651, A bill for an act relating to the state board of investment; management of funds under the board's control; amending Minnesota Statutes 1992, sections 11A.17, subdivisions 1, 4, 9, 10a, and 14; 11A.18, subdivision 9; 11A.24, subdivisions 3, 5, and 6; 353D.05, subdivision 2; and 354B.07, subdivision 2; Minnesota Statutes 1993 Supplement, sections 11A.24, subdivisions 1 and 4; 352D.04, subdivision 1; and 354B.05, subdivision 3.

Reported the same back with the following amendments:

Page 1, after line 10, insert:

"ARTICLE 1

STATE BOARD OF INVESTMENT PROVISIONS"

Page 7, line 12, after "or" insert "in" and after the second "obligations" insert "that are"

Page 7, line 13, after "categories" insert "as provided in paragraph (a), clause (2),"

Page 7, lines 18 and 20, delete "clause" and insert "paragraph"

Page 12, after line 13, insert:

"Sec. 13. Minnesota Statutes 1993 Supplement, section 352D.09, subdivision 8, is amended to read:

Subd. 8. [ADMINISTRATIVE CHARGE DEDUCTIONS.] Any administrative charges deducted under subdivision 7 that were in excess of the administrative expenses between July 1, 1973, and June 30, 1992, together with any investment gains or losses based on fiscal year balances, must be recovered from the state employees retirement plan and held in the unclassified plan to pay future administrative expenses. Any deductions to pay administrative expenses under section 11A.17, subdivision 10a, on contributions and investment returns attributable to contributions made before July 1, 1992, must be credited back to the participants in the unclassified plan. Any deductions to pay administrative expenses under section 11A.17, subdivision 10a, that exceed an amount equal to one-twelfth of an annual charge equal to one-tenth of one percent of the assets in each account will be credited back to the participants."

Page 15, after line 13, insert:

"Sec. 17. [REQUIREMENT FOR PROVISION OF CERTAIN INFORMATION.]

The executive director of the state board of investment shall report to the legislative commission on pensions and retirement during fiscal year 1995 on any investments that it made under Minnesota Statutes, section 11A.24, subdivision 3, paragraph (b). The report must be made in conjunction with the regular annual report of the state board of investment."

Page 15, line 16, after "sections" insert "in this article"

Renumber the sections in sequence in article 1 and correct internal references

Page 15, after line 16, insert:

"ARTICLE 2

LIMIT ON INVESTMENT AUTHORITY FOR OTHER PUBLIC PENSION PLANS

Section 1. Minnesota Statutes 1993 Supplement, section 69.77, subdivision 2g, is amended to read:

Subd. 2g. [LOCAL POLICE AND PAID FIRE RELIEF ASSOCIATION INVESTMENT AUTHORITY.] The funds of the association must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio

investments of the investment companies comply with the type of securities authorized for investment by under Minnesota Statutes 1992, section 11A.24, subdivisions 2 to 3, and 5, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivision 4. Securities held by the association before June 2, 1989, that do not meet the requirements of this subdivision may be retained after that date if they were proper investments for the association on that date.

The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the state board of investment under section 11A.17. The governing board of the association may certify general fund assets of the relief association for investment by the state board of investment in fixed income pools or in a separately managed account at the discretion of the state board of investment as provided in section 11A.14. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 2. Minnesota Statutes 1993 Supplement, section 69.775, is amended to read:

69.775 [INVESTMENTS.]

The special fund assets of the relief associations governed by sections 69.771 to 69.776 must be invested in securities that are authorized investments under section 356A.06, subdivision 6 or 7. Notwithstanding the foregoing, up to 75 percent of the market value of the assets of the fund may be invested in open-end investment companies registered under the federal Investment Company Act of 1940, if the portfolio investments of the investment companies comply with the type of securities authorized for investment by under Minnesota Statutes 1992, section 11A.24, subdivisions 2 to 3, and 5, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivision 4. Securities held by the associations before June 2, 1989, that do not meet the requirements of this section may be retained after that date if they were proper investments for the association on that date. The governing board of the association may select and appoint investment agencies to act for and in its behalf or may certify special fund assets for investment by the state board of investment under section 11A.17. The governing board of the association may certify general fund assets of the relief association for investment by the state board of investment in fixed income pools or in a separately managed account at the discretion of the state board of investment as provided in section 11A.14. The governing board of the association may select and appoint a qualified private firm to measure management performance and return on investment, and the firm shall use the formula or formulas developed by the state board under section 11A.04, clause (11).

Sec. 3. Minnesota Statutes 1992, section 356A.06, subdivision 7, is amended to read:

Subd. 7. [EXPANDED LIST OF AUTHORIZED INVESTMENT SECURITIES.] Except to the extent otherwise authorized by law or bylaws, a covered pension plan not described by subdivision 6, paragraph (a), may invest its assets only in accordance with Minnesota Statutes 1992, section 11A.24, subdivisions 2, 3, 5, and 6, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivisions 1 and 4.

Sec. 4. Minnesota Statutes 1992, section 422A.05, subdivision 2c, is amended to read:

Subd. 2c. [MINNEAPOLIS EMPLOYEES RETIREMENT FUND INVESTMENT AUTHORITY.] (a) For investments made on or after July 1, 1991, the board shall invest funds only in investments authorized by Minnesota Statutes 1992, section 11A.24, subdivisions 2, 3, 5, and 6, and Minnesota Statutes 1993 Supplement, section 11A.24, subdivisions 1 and 4.

(b) However, in addition to real estate investments authorized by section 11A.24 under paragraph (a), the board may also make loans to purchasers of Minnesota situs nonfarm residential real estate that is owned by the Minneapolis employees retirement fund. The loans must be secured by mortgages or deeds of trust.

~~(b)~~ (c) For investments made before July 1, 1991, the board may, but is not required to, comply with section 11A.24 paragraph (a). However, with respect to these investments, the board shall act in accordance with subdivision 2a and chapter 356A.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1994.

ARTICLE 3

INVESTMENT INFORMATION REPORT

Section 1. [356.219] [DISCLOSURE OF ADDITIONAL PUBLIC PENSION PLAN INVESTMENT INFORMATION.]

Subdivision 1. [REPORT REQUIRED.] The state board of investment on behalf of the public pension funds and programs for which it is the investment authority and any Minnesota public pension plan not wholly invested through the state board of investments, including a local police or firefighters' relief association governed by section 69.77 or sections 69.771 to 69.775, shall report the information specified in subdivision 2 to the state auditor. The state auditor may prescribe a form or forms for the purposes of the reporting requirements contained in this section.

Subd. 2. [CONTENT AND TIMING OF REPORTS.] (a) The following information shall be included in the report required by subdivision 1:

- (1) the market value of all investments at the close of the reporting period;
- (2) regular payroll-based contributions to the fund;
- (3) other contributions and revenue paid into the fund, including, but not limited to, state or local non-payroll-based contributions, repaid refunds, and buybacks;
- (4) total benefits paid to members;
- (5) fees paid for investment management services;
- (6) salaries and other administrative expenses paid; and
- (7) total return on investment.

The report must also include a written statement of the investment policy in effect on June 30, 1988, and any investment policy changes made subsequently and shall include the effective date of each policy change. The information required under this subdivision must be reported separately for each investment account or investment portfolio included in the pension fund.

(b) The information specified in paragraph (a) must be provided separately for each quarter for the fiscal years of the pension fund ending during calendar years 1989 through 1991 and on a monthly basis thereafter. The required information through fiscal year 1993 must be submitted to the state auditor on or before October 1, 1994, and subsequently within six months of the end of each fiscal year.

Subd. 3. [PENALTY FOR NONCOMPLIANCE.] Failure to comply with the reporting requirements of this section shall result in a withholding of all state aid to which the pension plan may otherwise be entitled. The state auditor shall instruct the commissioners of revenue and finance to withhold state aid from any pension plan that fails to comply with the reporting requirements contained in this section.

Subd. 4. [INVESTMENT DISCLOSURE REPORT.] Using the information provided under subdivision 2, the state auditor shall prepare an annual report to the legislature on the components of investment performance resulting from stages in the investment decision-making process of various public pension plans subject to this section. The state auditor may contract with a qualified consultant or consulting firm to perform the analysis and prepare the report required under this subdivision.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "limiting the investment authority of various local pension plans to the pre-1994 investment authority of the state board of investment; requiring disclosure of certain investment information;"

Page 1, line 6, delete the second "and"

Page 1, line 7, after the semicolon, insert "356A.06, subdivision 7; and 422A.05, subdivision 2c;"

Page 1, line 8, after the semicolon, insert "69.77, subdivision 2g; 69.775;"

Page 1, line 9, after the semicolon, insert "352D.09, subdivision 8;" and before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 356"

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. 2731, A bill for an act relating to game and fish; modifying size limits for walleye; amending Minnesota Statutes 1993 Supplement, section 97C.401, subdivision 2, and by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 97C.401, subdivision 2, is repealed."

Delete the title and insert:

"A bill for an act relating to game and fish; repealing Minnesota Statutes 1993 Supplement, section 97C.401, subdivision 2."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2775, A bill for an act relating to motor vehicles; emission control inspections; requiring contractors operating public inspection stations to make available the opportunity to renew motor vehicle registrations and obtain plates or tabs at inspection stations; amending Minnesota Statutes 1992, section 116.62, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 168.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 116.61, subdivision 2, is amended to read:

Subd. 2. [EXEMPT VEHICLES.] The following motor vehicles are exempt from the requirements of this section:

(1) a motor vehicle manufactured before the 1976 model year or with an engine manufactured before the 1976 model year;

- (2) a motor vehicle registered as classic, pioneer, collector, or street rod under section 168.10;
- (3) a motor vehicle that is exempted in accordance with rules of the agency because the vehicle, although registered to an owner residing in the metropolitan area, is customarily domiciled outside of the metropolitan area; and
- (4) any class of motor vehicle that is exempted by rule of the agency because the vehicles present prohibitive inspection problems or are inappropriate for inspection; and
- (5) a motor vehicle that has not reached its sixth year of vehicle life.

Sec. 2. Minnesota Statutes 1992, section 221.011, is amended by adding a subdivision to read:

Subd. 46. [YOUTH CHARTER CARRIER.] "Youth charter carrier" means a charter carrier who primarily transports, in passenger vehicles seating not more than 15 persons in addition to the driver, students enrolled in public or private elementary or secondary schools or children under school age, but who provides service under contract to a school or school district only during the months of June through August.

Sec. 3. Minnesota Statutes 1993 Supplement, section 221.111, is amended to read:

221.111 [PERMITS TO OTHER MOTOR CARRIERS.]

Motor carriers other than certificated carriers and local cartage carriers shall obtain a permit in accordance with section 221.121. The board shall issue only the following kinds of permits:

- (1) class II-T permits;
- (2) class II-L permits;
- (3) livestock carrier permits;
- (4) contract carrier permits;
- (5) charter carrier permits;
- (6) courier service carrier permits;
- (7) local cartage carrier permits;
- (8) household goods mover permits;
- (9) temperature-controlled commodities permits; and
- (10) armored carrier permits; and
- (11) youth charter carrier permits.

Sec. 4. Minnesota Statutes 1992, section 221.121, is amended by adding a subdivision to read:

Subd. 6h. [YOUTH CHARTER CARRIER.] (a) A person who desires to hold out or operate as a youth charter carrier shall follow the procedures established in subdivision 1, paragraph (a), other than the requirement for filing letters of support, and specifically request a youth charter carrier permit. The board shall issue the permit upon compliance with the laws and rules relating to it, if the board finds that the petitioner is fit and able to conduct the proposed operations and that the petitioner's vehicles meet the applicable rules of the commissioner prescribed under section 221.031.

(b) Nothing in this subdivision requires a holder of a charter carrier permit to obtain a permit under this subdivision to provide the service described in section 221.011, subdivision 46.

Sec. 5. [MOTOR VEHICLE REGISTRATION STUDY.]

Subdivision 1. [STUDY REQUIRED.] The commissioner of the pollution control agency, in cooperation with the commissioner of public safety, shall conduct a study of the feasibility and desirability of accepting applications for motor vehicle registration at a motor vehicle emissions inspection station. The study shall include:

(1) the effect of the proposal on an ability of the inspection station to perform emissions inspections, and on the effectiveness of the overall emissions inspection program;

(2) changes in the design and configuration of an inspection station needed to accommodate the acceptance of registration applications;

(3) the effect of the proposal on the efficiency and effectiveness of the motor vehicle registration system;

(4) the effect of the proposal on existing deputy registrar offices;

(5) the costs to the pollution control agency, the department of public safety, and the station operator in implementing the proposal;

(6) the appropriate fee to be charged for motor vehicle applications at the inspection station and the appropriate allocation of these fees; and

(7) the effects of the proposal from the standpoint of motor vehicle owners.

(b) The study shall focus on the inspection station located in White Bear Lake as a prototype for testing and evaluation of the motor vehicle registration system being studied.

(c) The commissioners shall report to the legislature on the results of the study not later than March 1, 1995. The report must include the commissioners' recommendations as to whether such a system should be implemented and the extent and timing of any implementation. If implementation of the recommendations requires legislation the study must include a draft of the necessary legislation.

Sec. 6. [APPROPRIATION.]

\$..... is appropriated from the general fund and \$..... is appropriated from the highway user tax distribution fund to the commissioner of the pollution control agency for the purposes of section 5. This appropriation is available until March 1, 1995.

Sec. 7. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1995. Sections 2 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act to motor vehicles; exempting vehicles in the first five years of vehicle life from emissions inspection requirement; requiring a study of motor vehicle registration at emissions inspection stations; authorizing issuance of youth charter carrier permits; appropriating money; amending Minnesota Statutes 1992, sections 116.61, subdivision 2; 221.011, by adding a subdivision; and 221.121, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 221.111."

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2866, A bill for an act relating to coroners; providing for exemption from educational requirements in certain circumstances; amending Minnesota Statutes 1992, section 390.005, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 390.005, subdivision 3, is amended to read:

Subd. 3. [EDUCATIONAL REQUIREMENTS.] A coroner must have successfully completed academic courses in pharmacology, surgery, pathology, toxicology, and physiology. However, if a board of county commissioners determines that the office of coroner shall not be elective and it cannot appoint any person meeting the educational qualifications as coroner, the board may:

(1) appoint any qualified person, whether or not a resident of the county ~~or not; or~~

(2) if no person meeting the above-mentioned qualifications can be found, the county may appoint a person who is serving or has served as a deputy coroner, whether or not a resident of the county.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

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

The report was adopted.

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

H. F. No. 2961, A bill for an act relating to employment; establishing the Minnesota youth program; repealing the wage subsidy program; amending Laws 1993, chapter 369, section 5, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1992, sections 268.551; and 268.552; Minnesota Rules, parts 3300.0100; 3300.0200; 3300.0300; 3300.0400; 3300.0500; 3300.0600; and 3300.0700.

Reported the same back with the following amendments:

Page 3, delete lines 13 to 16

Page 3, delete lines 25 and 26

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

The report was adopted.

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

H. F. No. 3012, A bill for an act relating to transportation; establishing and providing for appointments to an advisory council on major transportation projects; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 221.011, is amended by adding a subdivision to read:

Subd. 46. [YOUTH CHARTER CARRIER.] "Youth charter carrier" means a charter carrier who primarily transports, in passenger vehicles seating not more than 15 persons in addition to the driver, students enrolled in public or private elementary or secondary schools or children under school age, but who provides service under contract to a school or school district only during the months of June through August.

Sec. 2. Minnesota Statutes 1993 Supplement, section 221.111, is amended to read:

221.111 [PERMITS TO OTHER MOTOR CARRIERS.]

Motor carriers other than certificated carriers and local cartage carriers shall obtain a permit in accordance with section 221.121. The board shall issue only the following kinds of permits:

- (1) class II-T permits;
- (2) class II-L permits;
- (3) livestock carrier permits;
- (4) contract carrier permits;
- (5) charter carrier permits;
- (6) courier service carrier permits;
- (7) local cartage carrier permits;
- (8) household goods mover permits;
- (9) temperature-controlled commodities permits; and
- (10) armored carrier permits; and
- (11) youth charter carrier permits.

Sec. 3. Minnesota Statutes 1992, section 221.121, is amended by adding a subdivision to read:

Subd. 6h. [YOUTH CHARTER CARRIER.] (a) A person who desires to hold out or operate as a youth charter carrier shall follow the procedures established in subdivision 1, paragraph (a), other than the requirement for filing letters of support, and specifically request a youth charter carrier permit. The board shall issue the permit upon compliance with the laws and rules relating to it, if the board finds that the petitioner is fit and able to conduct the proposed operations and that the petitioner's vehicles meet the applicable rules of the commissioner prescribed under section 221.031.

(b) Nothing in this subdivision requires a holder of a charter carrier permit to obtain a permit under this subdivision to provide the service described in section 221.011, subdivision 46.

Sec. 4. [STUDY COMMITTEE ON MAJOR TRANSPORTATION PROJECTS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state advisory council is established to provide a forum at the state level for education, discussion, and advice to the legislature on the financing of major transportation projects.

Subd. 2. [AUTHORITY; DUTIES.] The advisory council shall:

- (1) identify significant highway and transit projects that could not be funded within the current transportation funding structure;
- (2) evaluate methods for funding the identified projects;
- (3) receive public testimony and consult with governmental units; and
- (4) submit to the legislature a report and recommendations for a preferred plan to finance significant highway and transit projects by February 1, 1995.

Subd. 3. [MEMBERSHIP.] The advisory council shall consist of 15 members who serve at the pleasure of the appointing authority as follows:

(1) six legislators; three members of the senate appointed by the subcommittee on committees of the committee on rules and administration, and three members of the house of representatives appointed by the speaker; and

(2) nine public members who are residents of the state: two appointed by the subcommittee on committees of the committee on rules and administration of the senate; two appointed by the speaker of the house of representatives; and five appointed by the governor, at least two of whom must reside outside the metropolitan area.

The appointing authorities must consult with each other to assure that no more than eight members of the advisory council are of the same gender.

Subd. 4. [CHAIRS.] The legislative appointing authorities shall each designate a legislative appointee to serve as co-chair of the advisory council.

Subd. 5. [ADMINISTRATION.] Legislative staff and the commissioner of transportation shall provide administrative and staff assistance when requested by the advisory council.

Subd. 6. [EXPENSES.] The commissioner of transportation shall compensate the members of the advisory council from the highway program administration account in the trunk highway fund. Public members are to be compensated in an amount provided by Minnesota Statutes, section 15.059, subdivision 3. Members of the legislature are to be paid per diem and expenses in an amount provided by Minnesota Statutes, section 3.099. The council shall adopt a budget of estimated expenses at its first meeting and provide a copy to the commissioner of transportation.

Subd. 7. [EXPIRATION.] This section expires February 1, 1995.

Sec. 5. [STUDY COMMITTEE ON STATEWIDE PARATRANSIT.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A state advisory council is established to provide a forum at the state level for education, discussion, investigation, evaluation, and advice to the legislature on the viability and need for a statewide paratransit commission.

Subd. 2. [AUTHORITY; DUTIES.] The advisory council shall identify, evaluate, and make findings regarding:

(1) current compliance with the federal Americans with Disabilities Act in providing paratransit service;

(2) the need for and needs of a statewide paratransit system; and

(3) the viability and need for establishing a statewide paratransit commission.

The advisory council shall submit to the legislature a report and recommendations on a statewide paratransit commission and system by February 1, 1995.

Subd. 3. [MEMBERSHIP.] The advisory council shall consist of 19 members who serve at the pleasure of the appointing authority as follows:

(1) four legislators; two members of the senate appointed by the subcommittee on committees of the committee on rules and administration, no more than one member from the majority political party, and two members of the house of representatives appointed by the speaker, no more than one member from the majority political party;

(2) a member of the metropolitan council, appointed by the chair of the metropolitan council;

(3) a representative from the office of transit of the department of transportation, appointed by the commissioner of transportation;

(4) the member of the regional transit board who is a representative for persons with disabilities; and

(5) six public members appointed by the governor, consisting of:

(i) two consumers of paratransit service who are senior citizens, one from the metropolitan area and one from outside the metropolitan area;

(ii) two consumers of paratransit service who are persons with disabilities, one from the metropolitan area and one from outside the metropolitan area; and

(iii) two paratransit service providers, one from the metropolitan area and one from outside the metropolitan area.

Subd. 4. [CHAIR.] The governor shall designate one of the consumers of paratransit service to serve as the chair of the advisory council.

Subd. 5. [ADMINISTRATION.] Legislative staff and the commissioner of transportation shall provide administrative and staff assistance when requested by the advisory council.

Subd. 6. [EXPENSES.] The commissioner of transportation shall compensate the members of the advisory council. The council members who are not legislators are to be compensated in an amount provided by Minnesota Statutes, section 15.059, subdivision 3. Members of the legislature are to be paid per diem and expenses in an amount provided by Minnesota Statutes, section 3.099. The council shall adopt a budget of estimated expenses at its first meeting and provide a copy to the commissioner of transportation.

Sec. 6. [APPROPRIATION.]

\$..... is appropriated from the general fund to the commissioner of transportation for the purposes of section 5. This appropriation is available until February 1, 1995.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; defining youth charter carriers and authorizing transportation regulation board to issue youth charter carrier permits; establishing and providing for appointments to an advisory council on major transportation projects and a study committee on statewide paratransit; appropriating money; amending Minnesota Statutes 1992, sections 221.011, by adding a subdivision; and 221.121, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 221.111."

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

The report was adopted.

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

H. F. No. 3032, A bill for an act relating to game and fish; clarifying the purposes for which various game and fish revenues may be spent; requiring establishment of citizen oversight committees to review expenditures of game and fish revenues; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1992, sections 97A.055, by adding a subdivision; 97A.061, subdivision 1; 97A.071, subdivision 3, and by adding subdivisions; 97A.075, subdivisions 2, 3, and 4; 97A.165; 97A.475, subdivisions 6, 7, 8, and 13; and 97A.485, subdivision 7; Minnesota Statutes 1993 Supplement, sections 97A.055, subdivision 4; 97A.061, subdivision 3; 97A.071, subdivision 2; and 97A.475, subdivision 12; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 4; 97A.475, subdivision 9; and 103E.615, subdivision 6.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 97A.055, subdivision 4, is amended to read:

Subd. 4. [ANNUAL REPORT REPORTS.] (a) By November 15 each year, the commissioner shall report submit to the legislative committees having jurisdiction over appropriations and the environment and natural resources reports on each of the following:

(1) the amount of revenue from the following and purposes for which expenditures were made:

- (i) ~~the fishing license surcharge under section 97A.475, subdivision 9;~~
- (ii) the small game license surcharge under section 97A.475, subdivision 4;
- ~~(iii)~~ (ii) the Minnesota migratory waterfowl stamp under section 97A.475, subdivision 5, clause (1);
- ~~(iv)~~ (iii) the trout and salmon stamp under section 97A.475, subdivision 10; and
- ~~(v)~~ (iv) the pheasant stamp under section 97A.475, subdivision 5, clause (2); and

(2) the amounts available under section 97A.075, subdivision 1, paragraphs (b) and (c), and the purposes for which these amounts were spent; and

(3) money credited to the game and fish fund under section 97A.055 and purposes for which expenditures were made from the fund.

(b) The report must include the commissioner's recommendations, if any, for changes in the laws relating to the stamps and ~~surcharges~~ surcharge referenced in paragraph (a).

Sec. 2. Minnesota Statutes 1992, section 97A.055, is amended by adding a subdivision to read:

Subd. 4a. [CITIZEN OVERSIGHT COMMITTEES.] (a) The commissioner shall appoint committees of affected persons to review the reports prepared under subdivision 4 and other relevant information and make recommendations to the legislature and the commissioner for improvements in the management and use of money in the game and fish fund, specifically including money derived from the sale of pheasant, migratory waterfowl, and trout and salmon stamps and small game and fishing surcharges. Each committee shall elect a chair from among its members.

(b) The commissioner shall appoint the following committees:

- (1) a committee to review the annual game and fish fund report and address general game and fish fund issues;
- (2) a committee to address funding issues related to fishing;
- (3) a committee to review the report on the small game license surcharge and the report required in section 97A.055, subdivision 4, paragraph (a), clause (2), and address funding issues related to hunting;
- (4) a committee to review the trout and salmon stamp report and address funding issues related to trout and salmon;
- (5) a committee to review the report on the migratory waterfowl stamp and address funding issues related to migratory waterfowl; and
- (6) a committee to review the report on the pheasant stamp and address funding issues related to pheasants.

Sec. 3. Minnesota Statutes 1993 Supplement, section 97A.071, subdivision 2, is amended to read:

Subd. 2. [REVENUE FROM THE SMALL GAME LICENSE SURCHARGE.] Revenue from the small game surcharge shall be credited to the wildlife acquisition account and the money in the account shall be used by the commissioner only for the purposes of this section, and acquisition and development of wildlife lands under section 97A.145 and maintenance of the lands, in accordance with appropriations made by the legislature.

Sec. 4. Minnesota Statutes 1992, section 97A.071, is amended by adding a subdivision to read:

Subd. 2a. [USE OF WILDLIFE ACQUISITION ACCOUNT MONEY.] Of the money annually appropriated and available from the wildlife acquisition account:

- (1) at least 60 percent must be used for land costs; and

(2) the remainder may only be used for other land acquisition costs, development, and maintenance of wildlife lands, and activities under subdivision 3.

Sec. 5. Minnesota Statutes 1992, section 97A.071, subdivision 3, is amended to read:

Subd. 3. ~~[USE OF WILDLIFE ACQUISITION ACCOUNT MONEY WATERFOWL BREEDING GROUNDS IN CANADA.]~~ The wildlife acquisition account may be used for developing, preserving, restoring, and maintaining waterfowl breeding grounds in Canada under agreement or contract with any nonprofit organization dedicated to the construction, maintenance, and repair of projects that are acceptable to the governmental agency having jurisdiction over the land and water affected by the projects. The commissioner may execute agreements and contracts if the commissioner determines that the use of the funds will benefit the migration of waterfowl into the state.

Sec. 6. Minnesota Statutes 1992, section 97A.071, is amended by adding a subdivision to read:

Subd. 5. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Development" means fencing, signing, and onsite improvement of the land that is related to the purposes for which the land was acquired. Development includes material or equipment that is purchased or rented and labor that is necessary to provide for the onsite improvement of the land.

(c) "Land costs" means the purchase price of land acquired by the commissioner under section 97A.145.

(d) "Maintenance" means noxious weed control and other onsite functions performed on a regular basis to sustain the environmental conditions that result from the original improvement of the land.

(e) "Other acquisition costs" means acquisition coordination costs, costs of engineering services, appraisal fees, attorney fees, taxes, assessments required at the time of purchase, and recording fees for land acquired by the commissioner under section 97A.145.

Sec. 7. Minnesota Statutes 1992, section 97A.075, subdivision 2, is amended to read:

Subd. 2. [MINNESOTA MIGRATORY WATERFOWL STAMP.] ~~The commissioner may use~~ (a) At least 90 percent of the revenue from the Minnesota migratory waterfowl stamps must be credited to the waterfowl habitat improvement account. Money in the account may be used only for:

(1) development of wetlands and lakes in the state and designated waterfowl management lakes for maximum migratory waterfowl production including habitat evaluation, the construction of dikes, water control structures and impoundments, nest cover, rough fish barriers, acquisition of sites and facilities necessary for development and management of existing migratory waterfowl habitat and the creation of migratory waterfowl management lakes designation of waters under section 97A.101;

(2) management of migratory waterfowl;

(3) development, restoration, maintenance, or preservation of migratory waterfowl habitat; and

(4) acquisition of and access to structure sites; and

~~(5) necessary related administrative costs not to exceed ten percent of the annual revenue.~~

(b) Money in the account may not be used for costs unless they are directly related to a specific parcel of land or body of water under paragraph (a), clause (1), (3), or (4), or to specific management activities under paragraph (a), clause (2).

Sec. 8. Minnesota Statutes 1992, section 97A.075, subdivision 3, is amended to read:

Subd. 3. [TROUT AND SALMON STAMP.]

~~The commissioner may use~~ (a) At least 90 percent of the revenue from trout and salmon stamps must be credited to the trout and salmon management account. Money in the account may be used only for:

- (1) the development, restoration, maintenance, and preservation of trout streams and lakes; and
- (2) rearing and stocking of trout and salmon in trout streams and lakes and Lake Superior; and
- (3) ~~necessary related administrative costs not to exceed ten percent of the annual revenue.~~

(b) Money in the account may not be used for costs unless they are directly related to a specific parcel of land or body of water under paragraph (a) or to specific fish rearing activities under paragraph (a), clause (2).

Sec. 9. Minnesota Statutes 1992, section 97A.075, subdivision 4, is amended to read:

Subd. 4. [PHEASANT STAMP.] ~~The commissioner may use (a) At least 90 percent of the revenue from pheasant stamps must be credited to the pheasant habitat improvement account. Money in the account may be used only for:~~

- (1) the development, restoration, and maintenance, ~~and preservation~~ of suitable habitat for ringnecked pheasants on public and private land including the establishment of nesting cover, winter cover, and reliable food sources;
- (2) reimbursement of landowners for setting aside lands for pheasant habitat;
- (3) reimbursement of expenditures to provide pheasant habitat on public and private land; and
- (4) the promotion of pheasant habitat development; and maintenance, ~~and preservation~~; and
- (5) ~~necessary related administrative and personnel costs not to exceed ten percent of the annual revenue including promotion and evaluation of government farm program benefits for pheasant habitat.~~

(b) Money in the account may not be used for:

(1) costs unless they are directly related to a specific parcel of land under paragraph (a), clauses (1) to (3), or to specific promotional or evaluative activities under paragraph (a), clause (4); or

(2) any personnel costs.

Sec. 10. Minnesota Statutes 1992, section 97A.475, subdivision 6, is amended to read:

Subd. 6. [RESIDENT FISHING.] Fees for the following licenses, to be issued to residents only, are:

- (1) to take fish by angling, for persons under age 65, ~~\$10.50~~ \$13;
- (2) to take fish by angling, for persons age 65 and over, \$4.50;
- (3) to take fish by angling, for a combined license for a married couple, ~~\$15~~ \$17.50;
- (4) to take fish by spearing from a dark house, \$13; and
- (5) to take fish by angling for a period of 24 hours from the time of issuance, ~~\$5~~ \$7.50.

Sec. 11. Minnesota Statutes 1992, section 97A.475, subdivision 7, is amended to read:

Subd. 7. [NONRESIDENT FISHING.] Fees for the following licenses, to be issued to nonresidents, are:

- (1) to take fish by angling, ~~\$25~~ \$27.50;
- (2) to take fish by angling limited to seven consecutive days, ~~\$16.50~~ \$19;
- (3) to take fish by angling for three consecutive days, ~~\$13.50~~ \$16;
- (4) to take fish by angling for a combined license for a family, ~~\$35~~ \$37.50;

(5) to take fish by angling for a period of 24 hours from the time of issuance, ~~\$5~~ \$7.50; and

(6) to take fish by angling for a combined license for a married couple, limited to 14 consecutive days, ~~\$25~~ \$27.50.

Sec. 12. Minnesota Statutes 1992, section 97A.475, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA SPORTING.] The commissioner shall issue Minnesota sporting licenses to residents only. The licensee may take fish by angling and small game. The fee for the license is:

(1) for an individual, ~~\$15~~ \$17.50; and

(2) for a combined license for a married couple to take fish and for one spouse to take small game, ~~\$21.50~~ \$24.

Sec. 13. Minnesota Statutes 1993 Supplement, section 97A.475, subdivision 12, is amended to read:

Subd. 12. [FISH HOUSES; NONRESIDENT.] Fees for fish house licenses for a nonresident are:

(1) annual, ~~\$25~~ \$27.50; and

(2) seven consecutive days, ~~\$14~~ \$16.50.

Sec. 14. Minnesota Statutes 1992, section 97A.475, subdivision 13, is amended to read:

Subd. 13. [NETTING WHITEFISH AND CISCOES FOR PERSONAL CONSUMPTION.] The fee for a license to net whitefish and ciscoes in inland lakes and international waters for personal consumption is, for each net, ~~\$5.50~~ \$8.

Sec. 15. Minnesota Statutes 1993 Supplement, section 97A.485, subdivision 6, is amended to read:

Subd. 6. [LICENSES TO BE SOLD AND ISSUING FEES.] (a) Persons authorized to sell licenses under this section must sell the following licenses for the license fee and the following issuing fees:

(1) to take deer or bear with firearms and by archery, the issuing fee is \$1;

(2) Minnesota sporting, the issuing fee is \$1; and

(3) to take small game, for a person under age 65 to take fish by angling or for a person of any age to take fish by spearing, and to trap fur-bearing animals, the issuing fee is \$1;

(4) for a trout and salmon stamp that is not issued simultaneously with an angling or sporting license, an issuing fee of 50 cents may be charged at the discretion of the authorized seller; and

(5) for stamps other than a trout and salmon stamp, there is no fee.

(b) An issuing fee may not be collected for issuance of a trout and salmon stamp if a stamp is issued simultaneously with the related angling or sporting license. Only one issuing fee may be collected when selling more than one trout and salmon stamp in the same transaction after the end of the season for which the stamp was issued.

(c) The auditor or subagent shall keep the issuing fee as a commission for selling the licenses.

(d) The commissioner shall collect the issuing fee on licenses sold by the commissioner.

(e) A license, except stamps, must state the amount of the issuing fee and that the issuing fee is kept by the seller as a commission for selling the licenses.

~~(f) The fee for an angling license paid by a resident 65 years of age or over must be refunded to the licensee upon request to the commissioner, if the request is made within 30 days of the sale. The commissioner shall design a system on the license for this purpose. An auditor or subagent may not provide postage stamps or pre-addressed~~

~~envelopes for obtaining the refund. An auditor or subagent must provide information on the purposes for which license receipts are spent and the effects of applying for a refund.~~

(g) For duplicate licenses, the issuing fees are:

- (1) for licenses to take big game, 75 cents; and
- (2) for other licenses, 50 cents.

Sec. 16. Minnesota Statutes 1992, section 97A.485, subdivision 7, is amended to read:

Subd. 7. [COUNTY AUDITOR'S COMMISSION.] The county auditor shall retain for the county treasury a commission of four percent of all license fees collected by the auditor and the auditor's subagents, excluding:

- (1) the small game surcharge ~~and issuing fees;~~
- (2) ~~the fishing surcharge and all~~ issuing fees;
- (3) \$2.50 of the license fee for the licenses in section 97A.475, subdivisions 6, clauses (1), (3), and (5), 7, 8, 12, and 13;
and
- (4) the license to take fish by angling for persons age 65 and over. In addition, the auditor shall collect the issuing fees on licenses sold by the auditor to a licensee.

Sec. 17. [FISHING LICENSE REVENUES.]

For the 1996-1997 biennium, the additional \$2.50 added to the licenses in sections 10 to 16 of this act may only be used in the section of fisheries for fisheries purposes and in the division of enforcement for enforcement of laws related to fish. Expenditures must be focused on individual lake management, habitat preservation and improvement, and education. Personnel costs must be limited to on-site work.

Sec. 18. [APPROPRIATIONS; REDUCTIONS.]

(a) The following appropriations for fiscal year 1995 made in Laws 1993, chapter 172, section 5, subdivision 7, are from the general fund rather than the game and fish fund:

- (1) \$120,000 for ditch assessments; and
- (2) \$322,000 for development work performed by participants in youth programs.

(b) The following appropriations for fiscal year 1995 made in Laws 1993, chapter 172, section 5, subdivision 7, are reduced by the amounts indicated:

- (1) the appropriation from the waterfowl habitat improvement account is reduced by \$49,000;
- (2) the appropriation from the trout stream management account is reduced by \$53,000; and
- (3) the appropriation from the pheasant habitat improvement account is reduced by \$60,000.

(c) \$200,000 is appropriated from the wildlife acquisition account to the commissioner of natural resources for only the purposes specified in Minnesota Statutes, section 97A.071. This appropriation is available until June 30, 1995.

Sec. 19. [TRANSFER.]

On June 30, 1995, the commissioner of finance shall transfer and credit to the game and fish fund any remaining balance in the fish management intensification account.

Sec. 20. [REPEALER.]

(a) Minnesota Statutes 1992, sections 97A.071, subdivision 4; and 103E.615, subdivision 6, are repealed.

(b) Minnesota Statutes 1992, section 97A.475, subdivision 9, is repealed.

(c) Minnesota Statutes 1992, section 97A.065, subdivision 3, is repealed.

Sec. 21. [EFFECTIVE DATES.]

Sections 10 to 16 and 20, paragraph (b), are effective March 1, 1995.

Section 20, paragraph (c), is effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to game and fish; clarifying the purposes for which various game and fish revenues may be spent; requiring establishment of citizen oversight committees to review expenditures of game and fish revenues; abolishing the angling license refund for senior citizens; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1992, sections 97A.055, by adding a subdivision; 97A.071, subdivision 3, and by adding subdivisions; 97A.075, subdivisions 2, 3, and 4; 97A.475, subdivisions 6, 7, 8, and 13; and 97A.485, subdivision 7; Minnesota Statutes 1993 Supplement, sections 97A.055, subdivision 4; 97A.071, subdivision 2; 97A.475, subdivision 12; and 97A.485, subdivision 6; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 4; 97A.475, subdivision 9; and 103E.615, subdivision 6."

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

The report was adopted.

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

H. F. No. 3120, A bill for an act relating to military affairs; expediting payment to forces ordered to active duty; amending Minnesota Statutes 1992, section 192.52.

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

The report was adopted.

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

H. F. No. 3136, A bill for an act relating to attorneys-at-law; prohibiting fees for public bond counsel from being based primarily on the amount of bonds sold; proposing coding for new law in Minnesota Statutes, chapter 481.

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

The report was adopted.

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

S. F. No. 2070, A bill for an act relating to cities; allowing home rule charter cities to apply law applicable to statutory cities in instances in which the charter is silent, with certain restrictions; proposing coding for new law in Minnesota Statutes, chapter 410.

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

The report was adopted.

Lieder from the Committee on General Legislation, Veterans Affairs and Elections reported on the following appointment which had been referred to the committee by the Speaker:

ETHICAL PRACTICES BOARD

VANNE OWENS HAYES

Reported the same back with the recommendation that the appointment be confirmed.

Lieder moved that the report of the Committee on General Legislation, Veterans Affairs and Elections relating to the appointment of Vanne Owens Hayes to the Ethical Practices Board be adopted. The motion prevailed and the report was adopted.

CONFIRMATION

Lieder moved that the House, having advised, do now consent to and confirm the appointment of Vanne Owens Hayes, 4253 - 27th Avenue South, Minneapolis, Minnesota, 55406, county of Hennepin, effective March 9, 1994, for a four-year term expiring on the first Monday in January, 1998. The motion prevailed and the appointment of Vanne Owens Hayes was confirmed by the House.

SECOND READING OF HOUSE BILLS

H. F. Nos. 881, 2115, 2170, 2254, 2287, 2603, 2645, 2651, 2731, 2775, 2866, 3120 and 3136 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1483, 1662, 1959, 2011, 2135, 2255, 2246, 2262, 2345, 2422, 2462, 2464, 2491, 2503, 2572, 2579, 2582, 2598, 2671, 2710 and 2070 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Ozment introduced:

H. F. No. 3198, A bill for an act relating to taxation; property; metropolitan agricultural preserves; clarifying deferred special assessments when property is transferred from the green acres program; providing for re-enrolling property in the metropolitan agricultural preserve program; amending Minnesota Statutes 1992, sections 273.111, subdivision 11; 473H.05, by adding a subdivision; and 473H.18.

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

Jaros introduced:

H. F. No. 3199, A bill for an act relating to taxation; sales and use; exempting residential electricity; amending Minnesota Statutes 1992, section 297A.25, subdivision 23.

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. 2622, A bill for an act relating to state lands; authorizing the department of natural resources to sell certain state land in the counties of Itasca and St. Louis.

H. F. No. 2692, A bill for an act relating to state lands; authorizing private sale of certain state land in Crow Wing county to resolve an encroachment situation.

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

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. 1186, A bill for an act relating to the environment; adding cross references for existing civil penalties for littering; amending Minnesota Statutes 1992, sections 85.20, subdivision 6; 115A.99; 169.421; 375.18, subdivision 14; and 412.221, subdivision 22.

H. F. No. 2330, A bill for an act relating to Anoka county; authorizing county to sell tax-forfeited land by sealed bid.

H. F. No. 2086, A bill for an act relating to local government; abandoning judicial ditch number 37 in Redwood and Lyon counties.

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. 1913, A bill for an act relating to retirement; St. Paul police consolidation account; authorizing the payment of refunds to the estates of certain deceased police officers.

H. F. No. 1881, A bill for an act relating to the city of Red Wing; authorizing certain police officers to elect retirement coverage by the public employees police and fire fund.

H. F. No. 2314, A bill for an act relating to waste reduction; amending various statutes to be consistent with recent law relating to distribution of reports and materials to legislators; amending Minnesota Statutes 1992, sections 144.672, subdivision 2; 144.70, subdivision 1; 458A.08; and 473.445, subdivision 3.

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. 2016, A bill for an act relating to commerce; regulating mortgage payment services; requiring a bond or other security; amending Minnesota Statutes 1992, section 332.13, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 332.

The Senate has appointed as such committee:

Messrs. Solon, Larson and Ms. Wiener.

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. 1934, A bill for an act relating to corporations; modifying provisions for the organization and operation of business corporations; amending Minnesota Statutes 1992, sections 302A.135, subdivision 4; 302A.405, subdivision 1; 302A.471, subdivision 1; 302A.661, subdivision 1; 302A.725, subdivision 3; and 302A.751, subdivisions 1, 2, and 3a; Minnesota Statutes 1993 Supplement, sections 302A.401, subdivision 1; 302A.435, subdivision 1; and 302A.673, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pugh moved that the House concur in the Senate amendments to H. F. No. 1934 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1934, A bill for an act relating to corporations; modifying provisions for the organization and operation of business corporations; amending Minnesota Statutes 1992, sections 302A.135, subdivision 4; 302A.405, subdivision 1; 302A.471, subdivision 1; 302A.661, subdivision 1; 302A.725, subdivision 3; and 302A.751, subdivisions 1, 2, and 3a; Minnesota Statutes 1993 Supplement, sections 302A.401, subdivision 1; 302A.435, subdivision 1; and 302A.673, subdivision 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 2187, A bill for an act relating to state lands; authorizing the sale of certain lands in Mille Lacs county to resolve a trespass situation.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Koppendraye moved that the House concur in the Senate amendments to H. F. No. 2187 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2187, A bill for an act relating to state lands; authorizing the sale of certain lands in Mille Lacs county to resolve a trespass situation.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1914, A bill for an act relating to financial institutions; reciprocal interstate banking; reciprocal interstate savings and loan acquisitions and branching; removing the geographical limitation contained in the definition of reciprocating state; amending Minnesota Statutes 1992, sections 48.92, subdivision 7; 51A.58.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jennings moved that the House refuse to concur in the Senate amendments to H. F. No. 1914, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 2260, A bill for an act relating to public safety; making technical corrections; allowing special, coded license plates to be issued, following impoundment of former plates, to licensed driver identified by vehicle's registered owner; requiring department of public safety to keep records for five years of cancellations and disqualifications of drivers' licenses, unless rescinded; classifying offenses of following too closely and erratic lane change as serious traffic offenses for purposes of disqualifying driver from operating commercial motor vehicle; imposing a penalty for displaying invalid driver's license as being valid; requiring same waiting period for Minnesota limited driver's license whether offense was committed in Minnesota or in another state; amending Minnesota Statutes 1992, sections 168.042, subdivision 12; 171.12, subdivisions 1, 3, and 3a; 171.165, subdivision 4; and 260.151, subdivision 1; Minnesota Statutes 1993 Supplement, sections 171.22, subdivision 1; 171.29, subdivision 2; and 171.30, subdivision 2a.

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

Mses. Johnston, Lesewski and Mr. Vickerman.

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

McCollum 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. 2260. The motion prevailed.

Mr. Speaker:

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

S. F. Nos. 1899, 2476, 2277, 2672 and 1774.

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. 2267, 1825, 1793, 2588 and 1706.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1899, A bill for an act relating to the city of Eagan; providing for the establishment of a special service district.

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

S. F. No. 2476, A bill for an act relating to local government; authorizing establishment of Nashwauk area ambulance district.

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

S. F. No. 2277, A bill for an act relating to metropolitan waste control commission; authorizing the commission to enter into agreements to implement total watershed management; proposing coding for new law in Minnesota Statutes, chapter 473.

The bill was read for the first time.

Sekhon moved that S. F. No. 2277 and H. F. No. 2638, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2672, A bill for an act relating to coroners; providing for exemption from educational requirements in certain circumstances; amending Minnesota Statutes 1992, section 390.005, subdivision 3.

The bill was read for the first time.

Swiggum moved that S. F. No. 2672 and H. F. No. 2866, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1774, A bill for an act relating to traffic regulations; permitting white strobe lights on rural mail carrier vehicles; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; and 169.64, subdivision 8; Minnesota Statutes 1993 Supplement, section 169.64, subdivision 3.

The bill was read for the first time.

Ozment moved that S. F. No. 1774 and H. F. No. 2254, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2267, A bill for an act relating to real estate; authorizing title insurance companies governed by chapter 68A, or their appointed agents to execute certificates of release of mortgages; proposing coding for new law in Minnesota Statutes, chapter 507.

The bill was read for the first time.

Milbert moved that S. F. No. 2267 and H. F. No. 2784, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1825, A bill for an act relating to manufactured homes; restricting the venue for repossession actions to the county in which the manufactured home is located; making technical changes; amending Minnesota Statutes 1992, sections 327.63, subdivision 1; 327.64, subdivision 2; and 327.65.

The bill was read for the first time.

Brown, K., moved that S. F. No. 1825 and H. F. No. 1861, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1793, A bill for an act relating to real property; provided for registration by title in cases of termination of a time-share interest; amending Minnesota Statutes 1992, section 508.58.

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

S. F. No. 2588, A bill for an act relating to public lands; changing notice requirements for sales of tax-forfeited lands; modifying a provision relating to leasing of tax-forfeited lands; amending Minnesota Statutes 1992, section 282.02; and Minnesota Statutes 1993 Supplement, section 282.04, subdivision 1.

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

S. F. No. 1706, A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; providing for a transfer of land; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; providing for intervenor compensation; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

CONSENT CALENDAR

H. F. No. 2094 was reported to the House.

Bauerly moved that H. F. No. 2094 be stricken from the Consent Calendar and be placed at the top of General Orders. The motion prevailed.

H. F. No. 2512, A bill for an act relating to retirement; providing for level benefits for the Minneapolis police relief association; changing the definition of surviving spouses eligible for benefits; amending Minnesota Statutes 1992, sections 353B.11, subdivision 1; and 423B.09, subdivision 1; Minnesota Statutes 1993 Supplement, sections 353B.07, subdivision 3; and 423B.10, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1826 was reported to the House.

Kelley moved to amend S. F. No. 1826 as follows:

Page 1, line 18, before the period, insert ", except that the limit on borrowing under section 5 continues in effect notwithstanding section 7 of that act"

The motion prevailed and the amendment was adopted.

S. F. No. 1826, A bill for an act relating to metropolitan government; extending reporting and effective dates for radio systems planning by the metropolitan council; extending the moratorium on applications for 800 megahertz channels.

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 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Asch	Bergson	Krinkie	McCollum	Milbert	Stanisus
------	---------	---------	----------	---------	----------

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately preceding General Orders for today:

H. F. Nos. 2135, 2522, 3046, 2967, 2666, 2371, 2426 and 2067.

SPECIAL ORDERS

H. F. No. 2139, A bill for an act relating to real estate; regulating trust accounts; clarifying a definition for purposes of licensing real estate appraisers; regulating dual agency disclosure; amending Minnesota Statutes 1992, section 82B.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 82.197, subdivision 3; and 82.24, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 664, A bill for an act relating to education; modifying certain teacher retirement programs to encourage experienced teachers to participate in job sharing; amending Minnesota Statutes 1992, sections 354.66, subdivisions 2 and 4; and 354A.094, subdivisions 3 and 4.

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 22 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Holsten	Knight	Morrison	Perlt	Steensma
Anderson, R.	Davids	Huntley	Krinkie	Mosel	Peterson	Swenson
Asch	Dawkins	Jacobs	Krueger	Munger	Pugh	Tomassoni
Battaglia	Delmont	Jaros	Lasley	Murphy	Reding	Tompkins
Bauerly	Dempsey	Jefferson	Leppik	Neary	Rest	Tunheim
Beard	Dorn	Jennings	Lieder	Nelson	Rhodes	Vellenga
Bergson	Erhardt	Johnson, A.	Limmer	Olson, E.	Rice	Wagenius
Bertram	Evans	Johnson, R.	Long	Olson, K.	Rodosovich	Waltman
Bishop	Finseth	Johnson, V.	Lourey	Opatz	Rukavina	Weaver
Brown, C.	Garcia	Kahn	Luther	Orenstein	Sarna	Wejcmán
Brown, K.	Goodno	Kalis	Macklin	Orfield	Seagren	Wenzel
Carlson	Greenfield	Kelley	Mahon	Ostrom	Sekhon	Winter
Carruthers	Greiling	Kelso	Mariani	Ozment	Simoneau	Workman
Clark	Gruenes	Kinkel	McCollum	Pauly	Skoglund	Spk. Anderson, I.
Commers	Hasskamp	Klinzing	McGuire	Pawlenty	Smith	
Cooper	Hausman	Knickerbocker	Milbert	Pelowski	Solberg	

Those who voted in the negative were:

Bettermann	Gutknecht	Lindner	Olson, M.	Sviggum	Wolf
Dehler	Haukoos	Lynch	Onnen	Van Dellen	Worke
Frerichs	Hugoson	Molnau	Osthoff	Van Engen	
Girard	Koppendrayner	Ness	Stanis	Vickerman	

The bill was passed and its title agreed to.

H. F. No. 2034, A bill for an act relating to transportation; changing eligibility requirements for distribution of funds from the town road account and town bridge account; amending Minnesota Statutes 1993 Supplement, sections 161.082, subdivision 2a; and 162.081, subdivision 4.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

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 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, K.	Delmont	Greenfield	Jacobs	Kelso	Lieder
Anderson, R.	Carlson	Dempsey	Greiling	Jaros	Kinkel	Limmer
Battaglia	Carruthers	Dorn	Gruenes	Jefferson	Klinzing	Lindner
Bauerly	Clark	Erhardt	Gutknecht	Jennings	Knickerbocker	Long
Beard	Commers	Evans	Hasskamp	Johnson, A.	Knight	Lourey
Bergson	Cooper	Finseth	Haukoos	Johnson, R.	Koppendrayner	Luther
Bertram	Dauner	Frerichs	Hausman	Johnson, V.	Krinkie	Lynch
Bettermann	Davids	Garcia	Holsten	Kahn	Krueger	Macklin
Bishop	Dawkins	Girard	Hugoson	Kalis	Lasley	Mahon
Brown, C.	Dehler	Goodno	Huntley	Kelley	Leppik	Mariani

McGuire	Ness	Ostrom	Rest	Smith	Tunheim	Wenzel
Milbert	Olson, E.	Ozment	Rhodes	Solberg	Van Dellen	Winter
Molnau	Olson, K.	Pauly	Rodosovich	Stanius	Van Engen	Wolf
Morrison	Olson, M.	Pawlenty	Rukavina	Steensma	Vellenga	Worke
Mosel	Onnen	Pelowski	Sarna	Sviggum	Vickerman	Workman
Munger	Opatz	Perit	Seagren	Swenson	Wagenius	Spk. Anderson, I.
Murphy	Orenstein	Peterson	Sekhon	Tomassoni	Waltman	
Neary	Orfield	Pugh	Simoneau	Tompkins	Weaver	
Nelson	Osthoff	Reding	Skoglund	Trimble	Wejcman	

Those who voted in the negative were:

Asch McCollum

The bill was passed and its title agreed to.

H. F. No. 3057 was reported to the House.

Tomassoni moved to amend H. F. No. 3057, the first engrossment, as follows:

Page 1, delete section 1

Renumber the sections in sequence and correct internal references

The motion prevailed and the amendment was adopted.

H. F. No. 3057, A bill for an act relating to cities; authorizing and establishing the Chisholm/Hibbing airport authority.

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 18 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Hugoson	Koppendraye	Morrison	Perit	Tomassoni
Asch	Dehler	Huntley	Krueger	Mosel	Peterson	Tompkins
Battaglia	Delmont	Jacobs	Lasley	Munger	Pugh	Trimble
Bauerly	Dempsey	Jaros	Leppik	Murphy	Reding	Tunheim
Beard	Dorn	Jefferson	Lieder	Neary	Rhodes	Van Engen
Bergson	Evans	Jennings	Lindner	Olson, E.	Rice	Vickerman
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rodosovich	Wagenius
Bettermann	Frerichs	Johnson, R.	Lourey	Opatz	Rukavina	Waltman
Bishop	Garcia	Johnson, V.	Luther	Orenstein	Sarna	Weaver
Brown, K.	Girard	Kahn	Lynch	Orfield	Sekhon	Wejcman
Carlson	Goodno	Kalis	Mahon	Osthoff	Simoneau	Wenzel
Carruthers	Greenfield	Kelley	Mariani	Ostrom	Solberg	Winter
Clark	Greiling	Kinkel	McCollum	Ozment	Stanius	Wolf
Cooper	Gruenes	Klinzing	McGuire	Pauly	Steensma	Worke
Dauner	Haukoos	Knickerbocker	Milbert	Pawlenty	Sviggum	Workman
Davids	Holsten	Knight	Molnau	Pelowski	Swenson	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Gutknecht	Limmer	Ness	Rest	Smith
Commers	Kelso	Macklin	Olson, M.	Seagren	Van Dellen
Erhardt	Krinkie	Nelson	Onnen	Skoglund	Vellenga

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

S. F. No. 1692, A bill for an act relating to contracts; creating the public contractors' performance and payment bond act by amending existing provisions; amending Minnesota Statutes 1992, sections 574.26; 574.261; 574.262, subdivision 1; 574.263, by adding a subdivision; 574.264, subdivision 1; 574.27; 574.28; 574.29; 574.30; 574.31; and 574.32.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Carlson from the Committee on Education to which was referred:

H. F. No. 2189, A bill for an act relating to education; making technical changes in education programs and policies; amending Minnesota Statutes 1992, sections 124.26, subdivision 1b; 124.95, subdivision 4; and 272.02, subdivision 8; Minnesota Statutes 1993 Supplement, sections 124.155, subdivision 2; 124.226, subdivision 3a; 124.26, subdivision 1c; 124.2714; 124.573, subdivision 2b; 124.91, subdivision 5; 124.95, subdivision 1; 124A.03, subdivision 1c; and 124A.292, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1993 Supplement, section 124.155, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT TO AIDS.] (a) The amount specified in subdivision 1 shall be used to adjust the following state aids and credits in the order listed:

(1) general education aid authorized in sections 124A.23 and 124B.20;

- (2) secondary vocational aid authorized in section 124.573;
 - (3) special education aid authorized in section 124.32;
 - (4) secondary vocational aid for children with a disability authorized in section 124.574;
 - (5) aid for pupils of limited English proficiency authorized in section 124.273;
 - (6) transportation aid authorized in section 124.225;
 - (7) community education programs aid authorized in section 124.2713;
 - (8) adult education aid authorized in section 124.26;
 - (9) early childhood family education aid authorized in section 124.2711;
 - (10) capital expenditure aid authorized in sections 124.243, 124.244, and 124.83;
 - (11) ~~secondary vocational cooperative aid according to section 124.575~~ school district cooperation aid authorized in section 124.2727;
 - (12) assurance of mastery aid according to section 124.311;
 - (13) ~~individual learning and development aid according to section 124.331~~;
 - (14) ~~homestead credit under section 273.13 for taxes payable in 1989 and additional transition credit under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter~~;
 - (15) ~~agricultural credit under section 273.132 for taxes payable in 1989 and additional transition credit under section 273.1398, subdivision 5, for taxes payable in 1990 and thereafter~~;
 - (16) homestead and agricultural credit aid and, disparity reduction credit and aid authorized in, transition credit, and changes to credits for prior year adjustments according to section 273.1398, subdivision subdivisions 2, 3, 4, 5, and 7;
 - (17) (14) attached machinery aid authorized in section 273.138, subdivision 3; and
 - (18) (15) alternative delivery aid authorized in section 124.322.
- (b) The commissioner of education shall schedule the timing of the adjustments to state aids and credits specified in subdivision 1, as close to the end of the fiscal year as possible.
- Sec. 2. Minnesota Statutes 1993 Supplement, section 124.17, subdivision 1, is amended to read:
- Subdivision 1. [PUPIL UNIT.] Pupil units for each resident pupil in average daily membership shall be counted according to this subdivision.
- (a) A prekindergarten pupil with a disability who is enrolled for the entire fiscal year in a program approved by the commissioner and has an individual education plan that requires up to 437 hours of assessment and education services in the fiscal year is counted as one-half of a pupil unit. If the plan requires more than 437 hours of assessment and education services, the pupil is counted as the ratio of the number of hours of assessment and education service to 875, but not more than one.
- (b) A prekindergarten pupil with a disability who is enrolled for less than the entire fiscal year in a program approved by the commissioner is counted as the greater of:
- (1) one-half times the ratio of the number of instructional days from the date the pupil is enrolled to the date the pupil withdraws to the number of instructional days in the school year; or
 - (2) the ratio of the number of hours of assessment and education service required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.
- (c) A prekindergarten pupil who is assessed but determined not to be handicapped is counted as the ratio of the number of hours of assessment service to 875.

(d) A kindergarten pupil with a disability who is enrolled in a program approved by the commissioner is counted as the ratio of the number of hours of assessment and education services required in the fiscal year by the pupil's individual education program plan to 875, but not more than one.

(e) A kindergarten pupil who is not included in paragraph (d) is counted as ~~one-half~~ .52 of a pupil unit.

(f) A pupil who is in any of grades 1 to 6 is counted as 1.03 pupil units for fiscal year 1994 and 1.06 pupil units for fiscal year 1995 and thereafter.

(g) A pupil who is in any of grades 7 to 12 is counted as 1.3 pupil units.

(h) A pupil who is in the post-secondary enrollment options program is counted as 1.3 pupil units.

Sec. 3. Minnesota Statutes 1992, section 124.195, subdivision 3, is amended to read:

Subd. 3. [PAYMENT DATES AND PERCENTAGES.] The commissioner of education shall pay to a school district on the dates indicated an amount computed as follows: the cumulative amount guaranteed minus the sum of (a) the district's other district receipts through the current payment, and (b) the aid and credit payments through the immediately preceding payment. For purposes of this computation, the payment dates and the cumulative disbursement percentages are as follows:

	Payment date	Percentage
Payment 1	July 15:	2.25
Payment 2	July 30:	4.50
Payment 3	August 15:	6.75
<u>the greater of (a) the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 6.75 percent</u>		
Payment 4	August 30:	9.0
Payment 5	September 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 12.75 percent	<u>12.75</u>
Payment 6	September 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for the state paid property tax credits established in section 273.1392, or (b) the amount needed to provide 16.5 percent	<u>16.50</u>
Payment 7	October 15: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 20.75 percent	
Payment 8	October 30: the greater of (a) one-half of the final adjustment for the prior fiscal year for all aid entitlements except state paid property tax credits, or (b) the amount needed to provide 25.0 percent	
Payment 9	November 15:	31.0
Payment 10	November 30:	37.0
Payment 11	December 15:	40.0
Payment 12	December 30:	43.0
Payment 13	January 15:	47.25
Payment 14	January 30:	51.5
Payment 15	February 15:	56.0
Payment 16	February 28:	60.5
Payment 17	March 15:	65.25
Payment 18	March 30:	70.0
Payment 19	April 15:	73.0
Payment 20	April 30:	79.0
Payment 21	May 15:	82.0
Payment 22	May 30:	90.0
Payment 23	June 20:	100.0

Sec. 4. Minnesota Statutes 1992, section 124.195, is amended by adding a subdivision to read:

Subd. 3b. [CASH FLOW ADJUSTMENT.] During each year in which the cash flow low points for August, September, and October estimated by the commissioner of finance for invested treasurer's cash exceeds \$360,000,000, the commissioner of education shall increase the cumulative disbursement percentages established in subdivision 3 to the following amounts

<u>Payment 3</u>	<u>August 15:</u>	<u>12.75 percent</u>
<u>Payment 4</u>	<u>August 30:</u>	<u>15.00 percent</u>
<u>Payment 5</u>	<u>September 15:</u>	<u>17.25 percent</u>
<u>Payment 6</u>	<u>September 30:</u>	<u>19.50 percent</u>
<u>Payment 7</u>	<u>October 15:</u>	<u>21.75 percent</u>

Sec. 5. Minnesota Statutes 1992, section 124.195, subdivision 6, is amended to read:

Subd. 6. [FINAL ADJUSTMENT PAYMENT.] For all aids and credits paid according to subdivision 10, the final adjustment payment shall include the amounts necessary to pay the district's full aid entitlement for the prior year based on actual data. This payment shall be used to correct all estimates used for the payment schedule in subdivision 3. The payment shall be made in two installments, during September or October, as specified in subdivision 3. In the event actual data are not available, the final adjustment payment may be computed based on estimated data. A corrected final adjustment payment shall be made when actual data are available.

Sec. 6. Minnesota Statutes 1992, section 124.195, subdivision 12, is amended to read:

Subd. 12. [AID ADJUSTMENT FOR TRA CONTRIBUTION RATE CHANGE.] (a) The department of education shall reduce general education aid or any other aid paid in a fiscal year to school districts, intermediate school districts, education districts, education cooperative service units, special education cooperatives, secondary vocational cooperatives, regional management information centers, or another district or unit providing elementary or secondary education services. The reduction shall equal the following percent of salaries paid in a fiscal year by the entity to members of the teachers retirement association established in chapter 354. However, salaries paid to members of the association who are employed by a technical college shall be excluded from this calculation:

(1) in fiscal year years 1991 to 1994, 0.84 percent,

(2) in fiscal year 1992 1995 and later years, the greater of

(i) zero, or

(ii) 4.48 percent less the additional employer contribution rate established under section 354.42, subdivision 5.

(b) In fiscal year 1991, this reduction is estimated to equal \$14,260,000 1.5 percent.

Sec. 7. Minnesota Statutes 1992, section 124.2725, subdivision 16, is amended to read:

Subd. 16. [EXCLUSION FROM FUND BALANCE.] Revenue received by a district under this section for each year of cooperation and the first three years of combination shall be excluded from the net unreserved operating fund balance, for the purposes of section sections 124A.03, subdivision 3b, paragraph (c), and 124A.26.

Sec. 8. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 3b. [REFERENDUM MARKET VALUE.] "Referendum market value" means the market value of all taxable property, except that any class of property, or any portion of a class of property, with a class rate of less than one percent under section 273.13 shall have a referendum market value equal to its net tax capacity multiplied by 100.

Sec. 9. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 25. [NET UNAPPROPRIATED OPERATING FUND BALANCE.] "Net unappropriated operating fund balance" means the sum of the fund balances in the general, transportation, food service, and community service funds minus the balances reserved for statutory operating debt reduction, bus purchase, severance pay, taconite, unemployment compensation, maintenance levy reduction, and encumbrances, computed as of June 30 each year.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124A.029, subdivision 4, is amended to read:

Subd. 4. [PER PUPIL REVENUE OPTION.] A district may, by school board resolution, request that the department convert the levy authority under section 124.912, subdivisions 2 and 3, or its current referendum revenue, excluding authority based on a dollar amount, authorized before July 1, 1993, to an allowance per pupil. The district must adopt a resolution and submit a copy of the resolution to the department by July 1, 1993. The department shall convert a district's revenue for fiscal year 1995 and later years as follows: the revenue allowance equals the amount determined by dividing the district's maximum revenue under section 124A.03 or 124.912, subdivisions 2 and 3, for fiscal year 1994 by the district's 1993-1994 actual pupil units. A district's maximum revenue for all later years for which the revenue is authorized equals the revenue allowance times the district's actual pupil units for that year. If a district has referendum authority under section 124A.03 and levy authority under section 124.912, subdivisions 2 and 3, and the district requests that each be converted, the department shall convert separate revenue allowances for each. However, if a district's referendum revenue is limited to a dollar amount, the maximum revenue under section 124A.03 must not exceed that dollar amount. If the referendum authority of a district is converted according to this subdivision, the authority expires June 30, 1997, unless it is scheduled to expire sooner and the question on the referendum ballot did not provide for an expiration date, the authority shall expire according to section 124A.0311.

Sec. 11. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 1c, is amended to read:

Subd. 1c. [REFERENDUM ALLOWANCE LIMIT.] (a) Notwithstanding subdivision 1b, a district's referendum allowance must not exceed the greater of:

- (1) the district's referendum allowance for fiscal year 1994; or
- (2) 25 percent of the formula allowance for fiscal year 1995 and later.

~~(b) The allowance calculated in paragraph (a) must be reduced by the amount of the referendum allowance reduction computed in subdivision 3b.~~

Sec. 12. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased revenue per actual pupil unit, the estimated referendum tax rate as a percentage of market value in the first year it is to be levied, and that the revenue shall be used to finance school operations. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot shall designate the specific number of years, not to exceed ~~five~~ ten, for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The school board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as

the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first class mail at least 20 days before the referendum.

Sec. 13. Minnesota Statutes 1992, section 124A.03, subdivision 2a, is amended to read:

Subd. 2a. [SCHOOL REFERENDUM LEVY; MARKET VALUE.] Notwithstanding the provisions of subdivision 2, a school referendum levy approved after November 1, 1992, for taxes payable in 1993 and thereafter, shall be levied against the referendum market value of all taxable property as defined in section 124A.02, subdivision 3b. Any referendum levy amount subject to the requirements of this subdivision shall be certified separately to the county auditor under section 275.07.

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision.

Sec. 14. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 3b, is amended to read:

Subd. 3b. [REFERENDUM ALLOWANCE REDUCTION.] A district's referendum allowance under subdivision 1c is reduced by the amounts calculated in paragraphs (a), (b), and (c), and (d).

(a) The referendum allowance reduction equals the amount by which a district's supplemental revenue reduction exceeds the district's supplemental revenue allowance for fiscal year 1993.

(b) Notwithstanding paragraph (a), if a district's initial referendum allowance is less than ten percent of the formula allowance for that year, the reduction equals the lesser of (1) an amount equal to \$100, or (2) the amount calculated in paragraph (a).

(c) Notwithstanding paragraph (a) or (b), a school district's referendum allowance reduction equals (1) an amount equal to \$100, times (2) one minus the ratio of 20 percent of the formula allowance minus the district's initial referendum allowance limit to 20 percent of the formula allowance for that year if:

(i) the district's adjusted net tax capacity for assessment year 1992 per actual pupil unit for fiscal year 1995 is less than \$3,000;

(ii) the district's net unappropriated operating fund balance as of June 30, 1993, divided by the actual pupil units for fiscal year 1995 is less than \$200;

(iii) the district's supplemental revenue allowance for fiscal year 1993 is equal to zero; and

(iv) the district's initial referendum revenue authority for the current year divided by the district's net tax capacity for assessment year 1992 is greater than ten percent.

(d) Notwithstanding paragraph (a), (b), or (c), the referendum revenue reduction for a newly reorganized district is computed as follows:

(i) for a newly reorganized district created effective July 1, 1994, the referendum revenue reduction equals either the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the districts as if they were still in existence for fiscal year 1995; or

(ii) for a newly reorganized district created after July 1, 1994, the referendum revenue reduction equals either the lesser of the amount calculated for the combined district under paragraph (a), (b), or (c), or the sum of the amounts by which each of the reorganizing district's supplemental revenue reduction exceeds its respective supplemental revenue allowances calculated for the year preceding the year of reorganization.

Sec. 15. [124A.0311] [REFERENDUM AUTHORITY.]

Subdivision 1. [EXPIRATION.] Unless scheduled to expire sooner, a referendum levy authorized under section 124A.03 expires July 1, 2000. This subdivision does not apply to a referendum levy that is authorized for ten or fewer years and that is levied against the referendum market value of all taxable property located within the school district.

Subd. 2. [CONVERSION TO MARKET VALUE.] (a) Prior to June 1, 1997, by June 1 of each year, a school board may, by resolution of a majority of its board, convert any remaining portion of its referendum authority under section 124A.03, subdivision 2, that is authorized to be levied against net tax capacity to referendum authority that is authorized to be levied against the referendum market value of all taxable property located within the school district. At the option of the school board, any remaining portion of its referendum authority may be converted in two or more parts at separate times. The board must notify the commissioner of education of the amount of referendum authority that has been converted from net tax capacity to referendum market value, if any, by June 15, of each year.

(b) For referendum levy amounts converted between June 1, 1997, and June 1, 1998, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to seven years.

(c) For referendum levy amounts converted between June 1, 1998, and June 1, 1999, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to six years.

(d) For referendum levy amounts converted between June 1, 1999, and June 1, 2000, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to five years.

Subd. 3. [ALTERNATIVE CONVERSION.] A school district that has a referendum that is levied against net tax capacity that expires before taxes payable in 1998 may convert its referendum authority according to this subdivision. In the payable year prior to the year of expiration, the school board may authorize a referendum under section 124A.03. Notwithstanding any other law to the contrary, the district may propose, and if approved by its electors, have its referendum authority reauthorized in part on tax capacity and in part on market value according to a schedule adopted by resolution of the school board for years prior to taxes payable in 2001, provided that, for taxes payable in 2001 and later, the full amount of referendum authority is levied against market value. If the full amount of the referendum is reauthorized on market value prior to taxes payable in 1998, the referendum may extend for 10 years. If the referendum becomes fully reauthorized on market value for a later year, the referendum shall not extend for more than the maximum number of years allowed under subdivision 2.

Subd. 4. [REFERENDUM.] The school board must prepare and publish in the official legal newspaper of the school district a notice of the public meeting on the district's intent to convert any portion of its referendum levy to market value not less than 30 days before the scheduled date of the meeting. The resolution converting a portion of the district's referendum levy to referendum market value becomes final unless within 30 days after the meeting where the resolution was adopted a petition requesting an election signed by a number of people residing in the district equal to 15 percent of the number of people who voted in the last general election in the school district is filed with the recording officer. If a petition is filed, then the school board resolution has no effect and the amount of referendum revenue authority specified in the resolution cancels for taxes payable in the following year and thereafter. The school board shall schedule a referendum under section 124A.03, subdivision 2.

Sec. 16. Minnesota Statutes 1992, section 124A.22, subdivision 2a, is amended to read:

Subd. 2a. [CONTRACT DEADLINE AND PENALTY.] (a) The following definitions apply to this subdivision:

(1) "Public employer" means:

(i) a school district; and

(ii) a public employer, as defined by section 179A.03, subdivision 15, other than a school district that (i) negotiates a contract under chapter 179A with teachers, and (ii) is established by, receives state money, or levies under chapters 120 to 129, or 136D, or 268A, or section 136C.411.

(2) "Teacher" means a person, other than a superintendent or assistant superintendent, principal, assistant principal, or a supervisor or confidential employee who occupies a position for which the person must be licensed by the board of teaching, state board of education, or state board of technical colleges.

(b) Notwithstanding any law to the contrary, a public employer and the exclusive representative of the teachers shall both sign a collective bargaining agreement on or before January 15 of an even-numbered calendar year. If a collective bargaining agreement is not signed by that date, state aid paid to the public employer for that fiscal year shall be reduced. However, state aid shall not be reduced if:

(1) a public employer and the exclusive representative of the teachers have submitted all unresolved contract items to interest arbitration according to section 179A.16 before December 31 of an odd-numbered year and filed required final positions on all unresolved items with the commissioner of mediation services before January 15 of an even-numbered year; and

(2) the arbitration panel has issued its decision within 60 days after the date the final positions were filed.

(c)(1) For a district that reorganizes according to section 122.22 or 122.23, or 122.241 to 122.248 effective July 1 of an odd-numbered year, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers both sign a collective bargaining agreement on or before the March 15 following the effective date of reorganization. ~~This extension is available only in the calendar year following the effective date of reorganization.~~

(2) For a district that jointly negotiates a contract prior to the effective date of reorganization under section 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized, state aid shall not be reduced according to this subdivision if the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before the March 15 following the expiration of the teacher contracts in each district involved in the joint negotiation.

(3) Only one extension of the contract deadline is available to a district under this paragraph.

(d) The reduction shall equal \$25 times the number of actual pupil units:

(1) for a school district, that are in the district during that fiscal year; or

(2) for a public employer other than a school district, that are in programs provided by the employer during the preceding fiscal year.

The department of education shall determine the number of full-time equivalent actual pupil units in the programs. The department of education shall reduce general education aid; if general education aid is insufficient or not paid, the department shall reduce other state aids.

(e) Reductions from aid to school districts and public employers other than school districts shall be returned to the general fund.

Sec. 17. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 5, is amended to read:

Subd. 5. [DEFINITIONS.] The definitions in this subdivision apply only to subdivisions 6 and 6a.

(a) "High school" means a secondary school that has pupils enrolled in at least the 10th, 11th, and 12th grades. If there is no secondary school in the district that has pupils enrolled in at least the 10th, 11th, and 12th grades, and the school is at least 19 miles from the next nearest school, the commissioner shall designate one school in the district as a high school for the purposes of this section.

(b) "Secondary average daily membership" means, for a district that has only one high school, the average daily membership of resident pupils in grades 7 through 12. For a district that has more than one high school, "secondary average daily membership" for each high school means the product of the average daily membership of resident pupils in grades 7 through 12 in the high school, times the ratio of six to the number of grades in the high school.

(c) "Attendance area" means the total surface area of the district, in square miles, divided by the number of high schools in the district. For a district that does not operate a high school and is less than 19 miles from the nearest operating high school, the attendance area equals zero.

(d) "Isolation index" for a high school means the square root of ~~one-half~~ 55 percent of the attendance area plus the distance in miles, according to the usually traveled routes, between the high school and the nearest high school.

(e) "Qualifying high school" means a high school that has an isolation index greater than 23 and that has secondary average daily membership of less than 400.

(f) "Qualifying elementary school" means an elementary school that is located 19 miles or more from the nearest elementary school or from the nearest elementary school within the district and, in either case, has an elementary average daily membership of an average of 20 or fewer per grade.

(g) "Elementary average daily membership" means, for a district that has only one elementary school, the average daily membership of resident pupils in kindergarten through grade 6. For a district that has more than one elementary school, "average daily membership" for each school means the average daily membership of kindergarten through grade 6 multiplied by the ratio of seven to the number of grades in the elementary school.

Sec. 18. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 6, is amended to read:

Subd. 6. [SECONDARY SPARSITY REVENUE.] (a) A district's secondary sparsity revenue for a school year equals the sum of the results of the following calculation for each qualifying high school in the district:

(1) the formula allowance for the school year, multiplied by

(2) the secondary average daily membership of the high school, multiplied by

(3) the quotient obtained by dividing 400 minus the secondary average daily membership by 400 plus the secondary daily membership, multiplied by

(4) the lesser of ~~one~~ 1.5 or the quotient obtained by dividing the isolation index minus 23 by ten.

(b) A newly formed school district that is the result of districts combining under the cooperation and combination program or consolidating under section 122.23 shall receive secondary sparsity revenue equal to the greater of: (1) the amount calculated under paragraph (a) for the combined district; or (2) the sum of the amounts of secondary sparsity revenue the former school districts had in the year prior to consolidation, increased for any subsequent changes in the secondary sparsity formula.

Sec. 19. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 8, is amended to read:

Subd. 8. [SUPPLEMENTAL REVENUE.] (a) A district's supplemental revenue allowance for fiscal year 1994 and later fiscal years equals the district's supplemental revenue for fiscal year 1993 divided by the district's 1992-1993 actual pupil units.

(b) A district's supplemental revenue allowance is reduced for fiscal year 1995 and later according to subdivision 9.

(c) A district's supplemental revenue equals the supplemental revenue allowance, if any, times its actual pupil units for that year.

(d) A school district may cancel its supplemental revenue by notifying the commissioner of education prior to June 30, 1994. A school district that is reorganizing under section 122.22, 122.23, or 122.241 may cancel its supplemental revenue by notifying the commissioner of education prior to July 1 of the year of the reorganization. If a district cancels its supplemental revenue according to this paragraph, its supplemental revenue allowance for fiscal year 1993 for purposes of subdivision 9 and section 124A.03, subdivision 3b, equals zero.

Sec. 20. Minnesota Statutes 1993 Supplement, section 124A.22, subdivision 9, is amended to read:

Subd. 9. [SUPPLEMENTAL REVENUE REDUCTION.] A district's supplemental revenue allowance is reduced by the sum of:

(1) the sum of one-fourth of the difference of:

(i) the sum of the district's training and experience revenue and compensatory revenue per actual pupil unit for that fiscal year, and

(ii) the sum of district's training and experience revenue and compensatory revenue per actual pupil unit for fiscal year 1994; and

~~(2) the difference between the formula allowance for the current fiscal year and \$3,050 \$100.~~

A district's supplemental revenue allowance may not be less than zero.

Sec. 21. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] (a) Of a district's general education revenue an amount equal to the sum of the number of elementary ~~pupil units~~ pupils in average daily membership defined in section 124.17, subdivision 1, clause (f) and kindergarten ~~pupil units~~ one-half of the number of kindergarten pupils in average daily membership as defined in section 124.17, subdivision 1, clause (e), times .03 for fiscal year 1994 and .06 for fiscal year 1995 and thereafter times the formula allowance must be reserved according to this section.

~~(b) For fiscal year 1995, a district must reserve an additional amount equal to the greater of~~

~~(i) \$0, or~~

~~(ii) \$100 minus the sum of the reduction for supplemental revenue under section 124A.22, subdivision 9, and the reduction for referendum revenue under section 124A.03, subdivision 3b, times the district's actual pupil units times the ratio of the district's elementary average daily membership to the district's average daily membership according to this section. The revenue must be placed in a learning and development reserved account and may only be used according to this section.~~

~~(c) The ratio in paragraph (a) for fiscal year 1995 is adjusted by adding an amount equal to the ratio of the difference between the formula allowance for fiscal year 1995 minus 3,150 to 10,000.~~

Sec. 22. Minnesota Statutes 1992, sections 124A.26, is amended by adding a subdivision to read:

Subd. 5. [ALLOCATION AMONG ACCOUNTS.] The district must apportion any fund balance reduction under this section among all reserved and unreserved fund balance accounts included in the net unappropriated operating fund balance in the proportion that each account bears to the total.

Sec. 23. Minnesota Statutes 1992, section 354.42, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL EMPLOYER CONTRIBUTION.] To amortize the unfunded actuarial accrued liability computed under the entry age actuarial cost method and disclosed under the annual actuarial valuations prepared by the commission-retained actuary under section 356.215, an additional employer contribution shall be made in the amount of 3.64 2.98 percent of the salary of each member.

This contribution must be made in the manner provided in section 354.43.

By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the additional employer contribution rate in effect and whether that amount is less than, the same as, or more than the required amortization contribution determined under section 356.215.

Sec. 24. Laws 1993, chapter 224, article 15, section 2, is amended to read:

Sec. 2. [DECLINING PUPIL UNIT AID.]

(a) For fiscal year 1994 only, a school district is eligible for declining pupil unit aid equal to the greater of zero or the result of the following computation:

(1) add 77 percent of the district's actual pupil units for fiscal year 1994 and 23 percent of the district's actual pupil units for fiscal year 1993;

(2) subtract from the amount calculated in clause (1) the district's actual pupil units for fiscal year 1994; and

(3) multiply the amount determined in clause (2) by the basic formula allowance for that year.

(b) The aid amount calculated under paragraph (a) is available from the general education appropriation under article 1, section 41, subdivision 2, to the department of education for payment of declining pupil unit aid.

(c) For the purposes of this section, under Minnesota Statutes, section 124.17, subdivision 3, a pupil who is in grades 1 to 6 is counted as 1.03 pupil units for fiscal year 1993.

Sec. 25. [EXEMPTION TO CONTRACT DEADLINE; HAYFIELD.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 2a, independent school district No. 203, Hayfield, is not subject to the contract penalty reduction in general education revenue for fiscal year 1994.

Sec. 26. [AID ADJUSTMENT.]

Notwithstanding Minnesota Statutes, section 124A.22, subdivision 2a, paragraph (c), if:

(1) a district's fiscal year 1994 general education aid was reduced under Minnesota Statutes 1992, section 124A.22, subdivision 2a;

(2) the district jointly negotiates a contract prior to the effective date of reorganization under Minnesota Statutes, sections 122.22, 122.23, or 122.241 to 122.248 that, for the first time, includes teachers in all districts to be reorganized; and

(3) the school board and the exclusive representative of the teachers sign a collective bargaining agreement on or before May 15, 1994;

the district's general education aid shall be increased in the amount of the reduction.

Sec. 27. [DELAY IN AID REPAYMENT.]

Notwithstanding any law to the contrary, the department of education must allow independent school district No. 186, Pequot Lakes, to repay over a five-year period state aid overpayments for fiscal years 1991 and 1992 due to the property tax revenue recognition shift.

Sec. 28. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.]

For fiscal year 1995 only, additional basic general education aid is \$13.68 per actual pupil unit. This amount is added to the basic general education revenue in Minnesota Statutes, section 124A.22, subdivision 2, only for the purpose of computing additional basic general education aid. The additional aid shall not be included in the computation of any other aid or levy. The additional aid is not subject to the levy equity provision in Minnesota Statutes, section 124A.24. The additional general education aid in this section is not included in the calculation of the general education aid according to Minnesota Statutes, section 124A.032. This additional aid is intended to partially cover the increase in fiscal year 1995 of revenue reserved for staff development according to Minnesota Statutes, section 124A.29, subdivision 1.

Sec. 29. [GENERAL EDUCATION AID APPROPRIATION ADJUSTMENTS.]

The appropriation for general and supplemental education aid in Laws 1993, chapter 224, article 1, section 41, subdivision 2, is adjusted by the amounts in paragraphs (a) and (b).

(a) For fiscal year 1994:

(1) the reduction for the contract deadline penalty is \$800,000; and

(2) the reduction for additional permanent school fund earnings is \$1,800,000.

(b) For fiscal year 1995:

(1) the reduction for the TRA contribution rate change is \$12,185,000;

(2) the increase for the change in kindergarten pupil weighting is \$3,553,000; and

(3) the increase for the change in the secondary sparsity formula is \$1,382,000.

Sec. 30. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.] For general education aid according to section 27:

<u>\$12,604,000</u>	<u>.....</u>	<u>1995</u>
---------------------	--------------	-------------

Notwithstanding Minnesota Statutes, section 124.195, subdivision 10, 100 percent of this appropriation must be paid in fiscal year 1995.

Subd. 3. [FISCAL YEAR 1995 SHIFT REDUCTION.] For reduction of the property tax revenue recognition shift percentage in Minnesota Statutes, section 121.904, subdivisions 4a and 4e, below 37.4 percent:

<u>\$124,000,000</u>	<u>.....</u>	<u>1995</u>
----------------------	--------------	-------------

This amount is anticipated to reduce the shift percent to 30.2 percent.

Subd. 4. [ADDITIONAL FISCAL YEAR 1995 SHIFT REDUCTION.] If the November 1994 general fund revenue and expenditure forecast indicates a state aid savings in the general education aid appropriation attributable to a net increase in the fiscal year 1994 and fiscal year 1995 property tax revenue recognition shift savings as compared to the March 1994 forecast, adjusted for changes in the shift percentage, those additional state aid savings must be used to reduce the shift percentage below the percentage computed according to subdivision 3. By January 15, 1995, the commissioner of education must adjust the shift percentage and notify school districts of the revised percentage.

Sec. 31. [REPEALER.]

Laws 1993, chapter 224, article 1, section 37, is repealed.

Sec. 32. [EFFECTIVE DATE.]

(a) Sections 16 and 19 (124A.22, subdivisions 2a and 8); 24 (Laws 1993, chapter 224, article 15, section 2); 25 (HAYFIELD); 26 (AID ADJUSTMENT); 29 (GENERAL EDUCATION AID APPROPRIATIONS ADJUSTMENTS); are effective the day following final enactment.

(b) Section 13 (124A.03, subdivision 2a), is effective for taxes payable in 1995 and later years.

ARTICLE 2

TRANSPORTATION

Section 1. Minnesota Statutes 1992, section 124.223, subdivision 1, is amended to read:

Subdivision 1. [TO AND FROM SCHOOL; BETWEEN SCHOOLS.] (a) State transportation aid is authorized for transportation or board of resident elementary pupils who reside one mile or more from the public schools which they could attend; transportation or board of resident secondary pupils who reside two miles or more from the public schools which they could attend; transportation to and from schools the resident pupils attend according to a program approved by the commissioner of education, or between the schools the resident pupils attend for instructional classes; transportation of resident elementary pupils who reside one mile or more from a nonpublic school actually attended; transportation of resident secondary pupils who reside two miles or more from a nonpublic school actually attended; but with respect to transportation of pupils to nonpublic schools actually attended, only to the extent permitted by sections 123.76 to 123.79; transportation of resident pupils to and from language immersion programs; transportation of a pupil who is a custodial parent and that pupil's child between the pupil's home and the child care provider and between the provider and the school, if the home and provider are within the attendance area of the school. State transportation aid is not authorized for late transportation home from school for pupils involved in after school activities. State transportation aid is not authorized for summer program transportation except as provided in subdivision 8.

(b) For the purposes of this subdivision, a district may designate a licensed day care facility, respite care facility, the residence of a relative, or the residence of a person chosen by the pupil's parent or guardian as the home of a pupil for part or all of the day, if requested by the pupil's parent or guardian and if that facility or residence is within the attendance area of the school the pupil attends.

(c) State transportation aid is authorized for transportation to and from school of an elementary pupil who moves during the school year within an area designated by the district as a mobility zone, but only for the remainder of the school year. The attendance areas of schools in a mobility zone must be contiguous. To be in a mobility zone, a school must meet both of the following requirements:

(1) more than 50 percent of the pupils enrolled in the school are eligible for free or reduced school lunch; and

(2) the pupil withdrawal rate for the last year is more than 12 percent.

(d) A pupil withdrawal rate is determined by dividing:

(1) the sum of the number of pupils who withdraw from the school, during the school year, and the number of pupils enrolled in the school as a result of transportation provided under this paragraph, by

(2) the number of pupils enrolled in the school.

(e) The district may establish eligibility requirements for individual pupils to receive transportation in the mobility zone.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.225, subdivision 7e, is amended to read:

Subd. 7e. [EXCESS NONREGULAR TRANSPORTATION REVENUE.] A district's excess nonregular transportation revenue for 1992-1993 and later school years equals an amount equal to 80 percent of the difference between:

(1) the district's actual cost in the current year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), and

(2) the product of the district's actual cost in the base year for nonregular transportation services as defined for the current year in subdivision 1, paragraph (c), times ~~1.30~~ the nonregular transportation inflation factor for the current year, times the ratio of the district's average daily membership for the current year to the district's average daily membership for the base year.

Sec. 3. Minnesota Statutes 1993 Supplement, section 124.226, subdivision 3a, is amended to read:

Subd. 3a. [TRANSPORTATION LEVY EQUITY.] (a) If a district's basic transportation levy for a fiscal year is adjusted according to subdivision 3, an amount must be deducted from the state payments that are authorized in chapter 273 and that are receivable for the same fiscal year. The amount of the deduction equals the difference between:

(1) the district's transportation revenue under section 124.225, subdivision 7d; and

(2) the sum of the district's maximum basic transportation levy under subdivision 1, the district's maximum nonregular levy under subdivision 4, ~~the district's maximum excess transportation levy under subdivision 5~~, the district's contracted services aid reduction under section 124.225, subdivision 8k, and the amount of any reduction due to insufficient appropriation under section 124.225, subdivision 8a.

(b) Notwithstanding paragraph (a), for fiscal year 1995, the amount of the deduction is one-fourth of the difference between clauses (1) and (2); for fiscal year 1996, the amount of the deduction is one-half of the difference between clauses (1) and (2); and for fiscal year 1997, the amount of the deduction is three-fourths of the difference between clauses (1) and (2).

(c) The amount of the deduction in any fiscal year must not exceed the amount of state payments that are authorized in chapter 273 and that are receivable for the same fiscal year in the district's transportation fund.

Sec. 4. Minnesota Statutes 1993 Supplement, section 124.226, subdivision 9, is amended to read:

Subd. 9. [LATE ACTIVITY BUSES.] (a) A school district may levy an amount equal to the lesser of:

(1) the actual cost of late transportation home from school, between schools within a district, or between schools in one or more districts that have an agreement under sections 122.241 to 122.248, 122.535, 122.541, or 124.494, for pupils involved in after school activities for the school year beginning in the year the levy is certified; or

(2) two percent of the sum of the district's regular transportation revenue and the district's nonregular transportation revenue for that school year according to section 124.225, subdivision 7d, ~~paragraph (a)~~.

(b) A district that levies under this section must provide late transportation from school for students participating in any academic-related activities provided by the district if transportation is provided for students participating in athletic activities.

(c) Notwithstanding section 121.904, the entire amount of this levy shall be recognized as revenue for the fiscal year in which the levy is certified. This levy shall not be considered in computing the aid reduction under section 124.155.

Sec. 5. Minnesota Statutes 1992, section 260.181, subdivision 2, is amended to read:

Subd. 2. [CONSIDERATION OF REPORTS.] Before making a disposition in a case, or terminating parental rights, or appointing a guardian for a child the court may consider any report or recommendation made by the county welfare board, probation officer, licensed child placing agency, foster parent, guardian ad litem, tribal representative, or other authorized advocate for the child or child's family, a school district concerning the effect on student transportation of placing a child in a school district in which the child is not a resident, or any other information deemed material by the court.

Sec. 6. Laws 1993, chapter 224, article 2, section 15, subdivision 2, as amended by Laws 1993, chapter 374, section 5, is amended to read:

Subd. 2. [TRANSPORTATION AID.] For transportation aid according to Minnesota Statutes, section 124.225:

~~\$127,889,000~~ \$127,955,000 1994

~~\$141,658,000~~ \$143,406,000 1995

The 1994 appropriation includes \$18,327,000 for 1993 and ~~\$109,562,000~~ \$109,628,000 for 1994.

The 1995 appropriation includes ~~\$19,334,000~~ \$19,345,000 for 1994 and ~~\$122,324,000~~ \$124,061,000 for 1995.

Sec. 7. [STAPLES TRANSPORTATION FUNDING.]

Notwithstanding Minnesota Statutes, section 124.225, or any other law to the contrary, for fiscal year 1994, transportation aid paid to independent school district No. 793, Staples, for residents of independent school district No. 483, Motley, transported under Minnesota Statutes, section 120.062, subdivision 9, shall be computed using the regular transportation allowance determined according to Minnesota Statutes, section 124.225, for independent school district No. 483, Motley.

Sec. 8. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [METRO DEAF TRANSPORTATION AID.] For transportation aid to independent school district No. 4005, Metro Deaf School:

<u>\$21,000</u>	<u>.....</u>	<u>1994</u>
-----------------	--------------	-------------

<u>\$66,000</u>	<u>.....</u>	<u>1995</u>
-----------------	--------------	-------------

Notwithstanding Minnesota Statutes, sections 120.064 and 124.248, or other law, the commissioner shall pay transportation aid for fiscal years 1994 and 1995 to independent school district No. 4005, Metro Deaf School. The state aid for each fiscal year equals the district's actual cost for providing transportation services approved by the commissioner of education.

Sec. 9. [EFFECTIVE DATES.]

(a) Section 1 (language immersion program transportation) is effective the day following final enactment and applies to revenue for 1993-1994 and later school years.

(b) Sections 6 to 8 (transportation aid; Staples; appropriations) are effective the day following final enactment.

ARTICLE 3

SPECIAL PROGRAMS

Section 1. Minnesota Statutes 1992, section 13.04, is amended by adding a subdivision to read:

Subd. 5. [EDUCATION RECORDS; CHILD WITH A DISABILITY.] Nothing in this chapter shall be construed as limiting the frequency of inspection of the educational records of a child with a disability by the child's parent or guardian or by the child upon the child reaching the age of majority. An agency or institution that receives a request for copies of a disabled child's educational records may charge fees that reflect the costs of reproducing the records except when to do so would impair the ability of the child's parent or guardian, or the child who has reached the age of majority, to copy the records.

Sec. 2. Minnesota Statutes 1992, section 120.17, subdivision 1, is amended to read:

Subdivision 1. [SPECIAL INSTRUCTION FOR CHILDREN WITH A DISABILITY.] Every district shall provide special instruction and services, either within the district or in another district, for children with a disability who are residents of the district and who are disabled as set forth in section 120.03. Notwithstanding any age limits in laws to the contrary, special instruction and services must be provided from birth until September 1 after the child with a disability becomes 21 22 years old but shall not extend beyond secondary school or its equivalent, except as provided in section 126.22, subdivision 2. Local health, education, and social service agencies shall refer children under age five who are known to need or suspected of needing special instruction and services to the school district. Districts with less than the minimum number of eligible children with a disability as determined by the state board shall cooperate with other districts to maintain a full range of programs for education and services for children with a disability. This subdivision does not alter the compulsory attendance requirements of section 120.101.

Sec. 3. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 11b, is amended to read:

Subd. 11b. [RESPONSIBILITIES OF COUNTY BOARDS AND SCHOOL BOARDS.] (a) It is the joint responsibility of county boards and school boards to coordinate, provide, and pay for appropriate services, and to facilitate payment for services from public and private sources. Appropriate services for children eligible under section 120.03 must be determined in consultation with parents, physicians, and other educational, medical, health, and human services providers. The services provided must be in conformity with an individual family service plan (IFSP) as defined in Code of Federal Regulations, title 34, sections 303.340, 303.341a, and 303.344 for each eligible infant and toddler from birth through age two and its family, or an individual education plan (IEP) or individual service plan (ISP) for each eligible child ages three through four. ~~County boards and school boards shall not be required to provide any services under an individual family service plan that are not required in an individual education plan or individual service plan.~~

(b) Appropriate services include family education and counseling, home visits, occupational and physical therapy, speech pathology, audiology, psychological services, special instruction, nursing, respite, nutrition, assistive technology, transportation and related costs, social work, vision services, case management including service coordination under subdivision 8, medical services for diagnostic and evaluation purposes, early identification, and screening, assessment, and health services necessary to enable children with disabilities to benefit from early intervention services.

(c) School and county boards shall coordinate early intervention services. In the absence of agreements established according to subdivision 13, service responsibilities for children birth through age two are as follows:

(1) school boards are required to provide, pay for, and facilitate payment for special education and related services required under section 120.17, subdivision 2;

(2) county boards are required to provide, pay for, and facilitate payment for noneducational services of social work, psychology, transportation and related costs, nursing, respite, and nutrition services not required under clause (1).

(d) School and county boards may develop an interagency agreement according to subdivision 13 to establish agency responsibility that assures that early intervention services are coordinated, provided, paid for, and that payment is facilitated from public and private sources.

(e) County and school boards shall jointly determine the primary agency in this cooperative effort and must notify the commissioner of education the state lead agency of their decision.

Sec. 4. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 12, is amended to read:

Subd. 12. [INTERAGENCY EARLY INTERVENTION COMMITTEES.] (a) A school district, group of districts, or special education cooperative, in cooperation with the health and human service agencies located in the county or counties in which the district or cooperative is located, shall establish an interagency early intervention committee for children with disabilities under age five and their families. Committees shall include representatives of local and regional health, education, and county human service agencies; county boards; school boards; early childhood family education programs; parents of young children with disabilities under age 12; current service providers; and may also include representatives from other private or public agencies. The committee shall elect a chair from among its members and shall meet at least quarterly.

(b) The committee shall develop and implement interagency policies and procedures concerning the following ongoing duties:

(1) develop public awareness systems designed to inform potential recipient families of available programs and services;

(2) implement interagency child find systems designed to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities and their families;

(3) establish and evaluate the identification, referral, child and family assessment systems, procedural safeguard process, and community learning systems to recommend, where necessary, alterations and improvements;

(4) assure the development of individualized family service plans for all eligible infants and toddlers with disabilities from birth through age two, and their families, and individual education plans and individual service plans when necessary to appropriately serve children with disabilities, age three and older, and their families and recommend assignment of financial responsibilities to the appropriate agencies. Agencies are encouraged to develop individual family service plans for children with disabilities, age three and older;

(5) implement a process for assuring that services involve cooperating agencies at all steps leading to individualized programs;

(6) facilitate the development of a transitional plan if a service provider is not recommended to continue to provide services;

(7) identify the current services and funding being provided within the community for children with disabilities under age five and their families; and

(8) develop a plan for the allocation and expenditure of additional state and federal early intervention funds under United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and United States Code, title 20, section 631, et seq. (Chapter I, Public Law Number 89-313); and

(9) develop a policy that is consistent with section 13.05, subdivision 9, and federal law to enable a member of an interagency early intervention committee to allow another member access to data classified as not public.

(c) The local committee shall also:

(1) participate in needs assessments and program planning activities conducted by local social service, health and education agencies for young children with disabilities and their families;

(2) review and comment on the early intervention section of the total special education system for the district, the county social service plan, the section or sections of the community health services plan that address needs of and service activities targeted to children with special health care needs, and the section of the maternal and child health special project grants that address needs of and service activities targeted to children with chronic illness and disabilities; and

(3) prepare a yearly summary on the progress of the community in serving young children with disabilities, and their families, including the expenditure of funds, the identification of unmet service needs identified on the individual family services plan and other individualized plans, and local, state, and federal policies impeding the implementation of this section.

(d) The summary must be organized following a format prescribed by the commissioner of education the state lead agency and must be submitted to each of the local agencies and to the state interagency coordinating council by October 1 of each year.

The departments of education, health, and human services must provide assistance to the local agencies in developing cooperative plans for providing services.

Sec. 5. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 17, is amended to read:

Subd. 17. [STATE INTERAGENCY AGREEMENT.] (a) The commissioners of the departments of education, health, and human services shall enter into an agreement to implement this section and Part H, Public Law Number 102-119, and as required by Code of Federal Regulations, title 34, section 303.523, to promote the development and implementation of interagency, coordinated, multidisciplinary state and local early childhood intervention service systems for serving eligible young children with disabilities, birth through age two, and their families. The agreement must be reviewed annually.

(b) The state interagency agreement shall outline at a minimum the conditions, procedures, purposes, and responsibilities of the participating state and local agencies for the following:

(1) membership, roles, and responsibilities of a state interagency committee for the oversight of priorities and budget allocations under Part H, Public Law Number 102-119, and other state allocations for this program;

(2) child find;

- (3) establishment of local interagency agreements;
- (4) review by a state interagency committee of the allocation of additional state and federal early intervention funds by local agencies;
- (5) fiscal responsibilities of the state and local agencies;
- (6) intra-agency and interagency dispute resolution;
- (7) payor of last resort;
- (8) maintenance of effort;
- (9) procedural safeguards, including mediation;
- (10) complaint resolution;
- (11) quality assurance;
- (12) data collection; and
- (13) an annual summary to the state interagency coordinating council regarding conflict resolution activities including disputes, due process hearings, and complaints; and
- (14) other components of the state and local early intervention system consistent with Public Law Number 102-119.

Written materials must be developed for parents, IEIC's, and local service providers that describe procedures developed under this section as required by Code of Federal Regulations, title 34, section 303.

Sec. 6. [120.1701] [INTERAGENCY EARLY CHILDHOOD INTERVENTION SYSTEM.]

Subdivision 1. [PURPOSE.] It is the policy of the state to develop and implement comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

Subd. 2. [DEFINITIONS.] For the purposes of this section the following terms have the meaning given them.

- (a) "Coordinate" means to provide ready access to a community's services and resources to meet child and family needs.
- (b) "Core early intervention services" means services that are available at no cost to children and families. These services include:

- (1) identification and referral;
- (2) screening;
- (3) evaluation;
- (4) assessment;
- (5) service coordination;
- (6) special education and related services provided under section 120.17, subdivision 3a, and United States Code, title 20, section 1401; and
- (7) protection of parent and child rights by means of procedural safeguards.
- (c) "County board" means a county board established under chapter 375.

(d) "Early intervention record" means any personally identifiable information about a child or the child's family that is generated by the early intervention system, and that pertains to evaluation and assessment, development of an individualized family service plan, and the delivery of early intervention services.

(e) "Early intervention services" means services provided in conformity with an individualized family service plan that are designed to meet the special developmental needs of a child eligible under Code of Federal Regulations, title 34, part 303, and the needs of the child's family related to enhancing the child's development and that are selected in collaboration with the parent. These services include core early intervention services and additional early intervention services listed in subdivision 4 and services defined in Code of Federal Regulations, title 34, section 303, et seq.

(f) "Early intervention system" means the total effort in the state to meet the needs of eligible children and their families, including, but not limited to:

(1) any public agency in the state that receives funds under the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119);

(2) other state and local agencies administering programs involved in the provision of early intervention services, including, but not limited to:

(i) the Maternal and Child Health program under Title V of the Social Security Act, United State Code, title 42, sections 701 to 709;

(ii) the Individuals with Disabilities Education Act, United State Code, title 20, sections 1411 to 1420 (Part B);

(iii) medical assistance under the Social Security Act, United State Code, title 42, section 1396 et seq.;

(iv) the Developmental Disabilities Assistance and Bill of Rights Act, United States Code, title 42, sections 6021 to 6030 (Part B); and

(v) the Head Start Act, United States Code, title 42, sections 9831 to 9852; and

(3) services provided by private groups or third-party payers in conformity with an individualized family service plan.

(g) "Eligibility for Part H" means eligibility for early childhood special education under section 120.03 and Minnesota Rules, part 3525.2335, subpart 1, items A and B.

(h) "Facilitate payment" means helping families access necessary public or private assistance that provides payment for services required to meet needs identified in a service plan, individual education plan (IEP), individual service plan (ISP), or individualized family service plan (IFSP), according to time frames required by the plan. This may also include activities to collect fees for services provided on a sliding fee basis, where permitted by state law.

(i) "Individualized family service plan" or "IFSP" means a written plan for providing services to a child and the child's family.

(j) "Interagency child find systems" means activities developed on an interagency basis with the involvement of interagency early intervention committees and other relevant community groups to actively seek out, identify, and refer infants and young children with, or at risk of, disabilities, and their families.

(k) "Local primary agency" means the agency designated jointly by the school and county board under subdivision 4.

(l) "Parent" means the biological parent with parental rights, adoptive parent, legal guardian, or surrogate parent.

(m) "Part H state plan" means the annual state plan application approved by the federal government under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(n) "Pay for" means using federal, state, local, and private dollars available for early intervention services.

(o) "Respite" means short term, temporary care provided to a child with a disability due to the temporary absence or need for relief of the family member or members or primary care giver, normally providing the care.

(p) "State lead agency" means the state agency receiving federal funds under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(g) "Surrogate parent" means a person appointed by the local education agency to assure that the rights of the child to early intervention services are protected.

Subd. 6. [LOCAL PRIMARY AGENCY.] (a) The local primary agency shall:

(1) facilitate the development of annual fund requests that identify arrangements with other local and regional agencies providing services as part of the state's early childhood intervention system and that result in service availability on a year-round basis, as necessary;

(2) administer funds received through the annual fund request;

(3) provide oversight for data collection efforts;

(4) facilitate completion of interagency early intervention committee duties as indicated in subdivision 5;

(5) request mediation from the state lead agency, if necessary;

(6) request assistance from the state lead agency when disputes between agencies cannot be resolved within 20 calendar days; and

(7) receive written requests from parents for matters that may be resolved through due process hearings.

(b) When the local primary agency is not an education agency, resources distributed under the early intervention fund shall be transferred from a local educational agency to a noneducation agency using a state provided contract. A local primary agency may budget for indirect costs at an amount not to exceed five percent of the amount allocated from the early intervention fund.

Subd. 7. [INDIVIDUALIZED FAMILY SERVICE PLAN.] (a) A team must participate in IFSP meetings to develop the individualized family service plan. The team shall include:

(1) a parent or parents of the child;

(2) other family members, as requested by the parent, if feasible to do so;

(3) an advocate or person outside of the family, if the parent requests that the person participate;

(4) the service coordinator who has been working with the family since the initial referral, or who has been designated by the public agency to be responsible for implementation of the IFSP; and

(5) a person or persons involved in conducting evaluation and assessments.

(b) The IFSP must include:

(1) information about the child's developmental status;

(2) family information, with the consent of the family;

(3) major outcomes expected to be achieved by the child and the family, that include the criteria, procedures, and time lines;

(4) specific early intervention services necessary to meet the unique needs of the child and the family to achieve the outcomes;

(5) payment arrangements, if any;

(6) medical and other services that the child needs, but that are not required under the Individual with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) including funding sources to be used in paying for those services and the steps that will be taken to secure those services through public or private sources;

- (7) dates and duration of early intervention services;
- (8) name of the service coordinator;
- (9) steps to be taken to support a child's transition from early intervention services to other appropriate services; and
- (10) signature of the parent and authorized signatures of the agencies responsible for providing, paying for, or facilitating payment (or any combination of these) for early intervention services.

Subd. 8. [SERVICE COORDINATION.] (a) The team developing the individualized family service plan under subdivision 7 shall select a service coordinator to carry out service coordination activities on an interagency basis. Service coordination must actively promote a family's capacity and competency to identify, obtain, coordinate, monitor, and evaluate resources and services to meet the family's needs. Service coordination activities include:

- (1) coordinating the performance of evaluations and assessments;
- (2) facilitating and participating in the development, review, and evaluation of individualized family service plans;
- (3) assisting families in identifying available service providers;
- (4) coordinating and monitoring the delivery of available services;
- (5) informing families of the availability of advocacy services;
- (6) coordinating with medical, health, and other service providers;
- (7) facilitating the development of a transition plan at least six months prior to the time the child is no longer eligible for early intervention services, if appropriate;
- (8) managing the early intervention record and submitting additional information to the local primary agency at the time of periodic review and annual evaluations; and
- (9) notifying a local primary agency when disputes between agencies impact service delivery required by an individualized family service plan.

(b) A service coordinator must be knowledgeable about children and families receiving services under this section, requirements of state and federal law, and services available in the interagency early childhood intervention system.

Subd. 8a. [EARLY INTERVENTION RESPITE.] The provision of respite services for an eligible child and family shall be determined in the context of the IFSP development based on the individual needs of the child and family and with consideration given to the following criteria:

- (1) severity of the child's disability and needs;
- (2) potential risk of out-of-home placement for the child if respite services are not provided;
- (3) parental lack of access to informal support systems, including, but not limited to, extended family, supportive friends, and community supports;
- (4) presence of factors known to increase family stress, including, but not limited to, family size and presence of another child or family member with a disability;
- (5) the availability of other public services provided to the family which assist the parent or primary caretaker in obtaining relief from caretaking responsibilities; and
- (6) the perceived and expressed level of need for respite services by the parent.

Counties are encouraged to make a variety of respite service models available, which may include in or out-of-home respite, family reimbursement programs, and parent-to-parent respite projects.

Subd. 9. [EARLY INTERVENTION FLOW-THROUGH DOLLARS.] (a) The state lead agency shall administer the early intervention account which consists of federal allocations. The Part H state plan shall state the amount of federal resources in the early intervention account available for use by local agencies. The state lead agency shall distribute the funds to the local primary agency based on a December 1 count of the prior year of Part H eligible children for the following purposes:

(1) as provided in Code of Federal Regulations, title 34, part 303.425, to arrange for payment for early intervention services not elsewhere available, or to pay for services during the pendency of a conflict procedure, including mediation, complaints, due process hearings, and interagency disputes; and

(2) to support interagency child find system activities.

(b) The priority purpose for this fund is paragraph (a), clause (1). The local primary agency shall reallocate resources from the early intervention fund as necessary in order to meet this priority.

(c) Nothing in this subdivision shall limit the state lead agency's authority to allocate discretionary federal funds for any purpose consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119) and regulations adopted under United States Code, title 20, sections 1471 to 1485.

(d) Each county board must continue to spend for early intervention services under subdivision 2, paragraph (e), an amount equal to the total county expenditure during the period from January 1, 1993, to December 31, 1993, for these same services. The commissioner of human services, in consultation with the commissioner of health and the association of Minnesota counties, shall establish a process for determining base year 1993 expenditures.

(e) County boards that have submitted base year 1993 expenditures as required under paragraph (d) are not required to pay any increased cost over the base year 1993 for early intervention services resulting from implementing the early intervention system. Increased costs to county boards may be paid for with early intervention flow-through dollars.

(f) School boards are not required to pay for services defined in section 120.17, subdivision 11b, paragraph (c), clause (2).

Subd. 10. [PAYMENT FOR SERVICES.] Core early intervention services shall be provided at public expense with no cost to parents. Parents shall be requested to assist in the cost of additional early intervention services by using third-party payment sources and applying for available resources. If a parent chooses not to access these resources, additional early intervention services may not be provided. Payment structures permitted under state law shall be used to pay for additional early intervention services. Parental financial responsibility shall be clearly defined in the individualized family service plan. A parent's inability to pay shall not prohibit a child from receiving needed early intervention services.

Subd. 11. [PAYOR OF LAST RESORT.] (a) For fiscal years 1995 and 1996, the state lead agency shall establish a reserve account from federal sources to pay for services in dispute or to pay for early intervention services when local agencies have exhausted all other public and private funds available for Part H eligible children.

(b) The lead agency shall report to the legislature by January 1, 1996, regarding county board expenditures for early intervention services and the continuing need and funding of the reserve account.

Subd. 14. [THIRD-PARTY PAYMENT.] Nothing in this section relieves an insurer or similar third party from an otherwise valid obligation to pay, or changes the validity of an obligation to pay, for services rendered to a child with a disability, and the child's family.

Subd. 15. [BENEFITS COORDINATION.] The department of health shall provide technical assistance in a timely manner to service coordinators, parents of children with disabilities, and agencies in situations requiring the coordination of health insurance benefits, or the identification of third-party payor responsibilities to provide necessary health benefits.

Subd. 16. [PROCEDURAL SAFEGUARDS; PARENT AND CHILD RIGHTS.] (a) This subdivision applies to local school and county boards for children from birth through age two who are eligible for Part H, Public Law Number 102-119, and their families. This subdivision must be consistent with the Individuals with Disabilities Education Act,

United States Code, title 20, sections 1471 to 1485 (Part H, Public Law Number 102-119), regulations adopted under United States Code, title 20, sections 1471 to 1485, and this section.

(b) A parent has the right to:

(1) inspect and review early intervention records;

(2) prior written notice of a proposed action in the parents' native language unless it is clearly not feasible to do so;

(3) give consent to any proposed action;

(4) selectively accept or decline any early intervention service; and

(5) resolve issues regarding the identification, evaluation, or placement of the child, or the provision of appropriate early intervention services to the child and the child's family through an impartial due process hearing pursuant to subdivision 20.

(c) The eligible child has the right to have a surrogate parent appointed by a school district as required by section 120.17, subdivision 3.

Subd. 17. [MEDIATION PROCEDURE.] The commissioner of the state lead agency shall use federal funds to provide mediation for the activities in paragraphs (a) and (b).

(a) A parent may resolve a dispute regarding issues in subdivision 16, paragraph (b), clause (5), through mediation. If the parent chooses mediation, all public agencies involved in the dispute shall participate in the mediation process. The parent and the public agencies must complete the mediation process within 20 calendar days of the date the commissioner receives a parent's written request for mediation. The mediation process may not be used to delay a parent's right to a due process hearing. The resolution of the mediation is not binding on any party.

(b) The local primary agency may request mediation on behalf of involved agencies when there are disputes between agencies regarding responsibilities to coordinate, provide, pay for, or facilitate payment for early intervention services.

Subd. 18. [COMPLAINT PROCEDURE.] (a) An individual or organization may file a written signed complaint with the commissioner of the state lead agency alleging that one or more requirements of the Code of Federal Regulations, title 34, part 303, is not being met. The complaint must include:

(1) a statement that the state has violated the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) or Code of Federal Regulations, title 34, section 303; and

(2) the facts on which the complaint is based.

(b) The commissioner of the state lead agency shall receive and coordinate with other state agencies the review and resolution of a complaint within 60 calendar days according to the state interagency agreement required under subdivision 22.

Subd. 19. [INTERAGENCY DISPUTE PROCEDURE.] (a) A dispute between a school board and a county board that is responsible for implementing the provisions of subdivision 4 regarding early identification, child and family assessment, service coordination, and IFSP development and implementation shall be resolved according to this subdivision when the dispute involves services provided to children and families eligible under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119).

(b) A dispute occurs when the school board and county board are unable to agree as to who is responsible to coordinate, provide, pay for, or facilitate payment for services from public and private sources.

(c) Written and signed disputes shall be filed with the local primary agency.

(d) The local primary agency shall have attempted to resolve the matter with the involved school board and county board and may request mediation from the commissioner of the state lead agency for this purpose.

(e) When interagency disputes have not been resolved within 30 calendar days, the local primary agency shall request the commissioner of the state lead agency to review the matter with the commissioners of health and human services and make a decision. The commissioner shall provide a consistent process for reviewing those procedures. The commissioners' decision is binding subject to the right of an aggrieved party to appeal to district court.

(f) The local primary agency shall ensure that eligible children and their families receive early intervention services during resolution of a dispute. While a local dispute is pending, the local primary agency shall either assign financial responsibility to an agency or pay for the service from the early intervention account under subdivision 9. If in resolving the dispute, it is determined that the assignment of financial responsibility was inappropriate, the responsibility for payment must be reassigned to the appropriate agency and the responsible agency shall make arrangements for reimbursing any expenditures incurred by the agency originally assigned financial responsibility.

Subd. 20. [DUE PROCESS HEARINGS.] By July 1, 1994, the departments of education, health, and human services shall develop procedures for hearings.

Subd. 21. [DATA COLLECTION.] By July 1, 1994, the departments of education, health, and human services shall develop a plan to collect data about which early intervention services are being provided to children and families eligible under the Individuals with Disabilities Education Act, United States Code, title 20, section 1471 et seq. (Part H, Public Law Number 102-119) and sources of payment for those services.

Sec. 7. [120.1721] [STAFF DEVELOPMENT.]

The commissioner of education shall assist schools and school districts in developing and implementing staff development activities to support a comprehensive and integrated education system to meet the individual needs of all students upon the request of a school or district. The staff development activities may include training for general and special education administrators and instructional and support staff in collaboration, teaming, consulting, and conflict resolution skills. Training for regular education personnel may also include methods for accommodation and modification in instruction and assessment necessary to meet the needs of students with disabilities. The commissioner shall consult with the state special education advisory council in developing staff.

Sec. 8. [120.185] [ACCOMMODATING STUDENTS WITH DISABILITIES.]

A school or school district shall provide a student who is an "individual with a disability" under Section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, or under the Americans with Disabilities Act, Public Law Number 101-336, with reasonable accommodations or modifications in programs.

Sec. 9. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] (a) A district's ~~or cooperative center's~~ "secondary vocational aid" for secondary vocational education programs for a fiscal year equals the sum of the following amounts for each program:

(a) the greater of zero, or 75 percent of the difference between the greater of:

(1) 20 percent of the district's secondary vocational expenditures for the current year, or

(2) the lesser of:

(i) 100 percent of the secondary vocational aid paid to the district for fiscal year 1993, including the district's proportionate share of aid paid to a secondary vocational cooperative, times the lesser of 1.0, or the ratio of the district's current year secondary vocational expenditures to the district's fiscal year 1993 expenditures for secondary vocational education, or

(ii) 35 percent of the sum of the district's current year secondary vocational expenditures and expenditures for necessary equipment for secondary vocational programs.

(b) For the purposes of this section, secondary vocational expenditures include:

(1) salaries paid to essential, licensed personnel providing direct instructional services to students in that fiscal year for services rendered in the district's approved secondary vocational education programs; and

~~(2) 50 percent of the general education revenue attributable to secondary pupils for the number of hours that the pupils are enrolled in that program; and~~

~~(b) 40 percent of approved expenditures for the following:~~

~~(1) (2) salaries paid to vocational administrators, support service facilitators, vocational evaluators, and other support personnel for services rendered in the district's approved secondary vocational education programs;~~

~~(3) contracted secondary vocational services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 3a;~~

~~(2) (4) necessary travel between instructional sites by licensed secondary vocational education personnel;~~

~~(3) (5) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;~~

~~(4) (6) curriculum development activities that are part of a five-year plan for improvement based on program assessment;~~

~~(5) (7) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and~~

~~(6) (8) specialized vocational instructional supplies.~~

(c) Up to ten percent of a district's secondary vocational aid may be spent on equipment purchases. Districts using secondary vocational aid for equipment purchases must report to the department of education on the improved learning opportunities for students that result from the investment in equipment.

(d) On April 1, if the department of education determines that the secondary vocational aid appropriation for the current fiscal year exceeds what will be needed to fund the formula under paragraph (a), the department may make secondary vocational equipment grants to school districts by June 30 of the same fiscal year. The total amount of grant funding awarded must not exceed the amount of excess appropriation. A district's equipment grant may not exceed 30 percent of the amount that the proposed equipment purchases exceeds the amount of secondary vocational aid the district may spend on equipment purchases.

Grants are to enable school districts to purchase equipment that supports the following components of restructured models for secondary vocational education:

(1) new and emerging technological competencies and skills;

(2) integration of academic and vocational education; and

(3) achievement of student outcomes related to the graduation rule.

(e) A district is eligible for an equipment grant under paragraph (d) if the district has submitted a proposal prior to April 1 to the department that:

(1) describes the district's proposed secondary vocational equipment purchases;

(2) specifies the cost of that equipment, which must be at least ten percent of the district's secondary vocational aid for that year; and

(3) describes how the equipment purchases will support a restructured secondary vocational curriculum as specified in paragraph (d).

Sec. 10. Minnesota Statutes 1992, section 124.90, is amended by adding a subdivision to read:

Subd. 5. [NO REDUCTION IN REVENUE.] A school district's revenue for special education programs shall not be reduced by any payments for medical assistance or insurance received according to this section.

Sec. 11. [125.1895] [SKILLED SCHOOL INTERPRETERS.]

Subdivision 1. [REQUIREMENTS FOR AMERICAN SIGN LANGUAGE/ENGLISH INTERPRETERS.] (a) In addition to any other requirements that a school district establishes, any person employed to provide American sign language/English interpreting or sign transliterating services on a full-time, part-time, or long-term substitute basis for a school district after July 1, 2000, must:

(1) hold current interpreter and transliterator certificates awarded by the Registry of Interpreters for the Deaf (RID), or the general level interpreter proficiency certificate awarded by the National Association of the Deaf, or a comparable state certification from a Minnesota state certifying system if such a state system is developed; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

(b) Within one year from the date of employment, a person must satisfactorily complete a course on the application of the registry of interpreters code of ethics as it applies to educational settings.

(c) When employed to work with students who are deaf-blind, the person must satisfactorily complete within one year from the date of employment a course on the theory and practice of the unique interpreting/transliterating skills required of a person who works as an interpreter/transliterator with persons who are deaf or hard of hearing and visually impaired.

Subd. 2. [ORAL OR CUED SPEECH TRANSLITERATORS.] (a) In addition to any other requirements that a school district establishes, any person employed to provide oral transliterating or cued speech transliterating services on a full-time, part-time, or long-term substitute basis for a school district after July 1, 2000, must hold a current applicable transliterator certificate awarded by the national certifying association or comparable state certification from a Minnesota state certifying system if a state system is developed.

(b) Within one year from the date of employment, a person must satisfactorily complete a course on the application of the RID code of ethics as it applies to educational settings and at least four credit hours in deaf education, the psychology of deafness, or deaf culture.

(c) When employed to work with students who are deaf-blind, that person must satisfactorily complete within one year from the date of employment a course on the theory and practice of the unique interpreting/transliterating skills required of a person who works as a transliterator with persons who are deaf or hard of hearing and visually impaired.

Subd. 3. [COURSES.] The department of education and the resource center: deaf and hard of hearing shall work with interpreter/transliterator training programs, the Minnesota registry of interpreters educational interpreter committee, the Minnesota association of deaf citizens, and the Minnesota deaf-blind association, to ensure that courses described in subdivisions 1, paragraphs (b) and (c), and 2, paragraphs (b) and (c), are available by July 1, 1998.

Subd. 4. [PROVISIONAL PERMITS; EMPLOYMENT.] (a) In addition to any other requirements that a school district establishes, any person currently employed by or any person who is hired to provide American sign language/English interpreting, sign transliterating, oral transliterating, or cued speech transliterating services on a full-time, part-time, or long-term substitute basis for a school district after July 1, 1995, and before July 1, 2000, must be an interpreter/transliterator with a provisional permit issued by the department of education.

(b) The department of education shall establish and administer a provisional permit system. The system shall award a provisional permit that expires on July 1, 2000, in American sign language/English interpreting and sign transliterating, oral transliterating, or cued speech transliterating to a person who meets one of the following criteria:

(1) is currently employed by a school district as an interpreter or transliterator;

(2) is applying for employment in a school district as an American sign language/English interpreter or sign transliterator and has successfully completed an interpreter training program affiliated with an accredited educational institution; or

(3) is applying for employment in a school district as a cued speech transliterator or oral transliterator.

(c) A person seeking a provisional permit must submit an annual professional development plan to the person's local school district. The purpose of the plan is to assist interpreters/transliterators in meeting the requirements in subdivision 1 or 2 before their provisional permit expires.

(d) Any person awarded a provisional permit for American sign language/English interpreting and sign transliterating must complete the requirements of subdivision 1, paragraphs (a), clause (1), and (b), at the time the person's provisional permit expires. Any person awarded a provisional permit for oral or cued speech transliterating must complete the requirements of subdivision 2, paragraphs (a) and (b), at the time the person's provisional permit expires.

Subd. 5. [QUALIFIED INTERPRETERS.] The department of education and the resource center: deaf and hard of hearing shall work with existing interpreter/transliterator training programs, other training/educational institutions, and the regional service centers to ensure that ongoing staff development training for educational interpreters/transliterators is provided throughout the state.

Subd. 6. [REIMBURSEMENT.] The department of education shall only reimburse school districts for the services of those interpreters/transliterators who satisfy the standards of competency under this section.

Subd. 7. [DEFINITION.] For the purposes of subdivisions 1 to 6, the term "long-term substitute" means a substitute employed by a school district to work more than 15 consecutive school days.

Sec. 12. Minnesota Statutes 1992, section 126.02, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION REQUIRED IN PUBLIC SCHOOLS.] There shall be established and provided in all the public schools of this state, physical and health education, training, and instruction of pupils of both sexes. Every pupil attending any such school, to the extent physically fit and able to do so, shall participate in the physical training program. Suitable modified courses shall be provided for pupils physically or mentally unable or unfit to take the regular courses prescribed for normal pupils. No pupil shall be required to undergo a physical or medical examination or treatment if the parent or legal guardian of the person of such pupil shall in writing notify the teacher or principal or other person in charge of such pupil of an objection to such physical or medical examination or treatment; provided that secondary school pupils in junior and senior years need not take the course unless required by the local school board.

Sec. 13. Laws 1993, chapter 224, article 3, section 36, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY; APPLICATIONS.] (a) The commissioner shall make application forms available to school districts interested in exploring effective alternatives for delivering certain special education services and programs as described in this section. Interested school districts must have their application to participate in the project approved by their local school board after a public hearing on the matter. Applications must be submitted to the commissioner by January 1, 1995. The application must describe how the applicant proposes to realize the purpose and goal of the project, including what activities and procedures the applicant proposes and whether the applicant seeks to be exempted from Minnesota Rules, part 3525.1341. The application must also describe what staff development activities the applicant will provide to improve and expand opportunities for students with disabilities in the regular classroom setting and foster greater integration of general education and special education instruction and administration. The commissioner may require additional information of an applicant. The commissioner shall approve 12 applications before March 1, 1995. The commissioner shall ensure an equitable geographical distribution of project participants throughout the state.

(b) The commissioner shall make available to school districts interested in applying to participate in the project discretionary funds under Public Law Number 101-476 to allow the districts to cover the costs of convening their advisory council members under subdivision 6 to assist in developing an application under this subdivision.

Sec. 14. Laws 1993, chapter 224, article 3, section 38, subdivision 22, is amended to read:

Subd. 22. [TEACHER EDUCATION; HEARING IMPAIRED.] To assist school districts in greater Minnesota in educating teachers in American sign language, American sign language linguistics, and deaf culture as required under section 11, clause (c):

\$25,000 1994

\$35,000 1995

This appropriation is available until June 30, 1995.

The 1994 appropriation is available for assisting districts in greater Minnesota.

The 1995 appropriation is available for all school districts.

Any unspent portion of the 1994 appropriation is available in 1995.

Sec. 15. [STATE BOARD OF EDUCATION SHALL ADOPT RULES.]

The state board of education shall adopt the recommended rules in the final report of the task force on education for children with disabilities and Minnesota Rules, part 3525.2925, subpart 1, as its proposed rules. It shall adopt, amend, or repeal the special education rules under Minnesota Statutes, sections 14.131 to 14.20. In addition to the task force report, the board shall consider public comment about the educational needs of individual students and students' access to necessary services. The statement of need and reasonableness under Minnesota Statutes, section 14.131, shall address the effects of proposed changes regarding individual student needs and student access to necessary services. The state board shall hold a public hearing under Minnesota Statutes, section 14.14, no later than July 31, 1994.

Sec. 16. [SPECIAL EDUCATION GUIDELINES.]

The commissioner of education shall develop guidelines for the delivery of special education instruction and services for use by parents, school district administrators, teachers, and related service staff, and other direct service providers. The commissioner shall update the guidelines as necessary to ensure that the information contained in the guidelines is current. The guidelines shall contain at least the following:

- (1) a concise listing of all federal and state laws, rules, and regulations that apply to special education;
- (2) best practice recommendations for school districts for policies and procedures to meet the needs of students with disabilities; and
- (3) the rights and procedural safeguards available to students with disabilities and their parents or guardian.

The guidelines must be available for distribution at the start of the 1994-1995 school year.

Sec. 17. [STUDY OF STUDENT SUSPENSIONS AND EXPULSIONS.]

(a) For the 1994-1995 and 1995-1996 school years, each school district shall use a standardized form developed by the commissioner of education to report to the commissioner all incidents of misbehavior that result in the suspension or expulsion of students under Minnesota Statutes, sections 127.26 to 127.39. The standardized reporting form, which the commissioner may coordinate with the reporting form required under Minnesota Statutes, section 121.207, shall include the following information:

- (1) a description of each incident of misbehavior that leads to the suspension or expulsion of the student including, where appropriate, a description of the dangerous weapon as defined in Minnesota Statutes, section 609.02, subdivision 6, involved in the incident;
- (2) information about the suspended or expelled student, other than the student's name, including the student's age, whether the student is a student of color, and the number of times the student has been suspended or expelled previously and for what misbehavior;
- (3) whether the student has or had an individualized learning plan (IEP) under Minnesota Statutes, section 120.17, and, if the student has or had an IEP, whether the misbehavior resulting in suspension or expulsion was a manifestation of the student's disabling condition; and
- (4) the actions taken by school officials to respond to the incident of misbehavior.

(b) School districts shall use the standardized form to transmit the information described in paragraph (a) to the commissioner biannually by February 1 and July 1, beginning February 1, 1995, and ending July 1, 1996. The commissioner shall compile and analyze the data and present to the education committees of the legislature an interim report by January 1, 1996, and a final report by February 1, 1997.

Sec. 18. [TASK FORCE.]

Subdivision 1. [REAUTHORIZATION.] Notwithstanding Laws 1993, chapter 224, article 3, section 41, the task force on education for children with disabilities shall expire February 15, 1995. The commissioner may appoint new members to fill vacancies on the task force.

Subd. 2. [STUDY REQUIRED.] (a) The task force shall review and may recommend changes to the education committees of the legislature in Minnesota Rules, parts 3525.1325, 3525.1327, 3525.1329, 3525.1331, 3525.1333, 3525.1335, 3525.1337, 3525.1339, 3525.1341, 3525.1343, 3525.1345, 3525.2325, and 3525.2340. In making its recommendations, the task force shall consider the educational needs of individual students, students' access to necessary services, maximization of teacher contact time with students, paperwork requirements, student achievement of educational outcomes, the integration of special education and general education instructional practices, and the costs of instruction and support services.

(b) In making its recommendations, the task force shall consult appropriate experts.

Sec. 19. [APPROPRIATION.]

For the task force on education for children with disabilities:

\$25,000

.....

1994

This appropriation is added to the appropriation in Laws 1993, chapter 224, article 3, section 38, subdivision 21. This appropriation may not be used to compensate department staff assisting the task force in carrying out its responsibilities under this section.

Sec. 20. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes, the revisor shall renumber sections 120.17, subdivision 11a, as 120.1701, subdivision 3; 120.17, subdivision 11b, as 120.1701, subdivision 4; 120.17, subdivision 12, as 120.1701, subdivision 5; 120.17, subdivision 14, as 120.1701, subdivision 12; 120.17, subdivision 14a, as 120.1701, subdivision 13; 120.17, subdivision 17, as 120.1701, subdivision 22. The revisor, with the assistance of the department of education, shall, where appropriate, change cross-references to conform with the renumbering.

Sec. 21. [EFFECTIVE DATE.]

Section 11 (125.1895) is effective beginning in the 1994-1995 school year.

ARTICLE 4

COMMUNITY EDUCATION

Section 1. Minnesota Statutes 1992, section 120.101, is amended by adding a subdivision to read:

Subd. 5c. [EDUCATION RECORDS.] A school district from which a student is transferring must transmit the student's educational records, within ten business days of the date the student withdraws, to the school district in which the student is enrolling. School districts must make reasonable efforts to determine the school district in which a transferring student is next enrolling in order to comply with this subdivision.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.702, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE ORGANIZATION.] "Eligible organization" means:

- (1) a local unit of government including a statutory or home rule charter city, township, county, or group of two or more contiguous counties;
- (2) an existing nonprofit organization organized under chapter 317A;
- (3) an educational institution;
- (4) a private industry council; or

(5) a state agency; or

(6) a federal agency.

Sec. 3. Minnesota Statutes 1993 Supplement, section 121.702, subdivision 9, is amended to read:

Subd. 9. ~~[YOUTH WORKS TASK FORCE COMMISSION.]~~ "Youth works task force" "Commission" means the task force Minnesota commission on national and community service established in section 121.703.

Sec. 4. Minnesota Statutes 1993 Supplement, section 121.703, is amended to read:

121.703 ~~[YOUTH WORKS TASK FORCE~~ MINNESOTA COMMISSION ON NATIONAL AND COMMUNITY SERVICE.]

Subdivision 1. ~~[CREATION.]~~ The youth works task force Minnesota commission on national and community service is established to assist the governor and the legislature in implementing sections 121.701 to 121.710 and federal law. Retroactive to the first Monday in January 1994, the terms of the members of the first commission shall be, as nearly as possible, one year for one-third of the members, two years for one-third of the members, and three years for one-third of the members. The members of the first commission shall determine the length of their terms by lot. Thereafter, the terms of commission members shall be for three years. Commission members may be reappointed upon the completion of their current term. The terms, compensation, filling of vacancies, and removal of members are governed by section ~~15.059~~ 15.0575. The youth works task force commission may accept gifts and contributions from public and private organizations.

Subd. 2. ~~[MEMBERSHIP.]~~ The youth works task force consists of 16 voting members. The membership includes the commissioner or designee of the departments of education, jobs and training, and natural resources and the executive director of the higher education coordinating board, and four persons appointed by the governor from among the following agencies: departments of human services, health, corrections, agriculture, public safety, finance, labor and industry, office of strategic and long range planning, Minnesota office of volunteer services, Minnesota high technology council, Minnesota housing finance agency, association of service delivery areas, and Minnesota Technology, Inc. The governor shall appoint four members, one each representing a public or private sector labor union, business, students, and parents, and the remaining four members from among representatives of the following groups: educators, senior citizen organizations, local agencies working with youth service corps programs, school-based community service programs, higher education institutions, local educational agencies, volunteer public safety organizations, education partnership programs, public or nonprofit organizations experienced in youth employment and training, and volunteer administrators, or other organizations working with volunteers. (a) The commission consists of 18 voting members. Voting members shall include the commissioner of education, a representative of the children's cabinet elected by the members of the children's cabinet, and the executive director of the higher education coordinating board.

(b) The governor shall appoint 15 additional voting members. Eight of the voting members appointed by the governor shall include a representative of public or nonprofit organizations experienced in youth employment and training, organizations promoting adult service and volunteerism, community-based service agencies or organizations, local public or private sector labor unions, local governments, business, a national service program, and Indian tribes. The remaining seven voting members appointed by the governor shall include an individual with expertise in the educational, training and development needs of youth, particularly disadvantaged youth; a youth or young adult who is a participant in a higher education based service-learning program; a disabled individual representing persons with disabilities; a youth who is out of school or disadvantaged; an educator of primary or secondary students; an educator from a higher education institution; and an individual between the ages of 16 and 25 who is a participant or supervisor in a youth service program.

(c) The governor shall appoint up to five ex officio nonvoting members from among the following: the commissioners of the departments of jobs and training, natural resources, human services, health, corrections, agriculture, public safety, finance, and labor and industry, the director of the Minnesota office of volunteer services, the commissioner of the housing finance agency, and the president of Minnesota Technology, Inc.

(d) A representative of the corporation for national and community service shall serve as an ex officio nonvoting member.

(e) Voting and ex officio nonvoting members may appoint designees to act on their behalf. The number of voting members who are state employees shall not exceed 25 percent.

(f) The governor shall ensure that, to the extent possible, the membership of the ~~task-force~~ commission is balanced according to geography, race, ethnicity, age, and gender. The speaker of the house and the majority leader of the senate shall each appoint two legislators to be nonvoting members of the ~~task-force~~ commission.

Subd. 3. [DUTIES.] (a) The ~~youth-works task-force~~ commission shall:

(1) develop, with the assistance of the governor and affected state agencies, a comprehensive state plan to provide services under sections 121.701 to 121.710 and federal law;

(2) actively pursue public and private funding sources for services, including funding available under federal law;

(3) coordinate volunteer service learning programs within the state;

(4) develop, in cooperation with the education and employment transitions council, volunteer service learning programs, including curriculum, materials, and methods of instruction;

(5) work collaboratively with the education and employment transitions council, schools, public and private agencies, for-profit and nonprofit employers, and labor unions to identify mentoring and service learning opportunities, solicit and recruit participants for these programs, and disseminate information on the programs;

(6) administer the youth works grant program under sections 121.704 to 121.709, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits and administer the federal Americorps program;

(7) establish an evaluation plan for programs developed and services provided under sections 121.701 to 121.710;

(8) report to the governor and legislature; and

(9) provide oversight and support for school, campus, and community-based service programs.

(b) Nothing in sections 121.701 to 121.710 precludes an organization from independently seeking public or private funding to accomplish purposes similar to those described in paragraph (a).

Sec. 5. Minnesota Statutes 1993 Supplement, section 121.705, is amended to read:

121.705 [YOUTH WORKS GRANTS.]

Subdivision 1. [APPLICATION.] An eligible organization interested in receiving a grant under sections 121.704 to 121.709 may prepare and submit to the ~~youth-works task-force~~ commission an application that complies with section 121.706.

Subd. 2. [GRANT AUTHORITY.] The ~~youth-works task-force~~ commission shall use any state appropriation and any available federal funds, including any grant received under federal law, to award grants to establish programs for youth works meeting the requirements of section 121.706. At least one grant each must be available for a metropolitan proposal, a rural proposal, and a statewide proposal. If a portion of the suburban metropolitan area is not included in the metropolitan grant proposal, the statewide grant proposal must incorporate at least one suburban metropolitan area. In awarding grants, the ~~youth-works task-force~~ commission may select at least one residential proposal and one nonresidential proposal, provided the proposals meet or exceed the criteria in section 121.706.

Sec. 6. Minnesota Statutes 1993 Supplement, section 121.706, is amended to read:

121.706 [GRANT APPLICATIONS.]

Subdivision 1. [APPLICATIONS REQUIRED.] An organization seeking federal or state grant money under sections 121.704 to 121.709 shall prepare and submit to the ~~youth-works task-force~~ commission an application that meets the requirements of this section. The ~~youth-works task-force~~ commission shall develop, and the applying organizations shall comply with, the form and manner of the application.

Subd. 2. [APPLICATION CONTENT.] An applicant on its application shall:

(1) propose a program to provide participants the opportunity to perform community service to meet specific unmet community needs, and participate in classroom, work-based, and service learning;

(2) assess the community's unmet educational, human, environmental, and public safety needs, the resources and programs available for meeting those needs, and how young people participated in assessing community needs;

(3) describe the ~~classroom~~ educational component of the program, including classroom hours per week, classroom time for participants to reflect on the program experience, and anticipated academic outcomes related to the service experience;

(4) describe the work to be performed, the ratio of youth participants to crew leaders and mentors, and the expectations and qualifications for crew leaders and mentors;

(5) describe local funds or resources available to meet the match requirements of section 121.709;

(6) describe any funds available for the program from sources other than the requested grant;

(7) describe any agreements with local businesses to provide participants with work-learning opportunities and mentors;

(8) describe any agreement with local post-secondary educational institutions to offer participants course credits for their community service learning experience;

(9) describe any agreement with a local high school or an alternative learning center to provide remedial education, credit for community service work and work-based learning, or graduate equivalency degrees;

(10) describe any pay for service or other program delivery mechanism that will provide reimbursement for benefits conferred or recover costs of services participants perform;

(11) describe how local resources will be used to provide support and assistance for participants to encourage them to continue with the program, fulfill the terms of the contract, and remain eligible for any postservice benefit;

(12) describe the arbitration mechanism for dispute resolution required under section 121.707, subdivision 2;

(13) describe involvement of community leaders in developing broad-based support for the program;

(14) describe the consultation and sign-off process to be used with any local labor organization representing employees in the area engaged in work similar to that proposed for the program to ensure that no current employees or available employment positions will be displaced by program participants;

(15) certify to the ~~youth works task force~~ commission and to any certified bargaining representatives representing employees of the applying organization that the project will not decrease employment opportunities that would be available without the project; will not displace current employees including any partial displacement in the form of reduced hours of work other than overtime, wages, employment benefits, or regular seasonal work; will not impair existing labor agreements; and will not result in the substitution of project funding for preexisting funds or sources of funds for ongoing work;

(16) describe the length of the required service period, which may not be less than six months or more than two years, a method to incorporate a participant's readiness to advance or need for postservice financial assistance into individual service requirements, and any opportunity for participating part time or in another program;

(17) describe a program evaluation plan that contains cost effectiveness measures, measures of participant success including educational accomplishments, job placements, community contributions, and ongoing volunteer activities, outcome measures based on a preprogram and postprogram survey of community rates of arrest, incarceration, teenage pregnancy, and other indicators of youth in trouble, and a list of local resources dedicated to reducing these rates;

(18) describe a three-year financial plan for maintaining the program;

(19) describe the role of local youth in developing all aspects of the grant proposal; and

(20) describe the process by which the local private industry council participated in, and reviewed the grant application.

Sec. 7. Minnesota Statutes 1993 Supplement, section 121.707, is amended to read:

121.707 [PROGRAM PROVISIONS.]

Subdivision 1. [PARTICIPANT ELIGIBILITY.] (a) An individual is eligible to participate in full-time youth community service if the individual:

- (1) is at least 17 to 24 years old;
- (2) is a citizen of the United States or lawfully admitted for permanent residency;
- (3) ~~is a permanent Minnesota resident as that term is used in section 256.936, subdivision 4c, paragraph (d), clause (2);~~
- (4) is applying for service and has received a high school diploma or its equivalent, or agrees to attain a high school diploma or its equivalent while participating in the program; and
- (5) (4) agrees to act as an alumni volunteer or an alumni mentor upon successfully completing the program and postprogram education.

(b) An individual is eligible to participate in part-time youth community service if the individual is at least 15 to 24 years old and meets the requirements under paragraph (a), clauses (2) to (5) (4).

Subd. 2. [TERMS OF SERVICE.] (a) A participant shall agree to perform community service for the period required unless the participant is unable to complete the terms of service for the reason provided in paragraph (b).

An agreement to perform community service must be in the form of a written contract between the participant and the grantee organization. Terms of the contract must include a length of service between six months and two years, the participant's education goals and commitment, the anticipated date of completion, dismissal for cause, including failure to fully participate in the education component, and the exclusive right to challenge a dismissal for cause through binding arbitration. The arbitrator must be chosen jointly by the grantee organization and the participant from the community or, if agreement cannot be reached, an arbitrator must be determined from a list of arbitrators provided by the American Arbitration Association. The sole remedy available to the participant through arbitration is reinstatement to the program and eligibility for postservice benefits. The parent or guardian of a minor shall consent in writing to the contract between the participant and the grantee organization.

(b) If the grantee organization releases a participant from completing a term of service in a program receiving assistance under sections 121.704 to 121.709 for compelling personal circumstances as demonstrated by the participant, or if the program in which the participant serves does not receive continued funding for any reason, the grantee organization may provide the participant with that portion of the financial assistance described in subdivision 3 that corresponds to the quantity of the service obligation completed by the individual.

If the grantee organization terminates a participant for cause or a participant resigns without demonstrating compelling personal circumstances under this section, no postservice benefit under subdivision 3 may be paid.

(c) A participant performing part-time service under sections 121.701 to 121.710 shall serve at least two weekends each month and two weeks during the year, ~~or at least an average of nine hours per week each year.~~ A part-time participant shall serve at least 900 hours during a period of not more than two years or three years if enrolled in an institution of higher education. A participant performing full-time service under sections 121.701 to 121.710 shall serve ~~for not less than 40 hours per week at least 1,700 hours during a period of not less than nine months or more than one year.~~

(d) Notwithstanding any other law to the contrary, for purposes of tort liability under sections 3.732 and 3.736, while participating in a program a participant is an employee of the state.

(e) Participants performing community service in a program are not public employees for purposes of chapter 43A, 179A, 197, 353, or any other law governing hiring or discharging of public employees.

Subd. 3. [POSTSERVICE BENEFIT.] (a) Each participant shall receive a nontransferable postservice benefit upon successfully completing the program. ~~The benefit must be \$2,000 per year of part-time service or \$5,000 per year of full-time service not less than \$4,725 per year of full-time service or prorated for part-time service.~~

~~(b) In the event that a program does not receive a federal grant that provides a postservice benefit, the participants in the program shall receive a postservice benefit equal in value to one-half the amount provided under paragraph (a).~~

(e) Nothing in this subdivision prevents a grantee organization from using funds from nonfederal or nonstate sources to increase the value of postservice benefits above the value described in paragraph (a).

(d) (c) The state shall provide an additional postservice benefit to any participant who successfully completes the program. The benefit must be a credit of five points to be added to the competitive open rating of a participant who obtains a passing grade on a civil service examination under chapter 43A. The benefit is available for five years after completing the community service.

Subd. 4. [USES OF POSTSERVICE BENEFITS.] (a) A postservice benefit for a participant provided under subdivision 3, paragraph (a), (b), or (c), must be available for ~~five~~ seven years after completing the program and may only be used for:

(1) paying a student loan;

(2) costs of attending an institution of higher education; or

(3) expenses incurred by a student in an approved youth apprenticeship program under chapter 126B or in an a registered apprenticeship program approved by the department of labor and industry.

Financial assistance provided under this subdivision must be in the form of vendor payments whenever possible. Any postservice benefits provided by federal funds or vouchers may be used as a downpayment on, or closing costs for, purchasing a first home.

(b) Postservice benefits are to be used to develop skills required in occupations where numbers of jobs are likely to increase. ~~The youth works task force commission~~, in consultation with the education and employment transitions council, shall determine how the benefits may be used in order to best prepare participants with skills that build on their service learning and equip them for meaningful employment.

(c) The postservice benefit shall not be included in determining financial need when establishing eligibility or award amounts for financial assistance programs under chapter 136A.

Subd. 5. [LIVING ALLOWANCE.] (a) A participant in a full-time community service program shall receive a monthly stipend of not less than \$500. An eligible organization may provide participants with additional amounts from ~~nonfederal or nonstate~~ sources. The amount of the living allowance may be prorated for part-time participants.

(b) Nothing in this subdivision requires an existing program to decrease any stipend, salary, or living allowance provided to a participant under the program.

(c) In addition to the living allowance provided under paragraph (a), a grantee organization shall provide health and ~~dental~~ child care coverage to each participant in a full-time youth works program who does not otherwise have access to health or ~~dental~~ child care coverage. The state shall include the cost of group health and ~~dental~~ child care coverage in the grant to the eligible organization.

Subd. 6. [PROGRAM TRAINING.] (a) ~~The youth works task force commission~~ shall, within available resources, ensure an opportunity for each participant to have three weeks of training in a residential setting. If offered, each training session must:

(1) orient each participant in the nature, philosophy, and purpose of the program;

(2) build an ethic of community service through general community service training; and

(3) provide additional training as it determines necessary.

(b) Each grantee organization shall also train participants in skills relevant to the community service opportunity.

Subd. 7. [TRAINING AND EDUCATION REQUIREMENTS.] Each grantee organization shall assess the educational level of each entering participant. Each grantee shall work to enhance the educational skills of each participant. The ~~youth works task force~~ commission may coordinate or contract with educational institutions or other providers for educational services and evaluation. All grantees shall give priority to educating and training participants who do not have a high school diploma or its equivalent, or who cannot afford post-secondary training and education.

Sec. 8. Minnesota Statutes 1993 Supplement, section 121.708, is amended to read:

121.708 [PRIORITY.]

The ~~youth works task force~~ commission shall give priority to an eligible organization proposing a program that meets the goals of sections 121.704 to 121.707, and that:

- (1) involves youth in a meaningful way in all stages of the program, including assessing community needs, preparing the application, and assuming postservice leadership and mentoring responsibilities;
- (2) serves a community with significant unmet needs;
- (3) provides an approach that is most likely to reduce arrest rates, incarceration rates, teenage pregnancy, and other indicators of troubled youth;
- (4) builds linkages with existing, successful programs; and
- (5) can be operational quickly.

Sec. 9. Minnesota Statutes 1993 Supplement, section 121.709, is amended to read:

121.709 [MATCH REQUIREMENTS.]

~~A grant awarded through the youth works program must be matched at \$2 of grant funds for at least \$1 of applicant funds. Youth works grant funds must be used for the living allowance, cost of F.I.C.A. and workers compensation coverage, and health and dental benefits for each program participant. Applicant funds resources, from sources and in a form determined by the youth works task force commission, must be used to pay provide for crew leaders, administration, all other program operating costs including costs of supplies, materials, and transportation, travel, salaries and benefits of those staff directly involved in the operation of the program and internal monitoring and evaluation. Administrative expenses must not exceed seven five percent of total program costs. To the extent that administrative costs are less than seven percent, an amount equal to the difference between the percent expended and seven percent shall be applied to the local match requirement in this section.~~

Sec. 10. Minnesota Statutes 1993 Supplement, section 121.710, is amended to read:

121.710 [EVALUATION AND REPORTING REQUIREMENTS.]

Subdivision 1. [GRANTEE ORGANIZATIONS.] Each grantee organization shall report to the ~~youth works task force~~ commission at the time and on the matters requested by the ~~youth works task force~~ commission.

Subd. 2. [INTERIM REPORT.] The ~~youth works task force~~ commission shall report semiannually to the legislature with interim recommendations to change the program.

Subd. 3. [FINAL REPORT.] The ~~youth works task force~~ commission shall present a final report to the legislature by January 1, 1998, summarizing grantee evaluations, reporting on individual participants and participating grantee organizations, and recommending any changes to improve or expand the program.

Sec. 11. Minnesota Statutes 1993 Supplement, section 121.831, subdivision 9, is amended to read:

Subd. 9. [CHILD RECORDS.] (a) A record of a child's progress and development shall be maintained in the child's cumulative record while enrolled in the learning readiness program. The cumulative record shall be used for the purpose of planning activities to suit individual needs and shall become part of the child's permanent record. The cumulative record is private data under chapter 13. Information in the record may be disseminated to an educator or service provider only to the extent that that person has a need to know the information.

(b) An educator or service provider may transmit information in the child's cumulative record to an educator or service provider in another program for young children when the child applies to enroll in that other program.

Sec. 12. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 1, is amended to read:

Subdivision 1. [SERVICE LEARNING AND WORK-BASED LEARNING PROGRAMS STUDY.] The ~~youth-works task-force~~ Minnesota commission for national and community service, established in section 121.703, shall assist the commissioner of education in studying how to combine community service activities and service learning with work-based learning programs.

Sec. 13. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 2, is amended to read:

Subd. 2. [SERVICE LEARNING PROGRAMS DEVELOPED.] The commissioner, in consultation with the ~~task-force commission~~, shall develop a service learning program curriculum that includes a policy framework and strategies for youth community service and an infrastructure for mentoring youth. The commissioner shall include in the curriculum at least the following:

(1) youth community service strategies that enable young people to make significant contributions to the welfare of their community through such organizations as schools, colleges, government agencies, and community-based organizations or through individual efforts;

(2) mentoring strategies that enable young people to be matched with caring, responsible individuals who can encourage and guide the young people in their personal growth and development;

(3) guidelines, criteria, and procedures for community service programs that incorporate the results of the study in subdivision 1; and

(4) criteria for community service activities and service learning.

Sec. 14. Minnesota Statutes 1993 Supplement, section 121.885, subdivision 4, is amended to read:

Subd. 4. [PROGRAMS FOLLOWING YOUTH COMMUNITY SERVICE.] (a) The ~~youth-works task-force~~ Minnesota commission for national and community service established in section 121.703, in cooperation with the commissioner and the higher education coordinating board, shall provide for those participants who successfully complete youth community service under sections 121.703 to 121.709, the following:

(1) for those who have a high school diploma or its equivalent, an opportunity to participate in a youth apprenticeship program at a community or technical college; and

(2) for those who are post-secondary students, an opportunity to participate in an educational program that supplements post-secondary courses leading to a degree or a statewide credential of academic and occupational proficiency.

(b) Participants who successfully complete a youth community service program under sections 121.704 to 121.710 are eligible to receive an education voucher as provided under section 121.707, subdivision 4. The voucher recipient may apply the voucher toward the cost of the recipient's tuition and other education-related expenses at a ~~public~~ post-secondary school under paragraph (a).

(c) The ~~youth-works task-force~~ Minnesota commission for national and community service, in cooperation with the state board of technical colleges, shall establish a mechanism to transfer credit earned in a youth apprenticeship program between the technical colleges and other post-secondary institutions offering applied associate degrees.

Sec. 15. Minnesota Statutes 1992, section 124.26, subdivision 1b, is amended to read:

Subd. 1b. [PROGRAM REQUIREMENTS.] An adult basic ~~and continuing~~ education program is a day or evening program offered by a district that is for people over 16 years of age through the 1999-2000 school year and over 18 years of age beginning with the 2000-2001 school year who do not attend an elementary or secondary school. The program offers academic instruction necessary to earn a high school diploma or equivalency certificate. Tuition and fees may not be charged to a learner for instruction subsidized paid under this section, except for a security deposit to assure return of materials, supplies, and equipment.

Sec. 16. Minnesota Statutes 1993 Supplement, section 124.26, subdivision 1c, is amended to read:

Subd. 1c. [PROGRAM APPROVAL.] (a) To receive aid under this section, a district, a consortium of districts, or a nonprofit organization must submit an application by June 1 describing the program, on a form provided by the department. The program must be approved by the commissioner according to the following criteria:

- (1) how the needs of different levels of learning will be met;
- (2) for continuing programs, an evaluation of results;
- (3) anticipated number and education level of participants;
- (4) coordination with other resources and services;
- (5) participation in a consortium, if any, and money available from other participants;
- (6) management and program design;
- (7) volunteer training and use of volunteers;
- (8) staff development services;
- (9) program sites and schedules; and
- (10) program expenditures that qualify for aid.

(b) The commissioner may ~~contract with~~ grant adult basic education funds to a ~~private~~, nonprofit organization to provide services that are not offered by a district or that are supplemental to a district's program. The program provided under a ~~contract~~ this provision must be approved and funded according to the same criteria used for district programs.

(c) Adult basic education programs may be approved under this subdivision for up to five years. Five-year program approval shall be granted to an applicant who has demonstrated the capacity to:

- (1) offer comprehensive learning opportunities and support service choices appropriate for and accessible to adults at all basic skill need levels;
- (2) provide a participatory and ~~experimental~~ experiential learning approach based on the strengths, interests, and needs of each adult, that enables adults with basic skill needs to:
 - (i) identify, plan for, and evaluate their own progress toward achieving their defined educational and occupational goals;
 - (ii) master the basic academic reading, writing, and computational skills, as well as the problem-solving, decision making, interpersonal effectiveness, and other life and learning skills they need to function effectively in a changing society;
 - (iii) locate and be able to use the health, governmental, and social services and resources they need to improve their own and their families' lives; and
 - (iv) continue their education, if they desire, to at least the level of secondary school completion, with the ability to secure and benefit from continuing education that will enable them to become more employable, productive, and responsible citizens;
- (3) plan, coordinate, and develop cooperative agreements with community resources to address the needs that the adults have for support services, such as transportation, flexible course scheduling, convenient class locations, and child care;
- (4) collaborate with business, industry, labor unions, and employment-training agencies, as well as with family and occupational education providers, to arrange for resources and services through which adults can attain economic self-sufficiency;

(5) provide sensitive and well trained adult education personnel who participate in local, regional, and statewide adult basic education staff development events to master effective adult learning and teaching techniques;

(6) participate in regional adult basic education peer program reviews and evaluations; and

(7) submit accurate and timely performance and fiscal reports.

Sec. 17. Minnesota Statutes 1993 Supplement, section 124.26, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS; REVENUE; AID.] Each district ~~or~~ group of districts, ~~or nonprofit organization~~ providing adult basic education programs shall establish and maintain accounts separate from all other district accounts for the receipt and disbursement of all funds related to these programs. All ~~aid~~ revenue received pursuant to this section shall be utilized solely for the purposes of adult basic education programs. In no case shall federal and state aid equal more than 100 percent of the actual cost of providing these programs.

Sec. 18. Minnesota Statutes 1992, section 124.2601, subdivision 3, is amended to read:

Subd. 3. [AID.] Adult basic education aid for each ~~district with an eligible~~ approved program equals 65 percent of the general education formula allowance times the number of full-time equivalent students in its adult basic education program.

Sec. 19. Minnesota Statutes 1992, section 124.2601, subdivision 5, is amended to read:

Subd. 5. [REVENUE.] Adult basic education revenue is equal to the sum of ~~a district's~~ an approved program's adult basic education aid and its adult basic education levy.

Sec. 20. Minnesota Statutes 1992, section 124.2601, subdivision 7, is amended to read:

Subd. 7. [PRORATION.] If the total appropriation for adult basic education aid is insufficient to pay all ~~districts~~ approved programs the full amount of aid earned, the department of education shall proportionately reduce each ~~district's~~ approved program's aid.

Sec. 21. Minnesota Statutes 1993 Supplement, section 124.2711, subdivision 1, is amended to read:

Subdivision 1. [REVENUE.] The revenue for early childhood family education programs for a school district equals \$101.25 for 1993 and later fiscal years times the greater of:

(1) 150; or

(2) the number of people under five years of age residing in the school district on ~~September~~ October 1 of the previous school year.

Sec. 22. Minnesota Statutes 1992, section 124.2711, is amended by adding a subdivision to read:

Subd. 6. [RESERVE ACCOUNT.] Early childhood family education revenue must be maintained in a reserve account within the community service fund.

Sec. 23. Minnesota Statutes 1993 Supplement, section 124.2713, subdivision 5, is amended to read:

Subd. 5. [YOUTH SERVICE REVENUE.] Youth service program revenue is available to a district that has implemented a youth development plan and a youth service program. Youth service revenue equals ~~85 cents for fiscal year 1994, \$1 for fiscal year 1995, and 85 cents for fiscal year 1996 and thereafter,~~ times the greater of 1,335 or the population of the district.

Sec. 24. Minnesota Statutes 1992, section 124.2713, is amended by adding a subdivision to read:

Subd. 10. [RESERVE ACCOUNT.] Community education revenue must be maintained in a reserve account within the community service fund.

Sec. 25. Minnesota Statutes 1993 Supplement, section 124.2714, is amended to read:

124.2714 [ADDITIONAL COMMUNITY EDUCATION REVENUE.]

(a) A district that is eligible under section 124.2713, subdivision 2, may levy an amount up to the amount authorized by Minnesota Statutes 1986, section 275.125, subdivision 8, clause (2).

(b) Beginning with levies for fiscal year 1995, this levy must be reduced each year by the amount of any increase in the levying district's general community education revenue under section 124.2713, subdivision 3, for that fiscal year over the amount received by the district under section 124.2713, subdivision 3, for fiscal year 1994.

(c) The proceeds of the levy may be used for the purposes set forth in section 124.2713, subdivision 8.

Sec. 26. Minnesota Statutes 1992, section 124C.49, is amended to read:

124C.49 [DESIGNATION AS CENTER.]

The commissioner of education, in cooperation with the state board of education, shall establish a process for state designation and approval of area learning centers that meet the provisions of sections 124C.45 to 124C.48. Any process for designating and approving an area learning center must emphasize the importance of having the area learning center serve students who have dropped out of school, are homeless, are eligible to receive free or reduced priced lunch, have been suspended or expelled, have been declared truant or are pregnant or parents.

Sec. 27. Minnesota Statutes 1992, section 126.23, is amended to read:

126.23 [AID FOR PRIVATE ALTERNATIVE PROGRAMS.]

If a pupil enrolls in an alternative program, eligible under section 126.22, subdivision 3, paragraph (d), or subdivision 3a, operated by a private organization that has contracted with a school district to provide educational services for eligible pupils under section 126.22, subdivision 2, the resident district contracting with the private organization must reimburse the provider an amount equal to at least 88 percent of the basic revenue of the district for each pupil attending the program full time. For a pupil attending the program part time, basic revenue paid to the program shall be reduced proportionately, according to the amount of time the pupil attends the program, and basic revenue paid to the district shall be reduced accordingly. Pupils for whom a district provides reimbursement may not be counted by the district for any purpose other than computation of basic revenue, according to section 124A.22, subdivision 2. If payment is made to a district or program for a pupil under this section, the department of education shall not make a payment for the same pupil under section 126.22, subdivision 8.

Sec. 28. Minnesota Statutes 1992, section 126.77, subdivision 1, is amended to read:

Subdivision 1. [VIOLENCE PREVENTION CURRICULUM.] (a) The commissioner of education, in consultation with the commissioners of health and human services, state minority councils, battered women's programs, sexual assault centers, representatives of religious communities, and the assistant commissioner of the office of drug policy and violence prevention, shall assist districts on request in developing or implementing a violence prevention program for students in kindergarten to grade 12 that can be integrated into existing curriculum. The purpose of the program is to help students learn how to resolve conflicts within their families and communities in nonviolent, effective ways.

(b) Each district is encouraged to integrate into its existing curriculum a program for violence prevention that includes at least:

(1) a comprehensive, accurate, and age appropriate curriculum on violence prevention, nonviolent conflict resolution, and sexual, racial, and cultural harassment that promotes equality, respect, understanding, effective communication, individual responsibility, thoughtful decision making, positive conflict resolution, useful coping skills, critical thinking, listening and watching skills, and personal safety;

(2) planning materials, guidelines, and other accurate information on preventing physical and emotional violence, identifying and reducing the incidence of sexual, racial, and cultural harassment, and reducing child abuse and neglect;

(3) a special parent education component of early childhood family education programs to prevent child abuse and neglect and to promote positive parenting skills, giving priority to services and outreach programs for at-risk families;

(4) involvement of parents and other community members, including the clergy, business representatives, civic leaders, local elected officials, law enforcement officials, and the county attorney;

(5) collaboration with local community services, agencies, and organizations that assist in violence intervention or prevention, including family-based services, crisis services, life management skills services, case coordination services, mental health services, and early intervention services;

(6) collaboration among districts and ECSUs;

(7) targeting early adolescents for prevention efforts, especially early adolescents whose personal circumstances may lead to violent or harassing behavior; and

(8) opportunities for teachers to receive in-service training or attend other programs on strategies or curriculum designed to assist students in intervening in or preventing violence in school and at home; and

(9) administrative policies that reflect, and a staff that models, nonviolent behaviors that do not display or condone sexual, racial, or cultural harassment.

(c) The department may provide assistance at a neutral site to a nonpublic school participating in a district's program.

Sec. 29. Minnesota Statutes 1992, section 126.78, is amended to read:

126.78 [VIOLENCE PREVENTION EDUCATION GRANTS.]

Subdivision 1. [GRANT PROGRAM ESTABLISHED.] The commissioner of education, after consulting with the assistant commissioner of the office of drug policy and violence prevention, shall establish a violence prevention education grant program to enable a school district, an education district, or a group of districts that cooperate for a particular purpose to develop and implement or to continue a violence prevention program for students in kindergarten through grade 12 that can be integrated into existing curriculum. A district or group of districts that elects to develop and implement or to continue a violence prevention program under section 126.77 is eligible to apply for a grant under this section.

Subd. 2. [GRANT APPLICATION.] To be eligible to receive a grant, a school district, an education district, or a group of districts that cooperate for a particular purpose must submit an application to the commissioner in the form and manner and according to the timeline established by the commissioner. The application must describe how the applicant will: (1) continue or integrate into its existing K-12 curriculum a program for violence prevention that contains the program components listed in section 126.77; (2) collaborate with local organizations involved in violence prevention and intervention; and (3) structure the program to reflect the characteristics of the children, their families and the community involved in the program. The commissioner may require additional information from the applicant. When reviewing the applications, the commissioner shall determine whether the applicant has met the requirements of this subdivision.

Subd. 3. [GRANT AWARDS.] The commissioner may award grants for a violence prevention education program to eligible applicants as defined in subdivision 2. Grant amounts may not exceed \$3 per actual pupil unit in the district or group of districts in the prior school year. Grant recipients should be geographically distributed throughout the state.

Subd. 4. [GRANT PROCEEDS.] A successful applicant shall use the grant money to develop and implement or to continue a violence prevention program according to the terms of the grant application.

Sec. 30. Minnesota Statutes 1992, section 127.27, subdivision 5, is amended to read:

Subd. 5. "Expulsion" means an action taken by a school board to prohibit an enrolled pupil from further attendance for a period that shall not extend beyond the an amount of time equal to one school year from the date a pupil is expelled.

Sec. 31. Minnesota Statutes 1992, section 127.30, is amended by adding a subdivision to read:

Subd. 4. (a) Before a pupil is readmitted to school after being suspended for five or more days, the pupil and the pupil's parent or guardian shall meet with administrative personnel in the school to establish a plan to improve the pupil's behavior and the consequences to the pupil of not improving the pupil's behavior. This requirement may be included as part of the readmission plan.

(b) The requirement to meet in paragraph (a) also applies to a pupil who is suspended from school for fewer than five days for possessing a dangerous weapon in a school zone.

(c) If school personnel are unable to meet with the pupil's parent or guardian after making reasonable efforts to meet, as required under paragraph (a), the school personnel shall meet with the pupil. This meeting shall satisfy the requirement to meet in paragraph (a).

Sec. 32. Minnesota Statutes 1992, section 127.31, is amended by adding a subdivision to read:

Subd. 15. (a) Before a pupil is readmitted to school after being excluded or expelled because the pupil was absent from school without lawful excuse for all or part of ten or more school days, the pupil and the pupil's parent or guardian shall meet with administrative personnel in the school to establish a plan to improve the pupil's behavior and the consequences to the pupil of not improving the pupil's behavior.

(b) If school personnel are unable to meet with the pupil's parent or guardian after making reasonable efforts to meet, as required in paragraph (a), the school personnel shall meet with the pupil. This meeting shall satisfy the requirement to meet in paragraph (a).

Sec. 33. Minnesota Statutes 1992, section 127.38, is amended to read:

127.38 [POLICIES TO BE ESTABLISHED.]

(a) The commissioner of education shall promulgate guidelines to assist each school board. Each school board shall establish uniform criteria for dismissal and adopt policies and rules in writing to effectuate the purposes of sections 127.26 to 127.39. The policies will emphasize the prevention of dismissal action through early detection of problems. The policies shall recognize the continuing responsibility of the school for the education of the pupil during the dismissal period and help prepare the pupil for readmission.

(b) The commissioner shall actively encourage and assist school districts to cooperatively establish alternative learning programs that offer instruction to pupils who are dismissed from school for willfully engaging in dangerous, disruptive, or violent behavior, including for possessing a firearm in a school zone.

Sec. 34. Minnesota Statutes 1992, section 272.02, subdivision 8, is amended to read:

Subd. 8. [PROPERTY LEASED TO SCHOOL DISTRICTS.] Property that is leased or rented to a school district is exempt from taxation if it meets the following requirements:

- (1) the lease must be for a period of at least 12 consecutive months;
- (2) the terms of the lease must require the school district to pay a nominal consideration for use of the building;
- (3) the school district must use the property to provide direct instruction in any grade from kindergarten through grade 12; special education for handicapped children; adult basic and continuing education as described in section 124.26; preschool and early childhood family education; or community education programs, including provision of administrative services directly related to the educational program at that site; and
- (4) the lease must provide that the school district has the exclusive use of the property during the lease period.

Sec. 35. [EFFECTIVE DATE.]

Section 23 (sec. 124.2713, subd. 5) is effective for revenue for fiscal year 1995 and thereafter.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1992, section 124.244, subdivision 4, is amended to read:

Subd. 4. [USES OF REVENUE.] Capital expenditure equipment revenue may be used only for the following purposes:

(1) to pay capital expenditure equipment related assessments of any entity formed under a cooperative agreement between two or more districts;

(2) to purchase or lease computers and related materials, copying machines, telecommunications equipment, and other noninstructional equipment;

(3) to purchase or lease equipment for instructional programs;

(4) to purchase textbooks;

(5) to purchase new and replacement library books; and

(6) to purchase vehicles except those for which a levy is authorized under section 124.226, subdivision 6.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.2455, is amended to read:

124.2455 [BONDS FOR CERTAIN CAPITAL FACILITIES.]

(a) In addition to other bonding authority, with approval of the commissioner, a school district may issue general obligation bonds for certain capital projects under this section. The bonds must be used only to make capital improvements including:

(1) under section 124.243, subdivision 6, capital expenditure facilities revenue uses specified in clauses (4), (6), (7), (8), (9), and (10);

(2) the cost of energy modifications;

(3) improving handicap accessibility to school buildings; and

(4) bringing school buildings into compliance with life and safety codes and fire codes.

(b) Before a district issues bonds under this subdivision, it must publish notice of the intended projects, the amount of the bond issue, and the total amount of district indebtedness.

(c) A bond issue tentatively authorized by the board under this subdivision becomes finally authorized unless a petition signed by more than 15 percent of the registered voters of the school district is filed with the school board within 30 days of the board's adoption of a resolution stating the board's intention to issue bonds. The percentage is to be determined with reference to the number of registered voters in the school district on the last day before the petition is filed with the school board. The petition must call for a referendum on the question of whether to issue the bonds for the projects under this section. The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this section.

(d) The bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with not more than 50 percent of current and anticipated revenue for capital facilities under this section or a successor section for the current year plus projected revenue not greater than that of the current year for the next ten years. Once finally authorized, the district must set aside the lesser of the amount necessary to make the principal and interest payments or 50 percent of the current year's revenue for capital facilities under this section or a successor section each year in a separate account until all principal and interest on the bonds is paid. The district must annually transfer this amount from its capital fund to the debt redemption fund. The bonds must be paid off within ten years of issuance. The bonds must be issued in compliance with chapter 475, except as otherwise provided in this section.

(e) Notwithstanding paragraph (d), within the first five years following voter approval of a combination according to section 122.243, subdivision 2, bonds may be issued in a principal amount, that when combined with interest thereon, will be paid off with not more than 50 percent of current and anticipated revenue for capital facilities under this section or a successive section for the current year plus projected revenue not greater than that of the current year for the next 20 years. All the other provisions and limitations of paragraph (d) apply.

Sec. 3. Minnesota Statutes 1992, section 124.84, is amended by adding a subdivision to read:

Subd. 4. [LEVY AUTHORITY IN COMBINED DISTRICTS.] Notwithstanding subdivision 3, a district that has combined or consolidated may levy up to 50 percent times \$300,000 times the number of former districts that operated on June 30, 1991, in the area that now makes up the combined or consolidated district. The approved amount is reduced by any amount levied under subdivision 3 in the consolidated or combined district or in the former districts that make up the consolidated or combined district. Levy authority under this subdivision expires at the same time as levy authority under subdivision 3.

Sec. 4. Minnesota Statutes 1992, section 124.85, as amended by Laws 1993, chapter 224, article 5, sections 27, 28, and 29, is amended to read:

124.85 [ENERGY EFFICIENCY PROJECTS.]

Subdivision 1. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Energy conservation measure" means a training program or facility alteration designed to reduce energy consumption or operating costs and includes:

- (1) insulation of the building structure and systems within the building;
- (2) storm windows and doors, caulking or weatherstripping, multiglazed windows and doors, heat absorbing or heat reflective glazed and coated window and door systems, additional glazing, reductions in glass area, and other window and door system modifications that reduce energy consumption;
- (3) automatic energy control systems;
- (4) heating, ventilating, or air conditioning system modifications or replacements;
- (5) replacement or modifications of lighting fixtures to increase the energy efficiency of the lighting system without increasing the overall illumination of a facility, unless such increase in illumination is necessary to conform to the applicable state or local building code for the lighting system after the proposed modifications are made;
- (6) energy recovery systems;
- (7) cogeneration systems that produce steam or forms of energy such as heat, as well as electricity, for use primarily within a building or complex of buildings;
- (8) energy conservation measures that provide long-term operating cost reductions.

(b) "Guaranteed energy savings contract" means a contract for the evaluation and recommendations of energy conservation measures, and for one or more energy conservation measures. The contract must provide that all payments, except obligations on termination of the contract before its expiration, are to be made over time, but not to exceed 25 15 years from the date of final installation, and the savings are guaranteed to the extent necessary to make payments for the systems.

(c) "Qualified provider" means a person or business experienced in the design, implementation, and installation of energy conservation measures. A qualified provider to whom the contract is awarded shall give a sufficient bond to the school district for its faithful performance.

Subd. 2. [ENERGY EFFICIENCY CONTRACT.] (a) Notwithstanding any law to the contrary, a school district may enter into a guaranteed energy savings contract with a qualified provider to significantly reduce energy or operating costs.

(b) Before entering into a contract under this subdivision, the board shall comply with clauses (1) to (4).

(1) The board shall seek proposals from multiple qualified providers by publishing notice of the proposed guaranteed energy savings contract in the board's official newspaper and in other publications if the board determines that additional publication is necessary to notify multiple qualified providers. The request for proposals must notify potential bidders on projects estimated to exceed \$300,000 in cost that they may be required to provide information necessary to allow a licensed professional engineer to make a report under clause (2).

(2) For projects, the estimated cost of which is more than \$300,000, the board may hire and receive a report from a licensed professional engineer, not connected with or promoted by a qualified provider submitting a proposal on the project, evaluating the projected costs and the operational and energy savings of the proposed guaranteed energy savings contract. The cost of this report must be included in the cost of the guaranteed energy savings contract, and paid for as part of the contract. A qualified provider submitting a proposal to the board must provide the licensed professional engineer hired by the board with information of the type and in the format requested by the engineer.

(3) The contract between the board and the qualified provider must describe the methods that will be used to calculate the costs of the contract and the operational and energy savings attributable to the contract. The contract must provide a means for auditing these costs and savings at least every two years for the duration of the contract.

(4) The board shall provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.

(c) Before installation of equipment, modification, or remodeling, the qualified provider shall first issue a report, summarizing estimates giving detailed calculations of all costs of installations, modifications, or remodeling, including costs of design, engineering, installation, maintenance, repairs, or debt service, and estimates giving detailed calculations of the amounts by which energy or operating costs will be reduced.

Subd. 3. [CONTRACT PROVISIONS.] Guaranteed energy savings contracts that include a written guarantee that savings will meet or exceed the cost of energy conservation measures is, including the cost of any report under subdivision 2, paragraph (b), clause (2), are not subject to competitive bidding requirements. The contract is not subject to section 123.37 or 471.345.

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the proposal from any qualified provider and the report from the licensed professional engineer, it finds that the amount it would spend on the energy conservation measures recommended in the report proposed by the qualified provider is not likely to exceed the amount to be saved in energy and operation costs over 25 15 years from the date of installation if the recommendations in the report proposals made by the qualified provider were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed 25 15 years. Notwithstanding section 121.912, a district annually may transfer from the general fund to the capital expenditure fund an amount up to the amount saved in energy and operation costs as a result of guaranteed energy savings contracts.

Subd. 5. [INSTALLATION CONTRACTS.] A school district may enter into an installment payment contract for the purchase and installation of energy conservation measures. The contract must provide for payments of not less than 1/25 1/15 of the price to be paid within two years from the date of the first operation, and the remaining costs to be paid monthly, not to exceed a 25-year 15-year term from the date of the first operation.

Subd. 6. [CONTRACT CONTINUANCE.] Guaranteed energy savings contracts may extend beyond the fiscal year in which they become effective. The school district shall include in its annual appropriations measure for each later fiscal year any amounts payable under guaranteed energy savings contracts during the year. Failure of a board to make such an appropriation does not affect the validity of the guaranteed energy savings contract or the school district's obligations under the contracts.

Subd. 7. [PUBLIC INFORMATION.] A guaranteed energy savings contract must provide that all work plans prepared by the qualified provider in relation to the project, including a detailed description of the project, are public data at all times after the contract is entered into.

Sec. 5. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 3, is amended to read:

Subd. 3. [POST-JUNE 1992 LEASE PURCHASE, INSTALLMENT BUYS.] (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

(g) For the purposes of this subdivision, any references in subdivision 1 to building or land shall be deemed to include personal property.

Sec. 6. Minnesota Statutes 1993 Supplement, section 124.95, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the eligible debt service revenue of a district is defined as follows:

(1) the amount needed to produce between five and six percent in excess of the amount needed to meet when due the principal and interest payments on the obligations of the district for eligible projects according to subdivision 2, including the amounts necessary for repayment of energy loans according to section 216C.37 or sections 298.292 to 298.298, debt service loans and capital loans, lease purchase payments under section 124.91, subdivisions 2 and 3, minus

(2) the amount of debt service excess levy reduction for that school year calculated according to the procedure established by the commissioner.

(b) The obligations in this paragraph are excluded from eligible debt service revenue:

(1) obligations under section 124.2445;

(2) the part of debt service principal and interest paid from the taconite environmental protection fund or northeast Minnesota economic protection trust; and

(3) obligations issued under Laws 1991, chapter 265, article 5, section 18, as amended by Laws 1992, chapter 499, article 5, section 24; and

(4) obligations under section 124.2455.

(c) For purposes of this section, if a preexisting school district reorganized under section 122.22, 122.23, or 122.241 to 122.248 is solely responsible for retirement of the preexisting district's bonded indebtedness, capital loans or debt service loans, debt service equalization aid must be computed separately for each of the preexisting school districts.

Sec. 7. Minnesota Statutes 1992, section 124.95, subdivision 4, is amended to read:

Subd. 4. [EQUALIZED DEBT SERVICE LEVY.] To obtain debt service equalization revenue, a district must levy an amount not to exceed the district's debt service equalization revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) 50 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

Sec. 8. Minnesota Statutes 1992, section 475.61, subdivision 4, is amended to read:

Subd. 4. [SURPLUS FUNDS.] (a) All such taxes shall be collected and remitted to the municipality by the county treasurer as other taxes are collected and remitted, and shall be used only for payment of the obligations on account of which levied or to repay advances from other funds used for such payments, except that any surplus remaining in the debt service fund when the obligations and interest thereon are paid may be appropriated to any other general purpose by the municipality. However, the amount of any surplus remaining in the debt service fund of a school district when the obligations and interest thereon are paid shall be used to reduce the general education levy authorized pursuant to section 124A.23 and the state aids authorized pursuant to chapters 124, 124A, and 273.

(b) The reduction to state aids equals the lesser of (1) the amount of the surplus times the ratio of the district's debt service equalization aid to the district's debt service equalization revenue for the last year that the district qualified for debt service equalization aid; or (2) the district's cumulative amount of debt service equalization aid.

(c) The reduction to the general education levy equals the total amount of the surplus minus the reduction to state aids.

Sec. 9. Laws 1992, chapter 499, article 11, section 9, is amended to read:

Sec. 9. [LAND TRANSFER.]

Subdivision 1. [PERMITTED.] (a) Notwithstanding Minnesota Statutes, chapters 94 and 103F or any other law to the contrary, the state of Minnesota may convey the land described in paragraph (b) to independent school district No. 656, Faribault.

(b) The land which may be conveyed under paragraph (a) is legally described in general as follows:

All that part of the Southeast Quarter of the Southwest Quarter (SE 1/4 of SW 1/4) and all that part of the Southwest Quarter of the Southeast Quarter (SW 1/4 of SE 1/4), all in Section 29, Township 110 North, Range 20 West, in the City of Faribault, Rice County, Minnesota, owned by the state of Minnesota or any department or division thereof.

or

All that part of the Northwest Quarter of the Southwest Quarter (NW 1/4 of SW 1/4) of Section 28, and of the Northeast Quarter of the Southeast Quarter (NE 1/4 of SE 1/4) of Section 29, all in Township 110 North, Range 20 West, Rice County, Minnesota, owned by the State of Minnesota or any department or division thereof.

(c) A more precise legal description in substantial conformance with the description in paragraph (b) must be provided by the grantee in the instruments of conveyance. Both the precise legal descriptions and the instruments of conveyance must be approved as to form by the attorney general.

Subd. 2. [CONSIDERATION.] The consideration for the conveyance permitted by subdivision 1 is the amount at which the parcel or parcels are appraised by a qualified state appraiser who is appointed by agreement of the parties of \$1.

Subd. 3. [APPROPRIATION.] ~~The proceeds of the sale are appropriated to the department of education for the use of the state academies for whose account the sale is made and may be used for capital improvements at the academies.~~

Subd. 4. [PURPOSE.] The land permitted to be conveyed under subdivision 1 is to be used as part of a site for an elementary school.

Subd. 4. [TITLE REVERTS TO STATE.] If the lands described in subdivision 1 are not used for a public purpose, or upon discontinuance of such use, the title for the property shall revert to the state.

Sec. 10. Laws 1993, chapter 224, article 5, section 43, is amended to read as follows:

Sec. 43. [EXCEPTION TO LEASE LIMIT LEASE SPACE; EDUCATIONAL PURPOSES.]

Subdivision 1. [LEASE SPACE; BONDS.] Notwithstanding any law to the contrary, the city of Rollingstone may construct and equip a facility and lease the space for educational purposes. The city may issue revenue bonds in accordance with Minnesota Statutes, chapter 475, except as otherwise provided in this section, to finance the acquisition, construction, and equipping of the facility.

Subd. 2. [EXCEPTION TO LEASE LIMIT.] Notwithstanding any law to the contrary, independent school district No. 861, Winona, may enter into an agreement, for the number of years stated in the agreement, with the city of Rollingstone to lease space for educational purposes.

Subd. 3. [PAYMENTS; LEVY.] (a) The payments required to be made by the district under the agreement described in subdivision 2 are fixed for the term of the agreement, except that the payments may be revised as necessary to produce income and revenue for the prompt payment of principal and interest when due on the revenue bonds issued under this section. Upon approval of the agreement described in subdivision 2 by the commissioner of education, the district may shall execute the agreement described in subdivision 2 and shall levy a tax for as many years as required under the agreement in the amount necessary to make payments required by the agreement in accordance with Minnesota Statutes, section 475.61. The district may levy said taxes without limitation as to rate or amount and may pledge its full faith, credit, and taxing power for payment of the obligations under the agreement. Minnesota Statutes, section 475.58, does not apply to the revenue bonds or the agreement.

(b) To obtain approval for the agreement described in subdivision 2 from the commissioner, the district must demonstrate substantial collaboration with the city in the use of the facility. The city must also agree to contribute \$100,000 toward the cost of the education portion of the facility. The amount of the levy shall be annually included in the district's debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of determining the district's debt service equalization aid.

Sec. 11. Laws 1993, chapter 224, article 5, section 46, subdivision 2, is amended to read:

Subd. 2. [CAPITAL EXPENDITURE FACILITIES AID.] For capital expenditure facilities aid according to Minnesota Statutes, section 124.243, subdivision 5:

\$73,290,000 1994

~~\$75,980,000~~ \$76,113,000 1995

The 1994 appropriation includes \$10,730,000 for 1993 and \$62,560,000 for 1994.

The 1995 appropriation includes \$11,040,000 for 1994 and ~~\$64,940,000~~ \$65,073,000 for 1995.

Sec. 12. Laws 1993, chapter 224, article 5, section 46, subdivision 3, is amended to read:

Subd. 3. [CAPITAL EXPENDITURE EQUIPMENT AID.] For capital expenditure equipment aid according to Minnesota Statutes, section 124.244, subdivision 3:

\$36,049,000 1994

~~\$37,390,000~~ \$37,456,000 1995

The 1994 appropriation includes \$5,279,000 for 1993 and \$30,720,000 for 1994.

The 1995 appropriation includes \$5,430,000 for 1994 and ~~\$31,960,000~~ \$32,026,000 for 1995.

Sec. 13. Laws 1993, chapter 224, article 5, section 46, subdivision 4, is amended to read:

Subd. 4. [HEALTH AND SAFETY AID.] (a) For health and safety aid according to Minnesota Statutes, section 124.83, subdivision 5:

\$11,260,000 1994

\$18,924,000 1995

The 1994 appropriation includes \$1,256,000 for 1993 and \$10,004,000 for 1994.

The 1995 appropriation includes \$1,694,000 for 1994 and \$17,230,000 for 1995.

(b) \$400,000 in fiscal year 1994 and \$400,000 in fiscal year 1995 is for health and safety management assistance contracts under section 24.

(c) \$60,000 of each year's appropriation shall be used to contract with the state fire marshal to provide services under Minnesota Statutes, section 121.502. This amount is in addition to the amount for this purpose in article 11.

(d) For fiscal year 1995, the sum of total health and safety revenue and levies under section 3 may not exceed \$64,000,000. The state board of education shall establish criteria for prioritizing district health and safety project applications not to exceed this amount. In addition to the criteria developed by the state board of education, for any health and safety revenue authority that is redistributed, the commissioner shall place highest priority on asbestos abatement and removal projects in cases where school districts will lose federal funds or federal loans if the projects are not started or continued in fiscal year 1995. The commissioner may request documentation as necessary from school districts for the purpose of reestablishing health and safety revenue priorities.

(e) Notwithstanding section 124.14, subdivision 7, the commissioner of education, with the approval of the commissioner of finance, may transfer a projected excess in the appropriation for health and safety aid for fiscal year 1995 to the appropriation for debt service aid for the same fiscal year. The projected excess amount ~~and~~ the projected deficit in the appropriation for debt service aid, ~~and the amount of the transfer must be determined and the transfer made as of November 1, 1994 1993. The projections and the amount of the transfer may be revised to reflect corrected data as of June 1, 1994. The transfer must be made as of July 1, 1994.~~ The amount of the transfer is limited to the lesser of the projected excess in the health and safety appropriation or the projected deficit in the appropriation for debt service aid. Any transfer must be reported immediately to the education committees of the house of representatives and senate.

Sec. 14. [CAPITAL EXPENDITURE HEALTH AND SAFETY LEVY LIMIT.]

For taxes payable in 1995 for revenue for the 1995-1996 school year, the total health and safety current year levy must not exceed \$32,660,000.

The commissioner of education shall establish criteria for prioritizing health and safety revenue needs so that the levy does not exceed this amount. The commissioner shall place high priority on asbestos abatement and removal projects in cases where school districts will lose federal funds or federal loans if the projects are not started or continued in fiscal year 1996. The commissioner may request documentation as necessary from school districts for the purpose of establishing health and safety revenue priorities.

Sec. 15. [NASHWAUK-KEEWATIN; HEALTH AND SAFETY REVENUE.]

Notwithstanding the revenue limitation in Laws 1991, chapter 265, article 5, section 24, subdivision 4, for independent school district No. 319, Nashwaug-Keewatin, the full amount of authority for health and safety projects approved by the commissioner of education may be expended in fiscal year 1993, 1994, or 1995.

Sec. 16. [CASS LAKE; CAPITAL LOAN CONTRACT DEADLINE EXTENSION.]

Notwithstanding Minnesota Statutes 1993 Supplement, section 124.431, subdivision 1, for a capital loan granted to independent school district No. 115, Cass Lake, contracts must be entered into within 42 months after the date on which the loan is granted.

Sec. 17. [FLOODWOOD; FUND TRANSFER.]

Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, and 124.243, subdivision 8, or any other law, independent school district No. 698, Floodwood, may permanently transfer any amount from its facilities account in its capital expenditure fund to its building construction fund.

Sec. 18. [INDEPENDENT SCHOOL DISTRICT NO. 518, WORTHINGTON.]

Subdivision 1. [BOND AUTHORITY.] To provide funds for the construction of facilities to meet the educational and residential needs of adolescents attending the Lakeview school for whom independent school district No. 518, Worthington, has the responsibility of providing services, independent school district No. 518, Worthington, may, by two-thirds majority plus one vote of all the members of the school board, issue general obligation bonds in one or more series in calendar years 1994 and 1995 as provided in this section. The aggregate principal amount of any bonds issued under this section for calendar years 1994 and 1995 may not exceed \$2,600,000. Issuance of the bonds is not subject to Minnesota Statutes, section 475.58 or 475.59. If the school board proposes to issue bonds under this section, it must publish a resolution describing the proposed bond issue once each week for two successive weeks in a legal newspaper published in the county of Nobles. The bonds may be issued without the submission of the question of their issue to the electors unless, within 30 days after the second publication of the resolution, a petition requesting an election signed by a number of people residing in the school district equal to ten percent of the people registered to vote in the last general election in the school district is filed with the recording officer. If a petition is filed, no bonds shall be issued under this section unless authorized by a majority of the electors voting on the question at the next general or special election called to decide the issue. The bonds must otherwise be issued as provided in Minnesota Statutes, chapter 475. The authority to issue bonds under this section is in addition to any bonding authority authorized by Minnesota Statutes, chapter 124, or other law.

Subd. 2. [DEBT SERVICE.] Independent school district No. 518, Worthington, shall include the yearly debt service amounts in its required debt service levy under Minnesota Statutes, section 124.95, subdivision 1, for purposes of receiving debt service equalization aid. The district may add the portion of the debt service levy remaining after equalization aid is paid to the amount charged back to resident districts according to Minnesota Statutes, section 120.17, subdivision 6, or 120.181. If, for any reason, the receipt of payments from resident districts and debt service equalization aid attributable to this debt service is not sufficient to make the required debt service payments, the district may levy under subdivision 3.

Subd. 3. [LEVY AUTHORITY.] To pay the principal of and interest on bonds issued under subdivision 1, independent school district No. 518, Worthington, shall levy a tax in an amount sufficient under Minnesota Statutes, section 475.61, subdivisions 1 and 3, to pay any portion of the principal of and interest on the bonds that is not paid through the receipt of debt service equalization aid and tuition payments under subdivision 2. The tax authorized under this section is in addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [PLANNING GRANT.] For a grant to independent school district Nos. 325, Lakefield; 328, Sioux Valley; 330, Heron Lake-Okabena; 513, Brewster; and 516, Round Lake acting as a joint powers agreement:

<u>\$100,000</u>	<u>.....</u>	<u>1995</u>
------------------	--------------	-------------

The grant is to cover costs associated with planning for cooperation and combination.

Subd. 3. [COLLABORATION PLANNING GRANT, EAST CENTRAL SCHOOL.] For a planning grant to independent school district No. 2580, East Central, to plan for a facility to house an area learning center and a family and children's service center for northern Pine county:

<u>\$50,000</u>	<u>.....</u>	<u>1994</u>
-----------------	--------------	-------------

This appropriation is available until June 30, 1995.

The department must provide technical assistance. The planning must address facility size and location, methods of financing, and the types of services that would be provided.

Sec. 20. [EFFECTIVE DATE.]

Section 4 (energy contracts) is effective July 1, 1994, and applies to contracts entered into on or after that date. Sections 13 (health safety aid) and 19 (appropriations) are effective the day following final enactment. Section 16 (Cass Lake capital loan) is effective retroactive to July 1, 1993.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1992, section 121.935, subdivision 6, is amended to read:

Subd. 6. [FEES.] Regional management information centers may charge fees to affiliated districts for the cost of services provided to the district and the district's proportionate share of outstanding regional obligations, as defined in section 475.51, for computer hardware. If a district uses a state approved alternative finance system for processing its detailed transactions or transfers to another region, the district is liable for its contracted proportionate share of the outstanding regional obligation. The district is not liable for any additional outstanding regional obligations that occur after written notice is given to transfer or use an alternative finance system. ~~A regional management information center must not charge a district for transferring the district's summary financial data and essential data elements to the state. The regional management information center may charge the district for any service it provides to, or performs on behalf of, a district to render the data in the proper format for reporting to the state.~~

Sec. 2. Minnesota Statutes 1992, section 122.23, subdivision 6, is amended to read:

Subd. 6. ~~The state board commissioner~~ shall, upon receipt of a plat, forthwith examine it and approve, modify or reject it. ~~The state board commissioner~~ shall also approve or reject any proposal contained in the resolution or petition regarding the disposition of the bonded debt of the component districts. If the plat shows the boundaries of proposed separate election districts and if the ~~state board commissioner~~ modifies the plat, the ~~state board commissioner~~ shall also modify the boundaries of the proposed separate election districts. ~~Prior thereto the state board or a member thereof or The commissioner or assistant commissioner as designated by the state board shall~~ conduct a hearing at the nearest county seat in the area upon reasonable notice to the affected districts and county boards if requested within 20 days after submission of the plat. Such a hearing may be requested by the board of any affected district, a county board of commissioners, or the petition of 20 resident voters living within the area proposed for consolidation. ~~The state board commissioner~~ shall endorse on the plat its action regarding any proposal for the disposition of the bonded debt of component districts and ~~its the~~ reasons for ~~its these~~ actions and within 60 days of the date of the receipt of the plat, ~~it the commissioner~~ shall return it to the county auditor who submitted it. ~~The state board commissioner~~ shall furnish a copy of that plat, and the supporting statement and its endorsement to the auditor of each county containing any land area of the proposed new district. If land area of a particular county was included in the plat, as submitted by the county auditor, and all of such land area is excluded in the plat as modified and approved, ~~the state board commissioner~~ shall also furnish a copy of the modified plat, supporting statement, and its ~~any~~ endorsement to the auditor of such county.

Sec. 3. Minnesota Statutes 1992, section 122.23, subdivision 8, is amended to read:

Subd. 8. The board of any independent district maintaining a secondary school, the board of any common district maintaining a secondary school, all or part of whose land is included in the proposed new district, shall, within 45 days of the approval of the plat by the ~~state board commissioner~~, either adopt or reject the plan as proposed in the approved plat. If the board of any such district entitled to act on the petition rejects the proposal, the proceedings are terminated and dismissed. If any board fails to act on the plat within the time allowed, the proceedings are terminated.

Sec. 4. Minnesota Statutes 1992, section 122.23, subdivision 10, is amended to read:

Subd. 10. If an approved plat contains land area in any district not entitled to act on approval or rejection of the plat by action of its board, the plat may be approved by the residents of the land area within 60 days of approval of plat by the ~~state board commissioner~~ in the following manner:

A petition calling upon the county auditor to call and conduct an election on the question of adoption or rejection of the plat may be circulated in the land area by any person residing in the area. Upon the filing of the petition with the county auditor, executed by at least 25 percent of the eligible voters in each district or part of a district contained in the land area, the county auditor shall forthwith call and conduct a special election of the electors resident in the

whole land area on the question of adoption of the plat. For the purposes of this section, the term "electors resident in the whole land area" means any person residing on any remaining portion of land, a part of which is included in the consolidation plat. Any eligible voter owning land included in the plat who lives upon land adjacent or contiguous to that part of the voter's land included in the plat shall be included and counted in computing the 25 percent of the eligible voters necessary to sign the petition and shall also be qualified to sign the petition. Failure to file the petition within 60 days of approval of the plat by the state board commissioner terminates the proceedings.

Sec. 5. Minnesota Statutes 1992, section 122.23, subdivision 13, is amended to read:

Subd. 13. If a majority of the votes cast on the question at the election approve the consolidation, and if the necessary approving resolutions of boards entitled to act on the plat have been adopted, the school board shall, within ten days of the election, notify the county auditor who shall, within ten days of the notice or of the expiration of the period during which an election can be called, issue an order setting a date for the effective date of the change. The effective date shall be July 1 of an ~~odd-numbered year, unless an even-numbered year is agreed upon according to subdivision 13a~~ the year determined by the school board in the original resolution adopted under subdivision 2. The auditor shall mail or deliver a copy of such order to each auditor holding a copy of the plat and to the clerk of each district affected by the order and to the commissioner. The school board shall similarly notify the county auditor if the election fails. The proceedings are then terminated and the county auditor shall so notify the commissioner and the auditors and the clerk of each school district affected.

Sec. 6. Minnesota Statutes 1992, section 122.23, is amended by adding a subdivision to read:

Subd. 20. [RETIREMENT INCENTIVES.] (a) A school board of a consolidated district may offer early retirement incentives to licensed and nonlicensed staff. The early retirement incentives that the board may offer are:

(1) the payment of employer pension plan contributions for a specified period of allowable service credit for district employees who have at least ten years of allowable service credit in the applicable pension plan under paragraph (b);

(2) an extended leave of absence for an eligible employee under section 125.60;

(3) severance payment incentives under paragraph (c);

(4) the employer payment of the premiums for continued health insurance coverage under paragraph (d).

These incentives may only be offered to employees who terminate active employment with the school district or who enter into an extended leave of absence as a result of the consolidation, whichever applies. The board may determine the staff to whom the incentives are offered. Unilateral implementation of this section by a school board is not an unfair labor practice under chapter 179A.

(b) An employee with at least ten years of allowable service credit in the applicable pension plan who is offered an early retirement incentive under paragraph (a), clause (1), may purchase up to five additional years of allowable service credit from the applicable pension plan. To do so, the former employee must pay the member contributions to the pension plan annually in a manner and in accord with a schedule specified by the executive director of the applicable fund. If the former employee makes the member contribution, the board shall make the applicable employer contribution. The salary used to determine these contributions is the salary of the person in the last year that the former employee was employed by the district. During the period of continuing member and employer contributions, the person is not considered to be an active member of the applicable pension plan, is not eligible for any active member disability or survivorship benefit coverage, and is not included in any postemployment termination benefit plan changes unless the applicable benefit legislation provides otherwise. Continued eligibility to purchase service credit under this paragraph expires if the person is subsequently employed during the service purchase period by a public employer with retirement coverage under a pension plan specified in section 356.30, subdivision 3.

(c) Severance payment incentives must conform with sections 465.72, 465.721, and 465.722.

(d) The board may offer a former employee with continued employer-paid health insurance coverage. Coverage may not extend beyond age 65 or the end of the first month in which the employee is eligible for employer-paid health insurance coverage from a new employer. For purposes of this subdivision, "employer-paid health insurance coverage" means medical, hospitalization, or health insurance coverage provided through an insurance company that is licensed to do business in the state and for which the employing unit pays more than one-half of the cost of the insurance premiums.

Sec. 7. Minnesota Statutes 1992, section 122.531, subdivision 9, is amended to read:

Subd. 9. [LEVY FOR SEVERANCE PAY OR EARLY RETIREMENT INCENTIVES.] The school board of a newly created or enlarged district, to which part or all of a dissolved district was attached according to section 122.22 ~~or 122.23~~, may levy for severance pay or early retirement incentives for licensed and nonlicensed employees who resign or retire early as a result of the dissolution or consolidation, if the commissioner of education approves the incentives and the amount to be levied. The amount may be levied over a period of up to five years and shall be spread in whole or in part on the property of a preexisting district or the newly created or enlarged district, as determined by the school board of the newly created or enlarged district.

Sec. 8. Minnesota Statutes 1992, section 122.533, is amended to read:

122.533 [EXPENSES OF TRANSITION.]

The newly elected board ~~of a newly created district pursuant to section 122.23 or the board~~ of a district to which a dissolved district is attached pursuant to section 122.22, may, for the purpose of paying the expenses of negotiations and other administrative expenses relating to the transition, enter into agreements with banks or any person to take its orders at any rate of interest not to exceed seven percent per annum. These orders shall be paid by the treasurer of the district from district funds after the effective date of the ~~consolidation or~~ dissolution and attachment. Notwithstanding the provisions of sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, 124.918, and 136C.411, the district may, in the year the ~~consolidation or~~ dissolution and attachment becomes effective, levy an amount equal to the amount of the orders issued pursuant to this subdivision and the interest on these orders. No district shall issue orders for funds or make a levy pursuant to this subdivision without the commissioner's approval of the expenses to be paid with the funds from the orders and levy.

Sec. 9. [123.193] [LEVIES PROHIBITED.]

Unless specifically permitted in a provision authorizing a levy, a cooperative unit of government as defined in section 123.35, subdivision 19b, paragraph (c), clauses (1) to (4), is prohibited from making a property tax levy.

Sec. 10. Minnesota Statutes 1992, section 123.35, subdivision 19a, is amended to read:

Subd. 19a. [LIMITATION ON PARTICIPATION AND FINANCIAL SUPPORT.] (a) No school district shall be required by any type of formal or informal agreement, including a joint powers agreement, or ~~otherwise membership in any cooperative unit defined in subdivision 19b, paragraph (c),~~ to participate in or provide financial support for the purposes of the agreement for a time period in excess of one fiscal year, or the time period set forth in this subdivision. Any agreement, part of an agreement, or other type of requirement to the contrary is void.

(b) This subdivision shall not affect the continued liability of a school district for its share of bonded indebtedness or other debt incurred as a result of any agreement before July 1, 1993. The school district is liable only until the obligation or debt is discharged and only according to the payment schedule in effect on July 1, 1993, except that the payment schedule may be altered for the purpose of restructuring debt or refunding bonds outstanding on July 1, 1993, if the annual payments of the school district are not increased and if the total obligation of the school district for its share of outstanding bonds or other debt is not increased.

(c) To cease participating in or providing financial support for any of the services or activities relating to the agreement or to terminate participation in the agreement, the school board shall adopt a resolution and notify other parties to the agreement of its decision on or before February 1 of any year. The cessation or withdrawal shall be effective June 30 of the same year ~~or, except that for a member of an education district organized under sections 122.91 to 122.95 or an intermediate district organized under chapter 136D, cessation or withdrawal shall be effective June 30 of the following fiscal year.~~ At the option of the school board, cessation or withdrawal may be effective June 30 of the following fiscal year for a district participating in any type of agreement.

(d) Before issuing bonds or incurring other debt, the governing body responsible for implementing the agreement shall adopt a resolution proposing to issue bonds or incur other debt and the proposed financial effect of the bonds or other debt upon each participating district. The resolution shall be adopted within a time sufficient to allow the school board to adopt a resolution within the time permitted by this paragraph and to comply with the statutory deadlines set forth in sections 122.895, 125.12, and 125.17. The governing body responsible for implementing the agreement shall notify each participating school board of the contents of the resolution. Within 120 days of receiving the resolution of the governing body, the school board of the participating district shall adopt a resolution stating:

(1) its concurrence with issuing bonds or incurring other debt;

(2) its intention to cease participating in or providing financial support for the service or activity related to the bonds or other debt; or

(3) its intention to terminate participation in the agreement.

A school board adopting a resolution according to clause (1) is liable for its share of bonded indebtedness or other debt as proposed by the governing body implementing the agreement. A school board adopting a resolution according to clause (2) is not liable for the bonded indebtedness or other debt, as proposed by the governing body, related to the services or activities in which the district ceases participating or providing financial support. A school board adopting a resolution according to clause (3) is not liable for the bonded indebtedness or other debt proposed by the governing body implementing the agreement.

(e) After July 1, 1993, a district is liable according to paragraph (d) for its share of bonded indebtedness or other debt incurred by the governing body implementing the agreement to the extent that the bonds or other debt are directly related to the services or activities in which the district participates or for which the district provides financial support. The district has continued liability only until the obligation or debt is discharged and only according to the payment schedule in effect at the time the governing body implementing the agreement provides notice to the school board, except that the payment schedule may be altered for the purpose of refunding the outstanding bonds or restructuring other debt if the annual payments of the district are not increased and if the total obligation of the district for the outstanding bonds or other debt is not increased.

Sec. 11. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 19b. [WITHDRAWING FROM COOPERATIVE.] If a school district withdraws from a cooperative unit defined in paragraph (c), the distribution of assets and assignment of liabilities to the withdrawing district shall be determined according to this subdivision.

(a) The withdrawing district remains responsible for its share of bonded debt incurred by the cooperative unit according to subdivision 19a. The school district and cooperative unit may mutually agree, through a board resolution by each, to terms and conditions of the distribution of assets purchased with the proceeds of bonds and assignment of liabilities for outstanding bond obligations. If the cooperative unit and the school district cannot agree on the terms and conditions, the commissioner of education shall resolve the dispute.

(b) The school district and cooperative unit may mutually agree, through a board resolution by each, to the terms and conditions of the distribution of assets and assignment of liabilities not acquired with the proceeds of bonds. If the cooperative unit and the school district cannot agree on the terms and conditions, the withdrawing district shall not receive any distribution of assets or assignment of liabilities not acquired with the proceeds of bonds.

(c) For the purposes of this section, a cooperative unit is:

(1) an education district organized under sections 122.91 to 122.95;

(2) a cooperative vocational center organized under section 123.351;

(3) an educational cooperative service unit organized under section 123.58; or

(4) a regional management information center organized under section 121.935; or

(5) an intermediate district organized under chapter 136D.

Sec. 12. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 21. [APPEAL TO COMMISSIONER.] If a cooperative unit as defined in subdivision 19b, paragraph (c), denies membership in the unit to a school district, the school district may appeal to the commissioner of education. The commissioner may require the cooperative unit to grant the district membership.

Sec. 13. Minnesota Statutes 1992, section 123.35, is amended by adding a subdivision to read:

Subd. 22. [AID TO COOPERATIVE UNIT.] A school district may request the department of education to pay state aid for which the district is eligible under section 124.2727, 124.32, 124.573, 124.574, or 124.646 directly to a cooperative unit.

Sec. 14. Minnesota Statutes 1992, section 123.58, subdivision 2, is amended to read:

Subd. 2. [ESTABLISHMENT OF EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) In furtherance of this policy, ten educational cooperative service units are ~~designated established~~. Each unit, ~~should it become operational,~~ shall be termed an educational cooperative service unit, hereafter designated as an ECSU. Geographical boundaries for each ECSU shall coincide with those identified in governor's executive orders 8, dated September 1, 1971, and 59, dated May 29, 1973, issued pursuant to the regional development act of 1969, Minnesota Statutes, sections 462.381 to 462.397, with the following exceptions:

- (i) ~~(1)~~ development regions one and two shall be combined to form a single ECSU;
- (ii) ~~(2)~~ development regions six east and six west shall be combined to form a single ECSU;
- (iii) ~~(3)~~ development regions seven east and seven west shall be combined to form a single ECSU.

(b) The ECSU shall cooperate with the regional development commission for the region with which its boundaries coincide but shall not be responsible to nor governed by that regional development commission.

~~(c) The geographic location of the central administrative office of a school district shall determine the membership of the total school district in a particular ECSU. Existing school district boundaries shall not be altered as a result of this section.~~

~~(d) Notwithstanding paragraphs (a), (b), and (c), a school district may become a full member of an ECSU other than the one in which its central administrative office is located if the district is a member of an education district or a participant in another cooperative agreement, and more than half of the member districts of the education district or participants in the cooperative agreement are members of another ECSU.~~

~~(e) Two or more identified ECSU units may, upon approval by a majority of school boards of participating school districts in each affected ECSU, be combined and administered as a single ECSU unit but state assistance shall be allocated on the basis of two or more ECSU units.~~

~~(f) The initial organization of each ECSU may occur only upon petition to the state board of education by a majority of all school districts in an ECSU. The state board of education shall, upon receipt of this petition, invite representation from all public school districts and shall encourage the participation of nonpublic school administrative units to the extent allowed by law in an ECSU at a regional meeting. The state board of education shall then assist in the necessary organizational activities for establishment of an ECSU pursuant to the requirements of this section.~~

Sec. 15. Minnesota Statutes 1992, section 123.58, subdivision 4, is amended to read:

Subd. 4. [MEMBERSHIP AND PARTICIPATION.] Full membership in an ECSU shall be limited to public school districts of the state but nonvoting associate memberships shall be available to nonpublic school administrative units within the ECSU. A school district may belong to one or more ECSUs. Participation in programs and services provided by the ECSU shall be discretionary. No school district shall be compelled to participate in these services under authority of this section. However, ~~all school districts whose central administrative offices are within that ECSU whose boundaries coincide with those of development region 11 shall participate in the planning and planning research functions of that ECSU.~~ All of the members of an education district shall belong to the same ECSU, if any members belong to an ECSU. No planning or planning research decision of that ECSU shall be binding on these ~~region 11 districts.~~ Nonpublic school students and personnel are encouraged to participate in programs and services to the extent allowed by law.

Sec. 16. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 6, is amended to read:

Subd. 6. [DUTIES AND POWERS OF ECSU BOARD OF DIRECTORS.] The board of directors shall have authority to maintain and operate an ECSU. Subject to the availability of necessary resources, the powers and duties of this board shall include the following:

(a) The board of directors shall submit ~~within 90 days after the filing of the initial petition with the state board of education and by June 1 of each year thereafter to the commissioner and to each participating school district~~ an annual plan which describes the objectives and procedures to be implemented in assisting in resolution of the educational needs of the ECSU. In formulating the plan the board is encouraged to consider: (1) the number of dropouts of

school age in the ECSU area and the reasons for the dropouts; (2) existing programs within participating districts for dropouts and potential dropouts; (3) existing programs of the ECSU for dropouts and potential dropouts and (4) program needs of dropouts and potential dropouts in the area served by the ECSU.

(b) The ECSU board of directors may provide adequate office, service center, and administrative facilities by lease, purchase, gift, or otherwise, subject to the review of the commissioner as to the adequacy of the facilities proposed.

(c) The ECSU board of directors may employ a central administrative staff and other personnel as necessary to provide and support the agreed upon programs and services. The board may discharge staff and personnel pursuant to provisions of law applicable to independent school districts. ECSU staff and personnel may participate in retirement programs and any other programs available to public school staff and personnel.

(d) The ECSU board of directors may appoint special advisory committees composed of superintendents, central office personnel, building principals, teachers, parents and lay persons.

(e) The ECSU board of directors may employ service area personnel pursuant to licensure standards developed by the state board and the board of teaching.

(f) The ECSU board of directors may enter into contracts with school boards of local districts including school districts outside the ECSU area.

(g) The ECSU board of directors may enter into contracts with other public and private agencies and institutions which may include, but are not limited to, contracts with Minnesota institutions of higher education to provide administrative staff and other personnel as necessary to furnish and support the agreed upon programs and services.

(h) The ECSU board of directors shall exercise all powers and carry out all duties delegated to it by participating local school districts under provisions of the ECSU bylaws. The ECSU board of directors shall be governed, when not otherwise provided, by the provisions of law applicable to independent school districts of the state.

(i) The ECSU board of directors shall submit an annual evaluation report of the effectiveness of programs and services to the school districts and nonpublic school administrative units within the ECSU ~~and the commissioner by~~ September 1 of each year following the school year in which the program and services were provided.

(j) The ECSU board is encouraged to establish cooperative, working relationships with post-secondary educational institutions in the state.

Sec. 17. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 7, is amended to read:

Subd. 7. [APPOINTMENT OF AN ADVISORY COUNCIL.] There shall be an advisory council selected to give advice and counsel to the ECSU board of directors. This council shall be composed of superintendents, central office personnel, principals, teachers, parents, and lay persons. Nonpublic school administrative units are encouraged to participate on the council to the extent allowed by law. ~~A plan detailing procedures for selection of membership in this council shall be submitted by the ECSU board of directors to the commissioner.~~

Sec. 18. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 8, is amended to read:

Subd. 8. [EDUCATIONAL PROGRAMS AND SERVICES.] ~~Pursuant to subdivision 6, and rules of the state board of education, The board of directors of each operational ECSU shall submit annually a plan to the public school districts and nonpublic school administrative units within the ECSU, the nonpublic school administrative units, and the commissioner. The plan shall identify the programs and services which are suggested for implementation by the ECSU during the following school year and shall contain components of long range planning determined by the ECSU in cooperation with the commissioner and other appropriate agencies. The commissioner may review and recommend modification of the proposed plan and conduct ongoing program reviews. These programs and services may include, but are not limited to, the following areas:~~

- (a) Administrative services and purchasing
- (b) Curriculum development
- (c) Data processing

- (d) Educational television
- (e) Evaluation and research
- (f) In-service training
- (g) Media centers
- (h) Publication and dissemination of materials
- (i) Pupil personnel services
- (j) Regional planning, joint use of facilities, and flexible and year-round school scheduling
- (k) Secondary, post-secondary, community, adult, and adult vocational education
- (l) Individualized instruction and services, including services for students with special talents and special needs
- (m) Teacher personnel services
- (n) Vocational rehabilitation
- (o) Health, diagnostic, and child development services and centers
- (p) Leadership or direction in early childhood and family education
- (q) Community services
- (r) Shared time programs.

Sec. 19. Minnesota Statutes 1993 Supplement, section 123.58, subdivision 9, is amended to read:

Subd. 9. [FINANCIAL SUPPORT FOR THE EDUCATIONAL COOPERATIVE SERVICE UNITS.] (a) Financial support for ECSU programs and services shall be provided by participating local school districts and nonpublic school administrative units with private, state and federal financial support supplementing as available. The ECSU board of directors may, in each year, for the purpose of paying any administrative, planning, operating, or capital expenses incurred or to be incurred, assess and certify to each participating school district and nonpublic school administrative unit its proportionate share of any and all expenses. This share shall be based upon the extent of participation by each district or nonpublic school administrative unit and shall be in the form of a service fee. Each participating district and nonpublic school administrative unit shall remit its assessment to the ECSU board as provided in the ECSU bylaws. The assessments shall be paid within the maximum levy limitations of each participating district. No participating school district or nonpublic school administrative unit shall have any additional liability for the debts or obligations of the ECSU except that assessment which has been certified as its proportionate share or any other liability the school district or nonpublic school administrative unit ~~agrees to assume~~ assumes under section 123.35, subdivision 19b.

(b) Any property acquired by the ECSU board is public property to be used for essential public and governmental purposes which shall be exempt from all taxes and special assessments levied by a city, county, state or political subdivision thereof. If the ECSU is dissolved, its property must be distributed to the member public school districts at the time of the dissolution.

(c) A school district or nonpublic school administrative unit may elect to withdraw from participation in the ECSU by a majority vote of its full board membership and upon compliance with the applicable withdrawal provisions of the ECSU organizational agreement. ~~Upon receipt of the withdrawal resolution reciting the necessary facts, the ECSU board shall file a certified copy with the commissioner.~~ The withdrawal shall be effective on the June 30 following receipt by the board of directors of written notification of the withdrawal ~~at least six months prior to June 30 by February 1 of the same year.~~ Notwithstanding the withdrawal, the proportionate share of any expenses already certified to the withdrawing school district or nonpublic school administrative unit for the ECSU shall be paid to the ECSU board.

(d) ~~Notwithstanding paragraph (c), if a member school district of an education district withdraws from an ECSU to comply with subdivision 4, the school district's withdrawal is effective on June 30, following receipt by the board of directors of the district's written notification.~~

(e) The ECSU is a public corporation and agency and its board of directors may make application for, accept and expend private, state and federal funds that are available for programs of educational benefit approved by the commissioner in accordance with rules adopted by the state board of education pursuant to chapter 14. The commissioner shall not distribute special state aid or federal aid directly to an ECSU in lieu of distribution to a school district within the ECSU which would otherwise qualify for and be entitled to this aid without the consent of the school board of that district.

(f) (e) The ECSU is a public corporation and agency and as such, no earnings or interests of the ECSU may inure to the benefit of an individual or private entity.

Sec. 20. Minnesota Statutes 1993 Supplement, section 124.155, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF ADJUSTMENT.] Each year state aids and credits enumerated in subdivision 2 payable to any school district, ~~education district, or secondary vocational cooperative~~ for that fiscal year shall be adjusted, in the order listed, by an amount equal to (1) the amount the district, ~~education district, or secondary vocational cooperative~~ recognized as revenue for the prior fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4c,~~ minus (2) the amount the district recognizes as revenue for the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4c.~~ For the purposes of making the aid adjustment under this subdivision, the amount the district recognizes as revenue for either the prior fiscal year or the current fiscal year pursuant to section 121.904, subdivision 4a, clause (b), ~~plus revenue recognized according to section 121.904, subdivision 4c,~~ shall not include any amount levied pursuant to sections 124.226, subdivision 9, 124.912, subdivisions 2, 3, and 5, or a successor provision only for those districts affected, 124.916, subdivisions 1 and 2, 124.918, subdivision 6, and 124A.03, subdivision 2; and Laws 1992, chapter 499, articles 1, section 20, and 6, section 36. Payment from the permanent school fund shall not be adjusted pursuant to this section. The school district shall be notified of the amount of the adjustment made to each payment pursuant to this section.

Sec. 21. [124.2726] [CONSOLIDATION TRANSITION REVENUE.]

Subdivision 1. [ELIGIBILITY AND USE.] A school district that has been reorganized under section 122.23 and has not received revenue under section 124.2725, is eligible for consolidation transition revenue. Revenue is equal to the sum of aid under subdivision 2 and levy under subdivision 3. Consolidation transition revenue may only be used according to this section. Revenue must initially be used for the payment of district costs for the early retirement incentives granted by the district under section 122.23, subdivision 20. Any revenue under subdivision 2 remaining after the payment of district costs for the early retirement incentives must be used to reduce operating debt as defined in section 121.915. Any additional aid remaining after the reduction of operating debt must be deposited in the district's general fund.

Subd. 2. [AID.] Consolidation transition aid is equal to \$200 times the number of actual pupil units in the newly created district in the year of consolidation and \$100 times the number of actual pupil units in the first year following the year of consolidation. The number of pupil units used to calculate aid in either year shall not exceed 1,000.

Subd. 3. [LEVY.] If the aid available in subdivision 2 is insufficient to cover the costs of the district under section 122.23, subdivision 20, the district may levy the difference over a period of time not to exceed three years.

Subd. 4. [NEW DISTRICTS.] If a district consolidates with another district that has received consolidation transition aid within six years of the effective date of the new consolidation, only the pupil units in the district not previously reorganized shall be counted for aid purposes under subdivision 2. If two districts consolidate and both districts received aid under subdivision 2 within six years of the effective date of the new consolidation, only one quarter of the pupil units in the newly created district shall be used to determine aid under subdivision 2.

Sec. 22. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6, is amended to read:

Subd. 6. [INTERMEDIATE DISTRICT LEVY AUTHORITY.] (a) ~~For fiscal years prior to fiscal year 1996, An intermediate school district may levy, as a single taxing district, according to this paragraph, an amount that may not exceed the greater of:~~

(1) five-sixths of the levy certified for special education and secondary vocational education for taxes payable in 1989; or

(2) the lesser of (i) \$50 times the actual pupil units in each participating district for the fiscal year to which the levy is attributable, or (ii) 1.43 percent of the adjusted net tax capacity. The levy shall be certified according to section 275.07. Upon such certification, the county auditors shall levy and collect the levies and remit the proceeds of the levy to the intermediate school district. The levies shall not be included in computing the limitation upon the levy of any of the participating districts.

(b) Five-elevenths of the proceeds of the levy shall be used for special education. Six-elevenths of the proceeds of the levy shall be used for secondary vocational education.

(c) When a school district joins or withdraws from an intermediate school district after July 1, 1991, the department of education shall recalculate the levy certified for taxes payable in 1989, for the purpose of determining the levy amount authorized under paragraph (a), clause (1), to reflect the change in membership of the intermediate school district. The department shall recalculate the levy as though the intermediate school district had certified the maximum permitted levy for taxes payable in 1989.

~~This subdivision expires July 1, 1995.~~

Sec. 23. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6a, is amended to read:

Subd. 6a. [DISTRICT COOPERATION REVENUE.] (a) For fiscal year 1995, for a district that is not a member of an intermediate district under chapter 136D, a district's cooperation revenue is equal to the greater greatest of \$50 times the actual pupil units, the cooperation formula allowance times the actual fiscal year 1994 pupil units, or \$25,000.

The cooperation formula allowance is equal to the sum of the amounts in clauses (1) to (6):

(1) the average per pupil allocation of the regional reporting subsidy grant under Minnesota Statutes 1992, section 121.935, subdivision 5, received in fiscal year 1994 by the regional management information center to which the district belonged in fiscal year 1994;

(2) the average per pupil allocation of the amount of education district revenue certified to the department of education under Minnesota Statutes 1992, section 124.2721, subdivision 2, for fiscal year 1994 by the education district to which the district belonged in fiscal year 1994;

(3) \$20 per pupil for a district that belonged to a secondary vocational cooperative in fiscal year 1994 that received revenue under Minnesota Statutes 1992, section 124.575, in fiscal year 1994;

(4) the per pupil interdistrict cooperation revenue the district received under section 124.912, subdivision 4, in fiscal year 1994;

(5) \$50 per pupil for a district that received special cooperation revenue under section 124.912, subdivision 5, in fiscal year 1994; and

(6) the average per pupil allocation of state aid according to Laws 1993, chapter 224, article 6, section 30, subdivision 3, received by the ECSU in which the district was a full member in fiscal year 1994.

(b) For fiscal year 1996 and thereafter, for a district that is not a member of an intermediate district established under chapter 136D, district cooperation revenue is the greater of the district cooperation revenue received for fiscal year 1995, or:

(1) \$55 times the actual pupil units for fiscal year 1996;

(2) \$59 times the actual pupil units for fiscal year 1997;

(3) \$63 times the actual pupil units for fiscal year 1998;

(4) \$67 times the actual pupil units for fiscal year 1999, and thereafter.

(c) For fiscal year 1995 and thereafter, for a district that is a member of an intermediate district established under chapter 136D, district cooperation revenue is equal to the sum of the amounts in paragraph (a), clauses (1) and (6) times the fiscal year 1994 pupil units.

Sec. 24. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 5, is amended to read:

Subd. 5. [INTERACTIVE TELEVISION.] (a) A school district with its central administrative office located within economic development region one, two, three, four, five, six, seven, eight, nine, ~~and or~~ or in Carver or Scott county, may apply to the commissioner of education for ITV revenue up to the greater of .5 percent of the adjusted net tax capacity of the district or \$25,000 for the construction, maintenance, and lease costs of an interactive television system for instructional purposes. The approval by the commissioner of education and the application procedures set forth in subdivision 1 shall apply to the revenue in this subdivision. In granting the approval, the commissioner must consider whether the district is maximizing efficiency through peak use and off-peak use pricing structures.

(b) To obtain ITV revenue, a district may levy an amount not to exceed the district's ITV revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the adjusted net tax capacity of the district for the year before the year the levy is certified by the actual pupil units in the district for the school year ending in the year prior to the year the levy is certified; to

(2) 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8, for the year to which the levy is attributable.

(c) A district's ITV aid is the difference between its ITV revenue and the ITV levy.

Sec. 25. Minnesota Statutes 1992, section 136D.22, is amended by adding a subdivision to read:

Subd. 1a. [THE INTERMEDIATE DISTRICT BOARD.] The care, management, and control of the intermediate district shall be vested in a board of directors, to be known as the intermediate school board. The term of office of a member shall be three years and until a successor qualifies. The membership of the intermediate school board shall consist of one director elected from each participating district.

Sec. 26. Minnesota Statutes 1992, section 136D.22, is amended by adding a subdivision to read:

Subd. 1b. [ELECTIONS.] The election of the intermediate district director in a participating district must take place on the same day that the general school board election takes place in the participating district. The election must meet all requirements of chapter 205A.

Sec. 27. Minnesota Statutes 1992, section 136D.22, is amended by adding a subdivision to read:

Subd. 1c. [PROCEDURE.] A majority of the voting members of the intermediate board shall constitute a quorum. No contract shall be made or authorized, except at a regular meeting of the board or at a special meeting at which all members are present or of which all members have had notice. Special meetings may be called by the chair or clerk or any three members upon notice mailed to each member at least three days prior to the meeting.

Sec. 28. Minnesota Statutes 1992, section 136D.72, is amended by adding a subdivision to read:

Subd. 1a. [THE INTERMEDIATE DISTRICT BOARD.] The care, management, and control of the intermediate district shall be vested in a board of directors, to be known as the intermediate school board. The term of office of a member shall be three years and until a successor qualifies. The membership of the intermediate school board shall consist of one director elected from each participating district.

Sec. 29. Minnesota Statutes 1992, section 136D.72, is amended by adding a subdivision to read:

Subd. 1b. [ELECTIONS.] The election of the intermediate district director in a participating district must take place on the same day that the general school board election takes place in the participating district. The election must meet all requirements of chapter 205A.

Sec. 30. Minnesota Statutes 1992, section 136D.72, is amended by adding a subdivision to read:

Subd. 1c. [PROCEDURE.] A majority of the voting members of the intermediate board shall constitute a quorum. No contract shall be made or authorized, except at a regular meeting of the board or at a special meeting at which all members are present or of which all members have had notice. Special meetings may be called by the chair or clerk or any three members upon notice mailed to each member at least three days prior to the meeting.

Sec. 31. Minnesota Statutes 1992, section 136D.82, is amended by adding a subdivision to read:

Subd. 1a. [THE INTERMEDIATE DISTRICT BOARD.] The care, management, and control of the intermediate district shall be vested in a board of directors, to be known as the intermediate school board. The term of the office of a member shall be three years and until a successor qualifies. The membership of the intermediate school board shall consist of one director elected from each participating district.

Sec. 32. Minnesota Statutes 1992, section 136D.82, is amended by adding a subdivision to read:

Subd. 1b. [ELECTIONS.] The election of the intermediate district director in a participating district must take place on the same day that the general school board election takes place in the participating district. The election must meet all requirements of chapter 205A.

Sec. 33. Minnesota Statutes 1992, section 136D.82, is amended by adding a subdivision to read:

Subd. 1c. [PROCEDURE.] A majority of the voting members of the intermediate board shall constitute a quorum. No contract shall be made or authorized, except at a regular meeting of the board or at a special meeting at which all members are present or of which all members have had notice. Special meetings may be called by the chair or clerk or any three members upon notice mailed to each member at least three days prior to the meeting.

Sec. 34. Laws 1993, chapter 224, article 6, section 30, subdivision 2, is amended to read:

Subd. 2. [COOPERATION AND COMBINATION AID.] For aid for districts that cooperate and combine according to Minnesota Statutes, section 124.2725:

~~\$3,516,000~~ \$3,848,000 1994

~~\$3,979,000~~ \$3,647,000 1995

The 1994 appropriation includes \$591,000 for 1993 and ~~\$2,925,000~~ \$3,257,000 for 1994.

The 1995 appropriation includes ~~\$516,000~~ \$574,000 for 1994 and ~~\$3,463,000~~ \$3,073,000 for 1995.

Sec. 35. Laws 1993, chapter 224, article 6, section 30, subdivision 6, is amended to read:

Subd. 6. [DISTRICT COOPERATION REVENUE.] For cooperation revenue according to section 16 ~~124.2727~~:

~~\$7,960,000~~ \$9,954,000 1995

The 1995 appropriation is based on an entitlement of ~~\$9,364,000~~ \$11,710,000 for fiscal year 1995.

Sec. 36. Laws 1993, chapter 224, article 7, section 28, subdivision 9, is amended to read:

Subd. 9. [ITV LEVY AID.] For ITV levy aid under section 24 ~~124.91~~, subdivision 5:

~~\$2,681,000~~ \$2,870,000 1995

The appropriation anticipates an entitlement of ~~\$3,154,200~~ \$3,376,000 for fiscal year 1995.

Sec. 37. [VERDI DEBT.]

Subdivision 1. [REDISTRIBUTION OF VERDI ASSETS AND LIABILITIES.] The commissioner of education shall revise the initial order for the distribution of assets and liabilities issued under section 122.22, subdivision 20, in the dissolution of former independent school district No. 408, Verdi. The revised order shall specify that an amount equal to the sum of clauses (1) and (2) shall be distributed to independent school districts No. 404, Lake Benton, and No.

583, Pipestone, in proportion to the amount of adjusted net tax capacity in the former Verdi district that was attached to each district.

(1) the reorganization operating debt in the former Verdi district as calculated under section 121.915; and

(2) the cost of removing the two underground storage tanks from the school building site in the former Verdi district minus the sum of the proceeds from the sale of the site and building and reimbursements related to removing the tanks.

Subd. 2. [DISTRICTS MAY LEVY FOR DEBT.] The Lake Benton and Pipestone school districts may levy according to section 122.531 for the amount calculated under subdivision 1. The districts may direct the county auditors to spread the levy only upon property within the boundaries of the former Verdi school district.

Subd. 3. [AID ADJUSTMENT.] The commissioner shall subtract an amount equal to the overpayment of state aids to the former Verdi district from the Lake Benton and Pipestone school districts in proportion to the amount of adjusted net tax capacity in the former Verdi district that was attached to each district.

Subd. 4. [AID TRANSFER.] By December 31, 1995, the Pipestone school district shall transfer to the Lake Benton school district any portion of the amount calculated under subdivision 1 that is attributable to the Pipestone district and that has been paid by the Lake Benton district.

Sec. 38. [FIRST YEAR OF COOPERATION SPECIFIED.]

For the purpose of receiving additional cooperation and combination aid under Minnesota Statutes, section 124.2725, subdivision 6, the first year of cooperation for independent school districts No. 427, Winsted, and No. 880, Howard Lake-Waverly, is fiscal year 1995.

Sec. 39. [TRANSITION PROCESS.]

The commissioner of education, in consultation with the Minnesota school boards association and the intermediate district boards, shall determine a process for making a transition from the intermediate district board structure in place on July 1, 1994, to an elected board under sections 25 (136D.22) to 33 (136D.82) for intermediate school districts No. 287, No. 916, and No. 917. The elected boards must be operational by July 1, 1996. The commissioner may recommend to the 1995 legislature additional legislation required to effectuate the transition from the current intermediate board structure to an elected board structure for intermediate school districts under sections 25 (136D.22) to 33 (136D.82).

Sec. 40. [FISCAL YEAR 1995 COOPERATION AID.]

Notwithstanding Minnesota Statutes 1992, section 124.2727, subdivisions 6a, 6b, and 6c, for fiscal year 1995, a district's cooperation aid shall be the difference between its cooperation revenue under section 23 (124.2727, subdivision 6a) and its cooperation levy under Minnesota Statutes 1992, section 124.2727, subdivision 6b. The district cooperation levy for a district that was not authorized to certify a levy in 1993 for taxes payable in 1994 under section 124.2727, subdivision 6b, shall equal zero.

Sec. 41. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [CONSOLIDATION AID.] For consolidation aid according to section 124.2726:

<u>\$430,000</u>	<u>.....</u>	<u>1995</u>
------------------	--------------	-------------

The appropriation is based on an entitlement of \$505,000 for fiscal year 1995.

Subd. 3. [TRANSITION AID FOR INFORMATION SUPPORT.] For information reporting support and software for ESV information systems:

<u>\$900,000</u>	<u>.....</u>	<u>1995</u>
------------------	--------------	-------------

This appropriation is to ensure an orderly transition from a state supported system to a system where school districts purchase needed services. The department must support local school districts in preparing information required by the state. Data reported to the state must meet state reporting standards. The amount of this appropriation shall be phased out in the 1996-1997 biennium. Of this amount, \$150,000 is for additional INTERNET support in school districts and \$300,000 is for ESV system software support.

Sec. 42. [REPEALER.]

(a) Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivision 3; 136D.71, subdivision 2; 136D.82, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 124.2727, subdivision 8; and Laws 1992, chapter 499, article 6, section 39, subdivision 3, are repealed.

(b) Minnesota Statutes 1992, sections 136D.22, subdivision 1; 136D.72, subdivisions 1, 2, and 5; and 136D.82, subdivision 1, are repealed.

Sec. 43. [EFFECTIVE DATE.]

(a) Section 37 (Verdi Debt) is effective the day following final enactment.

(b) Sections 25 (136D.22) to 33 (136D.82), and section 42, paragraph (b) (Repealer), are effective July 1, 1996.

ARTICLE 7

COMMITMENT TO EXCELLENCE

Section 1. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7c, is amended to read:

Subd. 7c. [RESULTS-ORIENTED GRADUATION RULE.] (a) The legislature is committed to establishing a rigorous, results-oriented graduation rule for Minnesota's public school students. To that end, the state board shall use its rulemaking authority under subdivision 7b to adopt a statewide, results-oriented graduation rule to be implemented starting with students beginning high school ninth grade in the 1996-1997 school year. The state board may continue its proceedings to adopt a graduation rule but must not take final action under sections 14.131 to 14.20 to adopt the rule until after the board reports on the content of the graduation rule to the legislature during the 1995 legislative session and the state board is specifically authorized in law to adopt the rule. The board shall not prescribe in rule or otherwise the delivery system, form of instruction, or a single statewide form of assessment that local sites must use to meet the requirements contained in this rule.

(b) The content of the graduation rule must reflect the importance of using valid and reliable assessment instruments that have been developed according to the most current version of the standards for educational testing for granting or denying a student a high school diploma.

(c) The content of the graduation rule must also differentiate between minimum competencies and rigorous standards. The rule must:

- (1) establish minimum competencies for the purpose of granting or denying a student a high school diploma;
- (2) include rigorous standards, which are standards to achieve but not presently require as a condition of high school graduation; and
- (3) periodically review and report on the assessment process with the expectation of expanding high school graduation requirements and permitting decisions about whether to grant or deny a student a high school diploma to attach to more rigorous standards.

(d) The state board shall include in the graduation rule a requirement that the amended graduation standards be implemented in stages. Graduation requirements contained in the graduation rule must use the information from the graduation rule pilot sites to determine whether the assessment instruments are valid and reliable and whether appropriate minimum competencies and rigorous standards have been established, as anticipated under paragraphs (b) and (c). The state board shall provide a timely report to the legislature on the findings of the pilot sites and inform the legislature about:

(1) what financial resources are required to implement graduation outcomes statewide, including the specific costs for each stage of implementation; and

(2) what educational and organizational changes are necessary in the kindergarten through grade 12 and post-secondary systems to successfully integrate the state's high school graduation requirements and the entrance requirements of the state's post-secondary institutions.

(e) After receiving specific authority in law to adopt the rule, the state board shall report to the legislature annually by January 15 on its progress in implementing the remaining graduation requirements until such time as all the graduation requirements are implemented.

Sec. 2. Minnesota Statutes 1993 Supplement, section 123.951, is amended to read:

123.951 [SCHOOL SITE DECISION-MAKING AGREEMENT.]

(a) A school board may enter into an agreement with a school site decision-making team concerning the governance, management, or control of any school in the district. Upon a written request from a proposed school site decision-making team, an initial school site decision-making team shall be appointed by the school board and may include the school principal, representatives of teachers ~~in~~ at the school site selected by the exclusive bargaining representative, representatives of other employees in the school, representatives of parents of pupils in the school, representatives of pupils in the school, representatives of other members in the community, or others determined appropriate by the board. The school site decision-making team shall include the school principal or other person having general control and supervision of the school.

(b) School site decision-making agreements must delegate powers and duties to site teams and involve staff members, students as appropriate, and parents in decision making.

(c) An agreement may include:

(1) a mechanism to implement flexible support systems for ~~improvement in~~ improving student achievement of education outcomes;

(2) a decision-making structure that allows teachers to identify instructional problems and control and apply the resources needed to solve them;

(3) a mechanism to allow principals, or other persons having general control and supervision of the school, to make decisions regarding how financial and personnel resources are best allocated at the site and from whom goods or services are purchased;

(4) a mechanism to implement parental involvement programs under section 126.69 and to provide for effective parental communication and feedback on this involvement at the site level;

(5) a provision that would allow the team to determine who is hired into licensed and nonlicensed positions;

(6) a provision that would allow teachers to choose the principal or other person having general control;

(7) direct contact with other social service providers;

(8) in-service training for site decision-making team members for financial management of school sites; ~~and~~

(9) a structure for implementing alternative staffing patterns under section 123.953; and

(10) any other powers and duties determined appropriate by the board.

The school board of the district remains the legal employer under clauses (5) and (6).

(d) Any powers or duties not delegated to the school site management team in the school site management agreement shall remain with the school board.

(e) Approved agreements shall be filed with the commissioner. If a school board denies a request to enter into a school site management agreement, it shall provide a copy of the request and the reasons for its denial to the commissioner.

Sec. 3. [123.953] [ALTERNATIVE STAFFING PATTERNS.]

Subdivision 1. [AUTHORIZATION; PURPOSE; GOAL.] (a) Schools and school districts are strongly encouraged to create opportunities for teachers, educational specialists, school administrators, student teachers, teacher interns or residents, clerical aides and instructional assistants, and other qualified adults to organize alternative staffing patterns, provide lead teachers with additional preparation time, and offer students more adult assistance.

Subd. 2. [SCHOOL SITE DECISION-MAKING TEAM REQUIRED.] Before a school or school district organizes an alternative staffing pattern under this section, it must enter into a school site decision-making agreement delegating governance, management, or control to a school site team under section 123.951.

Subd. 3. [CONTINUING INSTRUCTIONAL RESPONSIBILITIES.] School districts shall not achieve educational accountability or operational economy by reducing the total number of fully certified staff responsible for educating pupils except to the extent that:

- (1) certified staff employed by the district elect to retire from service with the district;
- (2) certified staff employed by the district seek employment with another employer;
- (3) there is a lack of pupils;
- (4) classes are merged as a result of consolidating districts;
- (5) financial limitations require a reduction in licensed staff;
- (6) the district elects to cooperate with another unit of government;
- (7) there is a significant increase in the number of students of limited English proficiency; or
- (8) an existing teaching position is discontinued.

Subd. 4. [CALCULATING PUPIL-TEACHER RATIOS.] In calculating pupil-teacher ratios in elementary schools, school boards shall also indicate the number of other appropriately skilled or trained adults under this section who work with the classroom teacher to provide the instructional program to students. School boards shall not include in the calculation the education assistants who assist a licensed special education teacher in providing services to students under section 120.17.

Sec. 4. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 3, is amended to read:

Subd. 3. [INSTRUCTION CONTACT TIME.] Instruction or instructional support may be provided by a primary instructor, by a team of instructors, or by teacher resident supervised by a primary instructor. The district must maximize instructor to learner average instructional contact time qualified adult, including a student's classroom teacher, by another classroom teacher, by a team of classroom teachers, by a teacher resident under section 125.230, by a teacher intern who has received an initial teaching license and is enrolled in a master's level education program, or by an education assistant or aide directed by a licensed teacher. A qualified adult does not include a teacher for whom categorical aids are received under section 124.273 or 124.32 or supervisory and support personnel. A qualified adult also does not include an educational assistant who assists in providing a service or program under section 120.17.

Sec. 5. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 4, is amended to read:

Subd. 4. [REVENUE USE.] Revenue shall be used to reduce and maintain the district's instructor adult to learner student ratios in kindergarten through grade 6 to a level of 1 to 17 on average. The district must prioritize the use of the revenue to attain this level initially in kindergarten and grade 1 and then through the subsequent grades as revenue is available. The revenue may be used to prepare and use an individualized learning plan for each learner student. A district must not increase the district wide instructor-learner adult-student ratios in other grades as a result of reducing instructor-learner adult-student ratios in kindergarten through grade 6. Revenue may not be used to provide instructor preparation time or to provide the district's share of revenue required under section 124.311. Revenue may be used to continue employment for nonlicensed staff employed in the district on the effective date of Laws 1993, chapter 224, under Minnesota Statutes 1992, section 124.331, subdivision 2.

Sec. 6. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 5, is amended to read:

Subd. 5. [ADDITIONAL REVENUE USE.] If the school board of a school district determines that the district has achieved and is maintaining the ~~instructor-learner~~ adult-student ratios specified in subdivision 4 and is using individualized learning plans, the school board may use the revenue to purchase material and services or provide staff development needed for reduced ~~instructor-learner~~ adult-student ratios. If additional revenue remains, the district must use the revenue to improve program offerings, including programs provided through interactive television, throughout the district or other general education purposes.

Sec. 7. Minnesota Statutes 1993 Supplement, section 124A.29, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT; AND PARENTAL INVOLVEMENT REVENUE.] (a) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to one percent in fiscal year 1994, ~~two percent in fiscal year 1995~~, and thereafter times the formula allowance times the number of actual pupil units shall be reserved and may be used only to ~~provide staff time for in-service education for programs under section 126.77, subdivision 2, challenging instructional activities and experiences or for staff development programs, for the purpose of improving student achievement of education outcomes plans, including plans for challenging instructional activities and experiences under section 126.70, subdivisions 1 and 2a.~~ provide staff development programs, for the purpose of improving student achievement of education outcomes plans, including plans for challenging instructional activities and experiences under section 126.70, subdivisions 1 and 2a. Districts may expend an additional amount of basic revenue for staff development based on their needs. The school board shall initially allocate 50 percent of the revenue to each school site in the district on a per teacher basis. The board may retain 25 percent to be used for district wide staff development efforts. The remaining 25 percent of the revenue shall be used to develop flexible staffing patterns under section 123.953 that ensure educational accountability and operational economy or to make grants to school sites that demonstrate exemplary use of allocated staff development revenue. A district using the remaining 25 percent of the revenue to develop alternative staffing patterns must use at least a portion of the revenue to provide planning time for organizing alternative staffing patterns, provide teachers with additional preparation time, and train nonlicensed staff. A grant may be used for any purpose authorized under section 126.70 or 126.77, subdivision 2, and determined by the site decision-making team. The site decision-making team must demonstrate to the school board the extent to which staff at the site have met the outcomes of the program. The board may withhold a portion of initial allocation of revenue if the staff development outcomes are not being met.

(b) Of a district's basic revenue under section 124A.22, subdivision 2, an amount equal to \$5 times the number of actual pupil units must be reserved and may be used only to provide parental involvement programs that implement section 126.69. Parental involvement programs may include career teacher programs, programs promoting parental involvement in the PER process, coordination of volunteer services, participation in developing, implementing, or evaluating school desegregation/integration plans, and programs designed to encourage community involvement.

Sec. 8. Minnesota Statutes 1993 Supplement, section 124A.292, subdivision 3, is amended to read:

Subd. 3. [STAFF DEVELOPMENT LEVY.] A district's levy equals its revenue times the lesser of one or the ratio of:

(1) the quotient derived by dividing the district's adjusted net tax capacity per actual pupil unit for the year before the year the levy is certified by the district's actual pupil units for the school year to which the levy is attributable, to

(2) the equalizing factor for the school year to which the levy is attributable.

Sec. 9. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 3, is amended to read:

Subd. 3. [PROGRAM COMPONENTS.] In order to be approved by the board of teaching, a school district's residency program must at minimum include:

- (1) training to prepare teachers to serve as mentors to teaching residents;
- (2) a team mentorship approach to expose teaching residents to a variety of teaching methods, philosophies, and classroom environments;
- (3) ongoing peer coaching and assessment;
- (4) assistance to the teaching resident in preparing an individual professional development plan that includes goals, activities, and assessment methodologies; and

(5) ~~involvement of resource persons from higher~~ collaboration with one or more teacher education institutions, career teachers, and other community experts to provide local or regional professional development seminars or other structured learning experiences for teaching residents.

A teaching resident ~~shall not be given resident's~~ direct classroom supervision responsibilities ~~that exceed~~ shall be between 80 and 90 percent of the instructional time required of a full-time equivalent teacher in the district. During the ~~remaining~~ time, a teaching resident does not supervise a class, the resident shall participate in professional development activities according to the individual plan developed by the resident in conjunction with the school's mentoring team. Examples of development activities include observing other teachers, sharing experiences with other teaching residents, and professional meetings and workshops.

Sec. 10. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 4, is amended to read:

Subd. 4. [EMPLOYMENT CONDITIONS.] A school district shall pay a teaching resident a salary equal to 75 percent of the ~~statewide average~~ salary of a first-year teacher with a bachelor's degree in the district. The resident shall be a member of the local bargaining unit and shall be covered under the terms of the contract, except for salary and benefits, unless otherwise provided in this subdivision. The school district shall provide health insurance coverage for the resident if the district provides it for teachers, and may provide other benefits upon negotiated agreement.

Sec. 11. Minnesota Statutes 1993 Supplement, section 125.230, subdivision 6, is amended to read:

Subd. 6. [LEARNING AND DEVELOPMENT REVENUE ELIGIBILITY.] A school district with an approved teaching residency program may use learning and development revenue for each teaching resident in kindergarten through grade six. A district also may use the revenue for a paraprofessional who is a person of color enrolled in an approved teacher preparation program. A school district shall not use a teaching resident to replace an existing teaching position: unless:

(1) there is no teacher available who is properly licensed to fill the vacancy, who has been placed on unrequested leave of absence in the district, and who wishes to be reinstated; and

(2) the district's collective bargaining agreement includes a memorandum of understanding that permits teaching residents to fill an existing teaching position.

Sec. 12. Minnesota Statutes 1993 Supplement, section 126.239, subdivision 3, is amended to read:

Subd. 3. [SUBSIDY FOR EXAMINATION FEES.] The state may pay all or part of the fee for advanced placement or international baccalaureate examinations for pupils in public and nonpublic schools ~~whose circumstances make state payment advisable.~~ The commissioner shall adopt a schedule for fee subsidies that will pay a portion of the fee for all students and that may allow payment of the entire fee for low-income families, as defined by the commissioner. The commissioner may also determine the circumstances under which the fee is subsidized, in whole or in part. The commissioner shall determine procedures for state payments of fees.

Sec. 13. Minnesota Statutes 1992, section 126.69, subdivision 1, is amended to read:

Subdivision 1. [PROGRAM GOALS.] The department of education, in consultation with the state curriculum advisory committee, must develop guidelines and model plans for parental involvement programs that will:

(1) engage the interests and talents of parents or guardians in recognizing and meeting the emotional, intellectual, and physical needs of their school-age children;

(2) promote healthy self-concepts among parents or guardians and other family members;

(3) offer parents or guardians a chance to share and learn about educational skills, techniques, and ideas;

(4) provide creative learning experiences for parents or guardians and their school-age children, including involvement from parents or guardians of color; and

(5) encourage parents to actively participate in their district's curriculum advisory committee under section 126.666 in order to assist the school board in improving children's education programs; and

(6) encourage parents to help in promoting school desegregation/integration.

Sec. 14. Minnesota Statutes 1992, section 126.69, subdivision 3, is amended to read:

Subd. 3. [PLAN ACTIVITIES.] Activities contained in the model plans must include:

- (1) educational opportunities for families that enhance children's learning development;
- (2) educational programs for parents or guardians on families' educational responsibilities and resources;
- (3) the hiring, training, and use of parental involvement liaison workers to coordinate family involvement activities and to foster communication among families, educators, and students;
- (4) curriculum materials and assistance in implementing home and community-based learning activities that reinforce and extend classroom instruction and student motivation;
- (5) technical assistance, including training to design and carry out family involvement programs;
- (6) parent resource centers;
- (7) parent training programs and reasonable and necessary expenditures associated with parents' attendance at training sessions;
- (8) reports to parents on children's progress;
- (9) use of parents as classroom volunteers, participants in before and after school programs for school-age children, tutors, and aides;
- (10) soliciting parents' suggestions in planning, developing, and implementing school programs;
- (11) educational programs and opportunities for parents or guardians that are multicultural, gender fair, and disability sensitive; and
- (12) involvement in a district's curriculum advisory committee or a school building team under section 126.666; and
- (13) opportunities for parent involvement in developing, implementing, or evaluating school and district desegregation/integration plans.

Sec. 15. Minnesota Statutes 1993 Supplement, section 126.70, subdivision 1, is amended to read:

Subdivision 1. [STAFF DEVELOPMENT COMMITTEE.] A school board shall use the revenue authorized in section 124A.29 for in-service education for programs under section 126.77, subdivision 2, or for staff development ~~plan plans~~ under this ~~subdivision section~~. The board must establish a staff development committee to develop the plan, advise a site decision-making team about the plan, and evaluate staff development efforts at the site level. A majority of the advisory committee must be teachers representing various grade levels and, subject areas, and special education. The advisory committee must also include parents and administrators. Districts shall report staff development results to the commissioner in the form and manner determined by the commissioner.

Sec. 16. Minnesota Statutes 1993 Supplement, section 126.70, subdivision 2a, is amended to read:

Subd. 2a. [STAFF DEVELOPMENT OUTCOMES.] (a) The staff development committee shall adopt a staff development plan for ~~the improvement of~~ improving student achievement of education outcomes. The plan must be consistent with education outcomes determined by the school board. The plan shall include the following outcomes:

- (1) foster readiness for learning for all pupils;
- (2) facilitate organizational changes by enabling a site-based team composed of pupils, parents, school personnel, representatives of children with disabilities, and community members who generally reflect the cultural composition of the school to address pupils' needs;

(3) develop programs to increase pupils' educational progress by developing appropriate outcomes and personal learning goals and by encouraging pupils and their parents to assume responsibility for their education;

(4) design and develop programs containing various instructional opportunities and accommodations that recognize pupils' individual needs and utilize family and community resources;

(5) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;

(6) provide staff time or mentorship oversight for peer review of probationary, continuing contract, and nonprobationary teachers;

(7) train elementary and secondary staff to help students learn to resolve conflicts in effective, nonviolent ways;

(8) encourage staff to teach and model violence prevention policy and curricula that address issues of sexual and racial harassment; ~~and~~

(9) teach elementary and secondary staff to effectively meet the needs of children with disabilities within the regular classroom setting;

(10) train administration and other school leadership personnel in the statutory and regulatory requirements and methods to assist elementary and secondary staff and parents to meet children's needs;

(11) teach administration, instructional, and support personnel to provide a comprehensive and integrated education program for meeting the individual needs of students; and

(12) provide equal educational opportunities for all students that are consistent with the school desegregation/integration and inclusive education plans adopted by school districts and approved by the state.

(b) If a school board approves a plan to accomplish any of the purposes listed in paragraph (a), ~~it must also provide the plan must include staff development for~~ challenging instructional activities and experiences that recognize and cultivate students' advanced abilities and talents.

Sec. 17. Laws 1993, chapter 224, article 7, section 28, subdivision 3, is amended to read:

Subd. 3. [ADVANCED PLACEMENT AND INTERNATIONAL BACCALAUREATE PROGRAMS.] For the state advanced placement and international baccalaureate programs, including training programs, support programs, and examination fee subsidies:

\$300,000	1994
-----------	-------	------

\$300,000	1995
-----------	-------	------

\$750,000

Sec. 18. Laws 1993, chapter 224, article 7, section 28, subdivision 4, is amended to read:

Subd. 4. [NSF MATH-SCIENCE SYSTEMIC INITIATIVE.] To meet requirements for a proposal to the National Science Foundation for a systemic initiative in mathematics and science:

\$1,500,000	1994
-------------	-------	------

\$1,500,000	1995
-------------	-------	------

This appropriation is not contingent upon receiving funding from the National Science Foundation. Any balance remaining in the first year does not cancel but is available in the second year.

Sec. 19. Laws 1993, chapter 224, article 7, section 28, subdivision 11, is amended to read:

Subd. 11. [SCHOOL RESTRUCTURING GRANTS.] For school restructuring grants under section 22:

\$500,000 1995 1994

This appropriation ~~does not cancel~~ is available until June 30, 1995.

Up to \$100,000 of this amount may be used for a grant to a nonstate organization to develop systemic site decision making models for expenses incurred in fiscal year 1994 and an additional \$100,000 of this amount may be used for a grant for this purpose in fiscal year 1995.

Sec. 20. [TEACHER PREPARATION CURRICULUM.]

(a) Consistent with Laws 1993, chapter 224, article 12, section 34, the state board of teaching, with the assistance of organizations representing diverse cultures, shall decide whether or not to include in the curriculum for preparing all beginning social studies teachers a study of anthropology that encompasses a study of the indigenous people of the midwest, and a study of history of the indigenous people that encompasses a study of the Minnesota area in precolonial times through the twentieth century.

(b) Consistent with Laws 1993, chapter 224, article 12, section 34, the state board of teaching shall ensure that the human relations curriculum of all teacher preparation programs includes components of American Indian language, history, and culture.

Sec. 21. [REPORT ON CERTIFICATION AND COLLABORATION.]

The state board of teaching, after consulting with representatives of teachers, school board members, representatives of communities of color, and education assistants working in kindergarten through grade 12 public education, shall prepare a report by January 15, 1995, for the education committees of the legislature that analyzes the advantages and disadvantages of certifying or licensing education assistants who work in kindergarten through grade 12 public education and the obstacles that members of minority communities might face in obtaining a license or certificate.

Sec. 22. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY.] For support for the activities of the coalition for education reform and accountability as established in Laws 1993, chapter 224, article 1, section 35:

\$50,000 1995

Sec. 23. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 2, is repealed.

Sec. 24. [EFFECTIVE DATE.]

Sections 2 (123.951); 3 (123.953); 4, 5, and 6 (124A.225, subdivisions 3, 4, and 5); 7 (124A.29, subdivision 1); 13 and 14 (126.69, subdivisions 1 and 3); and 20 (teacher preparation curriculum), are effective the day following final enactment.

ARTICLE 8

OTHER PROGRAMS

Section 1. Minnesota Statutes 1993 Supplement, section 120.062, subdivision 5, is amended to read:

Subd. 5. [DESEGREGATION DISTRICT TRANSFERS.] (a) This subdivision applies to a transfer into or out of a district that has a desegregation plan approved by the commissioner of education.

(b) An application to transfer may be submitted at any time for enrollment beginning at any time.

(c) The parent or guardian of a pupil who is a resident of a district that has a desegregation plan must submit an application to the resident district. If the district accepts the application, it must forward the application to the nonresident district.

(d) The parent or guardian of a pupil who applies for enrollment in a nonresident district that has a desegregation plan must submit an application to the nonresident district.

(e) Each district must accept or reject an application it receives and notify the parent or guardian in writing within 30 calendar days of receiving the application. A notification of acceptance must include the date enrollment can begin.

(f) If an application is rejected, the district must state the reason for rejection in the notification. If a district that has a desegregation plan rejects an application for a reason related to the desegregation plan, the district must state with specificity how acceptance of the application would result in noncompliance with state board rules with respect to the school or program for which application was made.

(g) If an application is accepted, the parent or guardian must notify the nonresident district in writing within 15 calendar days of receiving the acceptance whether the pupil intends to enroll in the nonresident district. Notice of intention to enroll obligates the pupil to enroll in the nonresident district, unless the school boards of the resident and nonresident districts agree otherwise. If a parent or guardian does not notify the nonresident district, the pupil may not enroll in that nonresident district at that time, unless the school boards of the resident and nonresident district agree otherwise.

(h) Within 15 calendar days of receiving the notice from the parent or guardian, the nonresident district shall notify the resident district in writing of the pupil's intention to enroll in the nonresident district.

(i) A pupil enrolled in a nonresident district under this subdivision is not required to make annual or periodic application for enrollment but may remain enrolled in the same district. A pupil may transfer to the resident district at any time.

(j) A pupil enrolled in a nonresident district and applying to transfer into or out of a district that has a desegregation plan must follow the procedures of this subdivision. For the purposes of this type of transfer, "resident district" means the nonresident district in which the pupil is enrolled at the time of application.

(k) A district that has a desegregation plan approved by the state board of education must accept or reject each individual application in a manner that will enable compliance with its desegregation plan.

(l) Notwithstanding paragraphs (f) and (k) of this section, a district with a desegregation plan must allow a pupil to apply to enroll in a nonresident district with a desegregation plan. A district with a desegregation plan may refuse to enroll a nonresident pupil who resides in a district with a desegregation plan only under subdivision 3.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.11, subdivision 7d, is amended to read:

Subd. 7d. ~~[DESEGREGATION DESEGREGATION/INTEGRATION, INCLUSIVE EDUCATION, AND LICENSURE RULES.]~~ (a) The state board may make rules relating to ~~desegregation~~ desegregation/integration, inclusive education, and licensure of school personnel not licensed by the board of teaching.

(b) In adopting a rule related to school desegregation/integration, the state board shall address the need for equal educational opportunities for all students. The state board shall define equal educational opportunities to be consistent with the content of the high school graduation rule under section 121.11, subdivision 7c, including the minimum competencies the board establishes for the purpose of granting or denying a student a high school diploma. The state board must not take final action under sections 14.131 to 14.20 to adopt the rule until after it presents the rule to the education committees of the legislature.

(c) Any interdistrict transfers under the rule must advance the requirement to provide equal educational opportunities for all students.

Sec. 3. Minnesota Statutes 1992, section 121.912, subdivision 5, is amended to read:

Subd. 5. [ACCOUNT TRANSFER FOR CERTAIN SEVERANCE PAY.] A school district may maintain in a designated for certain severance pay account not more than 50 percent of the amount necessary to meet the obligations for the portion of severance pay that constitutes compensation for accumulated sick leave to be used for payment of premiums for group insurance provided for former employees by the district. The amount necessary shall be calculated according to standards established by the advisory council on uniform financial accounting and reporting standards. ~~If there is a deficit in any year in any reserved fund balance account, the district shall transfer the amount necessary to eliminate the deficit from the designated for certain severance pay account to the reserved fund balance account.~~

Sec. 4. [121.951] [VOLUNTARY INTERDISTRICT COORDINATING OFFICE.]

Subdivision 1. [ESTABLISHMENT.] A voluntary interdistrict coordinating office (VICO) is established to coordinate metropolitan-wide school desegregation/integration in the seven-county metropolitan area and help school districts implement school desegregation/integration plans that provide equal educational opportunities for all students. VICO is charged with:

- (1) coordinating and administering student transfers and voluntary teacher exchange programs;
- (2) coordinating and disseminating information about available schools and programs in districts with desegregation/integration plans;
- (3) assisting districts in recruiting, counseling, and placing students who transfer between districts and teachers who participate in teacher exchanges;
- (4) assisting districts with interdistrict and intradistrict transporting of students;
- (5) assisting districts in planning and implementing new magnet schools and programs;
- (6) collecting data and reporting annually to the districts in the seven-county metropolitan area and the legislature about the districts' efforts to implement desegregation/integration plans, including information about student transfers, teacher exchanges, efforts to recruit, counsel, and place student transfers, student placements and modifications in placements, and student suspensions and expulsions related to student transfers, which shall be used to indicate nondiscriminatory treatment, evaluate the efficacy of districts' efforts, and identify areas for special intervention or additional resources;
- (7) periodically consulting with the metropolitan council under section 473.1455 to ensure that VICO goals and programs recognize and encompass, to the extent possible, the educational, physical, social, economic, and infrastructure needs of the metropolitan area;
- (8) keeping accurate records of all teacher exchanges and the status of the exchanges;
- (9) assisting in staff development and in-service training activities in order to prepare staff to function in integrated settings; and
- (10) performing other activities as are necessary and consistent with this act.

Subd. 2. [VICO ADVISORY BOARD.] (a) The VICO shall have an advisory board with the following voting members:

(1) eight superintendents, each of whom shall be selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c; and

(2) one person each selected by the American Indian affairs council, the Asian-Pacific Minnesotans council, the Black Minnesotans council, and the Spanish-speaking council.

(b) A designee of the state board of education shall be an ex officio nonvoting member of the advisory board.

(c) The VICO advisory board may solicit comment from teachers, parents, and interested community organizations.

Subd. 3. [ADVISORY BOARD MEETINGS.] The VICO advisory board shall determine the time and place of and procedures for its meetings. The VICO director may confirm notice of the meetings.

Subd. 4. [BOARD CHAIRS.] (a) The VICO advisory board shall elect two co-chairs from its members to serve for a period of one year.

(b) The VICO director shall keep, or supervise the keeping of, the minutes of the VICO advisory board meetings, be responsible for giving all appropriate notices, and act as the official custodian of VICO records.

Subd. 5. [STAFF.] (a) The VICO advisory board shall employ a director who shall report directly to the VICO.

(b) The director shall be responsible for VICO coordinating efforts and administrative duties.

(c) The director shall employ staff as necessary to carry out VICO duties.

(d) The director shall be an ex officio nonvoting member of the VICO advisory board.

(e) The VICO may select a director of student counseling and recruitment who shall have the primary responsibility for overseeing student recruitment and counseling and shall report to the director.

Subd. 6. [FISCAL AUTHORITY.] The VICO may, in its discretion, contract with any school district that is a VICO member to act as the VICO fiscal agent, or to provide other fiscal services as may be approved by the VICO.

Subd. 7. [PROCEDURES.] The VICO advisory board and its staff shall develop procedures to implement the VICO charges under subdivision 1.

Subd. 8. [STUDENT RECRUITMENT AND COUNSELING.] The VICO shall oversee all student recruitment and counseling activities related to student transfers to effect metropolitan-wide school desegregation/integration. The VICO shall:

(1) process all applications for student transfers to effect school desegregation/integration;

(2) conduct and coordinate recruitment drives with the metropolitan school districts;

(3) conduct and coordinate advertising campaigns relating to the student transfers to effect school desegregation/integration;

(4) coordinate the development and dissemination of information about the schools and programs available in each of the metropolitan school districts;

(5) keep accurate records of all student transfers and the status of these transfers; and

(6) collect and analyze student data for the annual VICO reports required under subdivision 1, clause (6).

Sec. 5. Minnesota Statutes 1992, section 124.278, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE DISTRICT.] A district is eligible for reimbursement under this section if the district has:

(1) a minority enrollment of more than ten percent; or

(2) a desegregation/integration plan approved by the state board of education to provide equal educational opportunities for all students.

Sec. 6. [124.279] [EMPLOYMENT INCENTIVE.]

Subdivision 1. [ACTION TO EMPLOY QUALIFIED PEOPLE OF COLOR AND WOMEN AND PEOPLE WITH DISABILITIES.] The school board of a school district is encouraged to take action as necessary to increase the percentage of its licensed secondary school principals, superintendents, and assistant superintendents who are people of color, women, or people with disabilities.

Subd. 2. [REIMBURSEMENT.] A district that employs a person of color, a woman, or a person with disabilities for one school year as a licensed secondary school principal, a superintendent, or an assistant superintendent is eligible to receive a one-time reimbursement equal to \$5,000. The department of education shall establish procedures for a district to obtain the reimbursement. Reimbursements shall be limited to 20 persons per school year and are available to a district at the end of the school year during which the person is first employed by the district. A district must submit a statement to the department by the April 15 preceding the year for which the district is eligible to receive the reimbursement indicating that it will employ for at least one school year a person of color, a woman, or a person with disabilities as a secondary school principal, a superintendent, or assistant superintendent. The department shall waive the April 15 deadline for the 1994-1995 school year.

Subd. 3. [PERSONS OF COLOR.] For the purposes of this section, a person of color means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic.

Sec. 7. Minnesota Statutes 1993 Supplement, section 124.6469, subdivision 3, is amended to read:

Subd. 3. [PROGRAM REIMBURSEMENT.] (a) State funds are provided to reimburse school breakfasts. Each school year, the state shall reimburse schools in the amount of 5.1 cents for each fully paid breakfast and for each free and reduced price breakfast not eligible for the "severe need" rate.

(b) In addition to paragraph (a), each school year the state shall reimburse public schools 10.5 cents for each free and reduced price breakfast not eligible for the "severe need" rate if between 32 and 40 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 8. Minnesota Statutes 1992, section 124.6472, subdivision 1, is amended to read:

Subdivision 1. [BREAKFAST REQUIRED.] A school district shall offer a school breakfast program in every school building in which at least 40 32 percent of the school lunches served during the second preceding school year were served free or at a reduced price.

Sec. 9. Minnesota Statutes 1992, section 124.912, is amended by adding a subdivision to read:

Subd. 9. [ABATEMENT LEVY.] Each year, a school district may levy an amount to replace the net revenue lost to abatements that have occurred under chapter 278, sections 270.07, 375.192, or otherwise. The maximum abatement levy is the sum of:

(1) the amount of the net revenue loss determined under section 124.214, subdivision 2, that is not paid in state aid including any prorated aid amounts;

(2) the difference of (i) the amount of any abatements that have been reported by the county auditor for the first six months of the calendar year during which the abatement levy is certified that the district chooses to levy, (ii) less any amount actually levied under this clause that was certified in the previous calendar year for the first six months of the previous calendar year; and

(3) an amount equal to any interest paid on abatement refunds.

(4) Each year, a district may levy up to its maximum abatement levy for the current year and levy for any remaining abatement loss not included in the abatement levy during the preceding and second preceding year.

By July 15, the county auditor shall separately report the abatements that have occurred during the first six calendar months of that year to the commissioner of education and each school district located within the county.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.914, subdivision 4, is amended to read:

Subd. 4. [1992 OPERATING DEBT.] (a) Each year For taxes payable for calendar year 2003 and earlier, a district that has filed a plan pursuant to section 121.917, subdivision 4, may levy, with the approval of the commissioner, to eliminate a deficit in the net unappropriated balance in the operating funds of the district, determined as of June 30, 1992, and certified and adjusted by the commissioner. Each year this levy may be an amount not to exceed the lesser of:

(1) an amount raised by a levy of a net tax rate of one percent times the adjusted net tax capacity; or

(2) \$100,000.

This amount shall be reduced by referendum revenue authorized under section 124A.03 pursuant to the plan filed under section 121.917. However, the total amount of this levy for all years it is made shall not exceed the amount of the deficit in the net unappropriated balance in the operating funds of the district as of June 30, 1992. When the cumulative levies made pursuant to this subdivision equal the total amount permitted by this subdivision, the levy shall be discontinued.

(b) A district, if eligible, may levy under this subdivision or subdivision 2 or 3, or under section 122.531, subdivision 4a, or Laws 1992, chapter 499, article 7, sections 16 or 17, but not under more than one.

(c) The proceeds of this levy shall be used only for cash flow requirements and shall not be used to supplement district revenues or income for the purposes of increasing the district's expenditures or budgets.

(d) Any district that levies pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

Sec. 11. Minnesota Statutes 1993 Supplement, section 125.05, subdivision 1a, is amended to read:

* Subd. 1a. [TEACHER AND SUPPORT PERSONNEL QUALIFICATIONS.] (a) The board of teaching shall issue licenses under its jurisdiction to persons the board finds to be qualified and competent for their respective positions.

(b) The board shall require a person to successfully complete an examination of skills in reading, writing, and mathematics before being admitted to a post-secondary teacher preparation program approved by the board if that person seeks to qualify for granted an initial teaching license to provide direct instruction to pupils in prekindergarten, elementary, secondary, or special education programs. The board shall require colleges and universities offering a board approved teacher preparation program to provide remedial assistance that includes a formal diagnostic component to persons enrolled in their institution who did not achieve a qualifying score on the skills examination, including those for whom English is a second language. The colleges and universities must provide assistance in the specific academic areas of deficiency in which the person did not achieve a qualifying score. School districts must provide similar, appropriate, and timely remedial assistance that includes a formal diagnostic component and mentoring to those persons employed by the district who completed their teacher education program outside the state of Minnesota, received a one-year license to teach in Minnesota and did not achieve a qualifying score on the skills examination, including those persons for whom English is a second language.

(c) A person who has completed an approved teacher preparation program and obtained a one-year license to teach, but has not successfully completed the skills examination, may renew the one-year license for two additional one-year periods. Each renewal of the one-year license is contingent upon the licensee:

(1) providing evidence of participating in an approved remedial assistance program provided by a school district or post-secondary institution that includes a formal diagnostic component in the specific areas in which the licensee did not obtain qualifying scores; and

(2) attempting to successfully complete the skills examination during the period of each one-year license.

(d) The board of teaching shall grant continuing licenses only to those persons who have met board criteria for granting a continuing license, which includes successfully completing the skills examination in reading, writing, and mathematics.

Sec. 12. Minnesota Statutes 1992, section 125.09, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS FOR REVOCATION.] The board of teaching or the state board of education, whichever has jurisdiction over a teacher's licensure, may, on the written complaint of the board employing a teacher, or of a teacher organization, or of any other interested person, which complaint shall specify the nature and character of the charges, suspend or revoke such teacher's license to teach for any of the following causes:

- (1) Immoral character or conduct;
- (2) Failure, without justifiable cause, to teach for the term of the teacher's contract;
- (3) Gross inefficiency or willful neglect of duty; or
- (4) Failure to meet licensure requirements; or

- (5) Fraud or misrepresentation in obtaining a license.

For purposes of this subdivision, the board of teaching is delegated the authority to suspend or revoke coaching licenses under the jurisdiction of the state board of education.

Sec. 13. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 9, is amended to read:

Subd. 9. [CRITERIA.] The department of education shall evaluate proposals using the following criteria:

(1) evidence of collaborative arrangements between post-secondary educators and early childhood through grade 12 educators;

(2) evidence that outstanding early childhood through grade 12 educators will be involved in post-secondary classes and programs, including presentations, discussions, teaming, and responsibility for teaching some post-secondary courses;

(3) evidence that post-secondary educators will have direct experience working in a classroom or school district, including presentations, discussions, teaming, and responsibility for teaching some early childhood through grade 12 classes; and

(4) evidence of adequate financial support from employing and receiving institutions; and

(5) evidence that collaboration between post-secondary educators and early childhood through grade 12 educators will enable school districts to better provide equal educational opportunities for all students.

Sec. 14. Minnesota Statutes 1993 Supplement, section 125.185, subdivision 4, is amended to read:

Subd. 4. [LICENSE AND RULES.] (a) The board shall adopt rules to license public school teachers and interns subject to chapter 14.

(b) The board shall adopt rules requiring ~~successful completion of an examination of a person to successfully complete a skills examination~~ in reading, writing, and mathematics ~~before being admitted to a teacher preparation program as a requirement for initial teacher licensure~~. Such rules shall require college and universities offering a board approved teacher preparation program to provide remedial assistance to persons who did not achieve a qualifying score on the skills examination, including those for whom English is a second language.

(c) The board shall adopt rules to approve teacher preparation programs.

(d) The board shall provide the leadership and shall adopt rules for the redesign of teacher education programs to implement a research based, results-oriented curriculum that focuses on the skills teachers need in order to be effective. The board shall implement new systems of teacher preparation program evaluation to assure program effectiveness based on proficiency of graduates in demonstrating attainment of program outcomes:

(e) The board shall adopt rules requiring successful completion of an examination of general pedagogical knowledge and examinations of licensure-specific teaching skills. The rules shall be effective on the dates determined by the board, but not later than July 1, 1999.

(f) The board shall adopt rules requiring teacher educators to work directly with elementary or secondary school teachers in elementary or secondary schools to obtain periodic exposure to the elementary or secondary teaching environment.

(g) The board shall grant licenses to interns and to candidates for initial licenses.

(h) The board shall design and implement an assessment system which requires a candidate for an initial license and first continuing license to demonstrate the abilities necessary to perform selected, representative teaching tasks at appropriate levels.

(i) The board shall receive recommendations from local committees as established by the board for the renewal of teaching licenses.

(j) The board shall grant life licenses to those who qualify according to requirements established by the board, and suspend or revoke licenses pursuant to sections 125.09 and 214.10. The board shall not establish any expiration date for application for life licenses.

(k) With regard to post-secondary vocational education teachers the board of teaching shall adopt and maintain as its rules the rules of the state board of technical colleges.

Sec. 15. Minnesota Statutes 1992, section 125.188, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] (a) A preparation program that is an alternative to the post-secondary teacher preparation program as a means to acquire an entrance license is established. The program may be offered in any instructional field.

(b) To participate in the alternative preparation program, the candidate must:

- (1) have a bachelor's degree;
- (2) pass an examination of skills in reading, writing, and mathematics as required by section 125.05;
- (3) have been offered a job to teach in a school district, group of districts, or an education district approved by the board of teaching to offer an alternative preparation licensure program;
- (4)(i) have a college major in the subject area to be taught; or
- (ii) have five years of experience in a field related to the subject to be taught; and
- (5) document successful experiences working with children.

(c) An alternative preparation license is of one year duration and is issued by the board of teaching to participants on admission to the alternative preparation program.

(d) The board of teaching shall ensure that the purposes of this program enhance the school desegregation/integration policies adopted by the state.

Sec. 16. Minnesota Statutes 1993 Supplement, section 125.231, subdivision 1, is amended to read:

Subdivision 1. [TEACHER MENTORING PROGRAMS.] School districts are encouraged to develop teacher mentoring programs for teachers new to the profession or district, including teaching residents, teachers of color, teachers with special needs, or experienced teachers in need of peer coaching.

Sec. 17. Minnesota Statutes 1993 Supplement, section 125.231, subdivision 4, is amended to read:

Subd. 4. [CRITERIA FOR SELECTION.] At a minimum, applicants must express commitment to:

- (1) allow staff participation;
- (2) assess skills of both beginning and mentor teachers;
- (3) provide appropriate in-service to needs identified in the assessment;
- (4) provide leadership to the effort;
- (5) cooperate with higher education institutions;
- (6) provide facilities and other resources; and
- (7) share findings, materials, and techniques with other school districts; and
- (8) retain teachers of color.

Sec. 18. Minnesota Statutes 1993 Supplement, section 125.623, subdivision 3, is amended to read:

Subd. 3. [PROGRAM REQUIREMENTS.] (a) A grant recipient shall recruit persons of color to be teachers in elementary, secondary, early childhood or parent education, and provide support in linking program participants with jobs in the recipient's school district.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students and other persons, including educational paraprofessionals, support them through the higher education application and admission process, advise them while enrolled and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to students of color enrolled in an approved licensure program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based on a student's financial need and students must apply for any additional financial aid they are eligible for to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to teach in the grantee school district for at least two years after licensure. If the district has no licensed positions open, the student may teach in another district in Minnesota.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of students of color in teaching;

(2) whether grant recipients will recruit paraprofessionals from the district to work in its schools; and

(3) whether grant recipients will establish or have a mentoring program for students of color.

Sec. 19. Minnesota Statutes 1993 Supplement, section 125.706, is amended to read:

125.706 [PREPARATION TIME.]

Beginning with agreements effective July 1, 1995, and thereafter, all collective bargaining agreements for teachers provided for under chapter 179A, must include provisions for preparation time or a provision indicating that the parties to the agreement chose not to include preparation time in the contract.

If the parties cannot agree on preparation time the following provision shall apply and be incorporated as part of the agreement: "Within the student day for every 25 minutes of classroom instructional time, a minimum of five additional minutes of preparation time shall be provided to each licensed teacher. Preparation time shall be provided in one or two uninterrupted blocks during the student day. Exceptions to this may be made by mutual agreement between the district and the exclusive representative of the teachers."

Sec. 20. Minnesota Statutes 1993 Supplement, section 127.46, is amended to read:

127.46 [SEXUAL, RELIGIOUS, AND RACIAL HARASSMENT AND VIOLENCE POLICY.]

Each school board shall adopt a written sexual, religious, and racial harassment and sexual, religious, and racial violence policy that conforms with sections 363.01 to 363.15. The policy shall apply to pupils, teachers, administrators, and other school personnel, include reporting procedures, and set forth disciplinary actions that will be taken for violation of the policy. Disciplinary actions must conform with collective bargaining agreements and sections 127.27 to 127.39. The policy must be conspicuously posted throughout each school building, given to each district employee and independent contractor at the time of entering into or amending the person's employment contract, and included in each school's student handbook on school policies. Each school must develop a process for discussing the school's sexual, religious, and racial harassment and violence policy with students and school employees.

Sec. 21. Minnesota Statutes 1992, section 179A.07, subdivision 6, is amended to read:

Subd. 6. [TIME OFF.] A public employer must afford reasonable time off to elected officers or appointed representatives of an exclusive representative of teachers in another Minnesota school district or of the exclusive representative of the employees of the public employer to conduct the duties of the exclusive representative, and must, upon request, provide for leaves of absence to elected or appointed officials of an exclusive representative of teachers in another Minnesota school district or of the exclusive representative of the employees of the public employer.

Sec. 22. Minnesota Statutes 1993 Supplement, section 275.48, is amended to read:

275.48 [ADDITIONAL TAX LEVIES IN CERTAIN TAXING DISTRICTS.]

When by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of a city, ~~or township or school district~~ for a taxable year is reduced after the taxes for the year have been spread by the county auditor, and when the local tax rate determined by the county auditor based on the original net tax capacity is applied on the reduced net tax capacity and does not produce the full amount of taxes actually levied and certified for that taxable year on the original net tax capacity, the city, ~~or township or school district~~ may include an additional amount in its tax levy made following final determination and notice of the reduction in net tax capacity. The amount shall equal the difference between the total amount of taxes actually levied and certified for that taxable year upon the original net tax capacity, not exceeding the maximum amount which could be raised on the net tax capacity as reduced, within existing local tax rate limitations, if any, and the amount of taxes collected for that taxable year on the reduced net tax capacity. ~~The total tax levy authorized for a school district by this section may also include an amount equal to any interest paid on the abatement refunds. The levy for a school district shall be reduced by the total amount of any abatement adjustments received by the district pursuant to section 124.214, subdivision 2, in the same calendar year in which the levy is certified. As part of the certification required by section 124.918, subdivision 1, the commissioner of education shall certify the amount of the abatement levy limitation adjustment for each school district headquartered in that county.~~

~~Except for school districts,~~ The amount of taxes so included shall be levied separately and shall be levied in addition to all limitations imposed by law; and further shall not result in any penalty in the nature of a reduction in state aid of any kind.

Sec. 23. [473.1455] [COMPREHENSIVE POLICY PLAN FOR SCHOOL DESEGREGATION/INTEGRATION.]

After appropriate study and public hearings as may be necessary, the council, in collaboration with the voluntary interdistrict coordinating office (VICO) under section 121.951, shall adopt a long-range comprehensive policy plan for metropolitan area school desegregation/integration that contributes to the racial and economic desegregation/integration of the metropolitan area. The plan, which the council may amend or revise from time to time, shall recognize and encompass the school desegregation/integration policy requirements contained in rule and the charges to the VICO. It shall also contain mechanisms by which state and local agencies that set and administer policies affecting transportation, housing, and economic development in the metropolitan area can collaborate with metropolitan school districts to effect societal desegregation/integration.

Sec. 24. Laws 1993, chapter 224, article 8, section 20, subdivision 2, is amended to read:

Subd. 2. [FELLOWSHIP GRANTS.] (a) For fellowship grants to highly qualified minorities seeking alternative preparation for licensure:

\$100,000	.....	1994
\$100,000	.....	1995
\$150,000	.....	1995

(b) A grant must not exceed \$5,000 with one-half paid each year for two years. Grants must be awarded on a competitive basis by the board. Grant recipients must agree to remain as teachers in the district for two years if they satisfactorily complete the alternative preparation program and if their contracts as probationary teachers are renewed.

Sec. 25. Laws 1993, chapter 224, article 8, section 22, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BREAKFAST.] To operate the school breakfast program:

\$200,000	.....	1994
\$200,000 \$400,000	.....	1995

\$200,000 in 1995 is for reimbursements under section 124.6469, subdivision 3, paragraph (b). If the appropriation amount attributable to either year is insufficient, the rate of payment for each student breakfast shall be reduced and the aid for that year shall be prorated among participating schools so as not to exceed the total authorized

appropriation for that year. Any unexpected balance remaining shall be used to subsidize the payments made for school lunch aid per Minnesota Statutes, section 124.646.

Sec. 26. Laws 1993, chapter 224, article 8, section 22, subdivision 12, is amended to read:

Subd. 12. [TEACHERS OF COLOR PROGRAM.] For grants to school districts for the teachers of color program:

\$300,000 1994

~~\$300,000~~ \$500,000 1995

Of this appropriation, at least \$75,000 each fiscal year shall be for educating people of color to be early childhood and parent educators.

Sec. 27. [GRANTS TO PROVIDE FREE BREAKFASTS TO ELEMENTARY SCHOOL CHILDREN.]

Subdivision 1. [ESTABLISHMENT.] A grant program for fiscal year 1995 is established to explore the policy of providing nutritious breakfasts to all children in elementary school, without regard to whether the children are eligible to receive free or reduced price breakfasts, so that they can learn effectively.

Subd. 2. [ELIGIBILITY.] An applicant for a grant must be an elementary school that participates in the federal school breakfast and lunch programs. For a school to receive a grant, at least 15 percent of the school's enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year.

Subd. 3. [APPLICATION PROCESS.] To obtain a grant to receive reimbursement for providing breakfasts to all children, whether or not the children are from low-income families and eligible to receive free or reduced price meals, an elementary school must submit an application to the education commissioner in the form and manner prescribed by the commissioner. The application must describe how the applicant will encourage all children in the school to participate in the breakfast program. The commissioner may require additional information from the applicant.

Subd. 4. [GRANT AWARDS.] The commissioner shall award four grants: for each of two grant recipients, between 15 and 40 percent of the enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year; for each of the remaining two grant recipients, more than 40 percent of the enrolled children must have qualified to receive a free or reduced price lunch during the 1993-1994 school year. The four schools that the commissioner selects must have an elementary school population that in total does not exceed 2,400 pupils in average daily membership. Grant recipients must be located throughout the state. The amount of the grant shall equal the statewide average cost for the 1993-1994 school year for every breakfast the recipient serves under this program during the 1994-1995 school year minus any state and federal reimbursement the recipient receives for providing free and reduced price breakfasts during the 1994-1995 school year. Grant recipients must use the proceeds to provide breakfasts to school children.

Subd. 5. [EVALUATION.] The commissioner shall provide for an evaluation of the four grant sites to determine the impact that the universal breakfast program has on children's school performance, including discipline in the school, students' test scores, attendance rates, and other measures of educational achievement. The commissioner shall report the results of the evaluation to the education committees of the legislature by January 31, 1996.

Sec. 28. [STAFFING.]

The commissioner of education shall provide staffing to initially establish the voluntary interdistrict coordinating office advisory board and to develop the proposed amended rules on school desegregation/integration and educational diversity, to be adopted by the state board of education, as directed by the legislature. The commissioner shall convene the VICO advisory board by August 1, 1994.

Sec. 29. [PROPOSAL FOR RESOLVING INDIVIDUAL DISPUTES AND GRIEVANCES OF TRANSFER STUDENTS.]

The voluntary interdistrict coordinating office under Minnesota Statutes, section 121.951, in consultation with its advisory board, shall present to the legislature by February 1, 1995, a proposal for resolving the individual disputes and grievances of students who transfer between districts under an approved desegregation/integration plan. The proposal shall describe: (1) the information and counseling that transfer students and their parents or guardians may

require concerning the treatment the transfer students receive; (2) the procedures that receiving school districts may use to resolve transfer students' grievances or disputes that do not involve a suspension of more than ten days or an expulsion; and (3) the mediating panel the VICO may use to conduct nonbinding arbitration for unresolved grievances and disputes. The proposal shall anticipate that a transfer student shall have the same rights as a resident student if a grievance or dispute involves a suspension of more than ten days or an expulsion.

Sec. 30. [REVENUE ADJUSTMENTS.]

After appropriate study and such public hearings as may be necessary, the voluntary interdistrict coordinating office under Minnesota Statutes, section 121.951, shall recommend to the legislature by February 15, 1995, a policy for ensuring that the school districts participating in a metropolitan-wide school desegregation/integration plan are not financially disadvantaged as a result of participating in the plan.

Sec. 31. [MAGNET SCHOOL AND PROGRAM GRANTS.]

(a) The commissioner of education, in consultation with the voluntary interdistrict coordinating office under Minnesota Statutes, section 121.951, shall award grants to school districts and chartered public schools for planning and developing magnet schools and magnet programs.

(b) Grant recipients must use the grant money under paragraph (a) to establish or operate a magnet school or a magnet program and provide all students with equal educational opportunities. Grant recipients may expend grant money on:

- (1) teachers who provide instruction or services to students in a magnet school or magnet program;
- (2) educational paraprofessionals who assist teachers in providing instruction or services to students in a magnet school or magnet program;
- (3) clerical support needed to operate a magnet school or magnet program;
- (4) equipment, equipment maintenance contracts, materials, supplies, and other property needed to operate a magnet school or magnet program;
- (5) minor remodeling needed to operate a magnet school or magnet program;
- (6) transportation for field trips that are part of a magnet school or magnet program curriculum;
- (7) program planning and staff and curriculum development for a magnet school or magnet program;
- (8) disseminating information on magnet schools and magnet programs; and
- (9) indirect costs calculated according to the state's statutory formula governing indirect costs.

Sec. 32. [REENACTMENT OF REPEALED RULES.]

Minnesota Rules, parts 8700.6410, 8700.9000, 8700.9010, 8700.9020, and 8700.9030 that were repealed in Laws 1993, chapter 224, article 12, section 39, are reenacted as they read at the time they were repealed.

Sec. 33. [FUND TRANSFERS.]

Subdivision 1. [RECOMMENDATIONS.] After reviewing the position statement on fund integrity and fund merger by the advisory council on uniform financial accounting and reporting standards from November 1984, the commissioner of education shall make any recommendations for consolidation of funds or accounts and elimination of funds or accounts to the legislature in 1995.

Subd. 2. [STAPLES-MOTLEY.] Notwithstanding Minnesota Statutes, section 121.912 or 121.9121 or any other law to the contrary, before July 1, 1996, independent school district No. ..., Motley-Staples, may recognize as revenue in the capital expenditure fund up to \$800,000 of referendum revenue received pursuant to Minnesota Statutes, section 124A.03.

Subd. 3. [RED LAKE.] Notwithstanding any law to the contrary, on June 30, 1994, independent school district No. 38, Red Lake, may permanently transfer up to \$160,000 from the general fund to the capital expenditure fund.

Subd. 4. [INVER GROVE.] Notwithstanding Minnesota Statutes, section 121.912, independent school district No. 199, Inver Grove may transfer \$91,255 from the community service fund to the general fund in fiscal year 1994.

Sec. 34. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [BREAKFAST STUDY GRANTS.] For grants to study the impact of breakfast participation:

\$83,000 1995

The commissioner and grant recipients may seek private and public sector grants to supplement the state grant funding.

Subd. 3. [ADMINISTRATORS; PEOPLE OF COLOR, WOMEN, DISABLED.] For reimbursements according to Minnesota Statutes, section 124.279:

\$100,000 1995

Subd. 4. [MAGNET SCHOOL AND PROGRAM GRANTS.] For grants for planning and developing magnet schools and programs:

\$1,150,000 1995

Of this amount, up to \$150,000 is for the costs of operating the voluntary interdistrict coordinating office.

Subd. 5. [METROPOLITAN-WIDE SCHOOL DESEGREGATION/INTEGRATION AND COMMUNITY DEVELOPMENT.] For grants for staff and community development activities to those school districts receiving the greatest number of student transfers under an approved desegregation/integration plan:

\$500,000 1995

The department, in consultation with the voluntary interdistrict coordinating office advisory board, shall award the grants.

Subd. 6. [SITE GRANTS.] For grants to school districts for mentorship cooperative ventures between school districts and post-secondary preparation institutions for alternative licensure programs under Minnesota Statutes, section 125.88:

\$100,000 1995

The department must transmit this appropriation to the board of teaching.

Sec. 35. [REPEALER.]

(a) Laws 1993, chapter 224, article 8, section 14, is repealed.

(b) Minnesota Rules, parts 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

Sec. 36. [EFFECTIVE DATE.]

(a) Sections 11 (125.05, subdivision 1a); 14 (125.185, subdivision 4); and 35, paragraph (a), (repealing Laws 1993, chapter 224, article 8, section 14) are effective July 1, 1994.

(b) Section 32 (reenacting the repealed rules governing licensure of school social workers and nurses) is effective the day after final enactment. Section 35, paragraph (b), (repealing the rules governing licensure of school social workers and nurses) is effective August 1, 1996.

(c) Section 33 (fund transfers) is effective the day following final enactment.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1993 Supplement, section 120.064, subdivision 16, is amended to read:

Subd. 16. [LEASED SPACE.] The school may lease space from a board eligible to be a sponsor or other public or private nonprofit nonsectarian organization. If a school is unable to lease appropriate space from an eligible board or other public or private nonprofit nonsectarian organization, the school may lease space from another nonsectarian organization if the department of education, in consultation with the department of administration, approves the lease. If the school is unable to lease appropriate space from public or private nonsectarian organizations, the school may lease space from a sectarian organization if the leased space is constructed as a school facility and the department of education, in consultation with the department of administration, approves the lease.

Sec. 2. Minnesota Statutes 1992, section 123.3514, subdivision 4, is amended to read:

Subd. 4. [AUTHORIZATION; NOTIFICATION.] Notwithstanding any other law to the contrary, an 11th or 12th grade pupil enrolled in a public school or an American Indian-controlled tribal contract or grant school eligible for aid under section 124.86, except a foreign exchange pupil enrolled in a district under a cultural exchange program, may apply to an eligible institution, as defined in subdivision 3, to enroll in nonsectarian courses offered by that post-secondary institution. If an institution accepts a secondary pupil for enrollment under this section, the institution shall send written notice to the pupil, the pupil's school district, and the commissioner of education within ten days of acceptance. The notice shall indicate the course and hours of enrollment of that pupil. If the pupil enrolls in a course for post-secondary credit, the institution shall notify the pupil about payment in the customary manner used by the institution.

Sec. 3. Minnesota Statutes 1993 Supplement, section 123.3514, subdivision 6, is amended to read:

Subd. 6. [FINANCIAL ARRANGEMENTS.] For a pupil enrolled in a course under this section, the department of education shall make payments according to this subdivision for courses that were taken for secondary credit.

The department shall not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only. The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester.

A post-secondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance, multiplied by 1.3, and divided by 30.

The department of education shall pay to each post-secondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

Sec. 4. Minnesota Statutes 1993 Supplement, section 123.3514, subdivision 6b, is amended to read:

Subd. 6b. [FINANCIAL ARRANGEMENTS, PUPILS AGE 21 OR OVER.] For a pupil enrolled in a course according to this section, the department of education shall make payments according to this subdivision for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid.

The department must not make payments to a school district or post-secondary institution for a course taken for post-secondary credit only. The department shall not make payments to a post-secondary institution for a course from which a student officially withdraws during the first 14 days of the quarter or semester.

A post-secondary institution shall receive the following:

(1) for an institution granting quarter credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the formula allowance, multiplied by 1.3, and divided by 45; or

(2) for an institution granting semester credit, the reimbursement per credit hour shall be an amount equal to 88 percent of the product of the general revenue formula allowance multiplied by 1.3, and divided by 30.

The department of education shall pay to each post-secondary institution 100 percent of the amount in clause (1) or (2) within 30 days of receiving initial enrollment information each quarter or semester. If changes in enrollment occur during a quarter or semester, the change shall be reported by the post-secondary institution at the time the enrollment information for the succeeding quarter or semester is submitted. At any time the department of education notifies a post-secondary institution that an overpayment has been made, the institution shall promptly remit the amount due.

A school district shall receive:

(1) for a pupil who is not enrolled in classes at a secondary program, 12 percent of the general education formula allowance times .65, times 1.3; or

(2) for a pupil who attends classes at a secondary program part time, the general education formula allowance times .65, times 1.3, times the ratio of the total number of hours the pupil is in membership for courses taken by the pupil for credit to 1020 hours.

Sec. 5. Minnesota Statutes 1993 Supplement, section 124.17, subdivision 2f, is amended to read:

Subd. 2f. [PSEO PUPILS.] The average daily membership for a student participating in the post-secondary enrollment options program equals the lesser of

(1) 1.00, or

(2) the greater of

(i) .12, or

(ii) the ratio of the number of instructional hours the student is enrolled in the secondary school to the product of the number of days required in section 120.101, subdivision 5b, times the minimum length of day required in Minnesota Rules, part 3500.1500, subpart 1.

Sec. 6. [EFFECTIVE DATES.]

Section 1 (120.064, subdivision 16) is effective the day following final enactment. Section 5 (124.17, subdivision 2f) is effective retroactive to July 1, 1991, and applies to fiscal year 1992 and thereafter.

ARTICLE 10

LIBRARIES

Section 1. [134.155] [LIBRARIANS OF COLOR PROGRAM.]

Subdivision 1. [DEFINITION.] For purposes of this section, "people of color" means permanent United States residents who are African-American, American Indian or Alaskan native, Asian or Pacific Islander, or Hispanic.

Subd. 2. [GRANTS.] The commissioner of education, in consultation with the multicultural advisory committee established in section 126.82, shall award grants for professional development programs to recruit and educate people of color in the field of library science or information management. Grant applicants must be a public library jurisdiction with a growing minority population working in collaboration with an accredited institution of higher education with a library program in the state of Minnesota.

Subd. 3. [PROGRAM REQUIREMENTS.] (a) A grant recipient shall recruit people of color to be librarians in public libraries and provide support in linking program participants with jobs in the recipient's library jurisdiction.

(b) A grant recipient shall establish an advisory council composed of representatives of communities of color.

(c) A grant recipient, with the assistance of the advisory council, shall recruit high school students, undergraduate students, or other persons; support them through the higher education application and admission process; advise them while enrolled; and link them with support resources in the college or university and the community.

(d) A grant recipient shall award stipends to people of color enrolled in an accredited library program to help cover the costs of tuition, student fees, supplies, and books. Stipend awards must be based upon a student's financial need and students must apply for any additional financial aid for which they are eligible to supplement this program. No more than ten percent of the grant may be used for costs of administering the program. Students must agree to work in the grantee library jurisdiction for at least two years after graduation if the student acquires a master's degree and at least three years after graduation if the student acquires both a bachelor's and a master's degree while participating in the program. The grant to the library jurisdiction shall include 50 percent of the salary paid to the student during the required work period.

(e) The commissioner of education shall consider the following criteria in awarding grants:

(1) whether the program is likely to increase the recruitment and retention of persons of color in librarianship;

(2) whether grant recipients will establish or have a mentoring program for persons of color; and

(3) whether grant recipients will provide a library internship for persons of color while participating in this program.

Sec. 2. Minnesota Statutes 1992, section 134.195, subdivision 10, is amended to read:

Subd. 10. [CRITERIA.] Public library services established according to this section, including materials, programs, equipment, and other public library services, whether located in an elementary or secondary school building or elsewhere, shall be available for simultaneous use by students and residents of the area. If public library services are located in an elementary or secondary school building, a separate entrance, accessible from the outside of the school building, shall be provided for use by the residents. The library shall meet all requirements in statutes and rules applicable to public libraries and school media centers. A media supervisor licensed by the board of teaching may be the director of the library. The library shall be centrally located in the community and available for use by residents during all hours the school is in session, at least 15 additional hours each week during evenings, and on Saturdays. The library shall continue to maintain approximately the same hours of operation when the school is not in session. When school is not in session, the library may reduce its hours to maintain at least the average number of hours each week of other public libraries serving its population size. The library shall have telephone service that is separate from the telephone service for the school. Public parking, restrooms, drinking water, and other necessities shall be easily accessible to residents.

Sec. 3. [CHILDREN'S LIBRARY SERVICES GRANT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education shall establish a grant program for public libraries to develop community collaborations and partnerships that strengthen public library service to children, young people, and their families. The office of library development and services shall administer the grant program.

Subd. 2. [APPLICANTS.] An applicant must propose a program involving collaboration between a public library and at least one child or family organization, including, but not limited to: a school district, an early childhood family education program, a public or private adult basic education program, a nonprofit agency, a licensed school age child care program, a licensed family child care provider, a licensed child care center, a public health clinic, a social service agency, or a family literacy program.

Subd. 3. [ADVISORY TASK FORCE.] The commissioner of education shall appoint an advisory task force to review grant applications and make recommendations for awarding the grants. At least two members of the task force must be practicing children's services librarians.

Subd. 4. [CRITERIA FOR GRANT AWARDS.] In order to qualify for a grant, an applicant must:

- (1) demonstrate collaboration between a public or private agency that improves library services to children, young people, and their families;
- (2) have a plan for replication of the project in other areas of the state, if appropriate;
- (3) involve the regional public library system and the multitype library system in the planning; and
- (4) describe a system for evaluating the project.

Sec. 4. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education for the fiscal years indicated.

Subd. 2. [LIBRARIANS OF COLOR.] For the librarians of color program:

\$55,000 1995

Subd. 3. [COLLABORATION GRANTS; CHILDREN'S PROGRAMS.] For grants for collaborative programs to strengthen library services to children, young people, and their families:

\$200,000 1995

ARTICLE 11

STATE AGENCIES

Section 1. Minnesota Statutes 1992, section 121.612, subdivision 7, is amended to read:

Subd. 7. [FOUNDATION STAFF.] (a) The state board shall appoint the executive director and other staff who shall perform duties and have responsibilities solely related to the foundation.

(b) As part of the annual plan of work, the foundation, under the direction of the state board, may appoint up to three employees. The employees appointed under this paragraph are not state employees under chapter 43A, but are covered under section 3.736. At the foundation board's discretion, the employees may participate in the state health and state insurance plans for employees in unclassified service. The employees shall be supervised by the executive director.

Sec. 2. Minnesota Statutes 1992, section 129C.15, is amended by adding a subdivision to read:

Subd. 3. [CENTER RESPONSIBILITIES.] The center shall:

- (1) provide information and technical services to arts teachers, professional arts organizations, school districts, and the department of education;
- (2) gather and conduct research in arts education;
- (3) design and promote arts education opportunities for all Minnesota pupils in elementary and secondary schools; and
- (4) serve as liaison for the department of education to national organizations for arts education.

Sec. 3. [FEDERAL FUNDS APPROVAL.]

The expenditure of federal funds as shown in the first change order to the 1994-1995 supplemental budget are approved and appropriated and shall be spent as indicated.

ARTICLE 12

SCHOOL BUS SAFETY

Section 1. Minnesota Statutes 1992, section 123.39, subdivision 1, is amended to read:

Subdivision 1. The board may provide for the transportation of pupils to and from school and for any other purpose for which aid is authorized under section 124.223 or for which levies are authorized under sections 124.226, 124.2716, 124.91, 124.912, 124.914, 124.916, 124.918, and 136C.411. The board may also provide for the transportation of pupils to schools in other districts for grades and departments not maintained in the district, including high school, at the expense of the district, when funds are available therefor and if agreeable to the district to which it is proposed to transport the pupils, for the whole or a part of the school year, as it may deem advisable, and subject to its rules. ~~Every driver shall possess all the qualifications required by the rules of the state board of education.~~ In any school district, the board shall arrange for the attendance of all pupils living two miles or more from the school, except pupils whose transportation privileges have been revoked under section 127.47, subdivision 1, paragraph (b), through suitable provision for transportation or through the boarding and rooming of the pupils who may be more economically and conveniently provided for by that means. The board shall provide transportation to and from the home of a child with a disability not yet enrolled in kindergarten when special instruction and services under section 120.17 are provided in a location other than in the child's home. When transportation is provided, scheduling of routes, establishment of the location of bus stops, manner and method of transportation, control and discipline of school children and any other matter relating thereto shall be within the sole discretion, control, and management of the school board. The district may provide for the transportation of pupils or expend a reasonable amount for room and board of pupils whose attendance at school can more economically and conveniently be provided for by that means or who attend school in a building rented or leased by a district within the confines of an adjacent district.

Sec. 2. Minnesota Statutes 1992, section 126.15, subdivision 4, is amended to read:

Subd. 4. [IDENTIFY, OPERATION.] Identification and operation of school safety patrols shall be uniform throughout the state and the method of identification and signals to be used shall be as prescribed by the commissioner of public safety. School safety patrol members may wear fluorescent reflective vests.

Sec. 3. [127.47] [DISTRICT BUS SAFETY POLICY.]

Subdivision 1. [BUS TRANSPORTATION A PRIVILEGE NOT A RIGHT.] (a) Transportation by school bus is a privilege and not a right for an eligible student.

(b) A school district may revoke a student's eligibility to ride a school bus for violating any school bus safety policy, student conduct policy, or law governing student conduct on a school bus.

Subd. 2. [DISTRICT BUS SAFETY POLICY.] (a) Each school board must adopt a written school bus safety policy governing student behavior and discipline. The policy must contain at least the following:

- (1) rules of student conduct related to bus safety;
- (2) procedures and forms for reporting student misconduct related to school bus safety;
- (3) disciplinary procedures for addressing the misconduct, including procedures for revoking a student's privilege to ride a bus;
- (4) an informal process for students to appeal a disciplinary decision to the school principal or other designated school official;
- (5) rules governing the use of type III vehicles, drivers of type III vehicles, and the circumstances under which a student may be transported in a type III vehicle;
- (6) rules of student conduct at a school bus stop or any other school bus loading or unloading area;
- (7) a definition of all misbehavior that represents an immediate and substantial danger to the student or to surrounding persons or property under section 127.29 and requires the bus driver or teacher who observes the misbehavior to immediately report the misbehavior to the school principal or other designated school official; and

(8) circumstances under which a school principal, the school transportation safety director, or other designated school official shall immediately report a student's misbehavior under section 169.457 to the local law enforcement agency having jurisdiction where the misbehavior occurred.

(b) All schools within each district must include the district's school bus safety policy in the student handbook or other information provided to students to inform them of general school policies applicable to students. The school must also provide each parent or guardian with a copy of the bus safety policy. Each district must annually review its bus safety policy and submit a current copy of the policy to the school bus safety advisory committee by January 1 of each year.

Subd. 3. [BUS RECORDS KEPT WITH EDUCATIONAL RECORDS.] A school or school district must keep all records of a student's misconduct related to school bus transportation safety with the student's other education records.

Sec. 4. Minnesota Statutes 1992, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS; TYPES.] (a) "School bus" means a motor vehicle used to transport pupils to or from a school defined in section 120.101, or to or from school-related activities, by the school or a school district, or by someone under an agreement with the school or a school district.

(b) A school bus does not include a motor vehicle transporting children to or from school for which parents or guardians receive direct compensation from a school district, a motor coach operating under charter carrier authority, or a transit bus providing services as defined in section 174.22, subdivision 7.

(c) A school bus may be type I A, type II B, type C, type D, or type III as follows: described in this subdivision.

(a) (d) A "type I A school bus" means a school bus of more than 10,000 pounds gross vehicle weight rating is a conversion or body constructed upon a van-type compact truck or a front-section vehicle, with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons.

(b) (e) A "type II B school bus" is a bus with a gross vehicle weight rating of 10,000 pounds or less conversion or body constructed and installed upon a van or front-section vehicle chassis, or stripped chassis, with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus. Part of the engine is beneath or behind the windshield and beside the driver's seat. The entrance door is behind the front wheels.

(f) A "type C school bus" is a body installed upon a flat back cowl chassis with a gross vehicle weight rating of more than 10,000 pounds, designed for carrying more than ten persons. All of the engine is in front of the windshield and the entrance door is behind the front wheels.

(g) A "type D school bus" is a body installed upon a chassis, with the engine mounted in the front, midship, or rear, with a gross vehicle weight rating of more than 10,000 pounds, and that is designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver's seat; at the rear of the bus, behind the rear wheels; or midship between the front and rear axles. The entrance door is ahead of the front wheels.

(e) (h) Type III school buses are restricted to passenger cars, station wagons, vans, and buses having a maximum manufacturer's rated seating capacity of ten people, including the driver, and a gross vehicle weight rating of 10,000 pounds or less. In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle. A "type III school bus" must not be outwardly equipped and identified as a school bus.

(i) In this subdivision, "gross vehicle weight rating" means the value specified by the manufacturer as the loaded weight of a single vehicle.

Sec. 5. Minnesota Statutes 1992, section 169.21, subdivision 2, is amended to read:

Subd. 2. [RIGHTS IN ABSENCE OF SIGNALS.] (a) Where traffic-control signals are not in place or in operation the driver of a vehicle shall yield the right-of-way, slowing down or stopping if need be to so yield, to a pedestrian crossing the roadway within a crosswalk but no pedestrian shall suddenly leave a curb or other place of safety and walk or run into the path of a vehicle which is so close that it is impossible for the driver to yield. This provision shall not apply under the conditions as otherwise provided in this subdivision.

(b) When any vehicle is stopped at a marked crosswalk or at any unmarked crosswalk at an intersection to permit a pedestrian to cross the roadway, the driver of any other vehicle approaching from the rear shall not overtake and pass the stopped vehicle.

(c) It is unlawful for any person to drive a motor vehicle through a column of school children crossing a street or highway or past a member of a school safety patrol, while the member of the school safety patrol is directing the movement of children across a street or highway and while the school safety patrol member is holding an official signal in the stop position. A person who violates this paragraph is guilty of a misdemeanor. A person who violates this paragraph a second or subsequent time within one year of a previous conviction under this paragraph is guilty of a gross misdemeanor.

Sec. 6. Minnesota Statutes 1992, section 169.442, subdivision 1, is amended to read:

Subdivision 1. [SIGNALS REQUIRED.] A type I A, B, C, or type II D school bus must be equipped with a stop signal arm, prewarning flashing amber signals, and flashing red signals.

Sec. 7. Minnesota Statutes 1992, section 169.443, is amended by adding a subdivision to read:

Subd. 9. [PUBLIC ADDRESS SYSTEMS.] If a bus is equipped with a public address system, the bus driver must use the public address system to instruct children in crossing streets and highways and to inform them of potentially life-threatening situations.

Sec. 8. Minnesota Statutes 1992, section 169.445, subdivision 1, is amended to read:

Subdivision 1. [COOPERATION OF SCHOOL AUTHORITIES.] The state board of education commissioner of public safety shall ensure that local authorities having jurisdiction over school buses shall cooperate with law enforcement and judicial authorities in reporting and prosecuting violators of sections 169.443 and 169.444.

Sec. 9. Minnesota Statutes 1992, section 169.445, subdivision 2, is amended to read:

Subd. 2. [INFORMATION; RULES.] The board department shall compile information regarding violations, prosecutions, convictions or other disposition, and penalties imposed under sections 169.443 and 169.444. At the request of the board department, local school authorities shall provide this information. The board department may adopt rules governing the content and providing procedures for the school authorities to provide this information.

Sec. 10. Minnesota Statutes 1992, section 169.446, subdivision 3, is amended to read:

Subd. 3. [DRIVER EDUCATION PROGRAMS.] In consultation with the state board commissioner of education, the commissioner of public safety shall adopt rules requiring thorough instruction concerning section 169.444 for persons enrolled in driver education programs offered at public schools. The instruction must encompass at least the responsibilities of drivers, the content and requirements of section 169.444, and the penalties for violating that section.

Sec. 11. Minnesota Statutes 1992, section 169.447, subdivision 6, is amended to read:

Subd. 6. [OVERHEAD BOOK RACKS.] Types I A, B, C, and II D school buses may be equipped with padded, permanent overhead book racks that do not hang over the center aisle of the bus.

Sec. 12. Minnesota Statutes 1992, section 169.45, subdivision 1, is amended to read:

Subdivision 1. [BOARD OF EDUCATION RULES, ENFORCEMENT.] Except as provided in subdivision 2 and section 169.451, the state board of education has sole and exclusive authority to adopt and enforce rules not inconsistent with this chapter to govern the design, color, and operation of school buses used for the transportation of school children, when owned and operated by a school or privately owned and operated under a contract with a school, and these rules must be made a part of that contract by reference. Each school, its officers and employees, and each person employed under the contract is subject to these rules.

Sec. 13. [169.452] [SCHOOL BUS SAFETY ADMINISTRATION.]

Subdivision 1. [RESPONSIBILITY; COMMISSIONER OF PUBLIC SAFETY.] The commissioner of public safety has the primary responsibility for school transportation safety. To oversee school transportation safety, the commissioner shall establish a school bus safety committee according to subdivision 2 and shall serve as or designate a state director of pupil transportation according to subdivision 3.

Subd. 2. [SCHOOL BUS SAFETY ADVISORY COMMITTEE.] (a) The commissioner of public safety shall establish the school bus safety advisory committee. The commissioner shall provide the committee with meeting space and clerical support. The commissioner of public safety or the commissioner's designee shall chair the committee. The members of the committee shall include:

- (1) the commissioner of education or the commissioner's designee;
- (2) the commissioner of human rights or the commissioner's designee;
- (3) a county or city attorney;
- (4) a representative of the state patrol;
- (5) a school board member;
- (6) a school superintendent;
- (7) a school bus driver;
- (8) a representative of a school bus maintenance association;
- (9) a representative of the Minnesota association of pupil transportation;
- (10) two school transportation contractors, one representing the metropolitan area and one representing greater Minnesota;
- (11) two school transportation safety directors or school district transportation officials, one representing the metropolitan area and one representing greater Minnesota; and
- (12) three public members, one representing the Minneapolis and St. Paul school districts, one representing the metropolitan suburban area, and one representing greater Minnesota.

The commissioner of public safety shall appoint the members described in clauses (3) to (11). Public members in clause (12) must be appointed according to section 15.0597. Terms, compensation, and removal of committee members shall be according to section 15.059. The committee shall meet quarterly or more often as determined by the chair.

(b) The duties of the committee include:

- (1) conducting a quarterly review of all school transportation accidents and incidents of serious misconduct that result in serious personal injury or death;
- (2) making an annual report to the governor and the legislature on student bus safety education; school bus equipment requirements and inspection; bus operation procedures; bus driver licensing, training, and qualifications; student behavior and discipline; rules of the road; school bus safety education for the public; and other aspects of school transportation safety the committee considers appropriate;
- (3) assisting the commissioner of public safety to develop school bus standards under section 169.455 and recommending future modifications to school bus equipment standards; and
- (4) reviewing school district school bus safety policies.

(c) The committee is encouraged to establish subcommittees to focus on school bus equipment, bus driver qualifications and training, and student behavior-management issues.

(d) In the first annual report required under paragraph (b), the committee shall submit a budget proposal for fiscal years 1996 and 1997 for the committee's operating costs.

Subd. 3. [PUPIL TRANSPORTATION SAFETY DIRECTOR.] (a) The commissioner of public safety or the commissioner's designee shall serve as the state transportation safety director.

(b) The pupil transportation safety director shall:

(1) assist school districts, private school bus contractors, and others to interpret and implement pupil transportation safety laws and policies;

(2) provide information and assistance to school districts, private school bus contractors, and student transportation organizations on school bus safety issues;

(3) assist in safety evaluations of state and local school bus operations;

(4) develop a comprehensive education program to train instructors of school bus drivers;

(5) provide information and assistance requested by the school bus safety advisory committee; and

(6) distribute public safety information on school bus safety to the media and encourage widespread distribution of the information.

Subd. 4. [RESPONSIBILITY; COMMISSIONER OF EDUCATION.] (a) The commissioner of education also has responsibility for school transportation safety.

(b) The duties of the commissioner include:

(1) providing information and assistance to school districts, private school bus contractors, and student transportation organizations on school bus safety issues;

(2) developing, in conjunction with the commissioner of public safety, a comprehensive bus safety curriculum for pupils who ride the bus;

(3) assisting the state board of education in developing proposed rules for school bus operations;

(4) assisting the state pupil transportation safety director; and

(5) assisting the school bus safety advisory committee.

Subd. 5. [SCHOOL TRANSPORTATION SAFETY DIRECTOR.] (a) Each school district must designate a school transportation safety director.

(b) The director must be certified by a post-secondary institution in conjunction with the National Association for Pupil Transportation or have an undergraduate degree or equivalent experience, as determined by the commissioner of public safety, in education, business administration, management, pupil transportation, or a related field.

Subd. 6. [PRIVATE SCHOOL BUS OPERATIONS.] A person or chief operating officer of a company providing student transportation under contract with a school district must meet the requirements of subdivision 5, paragraph (b). The commissioner of public safety may waive this requirement for a contractor with three or fewer buses.

Sec. 14. [169.453] [SCHOOL BUS DRIVER TRAINING AND EVALUATION.]

Subdivision 1. [PRESERVICE TRAINING.] No person shall drive a type A, B, C, or D school bus when transporting school children to or from school or a school-related trip or activity without having completed state-approved preservice training. The training must include at least the following components:

(1) instruction in general bus driving skills, including defensive driving, emergency and accident procedures, traffic laws, and the use of safety equipment;

(2) a first aid and cardiopulmonary resuscitation course;

(3) instruction in student behavior management; and

(4) behind-the-wheel instruction, including driving with an instructor driver.

Subd. 2. [ANNUAL IN-SERVICE TRAINING AND EVALUATION.] Each school district or private contractor shall evaluate bus drivers at least annually and provide eight hours of annual in-service training that includes driving with an instructor driver while children are aboard and the components in subdivision 1, clauses (1) to (4).

Subd. 3. [LICENSE CHECKS.] A school district or private contractor shall check the license of each employee who transports students with the National Drivers Register or the department of public safety twice each year.

Subd. 4. [TYPE III BACKGROUND CHECKS.] An employee of a school district or private contractor may not transport pupils to or from scheduled district instructional or extracurricular activities in a type III vehicle unless the district or private contractor has conducted a criminal records check of the employee and determined that the employee has not been convicted of a disqualifying offense under section 171.3215. The district or private contractor must conduct a criminal records check of an employee who transports pupils to or from scheduled district instructional or extracurricular activities in a type III vehicle every two years after the initial background check.

Subd. 5. [PUBLIC SAFETY OVERSEES DRIVERS' TRAINING.] The commissioner of public safety shall adopt a training program for school bus drivers containing the components specified in subdivision 1. Adoption of the program is not subject to chapter 14. The program must provide for initial classroom training, behind-the-wheel training in the same type and size bus the driver will be operating, and annual in-service training. The program must provide that the training be conducted by the contract operator for a school district, the school district, a licensed driver training school, or another person or entity approved by the commissioner.

Sec. 15. [169.453] [SCHOOL BUS SAFETY TRAINING.]

Subdivision 1. [BUS SAFETY WEEK.] (a) The first week of school shall be school bus safety week. Each school district must provide school bus safety education and practical training for all students. Education must be provided during school bus safety week and throughout the school year. Students must receive sufficient education and training to be able to demonstrate the proper procedures for bus riding, loading and unloading, road crossing, and bus evacuation.

(b) A district must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.

Subd. 2. [CERTIFICATION OF SAFETY INSTRUCTION.] The school transportation safety director in each district must certify to the state pupil transportation director that appropriate instruction has been provided under this section.

Subd. 3. [BICYCLING AND PEDESTRIAN SAFETY.] A school district must also provide student safety education for bicycling and pedestrian safety.

Sec. 16. [169.454] [SCHOOL BUS STANDARDS.]

The school bus standards adopted under section 169.455 shall govern the construction, design, equipment, and color of school buses used for transporting school children. The commissioner of public safety shall administer and amend the school bus standards to provide basic and uniform equipment standards and establish reasonable safeguards for the health, safety, welfare, comfort, and security of the children who are transported on school buses.

Sec. 17. [169.455] [ADOPTION OF NATIONAL STANDARDS FOR SCHOOL BUSES.]

(a) The commissioner of public safety shall by rule adopt the construction, design, equipment, and color standards for type A, B, C, and D school buses, including buses used for the transportation of students with disabilities, in the 1990 revised edition of the National Standards for School Buses published by the National Safety Council.

(b) In addition to the standards adopted under paragraph (a), the commissioner shall by rule adopt exactly the text of the standards in sections 31 to 33.

(c) When a standard adopted under paragraph (b) conflicts with a national standard adopted under paragraph (a), the standard adopted under paragraph (b) shall prevail.

(d) Rules adopted under paragraphs (a) and (b) are not subject to chapter 14, except that the requirements of section 14.38, subdivision 7, must be met. The commissioner need not publish the National Standards for School Buses in the State Register, but shall adopt the National Standards for School Buses by reference. The commissioner must provide copies of the 1990 National Standards for School Buses, at a reasonable fee, to the public on request.

(e) The standards adopted under paragraphs (a) to (c) shall govern school buses used for transporting school children when the buses are owned and operated by a school district or privately owned and operated under a contract with a school district. These standards must be made a part of that contract by reference. Each school district, its officers and employees, and each person employed under the contract is subject to these standards.

(f) Nothing in this section affects the ability of the commissioner to adopt, amend, or suspend rules that govern the construction, design, equipment, and color of school buses used for transporting school children, except that no rule adopted under this section may permit a lesser standard of safety than is provided by the standards specified for type A, B, C, and D school buses in the 1990 revised edition of the National Standards for School Buses.

Sec. 18. [169.456] [APPLICABILITY OF THE STANDARDS.]

The standards adopted under section 169.455 apply to school buses manufactured after December 31, 1994. Buses complying with these standards when manufactured need not comply with standards established after that date, except as specifically provided by law. A school bus manufactured on or before December 31, 1994, must conform to the standards in effect on the date the vehicle was manufactured, except as specifically provided by law.

Sec. 19. [169.457] [VARIANCE.]

The commissioner of public safety may grant a variance to any of the school bus standards to accommodate testing of new equipment related to school buses. A variance from the standards must be for the sole purpose of testing and evaluating new equipment for increased safety, efficiency, and economy of pupil transportation. The variance expires 18 months from the date on which it is granted unless the commissioner specifies an earlier expiration date. The school bus safety advisory committee shall annually review all variances that are granted under this subdivision and consider whether to recommend modifications to the Minnesota school bus equipment standards based on the variances.

Sec. 20. [169.458] [ACCIDENT AND SERIOUS INCIDENT REPORTING.]

The commissioner of public safety shall develop uniform definitions of a school bus accident and an incident of serious misconduct that results in personal injury. The commissioner shall develop a uniform accident and incident reporting form to collect those data statewide. Data collected with this reporting form must be used to assist in the development of accident prevention programs.

Sec. 21. [169.4581] [LAW ENFORCEMENT POLICY FOR CRIMINAL CONDUCT ON SCHOOL BUSES.]

By January 1, 1995, each local law enforcement agency shall adopt a written policy regarding procedures for responding to criminal incidents on school buses. In adopting a policy, each law enforcement agency shall consult with local school officials, with representatives of private companies that contract with school districts to provide transportation, and with parents of students. The policy must recognize that responding to reports of criminal conduct on school buses is the responsibility of law enforcement officials.

Sec. 22. [169.4582] [REPORTING CRIMINAL INCIDENTS ON SCHOOL BUSES.]

Subdivision 1. [REPORTABLE OFFENSE; DEFINITION.] "Reportable offense" means misbehavior causing an immediate and substantial danger to self or surrounding persons or property under section 127.29.

Subd. 2. [DUTY TO REPORT; SCHOOL OFFICIAL.] Consistent with the school bus safety policy under section 127.47, subdivision 2, clause (8), the school principal, the school transportation safety director, or other designated school official shall immediately report to the local law enforcement agency having jurisdiction where the misbehavior occurred and to the school superintendent if the reporting school official knows or has reason to believe that a student has committed a reportable offense on a school bus or in a bus loading or unloading area. The reporting school official shall issue a report to the commissioner of public safety concerning the incident, on a form developed by the commissioner for that purpose.

Sec. 23. Minnesota Statutes 1993 Supplement, section 171.321, subdivision 2, is amended to read:

Subd. 2. [RULES; QUALIFICATIONS AND TRAINING.] (a) The commissioner of public safety shall prescribe rules governing the qualifications of individuals to drive school buses. The rules must provide that an applicant for a school bus endorsement or renewal is exempt from the physical qualifications and medical examination required to

operate a school bus upon providing evidence of being medically examined and certified within the preceding 24 months as physically qualified to operate a commercial motor vehicle, pursuant to Code of Federal Regulations, title 49, part 391, subpart E, or rules of the commissioner of transportation incorporating those federal regulations.

~~(b) The commissioner of public safety, in conjunction with the commissioner of education, shall adopt a training program for school bus drivers. Adoption of the program is not subject to chapter 14. The program must provide for initial classroom and behind the wheel training, and annual in-service training. The program must provide training in defensive driving, human relations, emergency and accident procedures, vehicle maintenance, traffic laws, and use of safety equipment. The program must provide that the training will be conducted by the contract operator for a school district, the school district, the commissioner of education, a licensed driver training school, or by another person or entity approved by both commissioners.~~

Sec. 24. Minnesota Statutes 1992, section 171.321, subdivision 3, is amended to read:

Subd. 3. [STUDY OF APPLICANT.] Before issuing or renewing a school bus endorsement, the commissioner shall conduct a criminal and driver's license records check of the applicant. The commissioner may also conduct the check at any time while a person is so licensed. The check shall consist of a criminal records check of the state criminal records repository and a check of the driver's license records system. If the applicant has resided in Minnesota for less than five years, the check shall also include a criminal records check of information from the state law enforcement agencies in the states where the person resided during the five years before moving to Minnesota, and of the national criminal records repository including the criminal justice data communications network. The applicant's failure to cooperate with the commissioner in conducting the records check is reasonable cause to deny an application or cancel a school bus endorsement. The commissioner may not release the results of the records check to any person except the applicant.

Sec. 25. Minnesota Statutes 1992, section 171.3215, is amended to read:

171.3215 [CANCELING BUS DRIVER'S ENDORSEMENT FOR ~~CRIME AGAINST MINOR~~ CERTAIN CRIMES.]

Subdivision 1. [DEFINITIONS.] (a) As used in this section, the following terms have the meanings given them.

(1) ~~(b)~~ "School bus driver" means a person possessing a school bus driver's endorsement on a valid Minnesota driver's license or a person possessing a valid Minnesota driver's license who drives a vehicle with a seating capacity of ten or less persons used as a school bus.

~~(2) "Crime against a minor" means an act committed against a minor victim that constitutes a violation of section 609.185, 609.19, 609.195, 609.20, 609.205, 609.21, subdivision 1, 609.221, 609.222, 609.223, 609.342, 609.343, 609.344, 609.345, 609.352, or a felony violation of section 609.322, 609.323, 609.324, or 609.377.~~

(c) "Disqualifying offense" includes any violent crime as defined in section 609.152, any criminal violation of chapter 152, and any violation under section 609.3451, 609.746, subdivision 1, or 617.23.

Subd. 2. [CANCELLATION.] ~~The commissioner~~ Within ~~10~~ ten days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has ~~committed been convicted of a crime against a minor~~ disqualifying offense, the commissioner shall permanently cancel the school bus driver's endorsement on the offender's driver's license. Within ten days of receiving notice under section 631.40, subdivision 1a, that a school bus driver has been convicted of a violation of section 169.121 or 169.129, and within ten days of revoking a school bus driver's license under section 169.123, the commissioner shall cancel the school bus driver's endorsement on the offender's driver's license for five years. Upon canceling the offender's school bus driver's endorsement, the ~~department~~ commissioner shall immediately notify the licensed offender of the cancellation in writing, by depositing in the United States post office a notice addressed to the licensed offender at the licensed offender's last known address, with postage prepaid thereon.

Subd. 3. [BACKGROUND CHECK.] (a) Before issuing or renewing a driver's license with a school bus driver's endorsement, the ~~department~~ commissioner shall conduct an investigation to determine ~~whether if the applicant has been convicted of committing a crime against a minor~~ disqualifying offense, or a violation of section 169.121 or 169.129, or if the applicant's driver's license has been revoked under section 169.123, or if the applicant has been the subject of a substantiated report of child maltreatment under section 626.556. The ~~department~~ commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if the applicant has been convicted of committing a ~~crime against a minor~~ disqualifying offense or has been the subject of a substantiated

report of child maltreatment under section 626.556. The commissioner shall not issue a new bus driver's endorsement and shall not renew an existing bus driver's endorsement if, within the previous five years, the applicant has been convicted of committing a violation of section 169.121 or 169.129 or if the applicant's driver's license has been revoked under section 169.123.

(b) In order to determine if an applicant has been the subject of a substantiated report of child maltreatment under section 626.556, the commissioner shall contact the commissioner of human services and the local welfare agency in the applicant's county of residence and request that the commissioner and the county agency search their records and forward any records in which the applicant is the subject of a substantiated report of child maltreatment. The commissioner of human services and the county agency shall respond to the commissioner's inquiry within seven days after receiving the request. The commissioner shall not consider an application to be complete until a response from the commissioner of human services and the county agency has been received.

Sec. 26. Minnesota Statutes 1992, section 631.40, subdivision 1a, is amended to read:

Subd. 1a. When a person is convicted of committing a ~~crime against a minor~~ disqualifying offense, as defined in section 171.3215, subdivision 1, or a violation of section 169.121 or 169.129, the court shall ~~order that the presentence investigation include information about~~ determine whether the offender is a school bus driver as defined in section 171.3215, subdivision 1, whether the offender possesses a school bus driver's endorsement on the offender's driver's license and in what school districts the offender drives a school bus. If the offender is a school bus driver or possesses a school bus driver's endorsement, the court administrator shall send a certified copy of the conviction to the department of public safety and to the school districts in which the offender drives a school bus within ten days after the conviction.

Sec. 27. Laws 1993, chapter 224, article 12, section 39, is amended to read:

Sec. 39. [REPEALER.]

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400; 3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; 8700.6410; 8700.6800; 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

(b)(1) Minnesota Rules, parts 3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.2900; 3520.3000; 3520.3100; 3520.3200; 3520.3400; 3520.3500; 3520.3680; 3520.3700; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; 3520.5920; 3530.6500, are repealed.

(2) Minnesota Rules, parts 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; and 3530.7800, are repealed.

(c) Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500; 3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; chapters 3515, 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600, and 3560, are repealed.

(d) Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800; 3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400; 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000; 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700; 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200; 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700; 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400; 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902; 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500; 8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506; 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512; 8700.5800; 8700.6310; 8700.6900; 8700.7010; 8700.7700; 8700.7710; 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050; 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110; 8700.8120; 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180; 8700.8190; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300; 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410; 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620; 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800; 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900; 8750.0920; 8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220; 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340; 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500; 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700; 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900; 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000; 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120; 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700, are repealed.

Sec. 28. Laws 1993, chapter 224, article 12, section 41, is amended to read:

Sec. 41. [EFFECTIVE DATE.]

Sections 22 to 25 are effective July 1, 1995.

Section 32, paragraph (b), is effective July 1, 1995. Section 32, paragraph (c), is effective August 1, 1996.

Section 39, paragraph (b)(2), is effective August 1, 1994. Section 39, paragraph (b)(1), is effective on the date that rules are adopted under section 169.455. Section 39, paragraph (c), is effective July 1, 1995. Section 39, paragraph (d), is effective August 1, 1996.

Sec. 29. [SCHOOL BUS SAFETY; PILOT PROGRAM GRANTS.]

Subdivision 1. [GRANT REQUIREMENTS.] The commissioner of public safety shall award grants to school districts to establish pilot programs that improve the safety of children in grades kindergarten through four who must cross a street, road, or highway before entering or when disembarking from a school bus or that provide for student behavior management. A grant may not exceed 50 percent of the district's expenditures for:

- (1) adult school bus monitors;
- (2) volunteer school bus monitor program costs;
- (3) special school bus equipment, including new technology;
- (4) video monitoring; or
- (5) other programs approved by the commissioner.

Subd. 2. [APPLICATION FORMS.] The commissioner shall prepare application forms and establish dates for grant applications and awards.

Subd. 3. [AWARD OF GRANTS.] The commissioner shall examine and consider all applications for grants. If the total amount of grant funding required by the applications exceeds the amount of funding available, the commissioner shall prorate the available amount among the applicant districts according to the commissioner's judgment and discretion based on the potential for gaining information from the pilot program that will improve student safety statewide. The commissioner shall ensure that grants are equitably distributed among metropolitan and rural school districts and school districts of different sizes.

Subd. 4. [REPORT.] Each school district must report the provisions that have been made for safe crossing or student behavior management with a grant made under this section and make a preliminary assessment of the effectiveness of those provisions by July 1, 1995, to the school bus safety advisory committee.

Sec. 30. [CERTAIN RULES REMAIN IN EFFECT.]

The department of public safety shall amend Minnesota Rules, part 7414.0400, to reflect the provisions in sections 26 and 27. Parts of Minnesota Rules, part 7414.0400, that are not inconsistent with provisions in sections 25 and 26 shall remain in effect.

Sec. 31. [ADDITIONAL SCHOOL BUS CHASSIS STANDARDS.]

Subdivision 1. [BRAKES.] The braking system must include an emergency brake. The braking system must meet federal motor vehicle safety standards in effect at the time of manufacture. All buses manufactured with air brakes after January 1, 1995, must have automatic slack adjusters.

Subd. 2. [CERTIFICATION.] A chassis manufacturer must certify that the product meets Minnesota standards. All buses with a certified manufacturing date before April 1, 1977, must not be recertified as a school bus after January 1, 1996.

Subd. 3. [COLOR.] Fenders may be painted black. The hood may be painted nonreflective black or nonreflective yellow. The grill may be the manufacturer's standard color.

Subd. 4. [ELECTRICAL SYSTEM; BATTERY.] (a) The storage battery, as established by the manufacturer's rating, must be of sufficient capacity to care for starting, lighting, signal devices, heating, and other electrical equipment. In a bus with a gasoline-powered engine, the battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus with a diesel-powered engine, the battery or batteries must provide a minimum of 1,050 cold cranking amperes.

(b) In a type B bus with a gross vehicle weight rating of 15,000 pounds or more, and type C and D buses, the battery must be temporarily mounted on the chassis frame. The final location of the battery and the appropriate cable lengths in these buses must comply with the School Bus Manufacturers Institute design objectives booklet.

(c) All batteries must be mounted according to chassis manufacturers' recommendations.

(d) In a type C bus, other than one powered by diesel fuel, a battery providing at least 550 cold cranking amperes may be installed in the engine compartment only if used in combination with a generator or alternator of at least 120 amperes.

(e) A bus with a gross vehicle weight rating of 15,000 pounds or less may be equipped with a battery to provide a minimum of 550 cold cranking amperes only if used in combination with an alternator of at least 80 amperes. This paragraph does not apply to those buses with wheelchair lifts or diesel engines.

Subd. 5. [ELECTRICAL SYSTEM; ALTERNATOR.] A bus must be capable of producing enough current at 1400 rpms to provide a positive charge to the battery with 80 percent of maximum load with all lights and accessories on. A type B bus with a gross vehicle weight rating of up to 15,000 pounds equipped with an electrical power lift must have a minimum 100 ampere per hour alternator. If not protected by a grommet, wiring passing through holes must be encased in an abrasive-resistant protective covering.

Subd. 6. [ENGINES.] A new type B bus with a gross vehicle weight rating that exceeds 15,000 pounds, and type C and type D buses purchased after January 1, 1995, must be equipped with diesel or other alternate fuel engines.

Subd. 7. [EXHAUST SYSTEM.] The tailpipe must (1) extend to, but not more than one inch beyond, the bumper and be mounted outside of the chassis frame rail, or (2) extend to, but not more than one inch beyond, the left side of the bus, behind the driver's compartment. A type A bus, and a type B bus with a gross vehicle weight rating under 15,000 pounds, must comply with the manufacturer's standard. No exhaust pipe may exit beneath an emergency exit or, on a type C or type D bus, under the fuel fill location. No exhaust pipe may be reduced in size beyond the muffler.

Subd. 8. [FRAME.] Installation of a trailer hitch is permitted. A hitch must be flush mounted.

Subd. 9. [FUEL TANK.] If mounted behind the rear wheels, the fuel tank on a vehicle constructed with a power lift unit must be between the frame rails. Fuel tanks for a type A bus, and for a type B bus with a gross vehicle weight rating under 15,000 pounds, may be the manufacturer's standard and must conform with federal Motor Vehicle Safety Standard number 301, Code of Federal Regulations, title 49, part 571.

Subd. 10. [HORN.] A bus must be equipped with a horn in good working order and capable of emitting sound audible under normal conditions from a distance of not less than 200 feet.

Subd. 11. [TIRES AND RIMS.] Radial and bias ply tires may not be used on the same axle. Front tire tread depth may not be less than 4/32 inch in any major tire tread groove. Rear tire tread may not be less than 2/32 inch. Tires must be measured in three locations around the tire, in two adjoining grooves. No recapped tires shall be used on the front wheels.

Subd. 12. [TRANSMISSION.] The transmission shifting pattern must be permanently displayed in the driver's full view.

Sec. 32. [ADDITIONAL SCHOOL BUS BODY STANDARDS.]

Subdivision 1. [BACKUP WARNING ALARM.] A spring-loaded button in the driver's compartment that will temporarily disable the backup alarm is allowed for usage in school bus overnight parking lots and repair facilities.

Subd. 2. [BUMPER; FRONT.] On a type D school bus, the bumper must conform to federal motor vehicle safety standards.

Subd. 3. [CERTIFICATION.] A body manufacturer shall certify that the product meets Minnesota standards.

Subd. 4. [COLOR.] Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails must be black. The reflective material on the sides of the bus body must be at least one inch but not more than two inches in width. This reflective material requirement and the requirement that "SCHOOL BUS" signs have reflective material as background apply to buses manufactured after December 31, 1994.

Subd. 5. [COMMUNICATIONS.] All buses must be equipped with a two-way voice communications system by August 30, 1994. All buses manufactured after December 31, 1994, must be equipped with a public address system.

Subd. 6. [CONSTRUCTION.] The metal floor must be covered with plywood. The plywood must be at least 19/32 inches thick, and must equal or exceed properties of exterior-type softwood plywood, grade C-D, as specified in product standard PSI-I83 issued by the United States Department of Commerce. The floor must be level from front to back and side to side, except in wheel housing, toe board, and driver's seat platform areas.

Subd. 7. [DEFROSTERS.] Except as provided in this subdivision, defrosters and two auxiliary fans must direct a sufficient flow of heated air and must be of sufficient capacity to keep the windshield, window to the left of the driver, and glass in the entrance door clear of fog, frost, and snow. A type A or type B bus with a gross vehicle weight rating under 15,000 pounds may be equipped with one auxiliary fan.

Subd. 8. [DOORS; SERVICE DOOR.] A type B bus with a gross vehicle weight rating of 15,000 pounds or over may not have a door to the left of the driver. A type B bus with a gross vehicle weight rating under 15,000 pounds may be equipped with the chassis manufacturer's standard door.

Subd. 9. [EMERGENCY EQUIPMENT; FIRE EXTINGUISHERS.] The fire extinguisher must have a minimum Underwriter Laboratories Classification Rating of 2A-20BC.

Subd. 10. [EMERGENCY EQUIPMENT; WARNING DEVICES.] A flashlight with at least two "C" batteries must be included as part of the emergency equipment. Each bus equipped with seat belts for pupil passengers must contain a seat belt cutter for use in emergencies. The belt cutter must be designed to eliminate the possibility of injury during use and must be secured in a safe location.

Subd. 11. [HEATERS.] The heating system must be capable of maintaining a safe temperature throughout the bus. In a bus with a combustion heater, the heater must be installed by the body manufacturer or by an authorized dealer, an authorized garage, or a mechanic trained in the procedure.

Subd. 12. [IDENTIFICATION.] (a) Each bus must, in the beltline, identify the school district serviced, the company name, or owner of the bus. Numbers necessary for identification must appear on the sides and rear of the bus. Symbols or letters may be used on the outside of the bus near the entrance door for student identification. A manufacturer's nameplate may be placed on the side of the bus near the entrance door and on the rear.

(b) Each bus must display the lettering "Unlawful to pass when red lights are flashing" on the rear of the bus. The lettering must be in two-inch black letters on school bus yellow background. This message must be displayed directly below the upper window of the rear door. On rear engine buses, it must be centered at approximately the same location. Only signs and lettering approved or required by state law may be displayed.

Subd. 13. [INSULATION.] (a) Ceilings and walls must be insulated to a minimum of 1-1/2 inch fiberglass and installed so the insulation does not compact or sag. Floor insulation must be nominal 19/32 inch thick plywood, or a material of equal or greater strength and insulation R value that equals or exceeds properties of exterior-type softwood plywood, C-D grade as specified in standards issued by the United States Department of Commerce. Type A and B buses with a gross vehicle weight rating under 15,000 pounds must have a minimum of one-half inch plywood. All exposed edges on plywood must be sealed. When manufactured, each school bus must be constructed so that the noise level taken at the ear of the occupant nearest to the primary vehicle noise source does not exceed 85 dBA when tested according to procedures in the 1990 National Standards for School Buses and Operations.

(b) The underside of the metal floor may be undercoated with polyurethane floor insulation, foamed in place. The floor insulation must be combustion resistant. The authorization in this paragraph does not replace the plywood requirement.

Subd. 14. [INTERIOR.] Interior speakers, except in the driver's compartment, may not protrude more than one-half inch from the mounting surface.

Subd. 15. [LAMPS AND SIGNALS.] (a) Each school bus must be equipped with a system consisting of four red signal lamps designed to conform to SAE Standard J887, and four amber signal lamps designed to that standard, except for color, and except that their candlepower must be at least 2-1/2 times that specified for red turn-signal lamps. Both red and amber signal lamps must be installed in accordance with SAE Standard J887, except that each amber signal lamp must be located near each red signal lamp, at the same level, but closer to the centerline of the bus. The system must be wired so that the amber signal lamps are activated only by hand operation and, if activated, are automatically deactivated and the red signal lamps are automatically activated when the bus entrance door is opened. Signal lamps must flash alternately. Each signal lamp must flash not less than 60 nor more than 120 flashes per minute. The "on" period must be long enough to permit filament to come up to full brightness. There must be a pilot lamp that is attached when the respective amber or red system is activated. The pilot lamp must either go out or flash at an alternate rate when the system is not functioning normally. The signal lamp system must include a closed control box. The box must be as small as practicable, and must be easily dismantled or partially disassembled to provide access for maintenance purposes. The control panel box must be arranged so that the momentary activating switch for the eight-lamp warning system is located on the left; the red, or red and amber, pilot light is located in the middle; and the eight-way master switch is located on the right. The control box must be securely mounted to the right of the steering wheel, within easy unobstructed reach of the driver. Switches and pilot lamp must be readily visible to the driver. The activating switch may be self-illuminated. Other warning devices or lamp controls must not be placed near the lamp control. The stop arm must extend automatically whenever the service entrance door is opened and the eight-way lights are activated.

(b) If installed, a white flashing strobe must be of a double-flash type and have minimum effective light output of 200 candelas. No roof hatch may be mounted behind the strobe light.

(c) Type B, C, and D buses must have an amber clearance lamp with a minimum of four candlepower mounted on the right side of the body at approximately seat level rub rail height just to the rear of the service door and another one at approximately opposite the driver's seat on the left side. These lamps may be connected to operate only with the regular turn-signal lamps.

(d) All lamps on the exterior of the vehicle must conform with and be installed as required by federal Motor Vehicle Safety Standard number 108, Code of Federal Regulations, title 49, part 571.

(e) A type A, B, C, or D school bus manufactured for use in Minnesota after December 31, 1994, may not be equipped with red turn signal lenses on the rear of the bus.

Subd. 16. [MIRRORS.] A type B bus with a gross vehicle weight rating less than 15,000 pounds must have an interior passenger observation mirror with dimensions of at least six inches by 16 inches. A type B bus with a gross vehicle weight rating over 15,000 pounds must have an interior passenger observation mirror with dimensions of at least six inches by 30 inches. After January 1, 1995, all school buses must be equipped with a minimum of two crossover mirrors, mounted to the left and right sides of the bus.

Subd. 17. [OVERALL WIDTH.] The overall width limit excludes mirrors, mirror brackets, and the stop arm.

Subd. 18. [RUB RAILS.] There must be one rub rail at the base of the skirt of the bus on all type B, C, and D buses.

Subd. 19. [SEAT AND CRASH BARRIERS.] All restraining barriers and passenger seats must be covered with a fire retardant or fire block material. All seats must face forward. All seat and crash barriers must be installed according to and conform to federal Motor Vehicle Safety Standard number 222, Code of Federal Regulations, title 49, part 571.

Subd. 20. [STOP SIGNAL ARM.] The stop signal arm must be installed near the front of the bus.

Subd. 21. [SUN SHIELD.] A type A bus and a type B bus with a gross vehicle weight rating less than 15,000 pounds must be equipped with standard manufacturer's solid visor or a six-inch by 16-inch sun shield.

Subd. 22. [WINDOWS.] Windshield, entrance, and rear emergency exit doors must be of approved safety glass. Laminated or tempered glass (AS-2 or AS-3) may be used in all other windows. All glass must be federally approved and marked as provided in section 169.74. The windshield may be of uniform tint throughout or may have a horizontal gradient band starting slightly above the line of vision and gradually decreasing in light transmission to 20 percent or less at the top of the windshield. Tinted glass meeting the requirements of section 169.71 is permitted on side windows and rear windows except for the entrance door, the first window behind the service door, and the window to the left of the driver. The window to the left of the driver, the upper service door windows, and the window immediately behind the entrance door must be thermal glass. The window to the left of the driver for type A and B buses with a gross vehicle weight rating under 15,000 pounds need not be thermal glass.

Subd. 23. [WIRING.] If not protected by a grommet, wire that passes through holes must be encased in an abrasive-resistant protective covering. If a master cutoff switch is used, it must not be wired so as to shut off power to the electric brake system.

Subd. 24. [CROSSING CONTROL ARM.] By September 1, 1994, each type A, B, C, and D school bus must be equipped with a safety crossing control arm.

Sec. 33. [ADDITIONAL STANDARDS FOR SPECIALLY EQUIPPED SCHOOL BUSES.]

Subdivision 1. [COMMUNICATIONS.] All vehicles used to transport disabled students must be equipped with a two-way communication system and, if required in the student's individual education plan, have an aide to provide necessary assistance and supervision that cannot be safely provided by the driver.

Subd. 2. [RESTRAINING DEVICES.] Special restraining devices such as shoulder harnesses, lap belts, and chest restraint systems may be installed to the seats if the devices do not require the alteration in any form of the seat, seat cushion, framework, or related seat components.

Subd. 3. [SECUREMENT SYSTEM FOR MOBILE SEATING.] Wheelchair securement devices must comply with all requirements for a wheelchair securement system contained in federal regulations in effect on the later of the date the school bus was manufactured or the date a wheelchair securement system was added to the bus.

Sec. 34. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF PUBLIC SAFETY.] The sums indicated in this section are appropriated from the general fund to the department of public safety for the fiscal years indicated.

Subd. 2. [SAFETY ADVISORY COMMITTEE.] For the school bus safety advisory committee according to section 13, subdivision 2:

\$20,000	1995
----------	-------	------

Subd. 3. [SCHOOL BUS SAFETY; PILOT PROGRAM GRANTS.] For school bus safety pilot grants according to section 29:

\$480,000	1995
-----------	-------	------

Subd. 4. [CROSSING CONTROL ARMS.] For school bus crossing control arms according to section 32, subdivision 24:

\$1,500,000 1995

The commissioner of public safety shall reimburse school districts for the cost of purchasing crossing control arms for buses manufactured before December 31, 1994, that are used to transport students in the district. Any excess in this appropriation must be transferred to provide additional school bus safety pilot grants according to section 29.

Sec. 35. [REPEALER.]

(a) Minnesota Statutes 1992, sections 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; and 169.447, subdivision 3, are repealed.

Minnesota Statutes 1993 Supplement, section 123.80, is repealed. Minnesota Rules, parts 3520.3600 and 3520.3700, are repealed.

(b) Sections 31 to 33 are repealed effective the date that rules are adopted under Minnesota Statutes, section 169.455. Notwithstanding Minnesota Statutes, section 14.05, subdivision 1, the rules adopted by the commissioner of public safety under section 169.455, paragraph (b), are not repealed when sections 31 to 33 are repealed. Nothing in this paragraph shall affect the ability of the commissioner of public safety to amend, suspend, or repeal rules adopted under section 169.455.

Sec. 36. [EFFECTIVE DATE.]

Section 14, subdivision 1, is effective July 1, 1996. Section 5 is effective August 1, 1994, and applies to crimes committed on or after that date.

ARTICLE 13

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1992, section 122.91, subdivision 3, is amended to read:

Subd. 3. [REQUIREMENTS FOR FORMATION.] An education district must have one of the following at the time of formation:

- (1) at least five districts;
- (2) at least four districts with a total of at least 5,000 pupils in average daily membership; or
- (3) at least four districts with a total of at least 2,000 square miles.

Members of an education district must be contiguous. Districts with a cooperation agreement according to section 122.541 may belong to an education district only as a unit.

A noncontiguous district may be a member of an education district if the state board of education determines that:

- (1) a district between the education district and the noncontiguous district has considered and is unwilling to become a member; or
- (2) a noncontiguous configuration of member districts has sufficient technological or other resources to offer effective levels of programs and services ~~required under sections 122.94, subdivision 2, and 122.945.~~

Sec. 2. Minnesota Statutes 1992, section 122.937, subdivision 4, is amended to read:

Subd. 4. [JOINDER AND WITHDRAWAL.] ~~(a) Notwithstanding section 122.91, subdivision 5,~~ A member district of an education district that has entered into a collective bargaining agreement negotiated by the education district under this section may withdraw from the education district only at the end of a two-year period for which the collective bargaining agreement is in effect. A member district withdrawing under this subdivision must notify the

education district board at least 365 days before withdrawing. The teachers in a withdrawing member district are governed by the collective bargaining agreement in effect for the education district until a successor agreement is negotiated by the withdrawing district.

(b) ~~Notwithstanding section 122.91, subdivision 5,~~ A school district may join an education district that has entered into a collective bargaining agreement negotiated by the education district under this section only at the end of the two-year period for which the collective bargaining agreement is in effect.

Sec. 3. Minnesota Statutes 1993 Supplement, section 124.225, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For purposes of this section, the terms defined in this subdivision have the meanings given to them.

(a) "FTE" means a transported full-time equivalent pupil whose transportation is authorized for aid purposes by section 124.223.

(b) "Authorized cost for regular transportation" means the sum of:

(1) all expenditures for transportation in the regular category, as defined in paragraph (c), clause (1), for which aid is authorized in section 124.223, plus

(2) an amount equal to one year's depreciation on the district's school bus fleet and mobile units computed on a straight line basis at the rate of 15 percent per year for districts operating a program under section 121.585 for grades 1 to 12 for all students in the district and 12-1/2 percent per year for other districts of the cost of the fleet, plus

(3) an amount equal to one year's depreciation on district school buses reconditioned by the department of corrections computed on a straight line basis at the rate of 33-1/3 percent per year of the cost to the district of the reconditioning, plus

(4) an amount equal to one year's depreciation on the district's type three school buses, as defined in section 169.01, subdivision 6, paragraph (e) ~~(h)~~, which were purchased after July 1, 1982, for authorized transportation of pupils, with the prior approval of the commissioner, computed on a straight line basis at the rate of 20 percent per year of the cost of the type three school buses.

(c) "Transportation category" means a category of transportation service provided to pupils as follows:

(1) Regular transportation is transportation services provided during the regular school year under section 124.223, subdivisions 1 and 2, excluding the following transportation services provided under section 124.223, subdivision 1: transportation between schools; noon transportation to and from school for kindergarten pupils attending half-day sessions; transportation of pupils to and from schools located outside their normal attendance areas under the provisions of a plan for desegregation mandated by the state board of education or under court order; and transportation of elementary pupils to and from school within a mobility zone.

(2) Nonregular transportation is transportation services provided under section 124.223, subdivision 1, that are excluded from the regular category and transportation services provided under section 124.223, subdivisions 3, 4, 5, 6, 7, 8, 9, and 10.

(3) Excess transportation is transportation to and from school during the regular school year for secondary pupils residing at least one mile but less than two miles from the public school they could attend or from the nonpublic school actually attended, and transportation to and from school for pupils residing less than one mile from school who are transported because of extraordinary traffic, drug, or crime hazards.

(4) Desegregation transportation is transportation during the regular school year of pupils to and from schools located outside their normal attendance areas under a plan for desegregation mandated by the state board or under court order.

(5) Handicapped transportation is transportation provided under section 124.223, subdivision 4, for pupils with a disability between home or a respite care facility and school or other buildings where special instruction required by section 120.17 is provided.

(d) "Mobile unit" means a vehicle or trailer designed to provide facilities for educational programs and services, including diagnostic testing, guidance and counseling services, and health services. A mobile unit located off nonpublic school premises is a neutral site as defined in section 123.932, subdivision 9.

(e) "Current year" means the school year for which aid will be paid.

(f) "Base year" means the second school year preceding the school year for which aid will be paid.

(g) "Base cost" means the ratio of:

(1) the sum of the authorized cost in the base year for regular transportation as defined in paragraph (b) plus the actual cost in the base year for excess transportation as defined in paragraph (c);

(2) to the sum of the number of weighted FTE's in the regular and excess categories in the base year.

(h) "Pupil weighting factor" for the excess transportation category for a school district means the lesser of one, or the result of the following computation:

(1) Divide the square mile area of the school district by the number of FTE's in the regular and excess categories in the base year.

(2) Raise the result in clause (1) to the one-fifth power.

(3) Divide four-tenths by the result in clause (2).

The pupil weighting factor for the regular transportation category is one.

(i) "Weighted FTE's" means the number of FTE's in each transportation category multiplied by the pupil weighting factor for that category.

(j) "Sparsity index" for a school district means the greater of .005 or the ratio of the square mile area of the school district to the sum of the number of weighted FTE's transported by the district in the regular and excess categories in the base year.

(k) "Density index" for a school district means the greater of one or the result obtained by subtracting the product of the district's sparsity index times 20 from two.

(l) "Contract transportation index" for a school district means the greater of one or the result of the following computation:

(1) Multiply the district's sparsity index by 20.

(2) Select the lesser of one or the result in clause (1).

(3) Multiply the district's percentage of regular FTE's in the current year using vehicles that are not owned by the school district by the result in clause (2).

(m) "Adjusted predicted base cost" means the predicted base cost as computed in subdivision 3a as adjusted under subdivision 7a.

(n) "Regular transportation allowance" means the adjusted predicted base cost, inflated and adjusted under subdivision 7b.

Sec. 4. Minnesota Statutes 1992, section 124.2721, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY.] An education district is eligible for education district revenue if the department certifies that it meets the requirements of ~~sections section~~ 122.91, subdivisions 3 and 4, ~~and 122.945~~. The pupil units of a school district that is a member of intermediate district No. 287, 916, or 917 may not be used to obtain revenue under this section. The pupil units of a school district may not be used to obtain revenue under this section and section 124.575.

Sec. 5. Minnesota Statutes 1992, section 124.2721, subdivision 5, is amended to read:

Subd. 5. [USES OF REVENUE.] Education district revenue is under the control of the education district board. Education district revenue must be used by the education district board to provide educational programs according to the agreement adopted by the education district board, as required by section 122.94.

The education district board may pay to member school districts a part of the education district revenue received by the education district under this section only for programs that are (1) available to all member districts, and (2) included in the five year plan under section 122.945.

Sec. 6. Minnesota Statutes 1992, section 169.443, subdivision 8, is amended to read:

Subd. 8. [USE FOR RECREATIONAL OR EDUCATIONAL ACTIVITY.] A school bus that transports over regular routes and on regular schedules persons age 18 or under to and from a regularly scheduled recreational or educational activity must comply with subdivisions 1 and 7. ~~Notwithstanding section 169.441, subdivision 3,~~ A school bus may provide such transportation only if (1) the "school bus" sign required by section 169.443, subdivision 3, is plainly visible; (2) the school bus has a valid certificate of inspection under section 169.451; (3) the driver of the school bus possesses a driver's license with a valid school bus endorsement under section 171.10; and (4) the entity that organizes the recreational or educational activity, or the contractor who provides the school buses to the entity, consults with the superintendent of the school district in which the activity is located or the superintendent's designee on the safety of the regular routes used.

Sec. 7. Minnesota Statutes 1992, section 169.64, subdivision 8, is amended to read:

Subd. 8. [WHITE STROBE LAMPS.] Notwithstanding sections 169.55, subdivision 1, 169.57, subdivision 3, clause (b), or any other law to the contrary, a vehicle may be equipped with a 360-degree flashing strobe lamp that emits a white light with a flash rate of 60 to 120 flashes a minute, and the lamp may be used as provided in this subdivision, if the vehicle is:

(1) a school bus that is subject to and complies with the color and equipment requirements of sections 169.441, ~~subdivisions subdivision 1 and 2,~~ and 169.442, subdivision 1. The lamp shall be permanently mounted on the longitudinal center line of the bus roof not less than five feet nor more than seven feet forward of the rear roof edge. It shall operate from a separate switch containing an indicator lamp to show when the strobe lamp is in use. The strobe lamp may be lighted only when atmospheric conditions or terrain restrict the visibility of school bus lamps and signals so as to require use of the bright strobe lamp to alert motorists to the presence of the school bus. A strobe lamp may not be lighted unless the school bus is actually being used as a school bus; or

(2) a road maintenance vehicle owned or under contract to the department of transportation or a road authority of a county, home rule or statutory city, or town, but the strobe lamp may only be operated while the vehicle is actually engaged in snow removal during daylight hours.

The strobe lamp shall be of a double flash type certified to the commissioner of public safety by the manufacturer as being weatherproof and having a minimum effective light output of 200 candelas as measured by the Blondel-Rey formula.

Sec. 8. Minnesota Statutes 1992, section 171.01, subdivision 22, is amended to read:

Subd. 22. [COMMERCIAL MOTOR VEHICLE.] "Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used to transport passengers or property if the motor vehicle:

(1) has a gross vehicle weight of more than 26,000 pounds;

(2) has a towed unit with a gross vehicle weight of more than 10,000 pounds and the combination of vehicles has a combined gross vehicle weight of more than 26,000 pounds;

(3) is a bus;

(4) is of any size and is used in the transportation of hazardous materials, except for those vehicles having a gross vehicle weight of 26,000 pounds or less and carrying in bulk tanks a total of not more than 200 gallons of liquid fertilizer and petroleum products; or

(5) is outwardly equipped and identified as a school bus, except for school buses defined in section 169.01, subdivision 6, paragraph (e) (h).

Sec. 9. [REVISOR INSTRUCTION.]

In the next edition of Minnesota Statutes, the revisor shall make corrections necessary to ensure that Part H legislation under Minnesota Statutes, section 120.1701, is correctly referenced in the statutes to comply with federal and state law."

Delete the title and insert:

"A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, 12, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 354.42, subdivision 5; and 475.61, subdivision 4; 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, article 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 14.05, subdivision 1; 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; and 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030."

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

The report was adopted.

The Speaker called Kahn to the Chair.

SPECIAL ORDERS

H. F. No. 2135, A bill for an act relating to manufactured home parks; prohibiting manufactured home parks from prohibiting senior citizens from keeping house pet dogs, cats, and birds on the park premises; amending Minnesota Statutes 1992, section 327.27, 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 106 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Delmont	Jefferson	Long	Nelson	Rest	Van Engen
Asch	Dempsey	Jennings	Lourey	Ness	Rhodes	Vellenga
Battaglia	Erhardt	Johnson, A.	Luther	Olson, E.	Rice	Wagenius
Bauerly	Evans	Johnson, R.	Lynch	Olson, M.	Rodosovich	Waltman
Beard	Finseth	Johnson, V.	Macklin	Onnen	Rukavina	Wejcman
Bergson	Garcia	Kahn	Mahon	Opatz	Sarna	Wenzel
Bertram	Greenfield	Kalis	Mariani	Orenstein	Seagren	Winter
Bettermann	Greiling	Kelley	McCollum	Orfield	Sekhon	Wolf
Brown, C.	Gruenes	Kelso	McGuire	Osthoft	Simoneau	Workman
Carlson	Gutknecht	Kinkel	Milbert	Ozment	Smith	Spk. Anderson, I.
Carruthers	Hasskamp	Klinzing	Molnau	Pauly	Solberg	
Clark	Holsten	Knight	Morrison	Pelowski	Steensma	
Cooper	Hugoson	Koppendrayner	Mosel	Perlt	Swenson	
Davids	Huntley	Krueger	Munger	Peterson	Tomassoni	
Dawkins	Jacobs	Lasley	Murphy	Pugh	Tompkins	
Dehler	Jaros	Lieder	Neary	Reding	Trimble	

Those who voted in the negative were:

Abrams	Dorn	Haukoos	Limmer	Pawlenty	Vickerman
Brown, K.	Frerichs	Knickerbocker	Lindner	Skoglund	Weaver
Commers	Girard	Krinkie	Olson, K.	Sviggum	Worke
Dauner	Goodno	Leppik	Ostrom	Van Dellen	

The bill was passed and its title agreed to.

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

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 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Clark	Dempsey	Goodno	Holsten	Johnson, A.
Anderson, R.	Bettermann	Commers	Dorn	Greiling	Hugoson	Johnson, R.
Asch	Bishop	Cooper	Erhardt	Gruenes	Huntley	Johnson, V.
Battaglia	Brown, C.	Dauner	Evans	Gutknecht	Jacobs	Kahn
Bauerly	Brown, K.	Davids	Frerichs	Hasskamp	Jaros	Kalis
Beard	Carlson	Dehler	Garcia	Haukoos	Jefferson	Kelley
Bergson	Carruthers	Delmont	Girard	Hausman	Jennings	Kelso

Kinkel	Long	Mosel	Orfield	Rhodes	Steensma	Waltman
Klinzing	Lourey	Munger	Osthoff	Rice	Sviggum	Weaver
Knickerbocker	Luther	Murphy	Ostrom	Rodosovich	Swenson	Wejcmán
Knight	Lynch	Neary	Ozment	Rukavina	Tomassoni	Wenzel
Koppendraye	Macklin	Nelson	Pauly	Sarna	Tompkins	Winter
Krinkie	Mahon	Ness	Pawlenty	Seagren	Trimble	Wolf
Krueger	Mariani	Olson, E.	Pelowski	Sekhon	Tunheim	Worke
Lasley	McCollum	Olson, K.	Perlt	Simoneau	Van Dellen	Workman
Leppik	McGuire	Olson, M.	Peterson	Skoglund	Van Engen	Spk. Anderson, I.
Lieder	Milbert	Onnen	Pugh	Smith	Vellenga	
Limmer	Molnau	Opatz	Reding	Solberg	Vickerman	
Lindner	Morrison	Orenstein	Rest	Stanius	Wagenius	

Those who voted in the negative were:

Finseth

The bill was passed and its title agreed to.

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

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2666 was reported to the House.

Brown, C., moved that H. F. No. 2666 be continued on Special Orders. The motion prevailed.

H. F. No. 2371, A bill for an act relating to unemployment compensation; requiring a study of self-employment assistance programs.

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 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Frerichs	Gutknecht	Kalis	Limmer	Van Engen
Erhardt	Goodno	Haukoos	Krinkie	Olson, M.	

The bill was passed and its title agreed to.

H. F. No. 2426, A bill for an act relating to traffic regulations; allowing any city to establish citizen enforcement programs to enforce vehicle parking laws relating to the physically disabled; specifying that citizen volunteers are agents of the city for liability purposes; amending Minnesota Statutes 1993 Supplement, section 169.346, 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 122 yeas and 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Girard	Haukoos	Olson, E.	Worke
Frerichs	Gutknecht	Limmer	Stanis	

The bill was passed and its title agreed to.

H. F. No. 2067 was reported to the House.

Sekhon moved that H. F. No. 2067 be continued on Special Orders. The motion prevailed.

The Speaker resumed the Chair.

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Bishop moved that the name of Welle be stricken and the name of Van Engen be added as an author on H. F. No. 762. The motion prevailed.

Jaros moved that the name of Delmont be added as an author on H. F. No. 3004. The motion prevailed.

Simoneau moved that the name of Lourey be added as an author on H. F. No. 3188. The motion prevailed.

Leppik moved that H. F. No. 1803 be returned to its author. The motion prevailed.

Krinkie moved that H. F. No. 2725 be returned to its author. The motion prevailed.

Johnson, V., moved that H. F. No. 2729 be returned to its author. The motion prevailed.

Lindner moved that H. F. No. 3016 be returned to its author. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1914:

Jennings, Reding and Abrams.

ADJOURNMENT

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 2:30 p.m., Wednesday, April 6, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

EIGHTY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 6, 1994

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

Prayer was offered by Pastor Bill Robertson, First Baptist Church, Jackson, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Girard and Kelso were excused until 3:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Olson, K., 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. 1774 and H. F. No. 2254, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ozment moved that the rules be so far suspended that S. F. No. 1774 be substituted for H. F. No. 2254 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1825 and H. F. No. 1861, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Brown, K., moved that S. F. No. 1825 be substituted for H. F. No. 1861 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2267 and H. F. No. 2784, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Milbert moved that the rules be so far suspended that S. F. No. 2267 be substituted for H. F. No. 2784 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2277 and H. F. No. 2638, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sekhon moved that the rules be so far suspended that S. F. No. 2277 be substituted for H. F. No. 2638 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2672 and H. F. No. 2866, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Sviggum moved that S. F. No. 2672 be substituted for H. F. No. 2866 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

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

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

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

The report was adopted.

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

H. F. No. 2183, A bill for an act relating to transportation; regulating the transportation of hazardous material and hazardous waste; making technical changes; specifying that certain federal regulations do not apply to cargo tanks under 3,000 gallons used in the intrastate transportation of gasoline; establishing a uniform registration and permitting program for transporters of hazardous material and hazardous waste; defining terms; establishing requirements for applications; describing methods for calculating fees; specifying treatment of application data; establishing enforcement authority and administrative penalties; providing for suspension or revocation of registration and permits; providing for base state agreements; preempting and suspending conflicting programs; providing for the deposit and use of fees

and grants; establishing exemptions; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; and 221.033, subdivisions 1 and 2b; Minnesota Statutes 1993 Supplement, section 221.036, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1992, section 221.033, subdivision 4.

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

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 2189, A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, 12, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 354.42, subdivision 5; and 475.61, subdivision 4; 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, article 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 14.05, subdivision 1; 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992; chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030.

Reported the same back with the following amendments:

Pages 10 to 12, delete section 12

Page 14, line 20, delete "2000" and insert "1997"

Page 14, line 25, delete "1997" and insert "1995"

Page 15, line 3, delete "1997" and insert "1995" and delete "1998" and insert "1996"

Page 15, line 7, delete "1998" and insert "1996" and delete "1999" and insert "1997"

Page 15, delete lines 10 to 13

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

The report was adopted.

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

H. F. No. 2491, A bill for an act relating to employment; providing for enforcement of an employee's right to review personnel records; proposing coding for new law in Minnesota Statutes, chapter 181.

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

The report was adopted.

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

H. F. No. 2636, A bill for an act relating to the jobs and training department; making changes of a technical and housekeeping nature; amending Minnesota Statutes 1992, sections 248.011; 248.07, subdivisions 1, 2, 3, 4, 5, 13, 14a, and 16; 248.11; 268A.09; and 268A.11, subdivisions 1 and 3; Minnesota Statutes 1993 Supplement, sections 248.10; and 268A.02, subdivision 2; repealing Minnesota Statutes 1992, sections 268A.12.

Reported the same back with the following amendments:

Page 5, line 20, after the period, insert "No more than half plus one of the members may be of the same gender."

Page 5, line 28, delete "shall not" and insert "expires June 30, 1997"

Page 5, line 29, delete everything before the period

Page 7, line 3, after the period, insert "No more than half plus one of the members may be of the same gender."

Page 7, line 8, delete everything after "council" and insert "expires June 30, 1997."

• Page 7, delete line 9

Page 12, line 1, after the period, insert "The gender balance requirements of sections 10 and 12 apply only to appointments made after the effective date of those sections, and do not operate to remove current members of the councils before the end of their current terms."

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. 2825, A bill for an act relating to game and fish; authorizing nonresident multiple zone antlerless deer licenses; purchase of archery deer licenses after the firearms season opens; taking big game by handgun in a shotgun deer zone; possession of firearms in muzzle-loader only deer zones; amending Minnesota Statutes 1992, sections 97A.475, subdivision 3; 97A.485, subdivision 9; and 97B.031, subdivision 2; Minnesota Statutes 1993 Supplement, section 97B.041.

Reported the same back with the following amendments:

Page 1, after line 11, insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 18B.32, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not engage in structural or aquatic pest control applications:

(1) for hire without a structural pest control license or, for an aquatic pest control application, an aquatic pest control license; and

(2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations or, for an aquatic pest control application, a commercial aquatic applicator.

(b) A structural or aquatic pest control licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

(c) Notwithstanding the licensing requirements of this subdivision, a person may control the following nuisance or economically damaging wild animals, by trapping, without a structural pest control license:

(1) fur-bearing animals, as defined in section 97A.015, with a valid trapping license or special permit from the commissioner of natural resources; and

(2) skunks, woodchucks, gophers, porcupines, coyotes, moles, and weasels."

Page 3, after line 10, insert:

"Sec. 6. Minnesota Statutes 1992, section 97B.051, is amended to read:

97B.051 [TRANSPORTATION OF ARCHERY BOWS.]

A person may not transport an archery bow in a motor vehicle unless the bow is:

(1) unstrung;

(2) completely contained in a case; or

(3) in the closed trunk of a motor vehicle.

No rule of the commissioner shall impose additional restrictions or requirements upon transportation or possession of archery bows.

Sec. 7. Minnesota Statutes 1992, section 97B.211, subdivision 2, is amended to read:

Subd. 2. [ARROWHEAD REQUIREMENTS.] Arrowheads used for taking big game must be sharp, have a minimum of two metal cutting edges, be of a barbless broadhead design, and must have a diameter of at least seven-eighths inch. The commissioner may allow retractable broadhead arrowheads, as long as they meet the other requirements of this subdivision.

Sec. 8. Minnesota Statutes 1992, section 97B.301, is amended by adding a subdivision to read:

Subd. 7. [AUTHORIZATION TO TAKE TWO DEER IN CERTAIN COUNTIES.] Notwithstanding subdivisions 2 and 3, a person may obtain one firearms deer license and one archery deer license in the same license year and may take one deer under each license in Kittson, Lake of the Woods, Marshall, and Roseau counties.

Sec. 9. Minnesota Statutes 1992, section 97B.905, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIREMENT.]

(a) A person may not buy or sell raw furs without a fur buying and selling license, except:

(i) a taxidermist licensed under section 97A.475, subdivision 19, and a fur manufacturer are not required to have a license to buy raw furs from a person with fur buying and selling licenses; and

(ii) a person lawfully entitled to take furbearing animals is not required to have a license to sell raw furs to a person with a fur buying and selling license.

(b) An employee, partner, or officer buying or selling only for a raw fur dealer licensee at an established place of business licensed under section 97A.475, subdivision 21, clause (a), may obtain a supplemental license under section 97A.475, subdivision 21, clause (b).

Sec. 10. Minnesota Statutes 1992, section 97B.931, is amended to read:

97B.931 [TENDING TRAPS RESTRICTED.]

A person may not tend a trap set for wild animals between ~~7:00~~ 10:00 p.m. and 5:00 a.m. Between 5:00 a.m. and ~~7:00~~ 10:00 p.m. a person on foot may use a portable artificial light to tend traps. While using a light in the field, the person may not possess or use a firearm other than a handgun of .22 caliber."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "exemptions from pest control licensing; trapping hours; exemptions from fur buying and selling licensure;"

Page 1, line 8, delete "and"

Page 1, line 9, after the semicolon, insert "97B.051; 97B.211, subdivision 2; 97B.301, by adding a subdivision; 97B.905, subdivision 1; and 97B.931;"

Page 1, line 10, delete "section" and insert "sections 18B.32, subdivision 1; and"

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

The report was adopted.

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

H. F. No. 2914, A bill for an act relating to public administration; providing for two women's ice centers; establishing a women's ice centers building account; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [FINDING.]

The legislature finds that there is a shortage of ice time available to the public, and in particular, there is not sufficient time offered to female groups to meet the demand.

Sec. 2. [PLAN DEVELOPMENT; CRITERIA.]

The Minnesota amateur sports commission shall develop a plan to promote the development of proposals for new public ice facilities based on the criteria in this section.

(a) The commission will give priority to proposals that come from more than one local government unit and that involve construction of more than three ice sheets in a single facility.

(b) The Minnesota amateur sports commission shall administer a site selection process for the ice centers. The commission shall invite proposals from cities or counties or consortia of cities. A proposal for an ice center must include matching contributions including in-kind contributions of land, access roadways and access roadway improvements, and necessary utility services, landscaping, and parking.

(c) Proposals must provide for meeting the demand for ice time for female groups by offering up to 50 percent of total ice time as needed to female groups and priority access to prime ice time. For purposes of this section, prime ice time means the hours of 4:00 p.m. to 10:00 p.m. Monday to Friday and 9:00 a.m. to 8:00 p.m. on Saturdays and Sundays.

(d) The location for proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to the interstate highway system.

(e) To the extent possible, proposed facilities must be dispersed equitably and must be located to maximize potential for full utilization and profitable operation.

Sec. 3. [AGREEMENTS.]

The Minnesota amateur sports commission may enter into agreements with local units of government and provide financial assistance in the form of grants for the construction of ice arena facilities that in the determination of the commission, conform to its criteria.

Sec. 4. [ICE FACILITIES DEVELOPMENT ACCOUNT.]

The ice facilities development account is established in the general fund to receive money resulting from the tax imposed under Minnesota Statutes, section 297A.01, subdivision 3, paragraph (1). The money in the account must be used only for grants to be made for public ice facilities and for amateur sports commission expenses in developing proposals to build ice facilities according to commission criteria.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to ice arena facilities; establishing criteria for the amateur sports commission to use in developing and providing financial assistance to local governmental units for constructing public ice arenas for certain purposes."

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

The report was adopted.

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

H. F. No. 2920, A bill for an act relating to the environment; reestablishing the office of waste management as the office of environmental assistance; transferring environmental assistance programs from the pollution control agency to the office; transferring waste management and policy planning from the metropolitan council to the office; amending Minnesota Statutes 1992, sections 115A.03, by adding a subdivision; 115A.055; 115A.06, subdivision 2; 115A.072; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 5; 115A.411, subdivision 1; 115A.42; 115A.5501, subdivision 2; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.912, subdivision 1; 115A.96, subdivision 2; 116F.02, subdivision 2; 473.149, subdivisions 1, 3, 5, and by adding a subdivision; 473.8011; 473.803, subdivisions 2 and 4; and 473.823, subdivision 5; Minnesota Statutes 1993 Supplement, sections 115A.551, subdivision 4; 115A.96, subdivisions 3 and 4; 115A.981, subdivision 3; 473.149, subdivision 6; 473.803, subdivision 3; and 473.846; repealing Minnesota Statutes 1992, sections 115A.81, subdivision 3; 115A.914, subdivision 1; 115A.952; 116F.06, subdivisions 2, 3, 4, and 5; 116F.08; 473.181, subdivision 4; and 473.803, subdivision 1b; Minnesota Statutes 1993 Supplement, section 473.149, subdivision 4.

Reported the same back with the following amendments:

Page 2, lines 4 to 6, delete the new language and insert "The personnel, powers, or duties of the office may not be transferred under section 16B.37."

Page 3, line 35, after "metropolitan" insert "council"

Page 5, line 4, delete "natural resources," and delete the second comma

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3041, A bill for an act relating to metropolitan government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 473.551; 473.552; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 423A.02, subdivision 1, is amended to read:

Subdivision 1. [AMORTIZATION STATE AID.] (a) A municipality in which is located a local police or salaried firefighters' relief association to which the provisions of section 69.77, apply, that had an unfunded actuarial accrued liability in the most recent relief association actuarial valuation, is entitled, upon application as required by the commissioner of revenue, to receive local police and salaried firefighters' relief association amortization state aid if the municipality and the appropriate relief association both comply with the applicable provisions of sections 69.031, subdivision 5, 69.051, subdivisions 1 and 3, and 69.77. If a municipality loses entitlement for amortization state aid in any year because its local relief association no longer has an unfunded actuarial accrued liability, the municipality is not entitled to amortization state aid in any subsequent year.

(b) The total amount of amortization state aid to all entitled municipalities must not exceed ~~\$5,055,000~~ \$4,305,000, except as provided in paragraph (f).

(c) Subject to the adjustment for the city of Minneapolis provided in this paragraph, the amount of amortization state aid to which a municipality is entitled annually is an amount equal to the level annual dollar amount required to amortize, by December 31, 2010, the unfunded actuarial accrued liability of the special fund of the appropriate relief

association as reported in the December 31, 1978, actuarial valuation of the relief association prepared under sections 356.215 and 356.216, reduced by the dollar amount required to pay the interest on the unfunded actuarial accrued liability of the special fund of the relief association for calendar year 1981 set at the rate specified in Minnesota Statutes 1978, section 356.215, subdivision 4, clause (4). For the city of Minneapolis, the amortization state aid amount thus determined must be reduced by ~~\$747,232~~ \$1,147,232 on account of the Minneapolis police relief association and by ~~\$772,768~~ \$1,122,768 on account of the Minneapolis fire department relief association. If the amortization state aid amounts determined under this paragraph exceed the amount appropriated for this purpose, the amortization state aid for actual allocation must be reduced pro rata.

(d) Payment of amortization state aid to municipalities must be made directly to the municipalities involved in four equal installments on March 15, July 15, September 15 and November 15 annually. Upon receipt of amortization state aid, the municipal treasurer shall transmit the aid amount to the treasurer of the local relief association for immediate deposit in the special fund of the relief association.

(e) The commissioner of revenue shall prescribe and periodically revise the form for and content of the application for the amortization state aid.

(f) If in any year the Minneapolis police relief association does not have excess investment income under sections 423B.01, subdivision 9, and 423B.15, subdivision 3, of at least \$400,000, the amount of amortization aid for the city of Minneapolis for that year must be increased so that the sum of excess investment income and additional amortization aid equals \$400,000. If in any year the Minneapolis fire department relief association does not have excess investment income under Laws 1989, chapter 319, article 19, section 7, subdivisions 1 and 4, as amended, of at least \$350,000, the amount of amortization aid for the city of Minneapolis for that year must be increased so that the sum of excess investment income and additional amortization aid equals \$350,000. The amount necessary to pay these amounts of additional amortization aid is appropriated annually from the general fund to the commissioner of revenue.

Sec. 2. Minnesota Statutes 1992, section 423B.01, subdivision 9, is amended to read:

Subd. 9. [EXCESS INVESTMENT INCOME.] "Excess investment income" means the amount, if any, by which the average time weighted total rate of return earned by the fund in the most recent prior five fiscal year years has exceeded the actual average percentage increase in the current monthly salary of a first grade patrol officer in the most recent prior five fiscal year years plus two percent, and must be expressed as a dollar amount and may not exceed one percent of the total assets of the fund ~~and does not exist unless the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a first grade patrol officer during the previous five calendar years.~~

Sec. 3. Minnesota Statutes 1992, section 423B.15, subdivision 3, is amended to read:

Subd. 3. [AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT.] The amount determined under subdivision 2 must be applied in accordance with this subdivision. The relief association shall apply the first one-half of excess investment income to the payment of an annual postretirement payment as specified in this subdivision. The second one-half of excess investment income must be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the average time weighted total rate of return for the most recent prior five fiscal years exceeds by two percent the actual average percentage increase in the current monthly salary of a top grade patrol officer in the most recent prior five fiscal year ~~and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade patrol officer of the previous five years.~~ The total amount of all payments to members may not exceed the amount determined under this subdivision. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less.

A person who received a pension or benefit for the entire 12 months before the determination date is eligible for a full annual postretirement payment. A person who received a pension or benefit for less than 12 months before the determination date is eligible for a prorated annual postretirement payment.

Sec. 4. Minnesota Statutes 1992, section 473.551, is amended to read:

473.551 [DEFINITIONS.]

Subdivision 1. [TERMS.] For the purposes of sections 473.551 to ~~473.595~~ 473.599, the following terms shall have the meanings given in this section.

Subd. 2. [CITIES.] "Cities" means the cities of Minneapolis, Bloomington, and Richfield.

Subd. 3. [COMMISSION.] "Commission" means the metropolitan sports facilities commission.

Subd. 4. [METRODOME DEBT SERVICE.] "Metrodome debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.581 ~~or assumed by the council or for which the council is obligated under section 473.564.~~

Subd. 5. [METROPOLITAN SPORTS AREA.] "Metropolitan sports area" means the real estate in the city of Bloomington described in the ownership and operations agreement, and all buildings, structures, improvements and equipment thereon, ~~now including the met center, owned by the cities on May 17, 1977, the date of enactment of sections 473.551 to 473.595, and since transferred to the commission pursuant to sections 473.551 to 473.595.~~

Subd. 6. [METROPOLITAN SPORTS AREA COMMISSION.] "Metropolitan sports area commission" means that commission established by an ownership and operations agreement made and entered into as of August 13, 1954, validated by Laws 1955, Chapter 445, to which the cities ~~are now parties~~ were parties on May 17, 1977.

Subd. 7. [MULTIPURPOSE SPORTS FACILITY.] "Multipurpose sports facility" means a single unit sports facility suitable for university or major league professional baseball, football, and soccer.

Subd. 8. [SPORTS FACILITY OR SPORTS FACILITIES.] "Sports facility" or "sports facilities" means real or personal property comprising a stadium ~~or, stadiums, or arenas~~ suitable for university or major league professional baseball ~~or, for university or major league professional football and soccer, or for both, or for university or major league hockey or basketball, or for both,~~ together with adjacent parking facilities, including on the effective date of this act, the metrodome, the met center, and, upon acquisition by the commission, the basketball and hockey arena.

Subd. 9. [METRODOME.] "Metrodome" means the Hubert H. Humphrey Metrodome located in the city of Minneapolis constructed and owned by the commission and financed by the bonds of the council issued pursuant to sections 473.551 to 473.595, including all real estate, buildings, improvements, and equipment in and on them.

Subd. 10. [BASKETBALL AND HOCKEY ARENA.] "Basketball and hockey arena" means the indoor arena building currently occupied and utilized for the playing of university or major league basketball, hockey, and other purposes located in the city of Minneapolis, including all improvements and equipment in the arena and the leasehold or other interest in the arena land appurtenant to the arena, but excluding the health club.

Subd. 11. [HEALTH CLUB.] "Health club" means that separate portion of the basketball and hockey arena building occupied and utilized by a private sports and health club on the effective date of this act, the improvements and equipment in and on it, and the leasehold or other interest in the arena land appurtenant to it.

Subd. 12. [MET CENTER.] "Met center" means the real estate in the city of Bloomington presently owned by the commission, formerly utilized for major league hockey, and all buildings, improvements, and equipment in and on it.

Subd. 13. [DEVELOPMENT AGREEMENT.] "Development agreement" means the second amended and restated development agreement among the Minneapolis community development agency, Northwest Racquet, Swim & Health Clubs, Inc., and the city of Minneapolis dated August 5, 1988, and as amended before the effective date of this act.

Subd. 14. [GROUND LEASE.] "Ground lease" means the ground lease of the arena land between the Minneapolis community development agency and Northwest Racquet, Swim & Health Clubs, Inc., dated August 5, 1988, and as amended before the effective date of this act.

Subd. 15. [GUARANTORS.] "Guarantors" means the individuals who have guaranteed to the Minneapolis community development agency and the city of Minneapolis the performance of the development agreement, ground lease, and certain other obligations pursuant to written guaranty dated February 17, 1988.

Subd. 16. [ARENA LAND.] "Arena land" means the real estate upon which the basketball and hockey arena and health club have been constructed and any adjacent parcel or parcels which are owned by the city of Minneapolis and subject to the development agreement or the ground lease and all rights, privileges, and easements appertaining to it.

Subd. 17. [BASKETBALL AND HOCKEY ARENA DEBT SERVICE.] "Basketball and hockey arena debt service" means the principal and interest due each year on all bonds or revenue anticipation certificates issued by the council under section 473.599.

Sec. 5. Minnesota Statutes 1992, section 473.552, is amended to read:

473.552 [LEGISLATIVE POLICY; PURPOSE.]

The legislature finds that

(a) the population in the metropolitan area has a need for sports facilities and that this need cannot be met adequately by the activities of individual municipalities, by agreements among municipalities, or by the private efforts of the people in the metropolitan area,

(b) the commission's ownership and operation of the metrodome and met center has met in part the foregoing need and has promoted the economic and social interests of the metropolitan area, of the state, and of the public, and

(c) the commission's acquisition of the basketball and hockey arena on the terms and conditions provided in sections 473.598 and 473.599 shall similarly and more fully meet the foregoing needs and promote these interests.

It is therefore necessary for the public health, safety and general welfare to establish a procedure for the acquisition and betterment of sports facilities and to create a metropolitan sports facilities commission.

Sec. 6. Minnesota Statutes 1992, section 473.556, is amended to read:

473.556 [POWERS OF COMMISSION.]

Subdivision 1. [GENERAL.] The commission shall have all powers necessary or convenient to discharge the duties imposed by law, including but not limited to those specified in this section.

Subd. 2. [ACTIONS.] The commission may sue and be sued, and shall be a public body within the meaning of chapter 562.

Subd. 3. [ACQUISITION OF PROPERTY.] The commission may acquire by lease, purchase, gift, or devise all necessary right, title, and interest in and to real or personal property deemed necessary to the purposes contemplated by sections 473.551 to 473.595 473.599 within the limits of the metropolitan area.

Subd. 4. [EXEMPTION OF PROPERTY.] Any real or personal property acquired, owned, leased, controlled, used, or occupied by the commission for any of the purposes of sections 473.551 to ~~473.595~~ 473.599 is declared to be acquired, owned, leased, controlled, used and occupied for public, governmental, and municipal purposes, and shall be exempt from ad valorem taxation by the state or any political subdivision of the state, provided that such properties shall be subject to special assessments levied by a political subdivision for a local improvement in amounts proportionate to and not exceeding the special benefit received by the properties from the improvement. No possible use of any such properties in any manner different from their use under sections 473.551 to ~~473.595~~ 473.599 at the time shall be considered in determining the special benefit received by the properties. All assessments shall be subject to final confirmation by the council, whose determination of the benefits shall be conclusive upon the political subdivision levying the assessment. Notwithstanding the provisions of section 272.01, subdivision 2, or 273.19, real or personal property leased by the commission to another person for uses related to the purposes of sections 473.551 to ~~473.595~~ 473.599, including the operation of the metropolitan sports area, ~~but not including property sold or leased for development pursuant to subdivision 6, metrodome, met center, and, if acquired by the commission, the basketball and hockey arena~~ shall be exempt from taxation regardless of the length of the lease. The provisions of this

subdivision, insofar as they require exemption or special treatment, shall not apply to any real property ~~at the metropolitan sports area comprising the met center~~ which is leased by the commission for development pursuant to ~~subdivision 6 residential, business, or commercial development or other purposes different from those contemplated in sections 473.551 to 473.599.~~

Subd. 5. [FACILITY OPERATION.] The commission may equip, improve, operate, manage, maintain, and control the ~~metropolitan sports area metrodome, met center, basketball and hockey arena~~ and sports facilities constructed ~~or, remodeled, or acquired~~ under the provisions of sections 473.551 to ~~473.595~~ 473.599.

Subd. 6. [DISPOSITION OF PROPERTY.] (a) The commission may sell, lease, 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 accordance with the procedures~~ provided by section 469.065, insofar as practical and consistent with sections 473.551 to ~~473.595~~ 473.599.

(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 may be sold or leased for residential, commercial, or industrial development in accordance with the procedures in section 469.065 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, rules 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 to further the general plan of port improvement or industrial development or for any other purpose which the authority considers to be in the best interests of the district and its people. The property shall be sold or leased to the authority in accordance with section 469.065, subdivisions 1 to 4. Section 469.065, subdivisions 5 to 7, shall not apply to a sale under this paragraph.~~

(d) ~~Real property disposed of under clause (c) 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.

Subd. 7. [CONTRACTS.] The commission may contract for materials, supplies, and equipment in accordance with section 471.345, except that the commission may employ persons, firms, or corporations to perform one or more or all of the functions of architect, engineer, construction manager, or contractor for both design and construction, with respect to all or any part of a project to build or remodel sports facilities. Contractors shall be selected through the process of public bidding, provided that it shall be permissible for the commission to narrow the listing of eligible bidders to those which the commission determines to possess sufficient expertise to perform the intended functions. Any construction manager or contractor shall certify, before the contracts are finally signed, a construction price and completion date to the commission and shall post a bond in an amount at least equal to 100 percent of the certified price, to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date. The commission shall secure surety bonds as required in section 574.26, securing payment of just claims in connection with all public work undertaken by it. Persons entitled to the protection of the bonds may enforce them as provided in sections 574.28 to 574.32, and shall not be entitled to a lien on any property of the commission under the provisions of sections 514.01 to 514.16.

Subd. 8. [EMPLOYEES; CONTRACTS FOR SERVICES.] The commission may employ persons and contract for services necessary to carry out its functions. The commission may employ on such terms as it deems advisable persons or firms for the purpose of providing traffic officers to direct traffic on property under the control of the commission and on the city streets in the general area of the property controlled by the commission. The traffic officers shall not be peace officers and shall not have authority to make arrests for violations of traffic rules.

Subd. 9. [GIFTS AND GRANTS.] The commission may accept gifts of money, property, or services, may apply for and accept grants or loans of money or other property from the United States, the state, any subdivision of the state, or any person for any of its purposes, may enter into any agreement required in connection therewith, and may hold, use, and dispose of such money, property, or services in accordance with the terms of the gift, grant, loan or agreement relating thereto. Except for the acquisition, clearance, relocation, and legal costs referred to in section 473.581, subdivision 3, clauses (d) and (e), the commission shall not accept gifts, grants, or loans valued in excess of

\$2,000,000 without the prior approval of the council. In evaluating proposed gifts, grants, loans, and agreements required in connection therewith, the council shall examine the possible short-range and long-range impact on commission revenues and commission operating expenditures.

Subd. 10. [RESEARCH.] The commission may conduct research studies and programs, collect and analyze data, prepare reports, maps, charts, and tables, and conduct all necessary hearings and investigations in connection with its functions.

Subd. 11. [AGREEMENTS WITH UNIVERSITY.] The commission and the board of regents of the University of Minnesota may enter into agreements and do all other acts necessary to further the functions prescribed in sections 473.551 to 473.595 ~~473.599~~.

Subd. 12. [USE AGREEMENTS.] The commission may lease, license, or enter into agreements and may fix, alter, charge, and collect rentals, fees, and charges to all persons for the use, occupation, and availability of part or all of any premises, property, or facilities under its ownership, operation, or control for purposes that will provide athletic, educational, cultural, commercial or other entertainment, instruction, or activity for the citizens of the metropolitan area. Any such use agreement may provide that the other contracting party shall have exclusive use of the premises at the times agreed upon.

Subd. 13. [INSURANCE.] The commission may require any employee to obtain and file with it an individual bond or fidelity insurance policy. It may procure insurance in the amounts it deems necessary against liability of the commission or its officers and employees for personal injury or death and property damage or destruction, with the force and effect stated in chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property.

Subd. 14. [SMALL BUSINESS CONTRACTS.] In exercising its powers to contract for the purchase of services, materials, supplies, and equipment, pursuant to subdivisions 5, 7, 8 and 10, the commission shall designate and set aside each fiscal year for awarding to small businesses approximately ten percent of the value of anticipated contracts and subcontracts of that kind for that year, in the manner required of the commissioner of administration for state procurement contracts pursuant to sections 16B.19 to 16B.22. The commission shall follow the rules promulgated by the commissioner of administration pursuant to section 16B.22, and shall submit reports of the kinds required of the commissioners of administration and economic development by section 16B.21.

Subd. 16. [AGREEMENTS WITH AMATEUR SPORTS COMMISSION.] (a) The commission and the Minnesota amateur sports commission created pursuant to chapter 240A may enter into long-term leases, use or other agreements for the conduct of amateur sports activities at the metro dome or the basketball and hockey arena, and the net revenues from the activities may be pledged, respectively, for metro dome debt service or basketball and hockey arena debt service, as the case may be. The commission, with the advice of the Minnesota amateur sports commission, shall establish standards to provide reasonable assurances to other public bodies owning or operating an entertainment or sports complex or indoor sports arena in the metropolitan area that the agreements between the commission and the Minnesota amateur sports commission with respect to the basketball and hockey arena shall not remove the conduct of amateur sports activities currently and traditionally held at such facilities.

(b) Any long-term lease, use or other agreement entered into by the Minnesota amateur sports commission with the commission under paragraph (a) must also:

(1) provide for a release of the Minnesota amateur sports commission from its commitment under the agreement if the legislature repeals or amends a standing appropriation or otherwise does not appropriate sufficient money to fund the lease or agreement to the Minnesota amateur sports commission; and

(2) provide for a release of the Minnesota amateur sports commission from its commitment under the agreement and permit it to agree to a per event use fee when the bonds issued for the metro dome under section 473.581 have been retired.

(c) No long-term lease, use or other agreement entered into by the Minnesota amateur sports commission under paragraph (a) may commit the amateur sports commission to paying more than \$750,000 per year.

(d) Any long-term lease, use or other agreement entered into under paragraph (a) shall provide that the Minnesota amateur sports commission shall be entitled to use of the basketball and hockey arena or metro dome for a minimum of 50 event days per year. In addition, any long-term lease, use, or other agreement entered into under paragraph (a) shall permit the Minnesota amateur sports commission to allow another person or organization to use one or more of its days.

Subd. 17. [CONDOMINIUMIZATION.] The commission may, by itself or together with the Minneapolis community development agency and any other person, as to any real or personal property comprising or appurtenant or ancillary to the basketball and hockey arena or the arena land and the health club, act as a declarant and establish a condominium or leasehold condominium under chapter 515A or a common interest community or leasehold common interest community under chapter 515B, and may grant, establish, create, or join in other or related easements, agreements and similar benefits and burdens that the commission may deem necessary or appropriate, and exercise any and all rights and privileges and assume obligations under them as a declarant, unit owner or otherwise, insofar as practical and consistent with sections 473.551 to 473.599. The commission may be a member of an association and the chair, any commissioners and any officers and employees of the commission may serve on the board of an association under chapter 515A or 515B.

Sec. 7. Minnesota Statutes 1992, section 473.561, is amended to read:

473.561 [EXEMPTION FROM COUNCIL REVIEW.]

The acquisition and betterment of sports facilities by the commission shall be conducted pursuant to sections 473.551 to 473.595 473.599 and shall not be affected by the provisions of sections 473.161, 473.165, and 473.173.

Sec. 8. Minnesota Statutes 1992, section 473.564, subdivision 2, is amended to read:

~~Subd. 2. [ASSUMPTION OF OBLIGATIONS.] Upon transfer of ownership of the metropolitan sports area to the commission, the council shall be and become obligated and shall provide for the payment of the principal and interest thereafter due and payable with respect to the general obligation bonds and revenue bonds issued by the city of Minneapolis under the provisions of the ownership and operations agreement among the cities and amendments thereto. The council shall provide to Minneapolis funds sufficient to meet the payments and to maintain the sinking fund pursuant to the agreement. When the balance in the sinking fund is sufficient to pay all remaining bonds and interest to their maturity dates, or to an earlier date on which they have been called for redemption, the obligation of the council shall be discharged. When the principal and interest on the bonds have been paid in full, any balance remaining in the sinking fund, including interest earnings, shall be remitted to the council and used by the council for debt service. Upon transfer of ownership of the metropolitan sports area to the commission, the commission shall assume all of the cities' obligations and those of the metropolitan sports area commission under the provision of all use agreements now in effect, entered into by the metropolitan sports area commission on behalf of the cities, providing for the use of the metropolitan sports area or any part thereof by any person. The cities and the metropolitan sports area commission shall cause to be executed all assignments and other documents as the commission, upon advice of counsel, shall deem necessary or desirable and appropriate to vest all their rights and privileges under the agreements in the commission. Nothing herein shall be construed as imposing upon the council or commission an obligation to compensate the cities or the metropolitan sports area commission for all or any part of the metropolitan sports area or to continue to operate and maintain the metropolitan sports area facilities taken over by the commission.~~

Sec. 9. Minnesota Statutes 1992, section 473.572, is amended to read:

473.572 [REVISED FINAL DETERMINATION.]

~~Subdivision 1. Notwithstanding any final determination reached by the commission on or before December 1, 1978, pursuant to section 473.571, subdivision 6, the commission shall make a revised determination on a sports facility or sports facilities which facility or facilities (1) may be covered, (2) may include use of the existing or a remodeled metropolitan stadium for baseball, and (3) shall be located in Hennepin county. The decision shall be made within 30 days after May 26, 1979. In making its decision the commission may rely on data previously submitted and reviewed pursuant to section 473.571 and need not require new data even if modifications are made in an alternative previously considered. The commission shall give full consideration to the needs of the University of Minnesota when making its revised determination.~~

~~Subd. 2. Except as provided in this section, The council shall make all determinations required by section sections 473.581, subdivision 3, and 473.599 before it authorizes the issuance of bonds.~~

~~Subd. 3. 2. It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of section 473.581, subdivision 3, impose rates, rentals and other charges in the operation of the sports facility metrodome which will make the sports facility metrodome self supporting so that the taxes imposed under section 473.592 for the metrodome will be at the lowest possible rate consistent with the obligations of the political subdivision levying those taxes city of Minneapolis as provided in sections 473.551 to 473.595.~~

Sec. 10. Minnesota Statutes 1992, section 473.581, is amended to read:

473.581 [DEBT OBLIGATIONS.]

Subdivision 1. [BONDS.] The council may by resolution authorize the sale and issuance of its bonds for any or all of the following purposes:

(a) To provide funds for the acquisition or betterment of ~~sports facilities~~ the metrodome by the commission pursuant to sections 473.551 to 473.595;

(b) To refund bonds issued hereunder and bonds upon which the council is obligated under section 473.564; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the commission's functions related to the metrodome and the met center.

Subd. 2. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.595, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under that chapter. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.595, excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, the taxes for the basketball and hockey arena provided in section 473.592, and other revenues attributable to the basketball and hockey arena. The bonds shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, provided that nothing herein shall affect the obligation of ~~any political subdivision~~ the city of Minneapolis to levy a tax pursuant to ~~an agreement~~ agreements made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 3.

Subd. 3. [LIMITATIONS.] The principal amount of the bonds issued pursuant to subdivision 1, clause (a), shall not exceed the amounts hereinafter authorized. If the commission's proposal and the construction contracts referred to in clause (g) of this subdivision provide for the construction of a covered multipurpose sports facility, the total cost of constructing the facility under the construction contracts, not including costs paid from funds provided by others, and the principal amount of bonds issued pursuant to subdivision 1, clause (a), shall be limited to \$55,000,000. If the commission's proposal and the construction contracts do not provide for the construction of a cover on a proposed multipurpose sports facility and the commission does not otherwise contract for the construction or acquisition of a cover for the sports facility, the principal amount shall be limited to \$42,000,000. If the commission's proposal and the construction contracts provide for the construction of a new sports facility for football and soccer and for remodeling the existing metropolitan stadium for baseball, the principal amount shall be limited to \$37,500,000. If the commission's proposal and the construction contracts provide for the reconstruction and remodeling of the existing metropolitan stadium as an uncovered multipurpose sports facility, the principal amount shall be limited to \$25,000,000. The bonds issued pursuant to subdivision 1, clause (a), shall bear an average annual rate of interest, including discount, not in excess of 7-1/2 percent. The proceeds of the bonds issued pursuant to subdivision 1, clause (a), shall be used only for the acquisition and betterment of sports facilities suitable for baseball, football and soccer, with a seating capacity for football and soccer of approximately 65,000 persons. The council shall issue its bonds and construction of sports facilities may commence when the council has made the following determinations:

(a) The commission has executed agreements with major league professional baseball and football organizations to use ~~its sports facilities~~ the metrodome for all scheduled regular season home games and play-off home games and, in the case of the football organization, for at least one-half of its exhibition games played each season. The agreements shall be for a period of not more than 30 years nor less than the term of the longest term bonds that in the council's judgment it may find it necessary to issue to finance the acquisition and betterment of the ~~commission's sports facilities~~ metrodome. The agreements may contain provisions negotiated between the organizations and the commission which provide for termination upon conditions related and limited to the bankruptcy, insolvency, or financial capability of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages annually to the commission. The annual payment shall be in an amount equal to the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization during the years prior to default, provided that the damages shall not exceed in any year an amount sufficient, with other revenues of the commission but excluding proceeds of the taxes under section 473.592, to pay all expenses of operation, maintenance, administration, and debt service for the ~~facilities used~~ use of the metrodome by the defaulting organization during the same year. The damages shall be payable during the period

from the occurrence of the default to the date on which another major league professional baseball or football organization, replacing the defaulting organization, enters into a use agreement with the commission for not less than the then remaining term of the original agreement. The agreements with the teams shall provide that no closed circuit or pay television broadcasting of events in the ~~sports facility~~ metrodome may be allowed without the approval of the commission. The agreements shall include provisions protecting the commission and the council in the event of change in ownership of the professional teams.

(b) The commission has executed agreements with professional baseball and football major leagues which guarantee the continuance of franchises in the metropolitan area for the period of the agreements referred to in clause (a).

(c) The proceeds of bonds provided for in this subdivision will be sufficient, together with other capital funds that may be available to the commission for expenditures on the metrodome, to construct or remodel and to furnish the ~~sports facilities~~ metrodome proposed by the commission, including the appropriate professional fees and charges but excluding, except as otherwise provided in this subdivision, the acquisition, clearance, relocation, and legal costs referred to in clauses (d) and (e).

(d) The commission has acquired, without cost to the commission or the council except as provided in this subdivision, title to all real property including all easements and other appurtenances needed for the construction and operation of ~~any proposed sports facilities~~ the metrodome or has received a grant of funds or has entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to make any payment upon which the commission's acquisition of title and possession of the real property is conditioned.

(e) The commission has received a grant of funds or entered into an agreement or agreements sufficient in the judgment of the council to assure the receipt of funds, at the time and in the amount required, to pay all costs, except as provided in this subdivision, of clearing the real property needed for the construction and operation of ~~any proposed sports facilities~~ the metrodome of all buildings, railroad tracks and other structures, including without limitation all relocation costs, all utility relocation costs, and all legal costs.

(f) The commission has executed agreements with appropriate labor organizations and construction contractors which provide that no labor strike or management lockout will halt, delay or impede construction.

(g) The commission has executed agreements which will provide for the construction of ~~its sports facilities~~ the metrodome for a certified construction price and completion date and which include performance bonds in an amount at least equal to 100 percent of the certified price to cover any costs which may be incurred over and above the certified price, including but not limited to costs incurred by the commission or loss of revenues resulting from incomplete construction on the completion date.

(h) The environmental impact statement for the ~~sports facility or facilities~~ metrodome has been accepted by the environmental quality board, and the pollution control agency and any other department, agency, or unit of government have taken the actions necessary to permit the construction of the ~~sports facility or facilities~~ metrodome.

(i) At least 50 percent of the private boxes provided for in the commission's proposal for the ~~sports facility or facilities~~ metrodome are sold or leased for at least five years.

(j) The anticipated revenue from the operation of the ~~sports facility or facilities~~ metrodome plus any additional available revenue of the commission and the revenue from the taxes under section 473.592 will be an amount sufficient to pay when due all debt service plus all administration, operating and maintenance expense.

(k) The commission has studied and considered the needs of the University of Minnesota for athletic facilities for a prospective 20 year period.

(l) The ~~municipality where the facility is to be constructed~~ city of Minneapolis has entered into an agreement as contemplated in section 473.592 as security for the metrodome.

(m) The commission has entered into an agreement or agreements with a purchaser or purchasers of tickets of admission for a period of not less than 20 years which will assure that whenever more than 90 and less than 100 percent of the tickets of admission for seats at any professional football game, which were available for purchase by the general public 120 hours or more before the scheduled beginning time of the game either at the ~~sports facility~~ metrodome where the game is to be played or at the box office closest to the ~~sports facility~~ metrodome, have been

purchased 72 hours or more before the beginning time of the game, then all of such tickets which remain unsold will be purchased in sufficient time to permit the telecast to areas within the state which otherwise would not receive the telecast because of the terms of an agreement in which the professional football league has sold or otherwise transferred all or part of the rights of the league's member organizations in the sponsored telecasting of games of the organizations. The party or parties agreeing to the purchase of such unsold tickets shall be obligated for a period of at least 20 years in an amount determined by the council to be sufficient to assure the purchase of all such unsold tickets.

(n) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection therewith, including any underwriting discounts, shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the ~~municipality in which any new sports facility is to be located~~ city of Minneapolis.

The validity of any bonds issued under subdivision 1, clause (a), and the obligations of the council and commission related thereto, shall not be conditioned upon or impaired by the council's determinations made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

Subd. 4. [SECURITY.] To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the metro dome, the tax and other revenues of the commission described in section 473.595, subdivision 1, and any other revenues of the commission attributable to the metro dome shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the ~~commission's sports facilities~~ metro dome until all bonds referred to in section 473.564, subdivision 2, and all bonds and certificates issued pursuant to this section are fully paid or discharged in accordance with law. ~~The revenue bonds and interest thereon referred to in section 473.564, subdivision 2, may be refunded, whether at a lower or a higher rate of interest, by the issuance of new bonds pursuant to subdivision 1, clause (b), for the purpose of pledging revenues of the metropolitan sports area for the payment and security of bonds issued hereunder, and the council may provide that a portion of the new bonds shall be payable solely from the interest earnings derived from the investment of the bond proceeds. Until these revenue bonds are fully paid or the council's obligation thereon is discharged in accordance with law they shall be deemed a first and prior charge on those revenues and shall be secured by all provisions of the revenue bond resolution and the ownership and operations agreement.~~ Bonds issued pursuant to this section and bonds referred to in section 473.564, subdivision 2, may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other metro dome and met center revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax and other revenues referred to in sections 473.551 to 473.595 (excepting only the admissions tax and surcharge related to the basketball and hockey arena provided in section 473.595, subdivision 1a, taxes described in section 473.592 for the basketball and hockey arena, and other revenues attributable to the basketball and hockey arena) from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing such payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council hereunder, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether such parties have notice thereof, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make such covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council thereunder are fully discharged.

Subd. 5. [REVENUE ANTICIPATION CERTIFICATES.] At any time or times after approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of ~~its sports facilities~~ the metro dome, and in anticipation of the proceeds from the taxes under section 473.592 for the metro dome and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in such form and manner and upon such terms as it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year.

Prior to the approval and final adoption of the first annual budget of the commission, the council may authorize up to \$300,000 in revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest thereon shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax and other revenues received, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 1 may be used, provided that the proceeds of certificates issued after May 26, 1979, shall not be used to pay capital costs of sports facilities the metrodom constructed or remodeled pursuant to sections 473.551 to 473.595.

Sec. 11. Minnesota Statutes 1992, section 473.592, is amended to read:

473.592 [TAX REVENUES.]

Subdivision 1. [LOCAL SALES TAX.] ~~Upon designation of a location for a sports facility pursuant to section 473.572, the municipality in which the facility is to be located~~ The city of Minneapolis may enter into an agreement ~~agreements with the metropolitan council and the commission which requires the municipality to impose a sales tax, supplemental to the general sales tax imposed in chapter 297A, for the purposes and in accordance with the requirements specified in sections 473.551 to 473.595~~ 473.599. If the city enters into agreements with the council and the commission, the tax may shall be imposed:

(a) on the gross receipts from all retail on-sales of intoxicating liquor and fermented malt beverages when sold at licensed on-sale liquor establishments and municipal liquor stores located within the municipality, or

(b) notwithstanding any limitations of Laws 1986, chapter 396, section 5, clause (2), on the gross receipts from the furnishing for consideration of lodging for a period of less than 30 days at a hotel, motel, rooming house, tourist court, or trailer camp located within the municipality, or

(c) on both. ~~The agreement between the municipality~~ the gross receipts on all sales of food primarily for consumption on or off the premises by restaurants and places of refreshment as defined by resolution of the city, or

(d) on any one or combination of the foregoing.

The agreement or agreements between the city, the metropolitan council, and the commission shall require the municipality to impose the tax or taxes at whatever rate or rates may be necessary to produce revenues which are determined by the council from year to year to be required, together with the revenues available to the commission, to pay when due all debt service on bonds and revenue anticipation certificates issued under section 473.581, all debt service on bonds referred to in section 473.564, subdivision 2 and revenue anticipation certificates issued under section 473.599, and all expenses of operation, administration, and maintenance of the sports facilities. The agreement shall provide for the suspension, reimposition, reduction, or increase in tax collections upon determination by the metropolitan council that such actions are appropriate or necessary for the purposes for which the tax is imposed, provided metrodom and the basketball and hockey arena and to provide that the balance in each of the metrodom debt service and the basketball and hockey arena debt service fund or funds, including any reserve for debt service, shall be maintained at least at an amount sufficient to pay the principal and interest on bonds which will become due within the next succeeding one year period, and, except as otherwise provided by agreement, shall not be maintained at an amount greater than that required to pay principal and interest on bonds which will become due within the next succeeding two year period. Once the tax collections are imposed by the city, they shall not be suspended. Revenues collected from these taxes in excess of the amount needed for debt services, operation, administration, or maintenance for the metrodom or the basketball or hockey arena must be allocated as follows: (1) one-half of the excess revenues must be used by the city to fund recreational facilities and programs in the city's neighborhoods for children and youth, through the Minneapolis park and recreation board; and (2) one-half of the excess revenues must be transmitted to the state treasury and deposited in the general fund. Funds deposited in the state treasury under clause (2) are appropriated to the amateur sports commission for youth sports programs outside of Minneapolis. The agreement agreements shall be executed by the city, after approval by resolution of the city council and before the issuance of the bonds under section 473.581 and commencement of construction, of the metrodom or the issuance of bonds under section 473.599 and acquisition of the basketball and hockey arena and shall constitute a contract or contracts with and for the security of all holders of the bonds and revenue anticipation certificates secured by the tax. A sports facility The metrodom shall not be constructed or remodeled in a municipality which has not entered into an agreement for the metrodom in accordance with this section. A basketball and hockey arena shall not be acquired

in the city of Minneapolis unless the city has entered into an agreement in accordance with this section as security for bonds issued pursuant to section 473.599 and expenses of operation, administration, and maintenance of the basketball and hockey arena. The tax shall be reported and paid to the commissioner of revenue with and as part of the state sales and use taxes, and shall be subject to the same penalties, interest, and enforcement provisions. The collections of the tax, less refunds and a proportionate share of the costs of collection, shall be remitted at least quarterly to the metropolitan council or the city of Minneapolis. The commissioner of revenue shall deduct from the proceeds remitted to the council or the city an amount that equals the indirect statewide costs as well as the direct and indirect department costs necessary to administer, audit, and collect this tax. The amount deducted shall be deposited in the general fund of the state. The proceeds remitted with respect to the metro dome shall be placed, together with the net revenues of the commission attributable to the metro dome under section 473.595, into the debt service fund or reserve or special funds, established under section 473.581, and any funds established to secure payment of operating deficits of the commission arising from its ownership and operation of the metro dome. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.581, debt service on bonds referred to in section 473.564, subdivision 2, and expenses of operation, administration, and maintenance of the sports facilities metro dome. The proceeds shall not be used for any capital costs of sports facilities constructed under sections 473.551 to 473.595 the metro dome, except that the proceeds may be used to pay interest on bonds during the construction period.

The proceeds remitted with respect to the basketball and hockey arena shall be placed, together with the net revenues of the commission attributable to the basketball and hockey arena under section 473.595, subdivision 1a, into the debt service fund or reserve or special funds, established under section 473.599, and any funds established to secure payment of operating deficits of the commission arising from its acquisition, ownership, operation, or maintenance of the basketball and hockey arena. The proceeds may be used for payment of debt service on bonds and revenue anticipation certificates issued under section 473.599, and expenses of operation, administration, and maintenance of the basketball and hockey arena.

Subd. 2. [METROPOLITAN LIQUOR TAX.] All proceeds of the liquor tax collected by the council pursuant to the provisions of Minnesota Statutes 1978, section 473.591, prior to August 1, 1979, not otherwise expended or applied as provided in this chapter, together with any earnings derived from the investment of such revenues, may be used for any purpose for which the tax revenues under subdivision 1 may be used.

Sec. 12. Minnesota Statutes 1992, section 473.595, is amended to read:

473.595 [COMMISSION FINANCES.]

Subdivision 1. [METRODOME ADMISSION TAX.] Effective January 1, 1978, The commission shall by resolution impose a three and maintain a ten percent admission tax upon the granting, issuance, sale, or distribution, by any private or public person, association, or corporation, of the privilege of admission to activities, except for those activities sponsored at the indoor public assembly facility at the metropolitan sports area known as the metropolitan sports center. Commencing with the operation of sports facilities constructed or remodeled by the commission pursuant to sections 473.551 to 473.595, the commission shall impose an additional seven percent admission tax upon activities conducted at such sports facilities. Effective January 1, 1978, at the metro dome. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon any such sale or distribution. The admission tax shall be stated and charged separately from the sales price so far as practicable and shall be collected by the grantor, seller, or distributor from the person admitted and shall be a debt from that person to the grantor, issuer, seller, or distributor, and the tax required to be collected shall constitute a debt owed by the grantor, issuer, seller, or distributor to the commission, which shall be recoverable at law in the same manner as other debts. The sales price shall include the price of the ticket and any service or other charge imposed by the grantor, issuer, seller, or distributor upon the reservation, processing, distribution, delivery, or sale of the ticket. Every person granting, issuing, selling, or distributing tickets for such admissions may be required, as provided in resolutions of the commission, to secure a permit, to file returns, to deposit security for the payment of the tax, and to pay such penalties for nonpayment and interest on late payments, as shall be deemed necessary or expedient to assure the prompt and uniform collection of the tax.

Notwithstanding any other provisions of this subdivision, the imposition of an admission tax upon a national superbowl football game conducted at the commission's facilities metro dome is discretionary with the commission.

Subd. 1a. [ARENA ADMISSION TAX.] The commission shall impose a ten percent admission tax on all tickets sold, issued, granted, or distributed for the privilege of admission to the basketball and hockey arena. In addition, the commission shall impose a surcharge in an amount to be determined by the commission, but not less than \$1 per ticket, on all tickets sold, issued, granted, or distributed for the privilege of admission to activities at the basketball

and hockey arena. The sales price shall include the price of the ticket and any service or other charge imposed by the grantor, issuer, seller, or distributor upon the reservation, processing, distribution, delivery, or sale of the ticket. No other tax, surcharge, or governmental imposition, except the taxes imposed by chapter 297A, may be levied by any other unit of government upon such a sale or distribution. The admission tax and surcharge for the privilege of admission to activities at the basketball and hockey arena shall be charged and added to the sales price of the ticket, and imposed and collected in the same manner provided for the metrodome pursuant to subdivision 1. The tax and surcharge provided for in this subdivision shall be effective from and after the date of the commission's acquisition of the basketball and hockey arena.

Subd. 2. [RENTALS; FEES; CHARGES.] Rentals, fees, and charges provided for in use agreements at the metrodome and basketball and hockey arena entered into by the commission shall be those estimated by the commission to be necessary and feasible to produce so far as possible, with commission revenues from other sources, the amounts needed for current operation, maintenance, and debt service. The commission shall with respect to ~~all facilities in the metropolitan sports area and any sports facility constructed pursuant to Laws 1977, chapter 89~~ the met center, the metrodome, and the basketball and hockey arena meet and confer with any public body, authority, or agency owning or operating an entertainment or sports complex, or indoor sports arena, in the metropolitan area in which Laws 1977, chapter 89 is effective, for the purpose of undertaking measures or agreements maximizing revenues and eliminating unnecessary operational expenditures.

Subd. 3. [BUDGET PREPARATION; REVIEW AND APPROVAL.] The commission shall comply with the provisions of section 473.163, provided that the entire budget, including operating revenues and expenditures for operation, administration, and maintenance, shall be subject to approval by the council, in accordance with the procedures described in section 473.163.

Subd. 4. [PAYMENT OF COUNCIL COSTS.] The commission shall comply with the provisions of section 473.164.

Subd. 5. [AUDIT.] The legislative auditor shall make an independent audit of the commission's books and accounts once each year or as often as the legislative auditor's funds and personnel permit. The costs of the audits shall be paid by the commission pursuant to section 3.9741. The council may examine the commission's books and accounts at any time.

Subd. 6. [GENERAL.] The commission shall receive and account for all tax and other revenue of the commission and from the revenue shall provide, contract, and pay for proper operation, administration, and maintenance of all of its property and facilities and shall maintain, as authorized by resolutions of the council, reserves for major repairs, replacements, and improvements and for working capital. The commission shall remit to the council for deposit in its metrodome debt service fund funds, at the times required by resolution of the council, the net revenue attributable to the metrodome in excess of these requirements and for deposit in its basketball and hockey arena debt service fund or funds, at the times required by resolution of the council, the net revenue attributable to the basketball and hockey arena in excess of these requirements.

Subd. 7. [SALE OF SEATS.] The commission may sell seats in any multipurpose sports facility constructed after June 30, 1979 at prices and subject to conditions consistent with this section. Ownership of a seat shall give the owner first preference for purchase of a season ticket of admission for professional sports exhibitions with a right to be seated in the owned seat. An owner may sell or otherwise transfer the rights on whatever terms the owner chooses. Rights to a seat may not be divided. No fee may be charged for a transfer of ownership of a seat. The commission may charge a maintenance fee not exceeding \$10 per year for each seat.

Sec. 13. Minnesota Statutes 1992, section 473.596, is amended to read:

473.596 [ACCESS STREETS AND HIGHWAYS, HIGHWAY USER TAX DISTRIBUTION FUND.]

No money derived from the highway user tax distribution fund shall be used to construct, relocate, or improve any streets, highways, or other public thoroughfares, except ones included in the municipal state aid street system established pursuant to article XIV, section 4, of the Minnesota Constitution if such work is done in order to provide or improve access to ~~a new sports facility~~ the metrodome constructed pursuant to sections 473.551 to 473.595. The commissioner of transportation shall determine whether expenditures are in violation of this section.

Sec. 14. [473.598] [ARENA ACQUISITION.]

Subdivision 1. [COMMISSION DETERMINATION.] The commission shall first determine whether to acquire the basketball and hockey arena.

Subd. 2. [COMMISSION PROPOSAL.] (a) If the commission makes a final determination to acquire the basketball and hockey arena, the commission may then submit to the metropolitan council a proposal to bond for and acquire the basketball and hockey arena. The commission's proposal shall contain all information deemed appropriate or necessary by the council. The commission, in preparing the proposal for the council, may require of the professional teams that are potential lessees or other potential lessees and all of their affiliated entities any and all data deemed relevant by the commission to the acquisition, financing, ownership, and operation of the basketball and hockey arena, including, but not limited to, contracts, agreements, profit and loss statements, annual audit statements and balance sheets. The commission and council may keep the data confidential except for members of the commission and the council, their staff members, counsel, accountants, and consultants to the commission and council. In evaluating whether to acquire the basketball and hockey arena, the commission shall consider among other factors, (a) total capital and operating costs of the basketball and hockey arena to the commission and total commission revenues from the basketball and hockey arena over the expected life of the facility, including any contributions by the state, local units of government or other organizations, (b) the total governmental costs associated with the acquisition and operation of the basketball and hockey arena, including the cost to all units and agencies of government as well as the costs to the commission, (c) the net gain or loss of taxes to the state and all local government units, and (d) economic and other benefits accruing to the public.

(b) Before submitting its proposal to the metropolitan council under paragraph (a), the commission shall submit the proposal to the legislative auditor and the department of finance for review, evaluation, and comment. The legislative auditor shall present the evaluation and comments to the legislative audit commission. Both the legislative auditor and the commissioner of finance shall present their evaluation and comments to the chairs of the house taxes, and ways and means committees, to the chair of the state government finance division of the house governmental operations committee, and to the chairs of the senate taxes and finance committees. Any data that the commission and council have agreed to keep confidential under paragraph (a) is nonpublic data or private data on individuals for purposes of chapter 13 when given to the legislative auditor or the department of finance.

Subd. 3. [HOCKEY AGREEMENT.] The commission shall exercise its best efforts, consistent with its other obligations under sections 473.551 to 473.599 to attempt to secure an agreement with a major league professional hockey organization to play its home games at the basketball and hockey arena.

Sec. 15. [473.599] [DEBT OBLIGATIONS.]

Subdivision 1. [REVENUES.] It is the intent of the legislature that the commission shall, to the maximum extent possible consistent with the provisions of this section, impose rates, rentals, and other charges in the operation of the basketball and hockey arena which together with the admissions tax and surcharge provided in section 473.595, subdivision 1a, will make the basketball and hockey arena self-supporting so that the taxes imposed under section 473.592 for the basketball and hockey arena will be at the lowest possible rate consistent with the obligations of the city of Minneapolis as provided in sections 473.551 to 473.599.

Subd. 2. [BONDS.] The council shall by resolution authorize the sale and issuance of its bonds for any of the following purposes upon its determination that the conditions of subdivision 4 have been met:

(a) To provide funds for the acquisition or betterment of the basketball and hockey arena by the commission pursuant to sections 473.598 and 473.599;

(b) To refund bonds issued under this section; and

(c) To fund judgments entered by any court against the commission or against the council in matters relating to the basketball and hockey arena.

Subd. 3. [PROCEDURE.] The bonds shall be sold, issued, and secured in the manner provided in chapter 475 for bonds payable solely from revenues, except as otherwise provided in sections 473.551 to 473.599, and the council shall have the same powers and duties as a municipality and its governing body in issuing bonds under chapter 473. The council may pledge for the payment of the bonds the net revenues of the commission arising from the commission's operation of the basketball and hockey arena, the tax provided by section 473.592 for the basketball and hockey arena, and the admission tax and surcharge authorized in section 473.595, subdivision 1a. The bonds may be sold at any price and at public or private sale as determined by the council. They shall be payable solely from tax and other revenues referred to in sections 473.551 to 473.599, and shall not be a general obligation or debt of the council or of the commission, and shall not be included in the net debt of any city, county, or other subdivision of the state for the purpose of any net debt limitation, but nothing in this section shall affect the obligation of the city of Minneapolis to levy a tax pursuant to an agreement made under the provisions of section 473.592. No election shall be required. The principal amount shall not be limited except as provided in subdivision 4.

Subd. 4. [LIMITATIONS.] The principal amount of the bonds issued pursuant to subdivision 2, clause (a), exclusive of any original issue discount, shall not exceed the total amount of \$42,000,000 plus such amount as the council determines necessary to pay the costs of issuance, fund reserves for operation and debt service, and pay for any bond insurance or other credit enhancement. The bonds may be issued as tax-exempt revenue bonds or as taxable revenue bonds. The proceeds of the bonds issued pursuant to subdivision 2, clause (a), shall be used only for acquisition and betterment of sports facilities suitable for a basketball and hockey arena and the arena land and the related purposes referred to in this subdivision. The council shall issue its bonds pursuant to subdivision 2, clause (a), and the commission may acquire the basketball and hockey arena and the arena land when the council has made the following determinations:

(a) The commission has executed agreements with the current major league professional basketball organization to use the arena for all scheduled regular season home games and play-off home games, and for at least one of its exhibition games played each season. The agreements shall be for a period of 30 years. The agreements may contain provisions negotiated between the organizations and the commission which provide for earlier termination by the commission upon conditions related to and limited to the bankruptcy or insolvency of the organization. The agreements shall provide that, in the event of breach of the agreements, the defaulting organization shall pay damages to the commission. The damages payment shall be in an amount deemed appropriate by the commission but shall not be less than an amount sufficient to make whole the council and the commission for the loss of revenue suffered by the commission by reason of the breach as measured by the annual average of all revenue derived by the commission from attendance at events and activities of the defaulting organization or organizations during the years prior to the breach, extended for the remaining portion of the 30-year term of the agreements or until another major league professional basketball organization enters into a use agreement with the commission for not less than the remaining portion of the 30-year term. Provided, that the damages payment, if determined appropriate by the commission need not exceed an amount, sufficient with other revenues of the commission attributable to the basketball and hockey arena, but excluding proceeds of any taxes imposed under section 473.592, to pay all expenses of operation, maintenance, repair, replacements, and administration of the basketball and hockey arena and all basketball and hockey arena debt service. The damages payment may be payable in a lump sum or in installments as the commission may deem appropriate. The commission may require that the agreements include other terms and conditions to provide reasonable assurances that the current major league professional basketball team or a successor major league professional basketball team will play the required games at the basketball and hockey arena during the 30-year term of the agreements, or, in the event of a breach, to assure the payment of the required damages. The agreements shall include provisions to protect the commission and the council in the event of change of ownership of the professional teams. The agreement with the professional basketball organization shall provide for arrangements which the commission may deem necessary or appropriate to accommodate a future agreement between the commission and a professional hockey organization to occupy the basketball and hockey arena, consistent with this section.

(b) The commission has executed agreements with the professional basketball major league, which guarantee the continuance of the franchise in the basketball and hockey arena for the period of the agreements referred to in clause (a).

(c) The professional basketball team has provided information sufficient to satisfy the council and the commission and the council's independent financial advisor of the team's ability to comply with the terms of the 30-year lease.

(d) The proceeds of bonds provided for in this subdivision will be sufficient for the purposes for which they are issued.

(e) The commission has acquired, or has contracted to acquire, (i) leasehold title to the arena land together with the estate of the tenant and other rights demised under the ground lease, subject to amendment as provided in clause (c), (ii) ownership of all real and personal property comprising the basketball and hockey arena, and (iii) all easements, appurtenances and other rights, title, or interest deemed by the commission necessary or desirable in connection with the acquisition, financing, ownership, and operation of the basketball and hockey arena.

(f) The percentage of the private boxes provided for in the commission's proposal for the basketball and hockey arena are sold or leased for the period that the commission finds advisable.

(g) The anticipated admission taxes and surcharges and other revenue from the operation of the basketball and hockey arena will be sufficient to pay when due all basketball and hockey arena debt service plus all administration, operating and maintenance expense of the arena.

(h) The city of Minneapolis has entered into an agreement as contemplated in clause (n) and an agreement or agreements as contemplated in section 473.592 with respect to the basketball and hockey arena.

(i) The council has entered into an agreement with the brokerage firm or brokerage firms to be used in connection with the issuance and sale of the bonds guaranteeing that fees and charges payable to the brokerage firm or firms in connection with the sale of the bonds are not based primarily on a percentage of the amount of the bonds sold, but rather are fair and reasonable, based on the following factors: (1) the time and labor required; (2) the experience and knowledge of the persons involved; (3) any special complexity and novelty of issues related to sale of the bonds; and (4) the extent of the responsibilities assumed and the results obtained. The fees and charges shall not exceed fees and charges customarily payable in connection with the issuance and sale of bonds secured by the pledge of the full faith and credit of the city of Minneapolis.

The validity of any bonds issued under subdivision 2, clause (a), and the obligations of the council and commissions related to them, shall not be conditioned upon or impaired by the council's determination made pursuant to this subdivision. For purposes of issuing the bonds the determinations made by the commission and council shall be deemed conclusive, and the council shall be and remain obligated for the security and payment of the bonds irrespective of determinations which may be erroneous, inaccurate, or otherwise mistaken.

(j) The commission has entered into arrangements with any other persons to create a condominium or leasehold condominium, or common interest community or leasehold common interest community, with respect to the building containing the basketball and hockey arena, including the arena playing and spectator areas, and all other portions of the building, and together with the arena land and all other related improvements, easements and other appurtenant and ancillary property and property rights. The Minneapolis community development agency in its capacity as ground lease landlord may be a party to the condominium or common interest community declaration. The condominium or common interest community declaration shall establish the portion of the building containing the health club as a separate unit of the condominium or common interest community, and the commission shall have entered into an agreement or agreements with a private sports and health club organization which shall require that the organization shall purchase or retain ownership of the unit with its own funds and at no cost or expense to the commission, and that the organization shall pay for all utility and other operating costs and expenses including allocated common expenses and pay ad valorem property taxes for the unit. The condominium or common interest community declaration may also establish other units in the condominium or common interest community which shall include the arena playing and spectator areas and may also include office space, restaurant space, locker rooms, private spectator suites or boxes, signage, and other areas, and may also establish common elements, limited common elements and other easements and interests as the commission deems necessary or appropriate. The agreement or agreements between the commission and the private sports and health club organization may also address additional matters which may be the subject of the bylaws or other agreements or arrangements among unit owners of condominiums or common interest communities, either as part of, or separately from, the provisions of chapter 515A or 515B, or any other items as may be ordinarily and customarily negotiated between the commission and the organization.

(k) The private sports and health club organization has executed an assessment agreement pursuant to section 469.177, subdivision 8, obligating payment of ad valorem taxes based on a minimum market value of the health club of at least \$10,000,000 with the city of Minneapolis or the Minneapolis community development agency.

(l) The commission has executed an agreement requiring the commission to remit annually to the Minneapolis community development agency or appropriate agency an amount which together with any ad valorem taxes or other amounts received by the city of Minneapolis or the Minneapolis community development agency from the health club as tax increments equals the debt service required by the tax increment district attributable to the basketball and hockey arena until the current outstanding indebtedness or any refunding thereof has been paid or retired.

(m) The development agreement shall be amended:

(i) so that no payments are due to the city of Minneapolis or the Minneapolis community development agency from the commission or any other person with respect to the sale, ownership or operation of the basketball and hockey arena, or from the owners of the health club with respect to the ownership or operation of the health club, except as provided in clauses (k), (l), and (n); and

(ii) to confirm the satisfactory performance of the obligations of the parties to the development agreement on the effective date of the commission's acquisition; provided, that the city of Minneapolis and the Minneapolis community development agency shall not be required to release any claim they may have under the development agreement with respect to the proceeds of the sale of the health club or from the operations or sale of the professional basketball

organization occupying the basketball and hockey arena or the security they may have under the development agreement or the ground lease to assure its performance, pursuant to the guaranty of the guarantors in the event of any default of the commission under the ground lease, or of the owners of the health club with respect to the payment of ad valorem taxes or any payment due from them under the development agreement as amended in accordance with the provisions of this subdivision.

(n) The commission has executed an agreement with the city of Minneapolis providing that for so long as the commission owns the basketball and hockey arena the city shall not impose any entertainment tax or surcharge on tickets purchased for any and all events at the basketball and hockey arena. The agreement may also provide that the commission shall compensate the city for the forbearance of the entertainment tax in effect on the effective date of this act, plus accrued interest, after payment of basketball and hockey arena debt service, the necessary and appropriate funding of debt reserve of the basketball and hockey arena and all expenses of operation, administration, and maintenance, and the funding of a capital reserve for the repair, remodeling and renovation of the basketball and hockey arena. The required funding of the capital reserve shall be in an amount mutually agreed to by the commission and the city.

(o) The ground lease shall be amended by the Minneapolis community development agency to the reasonable satisfaction of the commission to provide:

(i) that the commission's sole financial obligation to the landlord shall be to make the payment provided for in clause (1) from the net revenues of the commission attributable to the operation of the basketball and hockey arena;

(ii) that the term of the lease shall be 99 years;

(iii) that the commission shall have the option to purchase the arena land upon the payment of \$10 at any time during the term of the ground lease, but, unless otherwise agreed to by the Minneapolis community development agency, only after the payment or retirement of the general obligation tax increment bonds previously issued by the city of Minneapolis to assist in financing the acquisition of the arena land; and

(iv) other amendments as the commission deems necessary and reasonable to accomplish its purposes as provided in sections 473.598 and 473.599.

(p) The commission has received a report or reports by qualified consultants on the basketball and hockey arena, the health club and the arena land, based on thorough inspection in accordance with generally accepted professional standards and any correction, repair, or remediation disclosed by the reports has been made to the satisfaction of commission.

Subd. 5. [SECURITY.] To the extent and in the manner provided in sections 473.592 and 473.595, the taxes described in section 473.592 for the basketball and hockey arena, the tax, surcharge and other revenues of the commission described in section 473.595, subdivision 1a, attributable to the basketball and hockey arena and any other revenues of the commission attributable to the basketball and hockey arena shall be and remain pledged and appropriated for the payment of all necessary and reasonable expenses of the operation, administration, maintenance, and debt service of the basketball and hockey arena until all bonds referred to in section 473.599, subdivision 2, are fully paid or discharged in accordance with law. Bonds issued pursuant to this section may be secured by a bond resolution, or by a trust indenture entered into by the council with a corporate trustee within or outside the state, which shall define the tax and other revenues pledged for the payment and security of the bonds. The pledge shall be a valid charge on the tax, surcharge and other revenues attributable to the basketball and hockey arena referred to in sections 473.592, 473.595, subdivision 1a, 473.598, and 473.599 from the date when bonds are first issued or secured under the resolution or indenture and shall secure the payment of principal and interest and redemption premiums when due and the maintenance at all times of a reserve securing the payments. No mortgage of or security interest in any tangible real or personal property shall be granted to the bondholders or the trustee, but they shall have a valid security interest in all tax and other revenues received and accounts receivable by the commission or council under sections 473.592 to the extent of the tax imposed as security for the debt service of the basketball and hockey arena, 473.595, subdivision 1a, 473.598, and 473.599, as against the claims of all other persons in tort, contract, or otherwise, irrespective of whether the parties have notice of them, and without possession or filing as provided in the uniform commercial code or any other law. In the bond resolution or trust indenture the council may make the covenants, which shall be binding upon the commission, as are determined to be usual and reasonably necessary for the protection of the bondholders. No pledge, mortgage, covenant, or agreement securing bonds may be impaired, revoked, or amended by law or by action of the council, commission, or city, except in accordance with the terms of the resolution or indenture under which the bonds are issued, until the obligations of the council under the resolution or indenture are fully discharged.

Subd. 6. [REVENUE ANTICIPATION CERTIFICATES.] At any times after approval by the council and final adoption by the commission of an annual budget of the commission for operation, administration, and maintenance of the basketball and hockey arena, and in anticipation of the proceeds from the taxes under section 473.592 and the revenues of the commission provided for in the budget, but subject to any limitation or prohibition in a bond resolution or indenture, the council may authorize the issuance, negotiation, and sale, in the form and manner and upon the terms that it may determine, of revenue anticipation certificates. The principal amount of the certificates outstanding shall at no time exceed 25 percent of the total amount of the tax and other revenues anticipated. The certificates shall mature not later than three months after the close of the budget year. Prior to the approval and final adoption of the annual budget of the commission, the council may authorize revenue anticipation certificates under this subdivision. So much of the anticipated tax and other revenues as may be needed for the payment of the certificates and interest on them shall be paid into a special debt service fund established for the certificates in the council's financial records. If for any reason the anticipated tax and other revenues are insufficient, the certificates and interest shall be paid from the first tax, surcharge and other revenues received attributable to the basketball and hockey arena, subject to any limitation or prohibition in a bond resolution or indenture. The proceeds of the certificates may be used for any purpose for which the anticipated revenues or taxes may be used or for any purpose for which bond proceeds under subdivision 2 may be used.

Subd. 7. [ARENA FREE OF MORTGAGES, LIENS, AND OBLIGATIONS.] With the exception of the obligations imposed by sections 473.598 and 473.599, the commission shall not assume any notes, pledges, mortgages, liens, encumbrances, contracts, or obligations upon acquisition of the basketball and hockey arena or the arena land, including but not by way of limitation, management or concession agreements. Upon acquisition by the commission, the basketball and hockey arena and the arena land shall be free of all liens and encumbrances, including the foregoing but excluding the easements and rights-of-way that the commission shall determine do not materially impair or affect its ownership and operation of the basketball and hockey arena.

Sec. 16. Laws 1989, chapter 319, article 19, section 7, subdivision 1, as amended by Laws 1992, chapter 471, article 2, section 5, is amended to read:

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

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

(b) "City" means the city of Minneapolis.

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

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

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

(f) "Fund" means the Minneapolis fire department relief association.

(g) "Relief association" means the Minneapolis fire department relief association.

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

Sec. 17. Laws 1989, chapter 319, article 19, section 7, subdivision 4, as amended by Laws 1990, chapter 570, article 12, section 63, and Laws 1992, chapter 471, article 2, section 6, is amended to read:

Subd. 4. [AMOUNT OF ANNUAL POSTRETIREMENT PAYMENT.] The amount determined under subdivision 3 must be applied in accordance with this subdivision. The relief association shall apply the first one-half of one percent of assets which constitute excess investment income to the payment of an annual postretirement payment as specified in this subdivision. The second one-half of one percent of assets which constitute excess investment income shall be applied to reduce the state amortization state aid or supplementary amortization state aid payments otherwise due to the relief association under section 423A.02 for the current calendar year. The relief association shall pay an annual postretirement payment to all eligible members in an amount not to exceed one-half of one percent of the assets of the fund. Payment of the annual postretirement payment must be in a lump sum amount on June 1 following the determination date in any year. Payment of the annual postretirement payment may be made only if the average time weighted total rate of return in the most recent prior five fiscal years exceeds by two percent the actual average percentage increase in the current monthly salary of a top grade firefighter in the most recent prior five fiscal year and the yearly average percentage increase of the time weighted total rate of return of the fund for the previous five years exceeds by two percent the yearly average percentage increase in monthly salary of a top grade firefighter of the previous five years. The total amount of all payments to members may not exceed the amount determined under subdivision 3. Payment to each eligible member must be calculated by dividing the total number of pension units to which eligible members are entitled into the excess investment income available for distribution to members, and then multiplying that result by the number of units to which each eligible member is entitled to determine each eligible member's annual postretirement payment. Payment to each eligible member may not exceed an amount equal to the total monthly benefit that the eligible member was entitled to in the prior year under the terms of the benefit plan of the relief association or each eligible member's proportionate share of the excess investment income, whichever is less.

Sec. 18. [ALL TENANT TERMS AND CONDITIONS OF AGREEMENTS MUST BE MADE PUBLIC.]

An agreement to occupy the basketball and hockey arena as defined in Minnesota Statutes, section 473.551, subdivision 10, is not enforceable by any party to it unless all its terms and conditions are made public before it is intended to take effect.

Sec. 19. [240A.09] [APPROPRIATION.]

\$750,000 is appropriated annually from the general fund to the Minnesota amateur sports commission for the purpose of entering into long-term leases, use, or other agreements with the metropolitan sports facilities commission for the conduct of amateur sports activities at the metro dome or basketball and hockey arena, and for the purposes set forth in chapter 240A, including (1) stimulating and promoting amateur sports, (2) promoting physical fitness by promoting participation in sports, (3) promoting the development of recreational amateur sport opportunities and activities, and (4) promoting local, regional, national, and international amateur sport competitions and events. The legislature reserves the right to repeal or amend this appropriation, and does not intend this appropriation to create public debt.

Sec. 20. [REPEALER.]

Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571, are repealed.

Sec. 21. [EFFECTIVE DATE; APPLICATION.]

This act takes effect 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 metropolitan government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 423A.02, subdivision 1; 423B.01, subdivision 9; 423B.15, subdivision 3; 473.551; 473.552; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Laws 1989, chapter 319, article 9, section 7, subdivisions 1, as amended, and 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571."

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

The report was adopted.

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

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

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

The report was adopted.

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

H. F. No. 3086, A bill for an act relating to the environment; allowing use of passive bioremediation for certain voluntary response actions; expanding the authority of the commissioner of the pollution control agency to issue determinations regarding liability for releases of hazardous substances and petroleum; amending Minnesota Statutes 1992, section 115B.175, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 115B.178, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 115C.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section. 1. Minnesota Statutes 1992, section 115C.03, subdivision 9, is amended to read:

Subd. 9. [REQUESTS FOR REVIEW, INVESTIGATION, AND OVERSIGHT.] (a) The commissioner may, upon request:

(1) assist in determining whether a release has occurred; and

(2) assist in or supervise the development and implementation of reasonable and necessary response corrective actions.

(b) Assistance may include review of agency records and files and review and approval of a requester's investigation plans and reports and corrective action plans and implementation.

(c) Assistance may include the issuance of a written determination that an owner or prospective buyer of real property will not be a responsible person under section 115C.021, if the commissioner finds the release came from a tank not located on the property. The commissioner may also issue a written confirmation that the real property was the site of a release and that the tank from which the release occurred has been removed or that the agency has issued a site closure letter and has not revoked that status. The issuance of the written determination or confirmation applies to tanks not on the property or removed only, and does not affect liability for releases from tanks that are on the property at the time of purchase. The written determination or confirmation extends to the successors and assigns of the person to whom it originally applied, if the successors and assigns are not otherwise responsible for the release.

(e) (d) The person requesting assistance under this subdivision shall pay the agency for the agency's cost, as determined by the commissioner, of providing assistance. Money received by the agency for assistance under this subdivision must be deposited in the state treasury and credited to the account.

ARTICLE 2

LANDFILL CLEANUP PROGRAM

Section 1. [115B.39] [LANDFILL CLEANUP; FINDINGS; DEFINITIONS.]

Subdivision 1. [PERMITTED LANDFILLS; LEGISLATIVE FINDINGS; PURPOSE.] The legislature finds that permitted mixed municipal solid waste land disposal facilities have provided benefits to the citizens of the state by meeting the public need for the disposal of mixed municipal solid waste. However, those facilities that were

designed, constructed, or operated prior to implementation of the rules governing design, construction, and operation of solid waste disposal facilities in effect on January 1, 1993, have contaminated and will continue to contaminate the surrounding environment unless action is taken to prevent and remediate the contamination. The significant financial and technical resources needed to address contamination from these facilities can be provided more fairly and efficiently by establishing a cleanup and liability system for these facilities that is separate from existing federal and state cleanup programs and that relies more heavily upon broadly based taxes on activities or products associated with landfill contamination.

The purposes of sections 115B.40 to 115B.43 are to:

(1) accept the larger societal financial responsibility to prevent further contamination from these land disposal facilities and to respond to and remediate existing contamination;

(2) expedite prevention and remediation activities at the facilities; and

(3) avoid lengthy disputes over responsibility for payment of the costs associated with environmental response related to the facilities and the delays that necessarily accompany those disputes.

Subd. 2. [DEFINITIONS.] (a) In addition to the definitions in this subdivision, the definitions in sections 115A.03 and 115B.02 apply to sections 115B.40 to 115B.45, except as specifically modified in this subdivision.

(b) "Closure" means actions to prevent or minimize the threat to public health and the environment posed by a mixed municipal solid waste disposal facility that has stopped accepting waste by controlling the sources of releases or threatened releases at the facility. "Closure" includes removing contaminated equipment, applying final cover, grading and seeding final cover, installing wells, borings, and other monitoring devices, constructing groundwater and surface water diversion structures, and installing gas control systems and site security systems, as necessary.

(c) "Construction costs" means costs of a response action at a facility other than legal, administrative, engineering, environmental study, plan development, or negotiation costs.

(d) "Decomposition gases" means gases produced by chemical or microbial activity during the decomposition of solid waste.

(e) "Postclosure" or "postclosure care" means actions taken for the care, maintenance, and monitoring of closure actions, excluding groundwater monitoring, at a mixed municipal solid waste disposal facility.

(f) "Qualified facility" means a permitted mixed municipal solid waste disposal facility, as defined in section 115A.03, that meets the criteria listed in section 115B.40.

(g) "Respond" or "response" has the meaning given it in section 115B.02, subdivision 18, including groundwater monitoring but excluding closure and postclosure care.

Sec. 2. [115B.40] [LANDFILL CLEANUP; QUALIFIED FACILITIES; CLOSURE AND POSTCLOSURE CARE.]

Subdivision 1. [QUALIFIED FACILITY.] A mixed municipal solid waste disposal facility that is or was permitted by the agency, that stopped accepting waste by April 9, 1994, and that has complied with the required payment schedule for the facility under the owner's or operator's obligation to provide proof of financial responsibility under section 116.07, subdivision 4h, qualifies for the landfill cleanup program under section 115B.41 unless:

(1) responsible persons were implementing response actions at the facility under a consent order with the agency as of January 1, 1994; or

(2) the United States Environmental Protection Agency has issued an order requiring implementation of response actions under United States Code, title 42, section 9606.

Subd. 2. [OWNER OR OPERATOR; DUTIES.] (a) The owner or operator of a qualified facility shall:

(1) complete closure activities at the facility within one year from the date the owner or operator is notified by the commissioner of the closure activities that are necessary to properly close the facility in compliance with the solid waste rules that were in effect on January 1, 1993;

(2) undertake or continue postclosure care at the facility, except for collection and analysis of groundwater and surface water samples, until the commissioner determines postclosure care is no longer necessary or 20 years after final closure, whichever occurs first;

(3) continue, until the date of final closure, to set aside or otherwise establish or dedicate and thereafter to maintain any funds, financial instruments, or other financial arrangements established as proof of financial responsibility for response at the facility in compliance with section 116.07, subdivision 4h, in accordance with rules adopted under that subdivision and the facility's permit, and assign to the commissioner rights to access those funds, instruments or other arrangements for use when response action is undertaken at the facility under section 115B.41;

(4) agree to cooperate with the commissioner or other persons acting at the direction of the commissioner in taking additional closure or postclosure care and response actions necessary to address releases or threatened releases and to avoid any action that interferes with closure, postclosure care, or response actions; and

(5) agree to develop property described in any permit for the facility only after consultation with the commissioner and in conformance with any conditions established by the commissioner for that property to protect public health and welfare and the environment.

(b) The owner or operator of a facility that was closed prior to January 1, 1993, in compliance with the terms of the facility's permit, closure orders, or enforcement agreement with the agency, and with the solid waste rules in effect at the time the facility stopped accepting waste is not required to undertake any further closure activities under paragraph (a), clause (1), but must comply with paragraph (a), clauses (2) to (5).

(c) Notwithstanding paragraph (a), clause (3), the owner or operator of a facility that is a political subdivision may use a portion of any funds established for response at the facility, which are available directly or through a financial instrument or other financial arrangement, for closure or postclosure care at the facility if funds available for closure or postclosure care are inadequate and shall assign the rights to any remainder to the commissioner.

(d) Under paragraph (a), clause (4), an owner shall agree to provide access to the property to the commissioner and the commissioner's authorized representatives and to allow the commissioner, or persons acting at the direction of the commissioner, to undertake all activities necessary for any additional closure or postclosure care and to carry out response actions at the facility. Agreements under paragraph (a), clauses (4) and (5), must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreements, or memoranda approved by the commissioner that summarize the agreements, with the county recorder or registrar of titles of the county where the property is located.

Subd. 3. [COMMISSIONER; DUTIES.] If the owner or operator of a qualified facility fails to comply with subdivision 2, the commissioner shall:

(1) undertake or complete closure activities at the facility in compliance with the solid waste rules in effect at the time the commissioner takes action under this clause; and

(2) undertake or continue postclosure care at the facility as required under subdivision 2.

Subd. 4. [CAUSE OF ACTION; RECOVERY OF COSTS.] If the commissioner must undertake closure or postclosure care under subdivision 3, the owner or operator is responsible for the costs incurred by the commissioner for those activities and the commissioner may use any funds available for closure and postclosure care established by the owner or operator. If those funds are insufficient or if the owner or operator fails to assign rights to them to the commissioner, the commissioner may seek recovery of closure or postclosure care costs in district court in the county of Ramsey or in the county where the facility is located or where the owner or operator resides. If an owner or operator fails to assign rights to financial responsibility funds or to make agreements under subdivision 2, paragraph (a), clause (3), (4), or (5), the commissioner may seek an order to compel performance in district court in any of the counties noted in this subdivision.

In an action brought under this subdivision in which the commissioner prevails, the court shall award the commissioner reasonable attorney fees and other litigation expenses incurred by the commissioner to bring the action. All costs, fees, and expenses recovered under this subdivision must be deposited in the environmental fund and credited to the landfill cleanup account established in section 115B.42.

Subd. 5. [CLOSURE AND POSTCLOSURE CARE; LIENS.] All expenses, including expenses related to seeking recovery of the costs of closure and postclosure care, incurred by the commissioner under subdivisions 3 and 4 constitute a lien in favor of the state upon any real property, other than homestead property, owned by the owner or operator that is located in the state. A lien for closure and postclosure care costs attaches when those costs are first incurred and continues until the lien is satisfied or becomes unenforceable as for an environmental lien under section 514.672. Notice, filing, and release of a closure or postclosure care lien are governed by sections 514.671 to 514.676, except where those requirements specifically are related to only cleanup action expenses as defined in section 514.671. Relative priority of a lien under this subdivision is governed by section 514.672, except that a lien attached to property that was included in any permit for the solid waste disposal facility takes precedence over all other liens regardless of when the other liens were or are perfected. Amounts received to satisfy all or a part of a lien must be deposited in the landfill cleanup account.

Subd. 6. [LOCAL GOVERNMENT AID; OFFSET.] If an owner or operator fails to comply with subdivision 2, fails to remit payment of closure and postclosure care or other costs incurred by the commissioner under subdivision 3 or 4, and is a local government unit, the commissioner may seek payment of costs incurred under subdivision 3 or 4 from any state aid payments, except payments made under section 115A.557, subdivision 1, otherwise due the local government unit. The commissioner of revenue, after being notified by the commissioner that the local government unit has failed to pay costs incurred under subdivision 3 or 4 and the amount due, shall pay an annual proportionate amount of the state aid payment into the landfill cleanup account that will, over a period of no more than five years, satisfy the liability of the local government unit for the commissioner's costs.

Subd. 7. [DISQUALIFICATION; PERMITS.] If an owner or operator of a qualified facility that is not a local government unit does not undertake closure and postclosure care in compliance with subdivision 2 and the commissioner spends money from the landfill cleanup account established in section 115B.42 to complete closure or undertake postclosure care at the facility under subdivision 3, the owner or operator is ineligible to obtain a state or local permit or license to engage in a business that manages solid waste. Failure of an owner or operator to complete closure and postclosure care at a qualified facility is prima facie evidence of the lack of fitness of that owner or operator to conduct a solid waste business and is grounds for revocation of any solid waste business permit or license held by that owner or operator.

Subd. 8. [POTENTIALLY RESPONSIBLE PERSON.] To expedite listing of a qualified facility under the landfill cleanup program in section 115B.41, a person who is potentially liable for response costs at the facility under sections 115B.01 to 115B.24, if the facility is not included in the landfill cleanup program, may undertake closure or postclosure care under an agreement with the commissioner in compliance with subdivision 2.

Sec. 3. [115B.41] [LANDFILL CLEANUP PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The commissioner shall establish a landfill cleanup program to respond to releases of hazardous substances, pollutants and contaminants, and decomposition gases from qualified land disposal facilities that have been listed as included in the program in compliance with subdivision 2. The commissioner shall ensure that the program established under this section incorporates the same environmental and public health and welfare standards for responding to releases that are required under sections 115B.01 to 115B.24.

Subd. 2. [IDENTIFICATION OF QUALIFIED FACILITIES.] (a) By September 1, 1994, the commissioner shall inspect each potentially qualified facility to determine the status of closure activities and to evaluate groundwater conditions at the facility. The commissioner may undertake activities necessary to:

- (1) evaluate the adequacy of final cover, slopes, vegetation, and erosion control;
- (2) determine the presence and concentration of hazardous substances, pollutants and contaminants, and decomposition gases; and
- (3) determine the boundaries of fill areas.

(b) The commissioner shall notify the owner or operator of each facility of whether closure is complete and whether postclosure care is adequate under the owner's or operator's responsibility for closure and postclosure care under section 115B.40, subdivision 2. If closure is incomplete or postclosure care is inadequate, the commissioner shall notify, at the earliest practical date, the owner or operator of what actions need to be taken to comply with section 115B.40, subdivision 2. When closure is complete and postclosure care is adequate, the commissioner shall list the facility under the landfill cleanup program.

(c) For a facility that has been properly closed under section 115B.40, subdivision 2, but for which the closure requirements are less environmentally protective than closure requirements in the solid waste rules in effect on January 1, 1993, the commissioner shall determine whether the facility should be closed to the higher standards and, if so, shall undertake additional closure activities at the facility to meet those standards. The commissioner may determine that additional closure activities are unnecessary only if it is likely that response actions will be taken in the near future and that those response actions will disrupt, will be counterproductive to, or will otherwise make unnecessary the additional closure activities.

Subd. 3. [PRIORITIES FOR CLEANUP.] (a) For the purpose of responding to releases of hazardous substances, pollutants and contaminants, or decomposition gases at qualified facilities that have been listed under the landfill cleanup program under subdivision 2, the commissioner shall establish a priority list to be periodically revised to include additional facilities and to reflect changing conditions at facilities that affect priority for response actions. The initial priority list must be established by January 1, 1995.

(b) The priority list required under this section must be based on 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 facility, the potential for contamination of drinking water supplies, the potential for direct human contact, and the potential for destruction of sensitive ecosystems.

Subd. 4. [RESPONSE TO RELEASES.] The commissioner may take any response action, including emergency action, related to a release of a hazardous substance, pollutant or contaminant, or decomposition gas from a listed qualified facility that the commissioner deems necessary to protect the public health or welfare or the environment. The commissioner may undertake detailed studies necessary to determine necessary response actions at individual facilities. The commissioner may develop general work plans rather than detailed studies for facilities with similar characteristics. Prior to selecting appropriate response actions for a facility, the commissioner shall hold at least one public informational meeting near the facility and provide for receiving and responding to comments related to the selection. The commissioner shall design, implement, and provide oversight consistent with the response actions selected under this subdivision. Before money may be spent from the landfill cleanup account for response cost at a facility, the commissioner shall access and expend all funds available for response under section 116.07, subdivision 4h, at that facility.

Subd. 5. [DUTY TO PROVIDE INFORMATION.] Any person who the commissioner has reason to believe has or may obtain information related to the generation, composition, transportation, treatment, or disposal of waste in a mixed municipal solid waste disposal facility or who has or may obtain information related to the ownership or operation of a facility shall furnish to the commissioner or the commissioner's designee any information that person may have or may reasonably obtain that is relevant to a release or threatened release at a facility.

Subd. 6. [ACCESS TO INFORMATION AND PROPERTY.] The commissioner or a person designated by the commissioner, on presentation of credentials, may:

(1) 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 5; and

(2) 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 5, conducting surveys or investigations, and taking response action.

This subdivision and subdivision 5 are enforceable under sections 115.071 and 116.072. Costs, including court costs, attorney fees, and administrative costs, to enforce this subdivision must be recovered in an enforcement action under this subdivision.

Subd. 7. [ACQUISITION AND DISPOSITION OF REAL PROPERTY.] The commissioner may acquire and dispose of real property the commissioner deems necessary for response actions related to a qualified facility under section 115B.17, subdivisions 15 and 16.

Subd. 8. [AFFECTED REAL PROPERTY; NOTICE.] (a) The commissioner shall provide to affected local government units, to be available as public information, and shall make available to others, on request, a description of the real property described in the original and any revised permits for a qualified facility, along with a description of activities that will be or have been taken on the property under sections 115B.40 to 115B.43 and a reasonably accurate description of the types, locations, and potential movement of hazardous substances, pollutants and

contaminants, or decomposition gases related to the facility. The commissioner shall provide and make this information available at the time the facility is listed under the landfill cleanup program; shall revise, provide, and make the information available when response actions, other than long-term maintenance actions, have been completed; and shall revise the information over time if significant changes occur that make the information obsolete or misleading.

(b) A local government unit that receives information from the commissioner under paragraph (a) shall incorporate that information in any land use plan that includes the affected property and shall notify any person who applies for a permit related to development of the affected property of the existence of the information and, on request, provide a copy of the information.

Subd. 9. [ENVIRONMENTAL LIEN.] An environmental lien for response costs incurred by the commissioner under sections 115B.39 to 115B.45 attaches, under sections 514.671 to 514.676, to all the real property described in the original and any revised permits for a qualified facility from the date the first assessment, closure, postclosure care, or response activities related to the facility are undertaken by the commissioner. For the purposes of filing an environmental lien under this subdivision, the term "cleanup action" as used in sections 514.671 to 514.676 includes all of the costs incurred by the commissioner to assess, close, maintain, monitor, and respond to releases at qualified facilities under sections 115B.39 to 115B.45. Notwithstanding section 514.672, subdivision 4, a lien under this paragraph takes precedence over all other liens on the property regardless of when the other liens were or are perfected.

Subd. 10. [CONTRACTS.] The commissioner shall, to the extent practicable, ensure that contracts for activities or consulting services under this section are entered into with contractors or consultants located within the region where the facility subject to the contracts is located. The commissioner shall tailor specifications in requests for proposals to the types of activities or services that need to be undertaken at a specific facility or group of facilities located in the same region and shall not include specifications that require specialized expertise or laboratory work not available within the region unless it is necessary to do so to meet the requirements of this section. The commissioner may not issue a request for proposals for a statewide contract for an activity or a service under this section unless no contractor or consultant located outside the metropolitan area is able to undertake the specific activity or service contemplated by the request on a regional basis.

Sec. 4. Minnesota Statutes 1992, section 115B.42, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT; APPROPRIATION; SEPARATE ACCOUNTING.] (a) The landfill cleanup account is established in the environmental fund in the state treasury and is appropriated to the commissioner for the purposes listed in subdivision 2. The account consists of money credited to the account and interest earned on the money in the account.

(b) The commissioner of finance shall separately account for revenue deposited in the account from financial assurance funds or other mechanisms, the metropolitan landfill contingency action trust fund, state bond proceeds, and all other sources of revenue.

Sec. 5. Minnesota Statutes 1993 Supplement, section 115B.42, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURES.] ~~Subject to appropriation,~~ (a) Money in the account may be spent ~~for~~ by the commissioner to:

- (1) ~~inspection of~~ inspect permitted mixed municipal solid waste disposal facilities to:
 - (i) ~~evaluate the adequacy of final cover, slopes, vegetation, and erosion control;~~
 - (ii) ~~determine the presence and concentration of hazardous substances, pollutants or contaminants, and decomposition gases; and~~
 - (iii) ~~determine the boundaries of fill areas; and~~
- (2) ~~response actions at mixed municipal solid waste disposal facilities under chapter 115B;~~

(2) monitor and take, or reimburse others for, response actions, including emergency response actions, at listed qualified facilities;

- (3) engage in closure and postclosure care activities under sections 115B.40 and 115B.41;
 - (4) acquire and dispose of property under section 115B.41, subdivision 6;
 - (5) recover costs under sections 115B.40 and 115B.43;
 - (6) administer sections 115B.39 to 115B.45;
 - (7) enforce sections 115B.39 to 115B.45;
 - (8) reimburse persons under subdivision 3; and
 - (9) pay mediation expenses or defense costs for third-party claims for response costs under state or federal law as provided in section 115B.44.
- (b) Money in the account received as revenue from the following sources may be spent only for the stated purposes:
- (1) revenue from a financial assurance fund or other mechanism must be spent first for activities under sections 115B.40 and 115B.41 at the listed qualified facility for which the fund or other mechanism was established until exhausted or until that facility no longer needs funds from the account, whichever occurs first;
 - (2) revenue from the metropolitan landfill contingency action trust fund must be spent for activities under sections 115B.40 and 115B.41 at listed qualified facilities located in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington;
 - (3) revenue from state bond proceeds may be spent for activities under sections 115B.40 and 115B.41 only at publicly owned listed qualified facilities and for reimbursement under subdivision 3 for response costs incurred at facilities that were publicly owned when the response costs were incurred; and
 - (4) revenue from all other sources may be spent for any of the purposes in clauses (1) to (3); for activities under sections 115B.40 and 115B.41 at listed qualified facilities that are not publicly owned; for reimbursement under subdivision 3 for response costs incurred at facilities that were not publicly owned at the time the response costs were incurred; and for the expenses of the commissioner of the agency for administering and enforcing sections 115B.39 to 115B.45.
- (c) Any money in the account received as revenue from a financial assurance fund or other mechanism that remains after the facility for which the fund or other mechanism was established no longer needs funds from the account may be spent as specified in paragraph (b), clause (4).

Sec. 6. Minnesota Statutes 1992, section 115B.42, is amended by adding a subdivision to read:

Subd. 3. [REIMBURSEMENT.] (a) The commissioner shall use eight percent of the revenue deposited in the landfill cleanup account from state bond proceeds and sources other than financial assurance funds or other mechanisms and other than the metropolitan landfill contingency action trust fund in each fiscal year to reimburse persons, on request, in the following order of priority:

(1) private or public solid waste generators who have remitted or promised to remit, after request by a responsible person or group of responsible persons, an amount to the responsible persons or group of responsible persons for response costs at a listed qualified facility or at a disposal facility that would be a qualified facility except that it meets the criteria in section 115B.40, subdivision 1, clause (1) or (2), and against whom the responsible person or group of responsible persons does not have a judicial determination of responsibility for the response costs under federal law or state law;

(2) a local government unit that is the owner or operator of a listed qualified facility for money spent for response action at the facility that was approved by the agency and that exceeds the liability limits of section 115B.04, subdivision 4;

(3) a private owner or operator or other responsible person or group of responsible persons for money spent for construction costs for response actions at a listed qualified facility that were approved by the agency and that exceed \$1,200,000 if the person halts all cost recovery actions against other potentially responsible persons as of the effective date of this subdivision and agrees not to initiate any cost recovery actions related to the facility in the future;

(4) a local government unit that is the owner or operator of a permitted solid waste disposal facility that stopped accepting waste by April 9, 1994, and that is not otherwise qualified for the landfill cleanup program under section 115B.40, subdivision 1, clause (1) or (2), under the conditions and in the amounts specified in clause (2); and

(5) a private owner or operator or other responsible person or group of responsible persons related to a permitted solid waste disposal facility that is not otherwise qualified for the landfill cleanup program under section 115B.40, subdivision 1, clause (1) or (2), under the conditions and in the amounts specified in clause (3).

(b) To determine the annual amount of reimbursement for each eligible person, the commissioner shall accept applications for reimbursement until June 1 of each year. The commissioner shall determine the total amount available for reimbursement and, by July 1 of each year, shall reimburse those eligible under paragraph (a), clause (1), and if funds remain, those eligible under paragraph (a), clause (2), then under paragraph (a), clause (3), then under paragraph (a), clause (4), and finally under paragraph (a), clause (5). Whenever there are insufficient funds to provide reimbursement to all those eligible under a single clause in any given year, the commissioner shall divide the amount available on a proportional basis among those eligible and shall continue to reimburse them as funds become available in future years until all of them have been fully reimbursed. For the purposes of paragraph (a), clause (1), the entire amount remitted by a solid waste generator to a responsible person or group of responsible persons is deemed to be for response costs.

Sec. 7. Minnesota Statutes 1992, section 115B.42, is amended by adding a subdivision to read:

Subd. 4. [REPORT.] By October 1 of each odd-numbered year, the commissioner shall report to the legislative commission on waste management and to the appropriate finance committees of the house of representatives and the senate on the commissioner's activities under sections 115B.39 to 115B.45.

Sec. 8. [115B.43] [RELATION TO OTHER LAW; LIABILITY PROVISIONS.]

Subdivision 1. [LIABILITY FOR RELEASE.] (a) Section 115B.04 does not govern liability for:

(1) a release or threatened release of a hazardous substance or pollutant or contaminant from a listed qualified facility for which all the expected costs of response to the release or threatened release have been encumbered from the landfill cleanup account; or

(2) a release or a threatened release from a listed qualified facility that requires emergency response as long as there is sufficient money in the landfill cleanup account to pay for the emergency response.

(b) Notwithstanding paragraph (a), the commissioner may recover under section 115B.17, subdivision 6, that portion of the costs of a response action or emergency response action attributable to a person who otherwise would be responsible for the release or threatened release under sections 115B.03 and 115B.04 and whose actions related to the release or threatened release were in violation of federal or state hazardous waste management laws in effect at the time of those actions. The commissioner's determination of the portion of the costs of a response action attributable to a person under this paragraph, based on the volume and hazardous nature of the waste in the facility associated with the person and other factors reasonably related to the contribution of the person to the release or threatened release, is prima facie evidence that those costs are attributable to that person.

Subd. 2. [STATE LIABILITY.] Neither the commissioner, the agency, nor the state assumes liability under sections 115B.01 to 115B.24, for a release or threatened release from a facility for which funds are expended from the landfill cleanup account and for which the state had no liability prior to implementation of the landfill cleanup program, unless a response action taken by the commissioner aggravates or contributes to a release or threatened release, in which case the state is liable only for the response costs related to its contribution to the release.

Sec. 9. [115B.44] [THIRD-PARTY CLAIMS; MEDIATION; DEFENSE.]

Subdivision 1. [THIRD-PARTY CLAIMS; DEFINITION.] For the purposes of this section, "third-party claims" means claims made against solid waste generators by a responsible person or group of responsible persons under state or federal law for payment of response costs and related costs at a permitted mixed municipal solid waste disposal facility when the claimant or claimants do not have factual evidence that the persons against whom the claims are made ever contributed a hazardous substance or pollutant or contaminant to the facility.

Subd. 2. [MEDIATION.] A third-party claim or group of third-party claims that all arise from the same facility may be submitted to mediation under the Minnesota civil mediation act, sections 572.31 to 572.40. The costs of mediation must be allocated equally between the person or persons against whom the claims are made and the person or persons making the claims.

Subd. 3. [PARTIAL REIMBURSEMENT.] A person or persons against whom one or more third-party claims are made may seek reimbursement from the commissioner of one-half of the costs of mediation allocated to the person or persons under subdivision 2. The commissioner shall reimburse the person or persons that request reimbursement unless the commissioner finds that the mediation was not entered into and conducted in good faith by the person or persons seeking reimbursement.

Subd. 4. [DEFENSE COSTS.] If a person or persons against whom one or more third-party claims are made request the person or persons making the claims to submit the claims to mediation and the claimants refuse to submit to mediation or if the person or persons against whom third-party claims are made enter into and conduct the mediation in good faith but the mediation fails to resolve the claims, the person or persons, in cooperation with other persons against whom third-party claims have been made that arise from the same facility, may retain legal counsel to defend them against the claims and may seek partial reimbursement from the commissioner for reasonable attorney fees. The commissioner shall provide partial reimbursement for reasonable attorney fees under this subdivision of \$..... per hour for a maximum number of hours to be established by the commissioner by rule. The maximum number of hours for reimbursement must increase as the number of persons who collectively retain legal counsel to defend against related claims increases but need not increase proportionately to the increase in the number of persons seeking collective defense. Under no circumstances may a person or group of persons receive reimbursement of more than 75 percent of their reasonable attorney fees under this subdivision.

Sec. 10. [115B.45] [RULES.]

The commissioner may adopt rules necessary to implement sections 115B.39 to 115B.44.

Sec. 11. [POLLUTION CONTROL AGENCY COMPLEMENT; TRANSFER.]

For the purposes of implementing and administering the landfill cleanup program, the existing approved complement of the pollution control agency is adjusted by transferring to the landfill cleanup program:

- (1) 16 positions presently funded by the state environmental response, compensation, and compliance account;
- (2) eight positions presently funded by federal funds; and
- (3) two positions presently funded by the metropolitan landfill contingency action trust account.

ARTICLE 3

LANDFILL CLEANUP FUNDING

Section 1. Minnesota Statutes 1993 Supplement, section 116.07, subdivision 10, is amended to read:

Subd. 10. [SOLID WASTE ASSESSMENTS.] (a) For the purposes of this subdivision, "assessed waste" means mixed municipal solid waste as defined in section 115A.03, subdivision 21, infectious waste and pathological waste as defined in section 116.76, subdivisions 12 and 14, industrial waste as defined in section 115A.03, subdivision 13a, and construction debris as defined in section 115A.03, subdivision 7.

(b) A person that collects ~~mixed-municipal-solid~~ assessed waste shall collect and remit to the commissioner of revenue a solid waste assessment from each of the person's customers as provided in paragraphs (b) and (c) and (d).

(b) (c) The amount of the assessment for each residential customer is \$2 per year. Each waste collector shall collect the assessment annually from each residential customer that is receiving waste collection service on July 1 of each year and shall remit the amount collected along with the collector's first remittance of the sales tax on solid waste collection services, described in section 297A.45, made after October 1 of each year. Any amount of the assessment that is received by the waste collector after October 1 of each year must be remitted along with the collector's next remittance of sales tax after receipt of the assessment.

(e) (d) The amount of the assessment for each nonresidential customer is ~~12 54 cents~~, 81 cents beginning July 1, 1996, per noncompacted cubic yard of periodic waste collection capacity purchased by the customer. Each waste collector shall collect the assessment from each nonresidential customer as part of each statement for payment of waste collection charges and shall remit the amount collected along with the next remittance of sales tax after receipt of the assessment.

(e) A person who transports assessed waste generated by that person or by another person without compensation shall pay an assessment of 54 cents per noncompacted cubic yard or the equivalent to the operator of the facility to which the waste is delivered. The operator shall remit the assessments collected under this paragraph to the commissioner of revenue as though they were sales taxes under chapter 297A.

(d) (f) The commissioner of revenue shall redesign sales tax forms for solid waste collectors to accommodate payment of the assessment. ~~The commissioner of revenue shall deposit the~~ Amounts remitted under this subdivision must be deposited in the environmental fund and ~~shall credit four-sevenths of the receipts the annual amount exceeding \$3,000,000 credited~~ to the landfill cleanup account established in section 115B.42.

(e) (g) For the purposes of this subdivision, a "person that collects ~~mixed municipal solid~~ assessed waste" means each person that pays sales tax on solid waste collection services under section 297A.45, or would pay sales tax under that section if the assessed waste was mixed municipal solid waste.

(f) (h) The audit, penalty, enforcement, and administrative provisions applicable to taxes imposed under chapter 297A apply to the assessments imposed under this subdivision.

Sec. 2. [APPROPRIATION.]

\$3,000,000 is appropriated from the environmental fund to the commissioner of the pollution control agency for the development and operation of household hazardous waste management programs throughout the state to be available until June 30, 1995.

Sec. 3. [TRANSFER.]

\$20,000,000 is transferred from the bonds proceeds fund to the landfill cleanup account in the environmental fund for the purposes of Minnesota Statutes, section 115B.42, subdivision 2, paragraph (b), clause (3).

Sec. 4. [BOND SALE.]

To provide the money transferred under section 3 from the state bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$20,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and the Minnesota Constitution, article XI, sections 4 to 7.

ARTICLE 4

METROPOLITAN LANDFILL CONTINGENCY ACTION TRUST FUND

Section 1. Minnesota Statutes 1992, section 115.073, is amended to read:

115.073 [ENFORCEMENT FUNDING.]

Except as provided in sections 115B.20, subdivision 4, clause (2), ~~and 115C.05, and 473.845, subdivision 8,~~ all money recovered by the state under this chapter and chapters 115A and 116, including civil penalties and money paid under an agreement, stipulation, or settlement, excluding money paid for past due fees or taxes, up to the amount appropriated for implementation of Laws 1991, chapter 347, must be deposited in the state treasury and credited to the environmental fund.

Sec. 2. Minnesota Statutes 1992, section 383D.71, subdivision 1, is amended to read:

Subdivision 1. [NONMETROPOLITAN COUNTY POWERS.] Dakota county may exercise the powers of a county under section 400.08, in addition to the powers that Dakota county may exercise under other law. The county may expend money for resource recovery purposes under sections 473.801 to ~~473.845~~ 473.849.

Sec. 3. Minnesota Statutes 1992, section 473.801, subdivision 1, is amended to read:

Subdivision 1. [TERMS.] For the purposes of sections 473.801 to ~~473.845~~ 473.849 and Laws 1985, chapter 274, section 45 the terms defined in this section have the meanings given them.

Sec. 4. Minnesota Statutes 1992, section 473.801, subdivision 4, is amended to read:

Subd. 4. [APPLICATION.] Unless otherwise provided the definitions of terms in section 115A.03 ~~shall~~ apply to sections 473.801 to ~~473.845~~ 473.849.

Sec. 5. Minnesota Statutes 1992, section 473.841, is amended to read:

473.841 [CITATION.]

Sections 473.842 to ~~473.847~~ 473.849 may be cited as the "metropolitan landfill abatement act."

Sec. 6. Minnesota Statutes 1992, section 473.842, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] As used in sections 473.842 to ~~473.847~~ 473.849, the terms defined in this section have the meanings given them.

Sec. 7. Minnesota Statutes 1992, section 473.843, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF PROCEEDS.] After reimbursement to the department of revenue for costs incurred in administering this section, the proceeds of the fees imposed under this section, including interest and penalties, must be deposited ~~as follows:~~

~~(1) three-fourths of the proceeds must be deposited in the metropolitan landfill abatement account established in section 473.844; and~~

~~(2) one-fourth of the proceeds must be deposited in the metropolitan landfill contingency action trust fund established in section 473.845.~~

Sec. 8. [REPEALER.]

Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847, are repealed.

Sec. 9. [ABOLITION OF TRUST FUND; TRANSFER OF BALANCE.]

The metropolitan landfill contingency action trust fund is abolished. The balance remaining in the metropolitan landfill contingency action trust fund on June 30, 1994, is transferred to the landfill cleanup account in the environmental fund.

Sec. 10. [EFFECTIVE DATE.]

This article is effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to the environment; expanding the authority of the commissioner of the pollution control agency to release persons from liability for contamination from petroleum tanks; establishing an environmental cleanup program for landfills; increasing the solid waste generator fee; providing penalties; appropriating money; providing for state bonding; abolishing the metropolitan landfill contingency action trust fund; transferring trust fund assets; amending Minnesota Statutes 1992, sections 115.073; 115B.42, subdivision 1 and by adding subdivisions; 115C.03, subdivision 9; 383D.71, subdivision 1; 473.801, subdivisions 1 and 4; 473.841; 473.842, subdivision 1; and 473.843, subdivisions 1 and 2; amending Minnesota Statutes 1993 Supplement, sections 115B.42, subdivision 2; and 116.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 115A; and 115B; repealing Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847."

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

The report was adopted.

Carlson from the Committee on Education to which was referred:

H. F. No. 3178, A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, and board of regents of the University of Minnesota, with certain conditions; changing the designation of Fond du Lac center; prescribing changes to certain financial aid programs; reinstating rules pertaining to private business, trade, and correspondence schools and technical colleges personnel licensing; limiting curricular authority of the POST board; abolishing the higher education coordinating board; adopting a post-secondary funding formula; providing for appointments; defining higher education board authority for bargaining with certain employees; designating certain higher education board employees as unclassified; clarifying transfer provisions for the merger of community colleges, state universities, and technical colleges; transferring bonding authority for the state universities to the higher education board; establishing the higher education board as the sole state agency for federal funding for vocational education; providing for appointments of additional student members on the higher education board; establishing the student board member selection process; authorizing the higher education board to supervise and control construction, improvement, and repair of its facilities; preserving distinct post-secondary missions; recognizing separate student associations; transferring excess debt service funds; amending Minnesota Statutes 1992, sections 43A.06, subdivision 1; 43A.08, subdivision 1; 43A.18, by adding a subdivision; 135A.01; 135A.02; 135A.03, as amended; 136.31; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.41, by adding a subdivision; 136.60; 136A.121, subdivision 17; 136A.125, subdivisions 2, 3, and 4; 136A.15, subdivision 6; 136C.06; and 136E.01, subdivisions 1 and 2; 179A.10, subdivision 1; Minnesota Statutes 1993 Supplement, sections 43A.18, subdivision 4; 136.41, subdivision 8; 136A.233, subdivisions 1 and 2; 136E.03; Laws 1991, chapter 356, article 9, sections 8, subdivision 1; 9; 12; and 13; Laws 1993, chapter 224, article 12, section 39; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; and 136E; repealing Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; 136.31, subdivision 6; 136.40; 136.41, subdivisions 1, 2, 3, 4, 5, 6, and 7; and 136.42; 136C.36; Minnesota Statutes 1993 Supplement, section 135A.061; Laws 1993, First Special Session chapter 2, article 1, section 9, subdivision 8.

Reported the same back with the following amendments:

Page 4, after line 30, insert:

"In making Fond du Lac a full campus, the legislature intends to enhance the programs, enrollment, and efficiency of the campus. As part of this action the state board for community colleges shall report on its plans to accomplish these goals to the higher education finance divisions by January 15, 1995."

Page 5, delete lines 10 to 18 and insert:

"The board of regents is requested to report to the higher education finance divisions of the house of representatives and the senate by January 15, 1995, on the policies and practices it has planned or implemented to comply with Title VII, Title IX, and the Equal Pay Act as they relate to coaches of men's and women's athletics."

Page 30, line 27, delete "higher education board" and insert "department of employee relations"

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

The report was adopted.

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

S. F. No. 1758, A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive aid to families with dependent children (AFDC); providing an exception to the AFDC overpayment statute; allowing start work offset to AFDC recipients in the first month of work; broadening the scope of the employment and training statute by requiring more AFDC recipients to participate in job search; allowing

vendor emergency assistance payments for damage deposit; providing required workers' compensation insurance for community work experience program workers; expanding cost-neutral fraud prevention programs; allowing emergency assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness lump-sum criteria the same as the AFDC lump-sum criteria, with some exceptions; requiring a study to expand the parent's fair share pilot project statewide; requiring the departments of human services and revenue to design and implement a plan which supports working families; directing the commissioner of human services to seek several waivers from the federal government which support and promote moving off welfare and becoming self-sufficient; expanding the parent's fair share pilot project into Ramsey county; expanding state support for basic sliding fee day care program; appropriating money; amending Minnesota Statutes 1992, sections 256.73, by adding subdivisions; 256.737, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.05, subdivision 6; 256D.09, by adding a subdivision; 256H.05, subdivision 1b; and 268.672, subdivision 6; Minnesota Statutes 1993 Supplement, sections 256.031, subdivision 3; 256.73, subdivision 8; and 256.736, subdivisions 10 and 14; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1993 Supplement, section 256.734.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 256.01, subdivision 11, is amended to read:

Subd. 11. [CENTRALIZED DISBURSEMENT SYSTEM.] The state agency may establish a system for the centralized disbursement of food coupons, assistance payments, and related documents. Benefits shall be issued by the state or county and funded under this section according to section 256.025, subdivision 3, and subject to section 256.017.

The commissioner shall establish a statewide outreach program to better inform potential recipients of the existence and availability of food stamps under the food stamp program. The commissioner shall appoint a task force to assist in planning the outreach program. The commissioner also shall consult with the United States Department of Agriculture in the planning process and shall seek that agency's assistance in the development of any rule revisions that may be necessary to carry out the outreach program.

Sec. 2. [256.0281] [RESTRUCTURING OF PUBLIC ASSISTANCE.]

The commissioners of human services and jobs and training shall develop a plan for first-time application for aid to families with dependent children (AFDC) and family general assistance (FGA) in order to assure that, during the first six months of eligibility, first-time applicants for AFDC and FGA will receive the following in lieu of standard AFDC or FGA:

(1) immediate and enhanced job search and placement activities;

(2) if an unsubsidized job is not located within the first 60 days, or at an earlier date recommended by the commissioners, then subsidized employment in the private or public sector or a placement in a community service job that pays wages up to the value of AFDC or FGA is required;

(3) priority help in establishing child support enforcement;

(4) child care assistance for job search activities and employment;

(5) eligibility for medical care; and

(6) vendor payments for need items included in the AFDC consolidated standard of assistance under the state plan.

The commissioners shall consider to what extent exceptions should be made for:

(1) a person who is suffering from a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(2) a person whose presence in the home on a substantially continuous basis is required because of the professionally certified illness, injury, incapacity, or the age of another member of the household;

(3) a person who has been placed in, and is residing in, a licensed or certified facility for purposes of physical or mental health or rehabilitation, 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 county agency through its director or designated representative;

(4) a person who resides in a shelter facility described in section 256D.05, subdivision 3;

(5) a person not described in clause (1) or (3) who is diagnosed by a licensed physician, licensed psychologist, or other qualified professional, as mentally retarded or mentally ill, and that condition prevents the person from obtaining or retaining employment;

(6) a person who has an application pending for, or is appealing termination of benefits from, the Social Security Disability program or the program of Supplemental Security Income for the aged, blind, and disabled, provided the person has a professionally certified permanent or temporary illness, injury, or incapacity which is expected to continue for more than 30 days and which prevents the person from obtaining or retaining employment;

(7) a person who is unable to obtain or retain employment because advanced age significantly affects the person's ability to seek or engage in substantial work; and

(8) a pregnant woman, if it has been medically verified that the child is expected to be born within the next six months.

The commissioners shall present to the 1995 legislature a statewide phased-in implementation plan, starting in counties designated by the commissioners which includes employability assessment criteria, feasibility of colocation of services, and a description of the modifications that the commissioners recommend. The plan must identify needed federal waivers, evaluation criteria, state plan amendments, and other approvals under the AFDC and job opportunities and basic skills (JOBS) program. The commissioner's plan must include implementation of the project by October 1, 1995, or after the necessary waivers are approved, whichever is later. The commissioners shall also provide to the legislature by February 1, 1997, a report which includes a comparison of the immediate job search project under section 35 and the project implemented under this section.

Sec. 3. [256.0282] [RESTRUCTURING OF PROJECT STRIDE.]

The commissioners of human services and jobs and training shall develop recommendations to restructure the program entitled "success through reaching individual development and employment" (STRIDE), under sections 256.73 to 256.739, to effectively and efficiently employ AFDC recipients. The commissioners shall identify modifications necessary to implement the following principles:

(1) employment is the expected program outcome;

(2) training and education will be used primarily to enhance job skills of employed participants;

(3) adequate support services shall remain available until the recipient achieves employment that provides wages that enable the recipient to be self-sufficient;

(4) aggressive development of job markets;

(5) extended post-placement follow-up to retain current employment or move to better jobs;

(6) concurrent services which combine education and employment;

(7) within the limits of available funding, certain categories of AFDC recipients shall be required to participate in project STRIDE services after two years; and

(8) failure to participate will result in termination of assistance for noncompliant participants under the Family Support Act of 1988.

The commissioners shall present to the 1995 legislature a plan which includes specific categories for mandatory participants and a description of the modifications that the commissioners recommend within existing appropriations. The proposal must identify needed federal waivers, state plan amendments, and other approvals under the AFDC and JOBS programs.

Sec. 4. Minnesota Statutes 1993 Supplement, section 256.031, subdivision 3, is amended to read:

Subd. 3. [AUTHORIZATION FOR THE DEMONSTRATION.] (a) The commissioner of human services, in consultation with the commissioners of education, finance, jobs and training, health, and planning, and the director of the higher education coordinating board, is authorized to proceed with the planning and designing of the Minnesota family investment plan and to implement the plan to test policies, methods, and cost impact on an experimental basis by using field trials. The commissioner, under the authority in section 256.01, subdivision 2, shall implement the plan according to sections 256.031 to 256.0361 and Public Law Numbers 101-202 and 101-239, section 8015, as amended. If major and unpredicted costs to the program occur, the commissioner may take corrective action consistent with Public Law Numbers 101-202 and 101-239, which may include termination of the program. Before taking such corrective action, the commissioner shall consult with the chairs of the senate family services committee, the house health and human services committee, the health care and family services division of the senate family services and health care committees and the human services division of the house health and human services committee, or, if the legislature is not in session, consult with the legislative advisory commission.

(b) The field trials shall be conducted as permitted under federal law, for as many years as necessary, and in different geographical settings, to provide reliable instruction about the desirability of expanding the program statewide.

(c) The commissioner shall select the counties which shall serve as field trial or comparison sites based on criteria which ensure reliable evaluation of the program.

(d) The commissioner is authorized to determine the number of families and characteristics of subgroups to be included in the evaluation.

(i) A family that applies for or is currently receiving financial assistance from aid to families with dependent children; family general assistance or work readiness; or food stamps may be tested for eligibility for aid to families with dependent children or family general assistance and may be assigned by the commissioner to a test or a comparison group for the purposes of evaluating the family investment plan. A family found not eligible for aid to families with dependent children or family general assistance will be tested for eligibility for the food stamp program. If found eligible for the food stamp program, the commissioner may randomly assign the family to a test group, comparison group, or neither group. Families assigned to a test group receive benefits and services through the family investment plan. Families assigned to a comparison group receive benefits and services through existing programs. A family may not select the group to which it is assigned. Once assigned to a group, an eligible family must remain in that group for the duration of the project.

(ii) To evaluate the effectiveness of the family investment plan, the commissioner may designate a subgroup of families from the test group who shall be exempt from section 256.035, subdivision 1, and shall not receive case management services under section 256.035, subdivision 6a. Families are eligible for services under section 256.736 to the same extent as families receiving AFDC.

(e) After field trials have begun, the commissioner may extend field trials of the Minnesota family investment plan to Ramsey county with county board consent. This extension of the field trials may be executed only if permitted under federal law, and is subject to federal approval. Ramsey county shall coordinate efforts with the community when developing the service delivery plan under section 256.0361, subdivision 1.

Sec. 5. Minnesota Statutes 1992, section 256.73, is amended by adding a subdivision to read:

Subd. 3b. [ELIGIBILITY NOT BARRED BY WORKING OVER 99 HOURS; PAST EMPLOYMENT HISTORY; AND 30-DAY WAITING PERIOD.] An individual receiving assistance may work over 99 hours per month and remain eligible for assistance, provided all other requirements of the aid to families with dependent children are met. The applicant is not required to demonstrate past employment history or 30 days of prior unemployment to be eligible for AFDC-unemployed parent.

Sec. 6. Minnesota Statutes 1992, section 256.73, is amended by adding a subdivision to read:

Subd. 5a. [PARENTING OR PREGNANT MINORS; RESTRICTION ON ASSISTANCE WITH FEDERAL EXCEPTIONS.] (a) The definitions in this paragraph apply to this subdivision.

(1) "Minor parent" means an individual who:

(i) is under the age of 18;

(ii) has never been married or otherwise legally emancipated; and

(iii) is either the natural parent of a dependent child living in the same household or eligible for assistance paid to a pregnant woman under subdivision 5.

(2) "Household of a parent, legal guardian, or other adult relative" means the place of residence of:

(i) a natural or adoptive parent;

(ii) a legal guardian pursuant to appointment or acceptance under section 260.242, 525.615, or 525.6165, and related laws; or

(iii) another individual who is age 18 or over and related to the minor parent as specified in Code of Federal Regulations, title 45, section 233.90(c)(1)(v), provided that the residence is maintained as a home for the minor parent and child under Code of Federal Regulations, title 45, section 233.90(c)(1)(v)(B).

(3) "Adult-supervised supportive living arrangement" means a private family setting which assumes responsibility for the care and control of the minor parent and dependent child, or other living arrangement (not including a public institution) which ensures that the minor parent receives supportive services, such as counseling, guidance, independent living skills training, or supervision.

(b) A minor parent and the dependent child who is in the care of the minor parent must reside in the household of a parent, legal guardian, or other adult relative, or in an adult-supervised supportive living arrangement in order to receive AFDC unless:

(1) the minor parent has no living parent or legal guardian whose whereabouts is known;

(2) no living parent or legal guardian of the minor parent allows the minor parent to live in the parent's or legal guardian's home;

(3) the minor parent lived apart from the minor parent's own parent or legal guardian for a period of at least one year before either the birth of the dependent child or the parent's having made application for AFDC;

(4) the physical or emotional health or safety of the minor parent or dependent child would be jeopardized if they resided in the same residence with the minor parent's parent or legal guardian; or

(5) there is good cause for the minor parent and dependent child to receive assistance while living apart from the minor parent's parent, legal guardian, or other adult relative, or an adult supervised supportive living arrangement in that the minor parent and dependent child have, on the effective date of this section, been living independently as part of an approved social services plan for less than the one-year period required under clause (3).

(c) Minor applicants must be informed orally and in writing about the eligibility requirements and their rights and obligations under the program. The county must advise the minor of the possible exemptions and specifically ask whether one or more of these exemptions is applicable. If the minor alleges one or more of these exemptions, then the county must assist the minor in attaining the necessary verifications to ensure whether or not these exemptions apply.

(d) If the county worker has reason to suspect that the physical or emotional health or safety of the minor parent or dependent child would be jeopardized if they resided with the minor parent's parent or legal guardian, then the county worker must make a referral to child protective services to determine if paragraph (b), clause (4), applies.

(e) If a minor parent is not living with a parent or legal guardian due to paragraph (b), clause (2) or (4), the minor parent must reside, when possible, in a living arrangement that meets the standards of paragraph (a), clause (3).

(f) When a minor parent and his or her dependent child live with the minor parent's parent, legal guardian, or other adult relative, or in an adult supervised supportive living arrangement, then AFDC must be paid, when possible, in the form of a protective payment on behalf of the minor parent and dependent child in accordance with Code of Federal Regulations, title 45, section 234.60.

Sec. 7. Minnesota Statutes 1993 Supplement, section 256.73, subdivision 8, is amended to read:

Subd. 8. [RECOVERY OF OVERPAYMENTS.] (a) Except as provided in subdivision 8a, if an amount of aid to families with dependent children assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member for one or more monthly assistance payments until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. If the overpayment is due solely to having wrongfully obtained assistance, whether based on a court order, the finding of an administrative fraud disqualification hearing or a waiver of such a hearing, or a confession of judgment containing an admission of an intentional program violation, the amount of this reduction shall be ten percent. In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the above aid reductions, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance in accordance with standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of fraud under section 256.98.

Sec. 8. Minnesota Statutes 1992, section 256.73, is amended by adding a subdivision to read:

Subd. 8a. [START WORK OFFSET.] An overpayment resulting from earned income received in the first month of employment is not recoverable by the county agency provided the aid to families with dependent children assistance unit has not previously received a start work offset. A "start work offset" for purposes of this subdivision is the amount of the overpayment the assistance unit would otherwise be required to pay to the county under subdivision 8. This exception to subdivision 8 is available every two years to an aid to families with dependent children assistance unit. The commissioner shall commence the payment of start work grants with families who earn their way off AFDC beginning in January 1, 1995. The commissioner shall use state appropriated funds as necessary for this grant program but shall make all best efforts to leverage federal matching funds for this grant program. The commissioner shall include the start work grant program as part of any AFDC waiver request made to the federal government subsequent to the effective date of this section.

Sec. 9. Minnesota Statutes 1992, section 256.736, subdivision 5, is amended to read:

Subd. 5. [EXTENSION OF EMPLOYMENT AND TRAINING OPPORTUNITIES.] The commissioner of human services shall cooperate with the commissioner of jobs and training and the commissioner of trade and economic development to extend the availability of training and employment opportunities on a statewide basis and to assist local employment advisory groups convened under this subdivision. The county welfare agency may convene an employment advisory group consisting of representatives from the local chamber of commerce, from major area employers, from secondary and post-secondary educational institutions in the community, and from job services offices operated by the commissioner of jobs and training under chapter 268. The county welfare agency shall work with the local employment advisory group to maximize the job opportunities for welfare clients.

Sec. 10. Minnesota Statutes 1993 Supplement, section 256.736, subdivision 10, is amended to read:

Subd. 10. [COUNTY DUTIES.] (a) To the extent of available state appropriations, county boards shall:

(1) refer all mandatory and eligible volunteer caretakers permitted to participate under subdivision 3a to an employment and training service provider for participation in employment and training services;

(2) identify to the employment and training service provider the target group of which the referred caretaker is a member;

(3) provide all caretakers with an orientation which meets the requirements in subdivisions 10a and 10b;

(4) work with the employment and training service provider to encourage voluntary participation by caretakers in the target groups;

- (5) work with the employment and training service provider to collect data as required by the commissioner;
- (6) to the extent permissible under federal law, require all caretakers coming into the AFDC program to attend orientation;
- (7) encourage nontarget caretakers to develop a plan to obtain self-sufficiency;
- (8) notify the commissioner of the caretakers required to participate in employment and training services;
- (9) inform appropriate caretakers of opportunities available through the head start program and encourage caretakers to have their children screened for enrollment in the program where appropriate;
- (10) provide transportation assistance using available funds to caretakers who participate in employment and training programs;
- (11) ensure that orientation, job search, services to custodial parents under the age of 20, educational activities and work experience for AFDC-UP families, and case management services are made available to appropriate caretakers under this section, except that payment for case management services is governed by subdivision 13;
- (12) explain in its local service unit plan under section 268.88 how it will ensure that target caretakers determined to be in need of social services are provided with such social services. The plan must specify how the case manager and the county social service workers will ensure delivery of needed services;
- (13) to the extent allowed by federal laws and regulations, provide a job search program as defined in subdivision 14, a community work experience program as defined in section 256.737, grant diversion as defined in section 256.739, and on-the-job training as defined in section 256.738. A county may also provide another work and training program approved by the commissioner and the secretary of the United States Department of Health and Human Services. Planning and approval for employment and training services listed in this clause must be obtained through submission of the local service unit plan as specified under section 268.88. A county is not required to provide a community work experience program if the county agency is successful in placing at least 40 percent of the monthly average of all caretakers who are subject to the job search requirements of subdivision 14 in grant diversion or on-the-job training program;
- (14) prior to participation, provide an assessment of each AFDC recipient who is required or volunteers to participate in an approved employment and training service. The assessment must include an evaluation of the participant's (i) educational, child care, and other supportive service needs; (ii) skills and prior work experience; and (iii) ability to secure and retain a job which, when wages are added to child support, will support the participant's family. The assessment must also include a review of the results of the early and periodic screening, diagnosis and treatment (EPSDT) screening and preschool screening under chapter 123, if available; the participant's family circumstances; and, in the case of a custodial parent under the age of 18, a review of the effect of a child's development and educational needs on the parent's ability to participate in the program;
- (15) develop an employability development plan for each recipient for whom an assessment is required under clause (14) which: (i) reflects the assessment required by clause (14); (ii) takes into consideration the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care and other supportive service needs; (iii) is based on available resources and local employment opportunities; (iv) specifies the services to be provided by the employment and training service provider; (v) specifies the activities the recipient will participate in, including the worksite to which the caretaker will be assigned, if the caretaker is subject to the requirements of section 256.737, subdivision 2; (vi) specifies necessary supportive services such as child care; (vii) to the extent possible, reflects the preferences of the participant; and (viii) includes a written agreement between the county agency and the caregiver that outlines a reasonable schedule for completing the plan, including specific completion deadlines, and confirms that (A) there is a market for full-time employees with this education or training where the caregiver will or is willing to reside upon completion of the program; (B) the average wage level for employees with this education or training is greater than the caregiver can earn without this education or training; (C) the caregiver has the academic ability to successfully complete the program; and (D) there is a reasonable expectation that the caregiver will complete the training program based on such factors as the caregiver's previous education, training, work history, current motivation, and changes in previous circumstances; and (ix) specifies the recipient's long-term employment goal which shall lead to self-sufficiency;

(16) obtain the written or oral concurrence of the appropriate exclusive bargaining representatives with respect to job duties covered under collective bargaining agreements to assure that no work assignment under this section or sections 256.737, 256.738, and 256.739 results in: (i) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual under this section or sections 256.737, 256.738, and 256.739; (ii) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job; (iii) any infringement of the promotional opportunities of any currently employed individual; (iv) the impairment of existing contracts for services or collective bargaining agreements; or (v) except for on-the-job training under section 256.738, a participant filling an established unfilled position vacancy; and

(17) assess each caretaker in an AFDC-UP family who is under age 25, has not completed high school or a high school equivalency program, and who would otherwise be required to participate in a work experience placement under section 256.737 to determine if an appropriate secondary education option is available for the caretaker. If an appropriate secondary education option is determined to be available for the caretaker, the caretaker must, in lieu of participating in work experience, enroll in and meet the educational program's participation and attendance requirements. "Secondary education" for this paragraph means high school education or education designed to prepare a person to qualify for a high school equivalency certificate, basic and remedial education, and English as a second language education. A caretaker required to participate in secondary education who, without good cause, fails to participate shall be subject to the provisions of subdivision 4a and the sanction provisions of subdivision 4, clause (6). For purposes of this clause, "good cause" means the inability to obtain licensed or legal nonlicensed child care services needed to enable the caretaker to attend, inability to obtain transportation needed to attend, illness or incapacity of the caretaker or another member of the household which requires the caretaker to be present in the home, or being employed for more than 30 hours per week.

(b) Funds available under this subdivision may not be used to assist, promote, or deter union organizing.

(c) A county board may provide other employment and training services that it considers necessary to help caretakers obtain self-sufficiency.

(d) Notwithstanding section 256G.07, when a target caretaker relocates to another county to implement the provisions of the caretaker's case management contract or other written employability development plan approved by the county human service agency, its case manager or employment and training service provider, the county that approved the plan is responsible for the costs of case management and other services required to carry out the plan, including employment and training services. The county agency's responsibility for the costs ends when all plan obligations have been met, when the caretaker loses AFDC eligibility for at least 30 days, or when approval of the plan is withdrawn for a reason stated in the plan, whichever occurs first. Responsibility for the costs of child care must be determined under chapter 256H. A county human service agency may pay for the costs of case management, child care, and other services required in an approved employability development plan when the nontarget caretaker relocates to another county or when a target caretaker again becomes eligible for AFDC after having been ineligible for at least 30 days.

Sec. 11. Minnesota Statutes 1992, section 256.737, is amended by adding a subdivision to read:

Subd. 7. [INJURY PROTECTION FOR WORK EXPERIENCE PARTICIPANTS.] (a) [COVERAGE.] Any claims or demands against any person or entity arising out of an injury or death of an AFDC or Work Readiness recipient participating in a community work experience program (CWEP) under this section or any work experience program established and operated by a county under this chapter or chapter 256D, shall be presented, heard, and determined as provided in this subdivision.

(b) [EVALUATION OF CLAIMS.] A claim under this subdivision shall be investigated by the county human services agency responsible for supervising the recipient to determine if the claim is valid. The county agency shall submit all valid claims to the department of human services. The department shall consult with the department of labor and industry in evaluating any claim for permanent partial disability and in any claim arising from the death of a participant. The department shall award an amount for reasonable medical care and the amount recommended by the department of labor and industry for permanent partial disability as impairment compensation. No amount may be awarded for pain and suffering or income maintenance.

(c) [PAYMENT OF CLAIMS.] The department shall pay any claim of \$1,000 or less as quickly as possible, but in no event more than three months from the date the participant agrees to accept settlement of the claim. A claim in excess of \$1,000 shall be paid under the legislative claim procedure. On or before the first day of the legislative session, the department shall submit to the joint senate/house subcommittee on claims a list of the claim paid during

the preceding calendar year. The department shall be reimbursed by legislative appropriation for any claims that exceed the original appropriation provided to the department to operate the program. Any unspent monies from this fund shall carry over to the second year of the biennium, and any unspent monies remaining at the end of the second year shall be returned to the state general fund.

(d) [APPEAL.] Any claim that is rejected by the department may be presented to the joint senate/house subcommittee on claims under the legislative claims procedure.

(e) [EXCLUSIVE REMEDY.] The procedure established by this section is exclusive of all other legal, equitable, and statutory remedies against the state, its political subdivisions, or employees of the state or its political subdivisions. The recipient shall not be entitled to seek damages under any state or county insurance policy or self-insurance program.

(f) [EVALUATION; REPORT.] No later than January 15, 1996, the department shall report to the chairs of the human services policy and funding committees of the senate and house of representatives on its evaluation of the implementation of this subdivision in fiscal year 1995. The department shall also examine alternative methods for providing injury protection for workers covered by this section including state operated risk pools and other forms of coverage. The department shall promptly make an interim report to the legislature of any significant problems that arise in the implementation of this subdivision.

Sec. 12. Minnesota Statutes 1992, section 256.74, is amended by adding a subdivision to read:

Subd. 6. [STUDY OF STATE SUPPLEMENTARY PAYMENTS.] The commissioner of human services shall study and report back on a plan for providing supplemental payments for recipients of aid to families with dependent children whose income is reduced or terminated as a result of a reduction in the rate of pay, reduction in numbers of hours worked, or reduction in court ordered or agreed upon support, but whose assistance under the AFDC program is not adjusted accordingly because of the operation of retrospective budgeting procedures. The amount of assistance must be sufficient to ensure that the assistance unit's income equals, but does not exceed, the standard of assistance in the aid to families with dependent children program for an assistance unit of like size and composition. A recipient shall not be eligible for supplementary assistance if the recipient voluntarily, and without good cause attributable to the employer, discontinued his or her employment with such employer or was discharged for misconduct connected with work or for misconduct which interferes with or adversely affects employment. The commissioner's report shall provide information on the projected number of families likely to be eligible for supplementary payments during the 1996-1997 biennium; and on the costs, including administrative costs, of making those payments to eligible recipients. The report shall be presented to the legislature by February 15, 1995.

Sec. 13. Minnesota Statutes 1992, section 256.81, is amended to read:

256.81 [COUNTY AGENCY, DUTIES.]

(1) The county agency shall keep such records, accounts, and statistics in relation to aid to families with dependent children as the state agency shall prescribe.

(2) Each grant of aid to families with dependent children shall be paid to the recipient by the county agency unless paid by the state agency. Payment must be by check or electronic means except in those instances in which the county agency, subject to the rules of the state agency, determines that payments for care shall be made to an individual other than the parent or relative with whom the dependent child is living or to vendors of goods and services for the benefit of the child because such parent or relative is unable to properly manage the funds in the best interests and welfare of the child. There is a presumption of mismanagement of funds whenever a recipient is more than 30 days in arrears on payment of rent. In cases of mismanagement based solely on failure to pay rent, the county may vendor the rent payments to the landlord. At the request of a recipient, the state or county may make payments directly to vendors of goods and services, but only for goods and services appropriate to maintain the health and safety of the child, as determined by the county.

(3) The state or county may ask the recipient to give written consent authorizing the state or county to provide advance notice to a vendor before vendor payments of rent are reduced or terminated. Whenever possible under state and federal laws and regulations and if the recipient consents, the state or county shall provide at least 30 days notice to vendors before vendor payments of rent are reduced or terminated. If 30 days notice cannot be given, the state or county shall notify the vendor within three working days after the date the state or county becomes aware that vendor payments of rent will be reduced or terminated. When the county notifies a vendor that vendor payments

of rent will be reduced or terminated, the county shall include in the notice that it is illegal to discriminate on the grounds that a person is receiving public assistance and the penalties for violation. The county shall also notify the recipient that it is illegal to discriminate on the grounds that a person is receiving public assistance and the procedures for filing a complaint. The county agency may develop procedures, including using the MAXIS system, to implement vendor notice and may charge vendors a fee not exceeding \$5 to cover notification costs.

(4) A vendor payment arrangement is not a guarantee that a vendor will be paid by the state or county for rent, goods, or services furnished to a recipient, and the state and county are not liable for any damages claimed by a vendor due to failure of the state or county to pay or to notify the vendor on behalf of a recipient, except under a specific written agreement between the state or county and the vendor or when the state or county has provided a voucher guaranteeing payment under certain conditions.

(5) The county shall be paid from state and federal funds available therefor the amount provided for in section 256.82.

(6) Federal funds available for administrative purposes shall be distributed between the state and the counties in the same proportion that expenditures were made except as provided for in section 256.017.

(7) The commissioner and affected county may require that assistance paid under the aid to families with dependent children emergency assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to pay for property damage, be returned to the county when the assistance unit vacates the premises. The damage deposit funds shall be returned to the county only in those cases where the recipient will need the funds to secure a new rental, in which case the funds shall be paid to the recipient's new landlord as a vendor payment.

Sec. 14. Minnesota Statutes 1993 Supplement, section 256.87, subdivision 1, is amended to read:

Subdivision 1. [ACTIONS AGAINST PARENTS AND FINANCIALLY RESPONSIBLE GRANDPARENTS FOR ASSISTANCE FURNISHED.] For the purposes of this section, a financially responsible grandparent is a natural or adoptive parent of a minor whose dependent child is not living in the grandparents' home. This responsibility can extend to either maternal or paternal grandparents. A minor for purposes of this section is anyone not legally emancipated. A parent or financially responsible grandparent of a child is liable for the amount of assistance furnished under sections 256.031 to 256.0361, 256.72 to 256.87, or under Title IV-E of the Social Security Act or medical assistance under chapter 256, 256B, or 256D to and for the benefit of the child, including any assistance furnished for the benefit of the caretaker of the child, which the parent or financially responsible grandparent has had the ability to pay. The parent's ability to pay must be determined according to chapter 518. The financially responsible grandparent's ability to pay may be determined according to chapter 518. The parent's or financially responsible grandparent's liability is limited to the two years immediately preceding the commencement of the action, except 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 up to the full amount of assistance furnished. 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 or financially responsible grandparent for the recovery of the amount of assistance granted, together with the costs and disbursements of the action. The provisions of this subdivision do not apply if the income of the financially responsible grandparent has already been used to determine the child's eligibility for public assistance.

Sec. 15. Minnesota Statutes 1993 Supplement, section 256.87, subdivision 1a, is amended to read:

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 or financially responsible grandparent found able to reimburse the county or state agency. The order shall be effective for the period of time during which the recipient receives public assistance from any county or state agency and thereafter. The order shall require support according to chapter 518. The financially responsible grandparent's ability to pay may be determined according to chapter 518. An order for continuing contributions is reinstated without further hearing upon notice to the parent or financially responsible grandparent by any county or state agency that assistance is again being provided for the child of the parent or financially responsible grandparent under sections 256.031 to 256.0361, 256.72 to 256.87, or under Title IV-E of the Social Security Act or medical assistance under chapter 256, 256B, or 256D. The notice shall be in writing and shall indicate that the parent or financially responsible grandparent may request a hearing for modification of the amount of support or maintenance.

Sec. 16. Minnesota Statutes 1993 Supplement, section 256.87, subdivision 5, is amended to read:

Subd. 5. [CHILD NOT RECEIVING ASSISTANCE.] A person or entity having physical and legal 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 parents or absent financially responsible grandparent. Upon an order to show cause and a motion served on the absent parent or absent financially responsible grandparent, the court shall order child support payments from the absent parent under chapter 518. The absent financially responsible grandparent's ability to pay may be determined according to chapter 518. The commissioner must report to the chairs of the human services policy and funding committees of the legislature by January 1, 1996, on the implementation of the amendments to this subdivision, and to subdivisions 2 and 2a, relating to grandparent responsibility.

Sec. 17. Minnesota Statutes 1992, section 256.979, is amended by adding a subdivision to read:

Subd. 9. [ACCRUAL OF SUPPORT OBLIGATIONS.] The commissioner of human services shall seek a waiver from the secretary of the Department of Health and Human Services to enable the agency to accrue child support payments received on behalf of both AFDC and non-AFDC clients until the sum total of the money owed by the state agency to the client is at least \$10. Obligors shall be assessed a processing fee of \$10 to be retained by the county agency in every instance when both of the following conditions exist:

- (1) the obligor pays less than the required monthly support obligation; and
- (2) that reduced payment would result in a child support payment to an AFDC or non-AFDC client of less than \$10 for that month.

Sec. 18. Minnesota Statutes 1992, section 256.983, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS ESTABLISHED.] Within the limits of available appropriations, and to the extent required or authorized by applicable federal regulations, the commissioner of human services shall require the establishment of fraud prevention investigation programs in the seven counties participating in the fraud prevention investigation pilot project established under section 256.983, and in 11 additional Minnesota counties with the largest aid to families with dependent children program caseloads as of July 1, 1991. If funds are sufficient, the commissioner may also extend fraud prevention investigation programs to: (1) other counties that have welfare fraud control programs already in place based on enhanced funding contracts covering the fraud investigation function; and (2) counties that have the largest aid to families with dependent children caseloads as of July 1, 1993, and are not currently participating in the fraud prevention investigation pilot project. The pilot project may be expanded provided the expansion is budget neutral to the state.

Sec. 19. [256.9850] [IDENTITY VERIFICATION.]

The commissioner of human services shall seek from the secretary of health and human services all necessary waivers of the requirements of the program of aid to families with dependent children, to enable the commissioner to establish a statewide program to test the effectiveness of identity verification systems in the electronic benefit transfer systems in the state AFDC program. Identity verification provisions shall be added to the statewide requests for proposal on the expansion of electronic benefit transfer systems in the AFDC program.

Sec. 20. Minnesota Statutes 1992, section 256D.05, subdivision 6, is amended to read:

Subd. 6. [ASSISTANCE FOR PERSONS WITHOUT A VERIFIED RESIDENCE.] (a) For applicants or recipients of general assistance, emergency general assistance, or work readiness assistance who do not have a verified residence address, the county agency may provide assistance using one or more of the following methods:

- (1) the county agency may provide assistance in the form of vouchers or vendor payments and provide separate vouchers or vendor payments for food, shelter, and other needs;
- (2) the county agency may divide the monthly assistance standard into weekly payments, whether in cash or by voucher or vendor payment. Nothing in this clause prevents the county agency from issuing voucher or vendor payments for emergency general assistance in an amount less than the standards of assistance; and
- (3) the county agency may determine eligibility and provide assistance on a weekly basis. Weekly assistance can be issued in cash or by voucher or vendor payment and can be determined either on the basis of actual need or by prorating the monthly assistance standard.

(b) An individual may verify a residence address by providing a driver's license; a state identification card; a statement by the landlord, apartment manager, or homeowner verifying that the individual is residing at the address; or other written documentation approved by the commissioner.

(c) Notwithstanding the provisions of section 256D.06, subdivision 1, if the county agency elects to provide assistance on a weekly payment basis, the agency may not provide assistance for a period during which no need is claimed by the individual unless the individual has good cause for failing to claim need. The individual must be notified, each time weekly assistance is provided, that subsequent weekly assistance will not be issued unless the individual claims need. The advance notice required under section 256D.10 does not apply to weekly assistance that is withheld because the individual failed to claim need without good cause.

(d) The county agency may not issue assistance on a weekly basis to an applicant or recipient who has professionally certified mental illness or mental retardation or a related condition, or to an assistance unit that includes minor children, unless requested by the assistance unit.

(4) for the purposes of clauses (2) and (3), the county agency may divide the monthly assistance standard as follows: \$50 per week for each of the first three weeks, and the remainder for the fourth week.

Sec. 21. Minnesota Statutes 1992, section 256D.09, is amended by adding a subdivision to read:

Subd. 5. [VENDOR PAYMENTS TO LANDLORDS.] The commissioner and affected county may require that assistance paid under the emergency general assistance program in the form of a rental unit damage deposit, less any amount retained by the landlord to pay for property damage, be returned to the county when the recipient vacates the premises. The damage deposit funds shall be returned to the county only in those cases where the recipient will need the funds to secure a new rental, in which case the funds shall be paid to the recipient's new landlord as a vendor payment.

Sec. 22. Minnesota Statutes 1992, section 256D.09, is amended by adding a subdivision to read:

Subd. 6. [RECOVERY OF OVERPAYMENTS.] (a) If an amount of general assistance, family general assistance, or work readiness assistance is paid to a recipient in excess of the payment due, it shall be recoverable by the county agency. The agency shall give written notice to the recipient of its intention to recover the overpayment.

(b) When an overpayment occurs, the county agency shall recover the overpayment from a current recipient by reducing the amount of aid payable to the assistance unit of which the recipient is a member, for one or more monthly assistance payments, until the overpayment is repaid. All county agencies in the state shall reduce the assistance payment by three percent of the assistance unit's standard of need or the amount of the monthly payment, whichever is less, for all overpayments whether or not the overpayment is due solely to agency error. The amount of this reduction is ten percent, if the overpayment is due solely to having wrongfully obtained assistance, whether based on:

(1) a court order;

(2) the finding of an administrative fraud disqualification hearing or the waiver of such a hearing; or

(3) a confession of judgment containing an admission of an intentional program violation.

In cases when there is both an overpayment and underpayment, the county agency shall offset one against the other in correcting the payment.

(c) Overpayments may also be voluntarily repaid, in part or in full, by the individual, in addition to the aid reductions provided in this subdivision, until the total amount of the overpayment is repaid.

(d) The county agency shall make reasonable efforts to recover overpayments to persons no longer on assistance under standards adopted in rule by the commissioner of human services. The county agency need not attempt to recover overpayments of less than \$35 paid to an individual no longer on assistance if the individual does not receive assistance again within three years, unless the individual has been convicted of violating section 256.98.

Sec. 23. Minnesota Statutes 1992, section 256H.03, subdivision 2b, is amended to read:

Subd. 2b. [FUNDING PRIORITY.] (a) First priority must be given to parents who have completed their first AFDC transition year.

(b) Second priority for child care assistance under the basic sliding fee program must be given to eligible non-AFDC families who do not have a high school or general equivalency diploma or who need remedial and basic skill courses in order to pursue employment or to pursue education leading to employment. Within this priority, the following subpriorities must be used:

- (1) child care needs of minor parents;
- (2) child care needs of parents under 21 years of age; and
- (3) child care needs of other parents within the priority group described in this paragraph.

~~(b) Second priority must be given to parents who have completed their AFDC transition year.~~

Sec. 24. Minnesota Statutes 1992, section 256H.05, subdivision 1b, is amended to read:

Subd. 1b. [ELIGIBLE RECIPIENTS.] Families eligible for guaranteed child care assistance under the AFDC child care program are:

- (1) persons receiving services under section 256.736;
- (2) AFDC recipients who are employed;
- (3) persons who are members of first year transition year families under section 256H.01, subdivision 16;
- (4) members of the control group for the STRIDE evaluation conducted by the Manpower Demonstration Research Corporation; and
- (5) AFDC caretakers who are participating in the non-STRIDE AFDC child care program; and
- (6) persons participating in the immediate job search pilot project in Hennepin and Otter Tail counties.

Sec. 25. Minnesota Statutes 1992, section 268.672, subdivision 6, is amended to read:

Subd. 6. [ELIGIBLE JOB APPLICANT.] "Eligible job applicant" means a person who: (1) has been a resident of this state for at least one month, (2) is unemployed, (3) is not receiving and is not qualified to receive unemployment compensation or workers' compensation, and (4) is determined to be likely to be available for employment by an eligible employer for the duration of the job, and (5) is participating in the immediate job search pilot project in Hennepin and Otter Tail counties.

For the purposes of this subdivision, a farmer or any member of a farm family household who can demonstrate severe household financial need must be considered unemployed.

Sec. 26. Minnesota Statutes 1992, section 268.6751, is amended by adding a subdivision to read:

Subd. 3. [PILOT PROJECT SUBSIDIES.] The commissioner shall allocate wage subsidy funds for pilot project programs related to welfare reform. The commissioner shall allocate funds to counties selected to participate in pilot projects by determining each county's proportionate share of AFDC and family general assistance cases.

Sec. 27. [STUDY AND REPORT.]

The commissioner of human services shall report to the chairs of the human services policy and funding committees of the legislature by January 15, 1995, recommendations for establishing a statewide employment and training program for unemployed noncustodial parents modeled after the national parent's fair share pilot project. The report shall include cost estimates and must be developed in consultation with the departments of trade and economic development and jobs and training, and with counties that participate in the national pilot project and other interested counties.

Sec. 28. [STUDY OF STATE STANDARD OF NEED.]

The commissioner shall conduct a study of, and make recommendations on, the state standard of need and payment levels in the AFDC program. The study shall be conducted in accordance with the requirements of federal law and the requirements of this section. In conducting the study the commissioner shall make detailed findings on

the cost of the following in Minnesota: shelter, food, clothing, fuel, transportation, and other basic needs. The commissioner shall also consider regional differences within the state in determining the cost of items included in the standard of need budget. In all cost estimates, the commissioner shall take into account the ages of the AFDC recipients, most specifically the fact that most of the recipients are children whose needs, particularly for food and clothing items, may exceed that of adults. The commissioner shall also examine various options for enabling working families on AFDC to retain more of their earnings, including the option of increasing the state standard of need, alone, or in concert with various "fill-the-gap" budgeting systems that could be used to determine assistance levels for working AFDC families. The commissioner shall present the report with recommendations to the chairs of the human services policy and funding committees of the legislature by February 15, 1995.

Sec. 29. [CHILD CARE COOPERATIVES STUDY.]

The commissioner of human services shall determine the feasibility of operation and use of child care cooperatives by AFDC recipients who are working or attending school.

The commissioner shall present to the 1995 legislature the results of the determination and statewide phased-in implementation plan starting with counties designated by the commissioner, but including at a minimum, at least one rural and one metro county. The plan must ensure parental choice of a provider that best suits the family needs, identify evaluation criteria, state plan amendments, state legislation waivers, and all other information that is necessary to implement the plan.

Sec. 30. [CONSULT AND PROVIDE INFORMATION ON CHANGES NEEDED IN FEDERAL PROGRAMS.]

The commissioner of human services, in consultation with the commissioners of jobs and training and the Minnesota housing finance agency, shall consult with appropriate federal agencies about changes needed in federal law:

(1) to expand federal Housing and Urban Development (HUD) public housing programs to better meet the needs of homeless families;

(2) to improve the fit of supplemental security income (SSI) programs with the aid to families with dependent children (AFDC) program; and

(3) to create a national standard of need and a national formula for benefit payments in the program of aid to families with dependent children.

The commissioner of human services shall provide information on the results of these consultations to the chairs of the human services policy and funding committees of the legislature by February 15, 1995, with recommendations.

Sec. 31. [JOINT EFFORT; INCENTIVES TO WORK.]

The departments of human services and revenue must jointly design a plan which provides the following monetary supplements on a monthly basis to working families: federal and state earned income tax credits, renters credit/housing subsidy, dependent care credit. The commissioner shall report the recommendations in the plan to the chairs of the human services policy and funding committees of the legislature by January 1, 1995.

Sec. 32. [STUDY OF WORK FIRST AND IMMEDIATE JOB SEARCH PROPOSALS.]

The commissioners of the departments of human services and jobs and training shall examine the requirements of sections 2 and 35 and, in consultation with Hennepin county, Otter Tail county, and other counties, to develop recommendations to merge the different approaches in the two sections into a single program. The commissioners shall submit the recommendations to the legislature by January 15, 1995. The recommendations shall include implementation in at least both counties in the 1995 fiscal year and allow flexibility among counties in designing the types of service, employment programs, and delivery systems to fit local conditions and priorities. The recommendations must also identify needed federal waivers, evaluation criteria, state plan amendments, and other actions needed to implement the recommendations.

Sec. 33. [PARENTS' FAIR SHARE; MANDATORY COMMUNITY WORK EXPERIENCE.]

The parents' fair share (PFS) pilot project shall include a mandatory community work experience component for participants who fail to comply with other requirements of the pilot project.

Sec. 34. [FEDERAL WAIVER PACKAGE.]

Subdivision 1. [REQUEST.] The department of human services shall make a single request for the waivers listed in this section to the United States Department of Health and Human Services. The waivers in the package support and encourage AFDC recipients to move from reliance on welfare to self-sufficiency. The commissioner shall explore alternatives to the waiver evaluation process, which is required by the federal government, in an effort to reduce costs of the evaluation, and develop a cost-effective evaluation process for the waiver package in this section. The commissioner shall investigate the feasibility of the following: one evaluation for the entire waiver package, consolidation of evaluation efforts for the same or similar waiver with another state, completion of the evaluation internally, possibly by the office of legislative auditor, and other alternatives. The commissioner shall also notify the revisor of statutes when each waiver is approved by the federal government.

Subd. 2. [WAIVER TO DISALLOW PARENTAL INCOME OF A PREGNANT OR PARENTING MINOR LIVING WITH PARENTS.] The commissioner shall seek a waiver from the filing unit requirement, Code of Federal Regulations, title 45, section 206.10(a)(1)(vii), for minor parents who live with a parent who is on AFDC with other dependent children so that the minor can get the same separate need standard as they would get if the parent were not on AFDC. The commissioner shall also seek a waiver to disregard all parental income if the parent is on AFDC with other children; and if the parent is not on AFDC with other children, to disregard 150 percent of the federal poverty guideline and deem the remainder of income under Code of Federal Regulations, title 45, section 233.20(a)(3)(xviii), provided the parental income does not exceed 150 percent of poverty. If the commissioner experiences barriers or complications in preparing the waiver under this subdivision, the commissioner shall report back to the legislature for clarification. This should not delay the requests for the other waivers under this section. The commissioner shall also explore how the waivers under this subdivision will affect other programs, and report to the legislature potential waivers to provide necessary consistency across programs. The general policy in requesting these waivers is to keep the family intact and give the minor parent, the dependent child, and the grandparent an incentive to continue living together as a family. That incentive is providing the minor parent with a grant, probably based on a two-child standard, without taking a grant away from the grandparent. These waivers encourage a minor parent to remain living with the parent by reducing the barriers to receiving assistance. The waiver authorized by this subdivision shall not be implemented until after January 1, 1995.

Subd. 3. [WAIVER OF THE 100-HOUR RULE; WORK HISTORY REQUIREMENT; 30-DAY WAITING PERIOD REQUIREMENT.] The commissioner shall seek a waiver to eliminate the 100-hour rule under Code of Federal Regulations, title 45, section 233.100(a)(1)(i); the eligibility requirement for past employment history under Code of Federal Regulations, title 45, section 233.100(a)(3)(iii); and the requirement for a 30-day waiting period under Code of Federal Regulations, title 45, section 233.100(a)(3)(i).

Subd. 4. [WAIVER OF MOTOR VEHICLE RESOURCE LIMIT.] The commissioner shall seek a waiver to increase the maximum equity value of a licensed motor vehicle, which can be excluded as a resource under the federal regulations, from \$1,500 to the level permitted under the federal Food Stamp Program. This waiver is essential for AFDC recipients who need reliable transportation to participate in education, work, and training to become self-sufficient.

Subd. 5. [WAIVER TO ALLOW STUDENTS TO EARN INCOME WITHOUT AFFECTING THE PARENT AFDC GRANT AND ALLOW A SEPARATE SAVINGS ACCOUNT FOR EDUCATION AND EMPLOYMENT NEEDS.] The commissioner shall seek a waiver of the federal regulation which includes the earned income of dependent children and minor caretakers who are attending school at least half-time when determining eligibility for AFDC. The commissioner shall also seek a waiver which allows savings set aside in a separate account specifically for future education or employment needs be excluded from the AFDC resource limits.

Subd. 6. [PARENTING SKILLS TRAINING; WAIVER FOR BONUS.] The commissioner of human services shall seek a waiver of federal requirements in the program of aid to families with dependent children to enable Hennepin county to provide and fund a special one-time bonus of \$50 to both the custodial and noncustodial parent in recipient families who attend a county-approved program of ten hours or more in parent skills training. This waiver shall be part of the waiver request described in section 35, and if approved, shall be implemented in Hennepin county on the same time schedule as section 35.

Subd. 7. [IMPLEMENTATION.] The commissioner shall notify the chairs of the human services policy and funding committees of the senate and house of representatives when the waivers authorized by this section are received. The commissioner shall provide details on the substance of the federal requirements for each waiver received. No waiver shall be implemented until approved by the legislature.

Subd. 8. [STUDY OF WORK INCENTIVE FOR EMPLOYED DISABLED PERSONS.] The commissioner shall analyze the cost of a work incentive for disabled persons eligible for medical assistance who are not residents of long-term care facilities. The work incentive shall be a medical assistance earned income disregard for employed disabled persons equivalent to the threshold amount applied to persons who qualify under section 1619(b) of the Social Security Act, except that when a disabled person's earned income reaches the maximum income permitted at the threshold under section 1619(b), the person shall retain medical assistance eligibility and must contribute to the costs of medical care on a sliding fee basis. The commissioner shall report back to the chairs of the human services policy and funding committees of the legislature by February 15, 1995, on the cost of this work incentive with timetables for implementation.

Sec. 35. [IMMEDIATE JOB SEARCH; PILOT PROJECT.]

Subdivision 1. [PILOT PROJECT.] Hennepin county and Otter Tail county shall develop and implement a pilot project which requires AFDC and family general assistance recipients not previously entered on the MAXIS computer system to begin immediate job search.

Subd. 2. [PROGRAM REQUIREMENTS.] (a) Recipients who become eligible for assistance on or after January 1, 1995, in Otter Tail county and on or after October 1, 1995, in Hennepin county, or after necessary waivers have been obtained, whichever occurs later, shall be screened by a financial eligibility worker as follows:

(1) recipients who have serious barriers to employment and may be eligible for Supplemental Security Income shall be referred for a Supplemental Security Income assessment according to the procedures in Minnesota Statutes, section 256D.06, subdivision 7; and

(2) all other recipients shall immediately participate in the existing job search program in the county for up to 60 days, except:

(i) those persons exempt under Minnesota Statutes, section 256.736, subdivision 14, provided that the exemption for a caretaker providing full-time care for the child is only available while the child is under the age of one; and

(ii) persons participating in the Minnesota family investment program under Minnesota Statutes, section 256.033.

(b) Participation in job search under paragraph (a) is a condition of eligibility for AFDC and family general assistance.

(c) Recipients under paragraph (a), clause (2), that have not become employed within 60 days may be referred to a multidisciplinary team of qualified professionals for an employability development plan which:

(i) will take into account the needs of the recipient's physical capacity, skills, experience, health and safety, family responsibilities, place of residence, proficiency, child care, and other support service needs;

(ii) is based on available resources and local employment opportunities;

(iii) specifies the services to be provided by the employment and training service provider;

(iv) specifies the activities the recipient will participate in, including the worksite to which the caretaker will be assigned, if the caretaker is subject to the requirements of Minnesota Statutes, section 256.737, subdivision 2;

(v) specifies necessary supportive services such as child care; and

(vi) to the extent possible, reflects the preferences of the participant. The employability development plan must be completed 90 days after applying for assistance.

(d) Recipients who are successful in gaining employment during job search are eligible for job-related child care until they qualify for sliding fee child care assistance.

(e) Recipients who have not become employed after completing their employability plan may be referred to the emergency jobs program under Minnesota Statutes, section 268.673.

Subd. 3. [WAGE SUBSIDY FOR PILOT PROJECT.] For the purposes of this pilot project, the wage subsidy funding under Minnesota Statutes, section 268.6751, must be allocated to Hennepin and Otter Tail counties by determining the number of AFDC and family general assistance cases in each county as a percentage of the total AFDC and family general assistance state caseload, provided that the total appropriation for this purpose shall be allocated to the rural county until October 1, 1995. The appropriation may be used for persons in any stage of the pilot project.

Subd. 4. [PRIORITIZATION OF CLIENTS.] The project must include criteria to prioritize clients if sufficient funds are not available to serve all eligible clients.

Subd. 5. [WORKER DISPLACEMENT PROHIBITED.] (a) For purposes of work performed by an individual with an employer whose employees are covered by a collective bargaining agreement, a pilot project county must obtain the written concurrence of the appropriate exclusive bargaining representative with respect to the individual's job duties to ensure that no work performed results in:

- (1) termination, layoff, or reduction of the work hours of an employee for the purpose of hiring an individual;
- (2) the hiring of an individual if any other person is on layoff from the same or a substantially equivalent job;
- (3) any infringement of the promotional opportunities of any currently employed individual;
- (4) the impairment of existing contracts for service or collective bargaining agreements; or

(5) except for on-the-job training, a participant filling an established unfilled position vacancy. Work established under this pilot project must also result in an increase in employment opportunities over those which would otherwise be available.

(b) For purposes of this section a pilot project county and bargaining units representing public employees may enter into agreements that provide for the training of individuals, on-the-job experience, or work experience training provided that such arrangements result in permanent employment. If the permanent employment is with a public employer, wages and benefits must be provided according to collectively bargained agreements.

Subd. 6. [PUBLIC WORKS.] The commissioners of the department of jobs and training and the department of human services shall work with Hennepin and Otter Tail counties to develop a plan to implement a public works employment program that requires:

(1) the development of a public works employment project and the creation of a public works labor force pool of program recipients who may be contracted to other taxing jurisdictions, agencies, and companies to provide a range of employment;

(2) a long-term economic impact statement to empirically measure the economic benefits of public employment efforts on the property tax base, new income tax revenue, reductions in crime rates, and other criteria; and

(3) public works employment to focus on projects that address the core factors leading to poverty, that improve property values, reduce welfare dependency, and that improve housing and reduce crime.

Subd. 7. [REPORT.] The commissioner shall provide to the chairs of the human services policy and funding committees of the legislature by February 1, 1997, a progress report on the pilot project. The report must include recommendations on whether the project should be continued.

Sec. 36. [APPROPRIATIONS.]

Subdivision 1. [APPROPRIATIONS.] The appropriations in this section, except for subdivision 10, are from the general fund to the commissioner of human services and are available for the fiscal year ending June 30, 1995, and are added to or subtracted from the appropriation in Laws 1993, First Special Session chapter 1, article 1, section 2.

Subd. 2. [PARENT'S FAIR SHARE PILOT PROJECT.] \$500,000 is appropriated for the following purposes:

(a) \$300,000 for a grant to Ramsey county to enable the county to participate in the parent's fair share pilot project. This money is available only if Ramsey county is accepted for participation in the national pilot project. As a condition of this grant, the commissioner may require a local match from the county.

(b) \$50,000 each added to the appropriations to Anoka and Dakota counties for costs associated with the parent's fair share pilot project.

(c) \$100,000 for costs associated with the mandatory community work experience component of the parents' fair share pilot project.

Subd. 3. [FOOD STAMP OUTREACH.] \$125,000 is appropriated to the commissioner of human services for the food stamp outreach program authorized by Minnesota Statutes, section 256.01, for the period beginning January 1, 1995, and ending June 30, 1996, for the following purposes:

(1) paying the expenses of planning and implementing the food stamp outreach program; and

(2) in those counties where only 15 to 30 percent of persons below 125 percent of the poverty level are participating in the food stamp program, contracting with community organizations and groups to conduct food stamp outreach programs. These programs should include one or more of the following objectives:

(i) provision of program referrals and program literature;

(ii) provision of support for the reduction of any stigma that may be attached to working with public assistance program administrators and clients;

(iii) provision of leadership in developing better understanding and greater acceptance of public assistance programs, including food stamps; and

(iv) provision of necessary and allowable expenses of persons participating in any food plan outreach program task force established by the commissioner.

Subd. 4. [BASIC SLIDING FEE PROGRAM.] \$5,792,000 is added to the appropriation for the basic sliding fee program established under Minnesota Statutes, section 256H.03.

Subd. 5. [CWEP.] \$149,000 is appropriated to pay for costs associated with the claims arising from CWEP, established under Minnesota Statutes, section 256.737.

Subd. 6. [SOCIAL SERVICES EVALUATION.] \$330,000 is appropriated to pay for county costs associated with minor caretaker evaluations.

Subd. 7. [FRAUD PREVENTION INVESTIGATION PROGRAM.] \$250,000 is added to the appropriation to expand the number of counties participating in the fraud prevention investigation program.

Subd. 8. [IMMEDIATE JOB SEARCH; PILOT PROJECT.] \$22,000 is appropriated to pay for additional employment and training costs associated with the immediate job search pilot project.

Subd. 9. [CHILD CARE COOPERATIVES STUDY.] \$15,000 is appropriated for the child care cooperatives study and plan implementation.

Subd. 10. [HUMAN SERVICES ADMINISTRATION.] \$764,000 is appropriated to pay for administrative costs.

Subd. 11. [WAGE SUBSIDY.] \$100,000 is appropriated from the general fund to the commissioner of jobs and training and is available for the fiscal year ending June 30, 1995, for wage subsidies associated with the immediate job search pilot project.

Subd. 12. [DISPLACED HOMEMAKERS.] \$225,000 is appropriated to the commissioner of jobs and training for the purpose of funding programs for displaced homemakers under Minnesota Statutes, section 268.96.

Sec. 37. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 256.734, is repealed.

Sec. 38. [EFFECTIVE DATE.]

Section 8 [pregnant minors to live at home] is effective October 1, 1994. Section 28 [state standard of need study] is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive aid to families with dependent children (AFDC); providing an exception to the AFDC overpayment statute; allowing start work offset to AFDC recipients in the first month of work; allowing vendor emergency assistance payments for damage deposit; providing required injury protection for community work experience program workers; expanding cost-neutral fraud prevention programs; allowing emergency assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness recoupment of overpayments the same as the AFDC lump-sum criteria, with some exceptions; requiring a study to expand the parent's fair share pilot project statewide; requiring the departments of human services and revenue to design and implement a plan which supports working families; directing the commissioner of human services to seek several waivers from the federal government which support and promote moving off welfare and becoming self-sufficient; expanding the parent's fair share pilot project into Ramsey county; expanding state support for basic sliding fee day care program; directing the commissioners of jobs and training and human services to plan and implement a public works employment program; appropriating money; amending Minnesota Statutes 1992, sections 256.01, subdivision 11; 256.73, by adding subdivisions; 256.736, subdivision 5; 256.737, by adding a subdivision; 256.74, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.05, subdivision 6; 256D.09, by adding subdivisions; 256H.03, subdivision 2b; 256H.05, subdivision 1b; 268.672, subdivision 6; and 268.6751, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 256.031, subdivision 3; 256.73, subdivision 8; 256.736, subdivision 10; and 256.87, subdivisions 1, 1a, and 5; proposing coding for new law in Minnesota Statutes, chapter 256; repealing Minnesota Statutes 1993 Supplement, section 256.734."

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

The report was adopted.

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

S. F. No. 2015, A bill for an act relating to metropolitan government; providing for a regional administrator and a management team; imposing organizational requirements; imposing duties; clarifying existing provisions and making conforming changes; amending Minnesota Statutes 1992, sections 6.76; 15.0597, subdivision 1; 15A.081, subdivision 7; 15A.082, subdivision 3; 16B.58, subdivision 7; 116.16, subdivision 2; 116.182, subdivision 1; 161.173; 161.174; 169.781, subdivision 1; 169.791, subdivision 5; 169.792, subdivision 11; 221.022; 221.041, subdivision 4; 221.071, subdivision 1; 221.295; 297B.09, subdivision 1; 352.03, subdivision 1; 352.75; 422A.01, subdivision 9; 422A.101, subdivision 2a; 471A.02, subdivision 8; 473.121, subdivisions 5a and 24; 473.123, subdivisions 1, 2a, and 4; 473.129; 473.13, subdivision 4; 473.146, subdivisions 1 and 4; 473.149, subdivision 3; 473.1623, subdivision 2; 473.164; 473.168, subdivision 2; 473.173, subdivisions 3 and 4; 473.223; 473.303, subdivisions 2, 3a, 4, 4a, 5, and 6; 473.371, subdivision 1; 473.375, subdivisions 11, 12, 13, 14; and 15; 473.382; 473.384, subdivisions 1, 3, 4, 5, 6, 7, and 8; 473.385; 473.386, subdivisions 1, 2, 3, 4, 5, and 6; 473.387, subdivisions 2, 3, and 4; 473.388, subdivisions 2, 3, 4, and 5; 473.39, subdivisions 1, 1a, 1b, and by adding a subdivision; 473.391; 473.392; 473.394; 473.399, as amended; 473.405, subdivisions 1, 3, 4, 5, 9, 10, 12, and 15; 473.408, subdivisions 1, 2, 2a, 4, 6, and 7; 473.409; 473.411, subdivisions 3 and 4; 473.415, subdivisions 1, 2, and 3; 473.416; 473.418; 473.42; 473.436, subdivisions 2, 3, and 6; 473.446, subdivisions 1, 1a, 2, 3, and 7; 473.448; 473.449; 473.504, subdivisions 4, 5, 6, 9, 10, 11, and 12; 473.511, subdivisions 1, 2, 3, and 4; 473.512, subdivision 1; 473.513; 473.515, subdivisions 1, 2, and 3; 473.5155, subdivisions 1 and 3; 473.516, subdivisions 2, 3, 4, and 5; 473.517, subdivisions 1, 2, 3, 6, and 9; 473.519; 473.521, subdivisions 1, 2, 3, and 4; 473.523, subdivisions 1 and 2; 473.535; 473.541, subdivision 2; 473.542; 473.543, subdivisions 1, 2, 3, and 4; 473.545; 473.547; 473.549; 473.553, subdivisions 1, 2, 4, 5, and by adding subdivisions; 473.561; 473.595, subdivision 3; 473.605, subdivision 2; 473.823, subdivision 3; and 473.852, subdivisions 8 and 10; Minnesota Statutes 1993 Supplement, sections 10A.01, subdivision 18; 15A.081, subdivision 1; 115.54; 174.32, subdivision 2; 216C.15, subdivision 1; 221.025; 221.031, subdivision 3a; 275.065, subdivisions 3 and 5a; 352.01, subdivisions 2a and 2b; 352D.02, subdivision 1; 353.64, subdivision 7a; 400.08, subdivision 3; 473.13, subdivision 1; 473.1623, subdivision 3; 473.167, subdivision 1; 473.386, subdivision 2a; 473.3994, subdivision 10; 473.3997; 473.4051; 473.407, subdivisions 1, 2, 3, 4, 5, and 6; 473.411, subdivision 5; 473.446, subdivision 8; and 473.516, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 473; repealing Minnesota Statutes 1992, sections 115A.03, subdivision 20; 115A.33; 174.22, subdivision 4; 473.121, subdivisions 14a, 15, and 21; 473.122; 473.123, subdivisions 3, 5, and 6; 473.141, as amended; 473.146, subdivisions 2, 2a, 2b, and 2c; 473.153; 473.161; 473.163; 473.181, subdivision 3; 473.325, subdivision 5; 473.373, as amended; 473.375, subdivisions 1, 2, 3, 4, 5, 6, 7, 10,

16, 17, and 18; 473.377; 473.38; 473.384, subdivision 9; 473.388, subdivision 6; 473.404, as amended; 473.405, subdivisions 2, 6, 7, 8, 11, 13, and 14; 473.417; 473.435; 473.436, subdivision 7; 473.445, subdivisions 1 and 3; 473.501, subdivision 2; 473.503; 473.504, subdivisions 1, 2, 3, 7, and 8; 473.511, subdivision 5; 473.517, subdivision 8; 473.543, subdivision 5; and 473.553, subdivision 4a; Minnesota Statutes 1993 Supplement, section 473.3996, subdivisions 1 and 2.

Reported the same back with the following amendments to the unofficial engrossment:

Page 25, line 2, delete "may" and insert "must"

Page 25, line 4, delete "may" and insert "shall select a person or organization that is not a member or employee of the council and who is nonpartisan to"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2057, 2183, 2636, 2920 and 3079 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1774, 1825, 2267, 2277, 2672 and 2015 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Rukavina and Anderson, I., introduced:

H. F. No. 3200, A bill for an act relating to taxation; sales and use; changing the effective date for certain sales and use tax changes relating to taconite production equipment; amending Laws 1993, chapter 375, article 9, section 51.

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

Osthoff introduced:

H. F. No. 3201, A bill for an act relating to highways; allowing use of existing paved road surface to be used for additional lane of travel on I-394; amending Minnesota Statutes 1992, section 161.123.

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

Rest introduced:

H. F. No. 3202, A bill for an act relating to education; modifying the formula for school district abatement revenue; creating a reserved account; amending Minnesota Statutes 1992, sections 121.912, by adding a subdivision; 124.214, by adding a subdivision; and 124.912, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 275.48.

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

Abrams introduced:

H. F. No. 3203, A bill for an act relating to taxation; repealing the provision that excludes from taxation the value of certain improvements to homestead property; repealing Minnesota Statutes 1993 Supplement, section 273.11, subdivision 16.

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

Greenfield introduced:

H. F. No. 3204, A bill for an act relating to the city of Minneapolis; allowing the Minneapolis community development agency to establish a tax increment financing district.

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

Battaglia, for the Committee on Environment and Natural Resources Finance, introduced:

H. F. No. 3205, A bill for an act relating to public administration; appropriating money, and supplementing, reducing, and transferring earlier appropriations, with certain conditions; agriculture best management loans; feedlot and manure management advisory committee; recombinant bovine growth hormone labeling; miscellaneous game and fish provisions; clean water partnership loans; environmental impact statements, public facilities authority membership, powers, and duties; drinking water revolving fund; Winona and St. Louis counties solid waste grants and loans; restrictions on permits for metal materials processing; overhead power line relocation in St. Paul; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 17B.15, subdivision 1; 32.103; 85.015, subdivision 1; 94.09, subdivision 5; 97A.061, subdivision 1; 97A.165; 97A.441, subdivision 6; 97A.485, subdivision 8; 97B.601, subdivision 4; 103F.725, by adding a subdivision; 103F.745; 103F.761, subdivision 2; 115A.5501, subdivision 2; 116.182, subdivisions 2, 3, 4, and 5; 116G.15; 151.01, subdivision 28; 151.15, subdivision 3; 151.25; 446A.02, subdivision 1, and by adding a subdivision; 446A.03, subdivision 3; 446A.07, subdivisions 4, 6, 8, 9, and 11; 446A.071, subdivision 1; 446A.11, subdivision 1; 446A.12, subdivision 1; and 446A.15, subdivision 6; Minnesota Statutes 1993 Supplement, sections 84.872; 97A.061, subdivision 3; 97B.071; 116P.11; and 446A.03, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 17; 32; and 446A; repealing Minnesota Statutes 1992, section 446A.08.

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

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. 2306, A bill for an act relating to the city of Minneapolis; providing that a levy for a contribution to the Minneapolis teachers retirement fund association is a special taxing district levy for property tax purposes; amending Minnesota Statutes 1993 Supplement, section 354A.12, subdivision 3b.

H. F. No. 2562, A bill for an act relating to employment; modifying experience requirements for the labor and industry boiler inspection division chief; amending Minnesota Statutes 1992, section 183.375, subdivision 2.

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. 2646, A bill for an act relating to agriculture; expanding the restricted seed potato growing area; amending Minnesota Statutes 1992, section 21.1196, subdivision 1.

H. F. No. 1890, A bill for an act relating to Lake of the Woods county; allowing the county to forgive the amount owing on a contract for deed.

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. 1886, A bill for an act relating to insurance; regulating insurers, investments, rehabilitations and liquidations, policy loans, and alternative coverage mechanisms; amending Minnesota Statutes 1992, sections 60A.052, subdivision 2; 60A.11, subdivision 13; 60A.111, subdivision 2; 60A.13, subdivision 8; 60B.60, subdivisions 2 and 3; 61A.28, subdivisions 11 and 12; 62F.02, subdivision 1; and 62F.03, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 60A.23, subdivision 4; 60D.20, subdivision 2; and 62B.12; repealing Minnesota Statutes 1992, section 60D.19, subdivision 5.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments to H. F. No. 1886 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1886, A bill for an act relating to insurance; regulating insurers, investments, rehabilitations and liquidations, policy loans, and alternative coverage mechanisms; amending Minnesota Statutes 1992, sections 60A.052, subdivision 2; 60A.11, subdivision 13; 60A.111, subdivision 2; 60A.13, subdivision 8; 60B.60, subdivisions 2 and 3; 61A.28, subdivisions 11 and 12; 62F.02, subdivision 1; 62F.03, by adding a subdivision; 62I.08; 62I.13, subdivision 2; and 62I.21; Minnesota Statutes 1993 Supplement, sections 60A.23, subdivision 4; 60D.20, subdivision 2; 62B.12; and 62C.10; repealing Minnesota Statutes 1992, section 60D.19, subdivision 5.

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

The question was taken on the repassage of the bill and the roll was called. There were 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Farrell	Holsten	Kelley	Lindner	Mosel
Anderson, R.	Clark	Finseth	Hugoson	Kinkel	Long	Munger
Asch	Commers	Frerichs	Huntley	Klinzing	Lourey	Murphy
Battaglia	Cooper	Garcia	Jacobs	Knickerbocker	Luther	Neary
Bauerly	Dauner	Goodno	Jaros	Knight	Lynch	Nelson
Beard	Dauids	Greenfield	Jefferson	Koppendrayner	Macklin	Ness
Bertram	Dawkins	Greiling	Jennings	Krinkie	Mahon	Olson, E.
Bettermann	Dehler	Gruenes	Johnson, A.	Krueger	McCollum	Olson, K.
Bishop	Delmont	Gutknecht	Johnson, R.	Lasley	McGuire	Olson, M.
Brown, C.	Dempsey	Hasskamp	Johnson, V.	Leppik	Milbert	Onnen
Brown, K.	Dorn	Haukoos	Kahn	Lieder	Molnau	Opatz
Carlson	Evans	Hausman	Kalis	Limmer	Morrison	Orenstein

Osthoff	Peterson	Rodosovich	Skoglund	Swenson	Van Engen	Wejcman
Ostrom	Pugh	Rukavina	Smith	Tomassoni	Vellenga	Wenzel
Ozment	Reding	Sarna	Solberg	Tompkins	Vickerman	Wolf
Pauly	Rest	Seagren	Stanis	Trimble	Wagenius	Worke
Pelowski	Rhodes	Sekhon	Steensma	Tunheim	Waltman	Workman
Perlt	Rice	Simoneau	Sviggum	Van Dellen	Weaver	Spk. Anderson, I.

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

Mr. Speaker:

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

H. F. No. 1964, A bill for an act relating to insurance; solvency; regulating reinsurance, loss reserve certifications and annual audits, and annual statements; regulating certain guaranty association coverages; modifying the incorporation requirements of domestic mutuals; amending Minnesota Statutes 1992, sections 60A.092, subdivision 7; 60A.206, subdivision 6; 60C.02, subdivision 1; 62E.10, subdivision 2; and 66A.03; Minnesota Statutes 1993 Supplement, sections 60A.129, subdivisions 3, 5, and 7; 60A.13, subdivision 1; and 61B.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 1992, sections 60A.80; 60A.801; and 60A.802.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments to H. F. No. 1964 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1964, A bill for an act relating to insurance; solvency; regulating reinsurance, loss reserve certifications and annual audits, and annual statements; regulating certain guaranty association coverages; modifying the incorporation requirements of domestic mutuals; amending Minnesota Statutes 1992, sections 60A.092, subdivision 7; 60A.206, subdivision 6; 60C.02, subdivision 1; 62E.10, subdivision 2; and 66A.03; Minnesota Statutes 1993 Supplement, sections 60A.129, subdivisions 3, 5, and 7; 60A.13, subdivision 1; and 61B.19, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 60A; repealing Minnesota Statutes 1992, sections 60A.80; 60A.801; and 60A.802.

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

The question was taken on the repassage of the bill and the roll was called. There were 124 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Gruenes	Kahn	Long	Nelson	Pugh
Anderson, R.	Dauner	Gutknecht	Kalis	Lourey	Ness	Reding
Asch	Davids	Hasskamp	Kelley	Luther	Olson, E.	Rest
Battaglia	Dawkins	Haukoos	Kinkel	Lynch	Olson, K.	Rhodes
Bauerly	Dehler	Hausman	Klinzing	Macklin	Olson, M.	Rice
Beard	Delmont	Holsten	Knickerbocker	Mahon	Onnen	Rodosovich
Bergson	Dempsey	Hugoson	Knight	McCollum	Opatz	Rukavina
Bertram	Dorn	Huntley	Koppendrayner	McGuire	Orenstein	Sarna
Bettermann	Evans	Jacobs	Krinkie	Milbert	Osthoff	Seagren
Bishop	Farrell	Jaros	Krueger	Molnau	Ostrom	Sekhon
Brown, K.	Finseth	Jefferson	Lasley	Morrison	Ozment	Simoneau
Carlson	Garcia	Jennings	Leppik	Mosel	Pauly	Smith
Carruthers	Goodno	Johnson, A.	Lieder	Munger	Pelowski	Solberg
Clark	Greenfield	Johnson, R.	Limmer	Murphy	Perlt	Stanis
Commers	Greiling	Johnson, V.	Lindner	Neary	Peterson	Steensma

Sviggum	Tompkins	Van Dellen	Vickerman	Weaver	Wolf	Spk. Anderson, I.
Swenson	Trimble	Van Engen	Wagenius	Wejcman	Worke	
Tomassoni	Tunheim	Vellenga	Waltman	Wenzel	Workman	

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. 2487, A bill for an act relating to local government; authorizing towns in Olmsted county to adopt and enforce the state building code.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dauids moved that the House concur in the Senate amendments to H. F. No. 2487 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2487, A bill for an act relating to local government; authorizing towns in Olmsted county to adopt and enforce the state building code.

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

The question was taken on the repassage of the bill and the roll was called. There were 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 2455, 2241, 2303 and 2066.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2455, A bill for an act relating to health and human services; requiring payment rates paid to community health clinics by a prepaid health plan to equal the medical assistance rates that would be paid directly to the clinics by the commissioner of human services; amending Minnesota Statutes 1992, section 256B.031, subdivision 10; Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 9.

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

S. F. No. 2241, A bill for an act relating to cities of the first class; clarifying the definition of targeted neighborhood in a community resources program; clarifying the procedures that may be used by the city of Minneapolis in assessing special assessments; amending Minnesota Statutes 1992, section 466A.02, subdivision 3.

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

S. F. No. 2303, A bill for an act relating to highway safety; requiring persons age 55 or over to complete a refresher course in accident prevention in order to remain eligible for a reduction in private passenger vehicle insurance rates; amending Minnesota Statutes 1992, section 65B.28.

The bill was read for the first time.

Ostrom moved that S. F. No. 2303 and H. F. No. 2115, now on the Technical Consent Calendar, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2066, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water or natural wetlands in Anoka county; authorizing the sale of certain state land in Anoka county.

The bill was read for the first time.

Sekhon moved that S. F. No. 2066 and H. F. No. 2067, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 2671, A bill for an act relating to Itasca county; permitting the county board to submit a question to nonbinding referendum.

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

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

Those who voted in the affirmative were:

Abrams	Brown, K.	Delmont	Greenfield	Jacobs	Kinkel	Limmer
Anderson, R.	Carlson	Dempsey	Greiling	Jaros	Klinzing	Lindner
Asch	Carruthers	Dorn	Gruenes	Jefferson	Knickerbocker	Long
Battaglia	Clark	Erhardt	Gutknecht	Jennings	Knight	Lourey
Bauerly	Commers	Evans	Hasskamp	Johnson, A.	Koppendrayer	Luther
Beard	Cooper	Farrell	Haukoos	Johnson, R.	Krinkie	Lynch
Bergson	Dauner	Finseth	Hausman	Johnson, V.	Krueger	Macklin
Bertram	Davids	Frerichs	Holsten	Kahn	Lasley	Mahon
Bettermann	Dawkins	Garcia	Hugoson	Kalis	Leppik	McCollum
Bishop	Dehler	Goodno	Huntley	Kelley	Lieder	McGuire

Milbert	Olson, E.	Ozment	Rice	Solberg	Van Dellen	Winter
Molnau	Olson, K.	Pauly	Rodosovich	Stanius	Van Engen	Wolf
Morrison	Olson, M.	Pelowski	Rukavina	Steensma	Vellenga	Worke
Mosel	Onnen	Perlt	Sarna	Sviggum	Vickerman	Workman
Munger	Opatz	Peterson	Seagren	Swenson	Wagenius	Spk. Anderson, I.
Murphy	Orenstein	Pugh	Sekhon	Tomassoni	Waltman	
Neary	Orfield	Reding	Simoneau	Tompkins	Weaver	
Nelson	Osthoff	Rest	Skoglund	Trimble	Wejzman	
Ness	Ostrom	Rhodes	Smith	Tunheim	Wenzel	

The bill was passed and its title agreed to.

S. F. No. 2462, A bill for an act relating to state departments and agencies; department of employee relations; providing for implementation of management training programs, authorizing the use of facsimile machines; abolishing the career executive service; amending Minnesota Statutes 1992, sections 13.67; 43A.21, subdivision 3; and 43A.32, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, section 43A.21, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2464, A bill for an act relating to retirement; authorizing the purchase of prior service credit in the public employees retirement association by an employee of the city of Minneapolis.

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

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

Those who voted in the affirmative were:

Abrams	Bauerly	Bettermann	Carlson	Cooper	Dehler	Erhardt
Anderson, R.	Beard	Bishop	Carruthers	Dauner	Delmont	Evans
Asch	Bergson	Brown, C.	Clark	Dauids	Dempsey	Farrell
Battaglia	Bertram	Brown, K.	Commers	Dawkins	Dorn	Finseth

Frerichs	Jefferson	Lasley	Morrison	Ozment	Simoneau	Wagenius
Garcia	Jennings	Leppik	Mosel	Pauly	Skoglund	Waltman
Girard	Johnson, A.	Lieder	Munger	Pawlenty	Smith	Weaver
Goodno	Johnson, R.	Limmer	Murphy	Pelowski	Solberg	Wejcman
Greenfield	Johnson, V.	Lindner	Neary	Perlt	Stanius	Wenzel
Greiling	Kahn	Long	Nelson	Peterson	Steensma	Winter
Gruenes	Kalis	Lourey	Ness	Pugh	Sviggum	Worke
Gutknecht	Kelley	Luther	Olson, E.	Reding	Swenson	Workman
Hasskamp	Kelso	Lynch	Olson, K.	Rest	Tomassoni	Spk. Anderson, I.
Haukoos	Kinkel	Macklin	Olson, M.	Rhodes	Tompkins	
Hausman	Klinzing	Mahon	Onnen	Rice	Trimble	
Holsten	Knickerbocker	Mariani	Opatz	Rodosovich	Tunheim	
Hugoson	Knight	McCollum	Orenstein	Rukavina	Van Dellen	
Huntley	Koppendrayner	McGuire	Orfield	Sarna	Van Engen	
Jacobs	Krinkie	Milbert	Osthoﬀ	Seagren	Vellenga	
Jaros	Krueger	Molnau	Ostrom	Sekhon	Vickerman	

The bill was passed and its title agreed to.

S. F. No. 2598, A bill for an act relating to local government; authorizing the park and recreation board of the city of Minneapolis to transfer conveyed land to the Minnesota department of transportation.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2135, A bill for an act relating to community social services; modifying certain provisions regarding county community social service plans; amending Minnesota Statutes 1992, section 256E.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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Anderson, R.	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler
Asch	Bergson	Bishop	Carlson	Commers	Dauids	Delmont

Dempsey	Hausman	Klinzing	Mahon	Orenstein	Rukavina	Van Dellen
Dorn	Holsten	Knickerbocker	McCollum	Orfield	Sarna	Van Engen
Erhardt	Hugoson	Knight	McGuire	Osthoff	Seagren	Vellenga
Evans	Huntley	Koppendraye	Milbert	Ostrom	Sekhon	Vickerman
Farrell	Jacobs	Krinkie	Molnau	Ozment	Simoneau	Wagenius
Finseth	Jaros	Krueger	Morrison	Pauly	Skoglund	Waltman
Frerichs	Jefferson	Lasley	Mosel	Pawlenty	Smith	Weaver
Garcia	Jennings	Leppik	Munger	Pelowski	Solberg	Wejcmán
Girard	Johnson, A.	Lieder	Neary	Perlt	Stanius	Wenzel
Goodno	Johnson, R.	Limmer	Nelson	Peterson	Steensma	Winter
Greenfield	Johnson, V.	Lindner	Ness	Pugh	Sviggum	Wolf
Greiling	Kahn	Long	Olson, E.	Reding	Swenson	Worke
Gruenes	Kalis	Lourey	Olson, K.	Rest	Tomassoni	Workman
Gutknecht	Kelley	Luther	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.
Hasskamp	Kelso	Lynch	Onnen	Rice	Trimble	
Haukoos	Kinkel	Macklin	Opatz	Rodosovich	Tunheim	

The bill was passed and its title agreed to.

S. F. No. 2345, A bill for an act relating to health; modifying provisions relating to foreign medical school graduates; amending Minnesota Statutes 1993 Supplement, section 147.037, 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 95 yeas and 37 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Delmont	Jacobs	Lieder	Nelson	Pugh	Tompkins
Battaglia	Dempsey	Jaros	Lindner	Olson, E.	Reding	Trimble
Bauerly	Dorn	Jefferson	Long	Olson, K.	Rice	Tunheim
Beard	Evans	Jennings	Lourey	Onnen	Rodosovich	Van Dellen
Bertram	Farrell	Johnson, A.	Lynch	Opatz	Rukavina	Vellenga
Bishop	Finseth	Johnson, R.	Macklin	Orenstein	Sarna	Wagenius
Brown, C.	Garcia	Johnson, V.	Mahon	Orfield	Simoneau	Wejcmán
Brown, K.	Girard	Kahn	McGuire	Osthoff	Skoglund	Wenzel
Clark	Goodno	Kalis	Milbert	Ostrom	Smith	Winter
Cooper	Gruenes	Kelso	Molnau	Ozment	Solberg	Wolf
Dauner	Gutknecht	Kinkel	Mosel	Pauly	Steensma	Spk. Anderson, I.
Dauids	Hasskamp	Klinzing	Munger	Pelowski	Sviggum	
Dawkins	Hausman	Krueger	Murphy	Perlt	Swenson	
Dehler	Hugoson	Lasley	Neary	Peterson	Tomassoni	

Those who voted in the negative were:

Abrams	Commers	Holsten	Krinkie	Ness	Stanius	Workman
Asch	Erhardt	Huntley	Leppik	Olson, M.	Van Engen	
Bergson	Frerichs	Kelley	Limmer	Pawlenty	Vickerman	
Bettermann	Greenfield	Knickerbocker	Luther	Rhodes	Waltman	
Carlson	Greiling	Knight	McCollum	Seagren	Weaver	
Carruthers	Haukoos	Koppendraye	Morrison	Sekhon	Worke	

The bill was passed and its title agreed to.

S. F. No. 2262 was reported to the House.

Upon objection of ten members, S. F. No. 2262 was stricken from the Consent Calendar and placed on General Orders.

H. F. No. 2553, A bill for an act relating to retirement; public employees retirement association; permitting purchase of service credit by certain soil and water conservation district 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2572, A bill for an act relating to human services; clarifying the effect of a record of conviction of certain crimes on disqualification in connection with certain human services licenses; strengthening provisions concerning residential treatment programs; modifying certain child abuse reporting requirements; amending Minnesota Statutes 1992, sections 245A.04, subdivision 3a; 245A.12, subdivision 8; 245A.13, subdivisions 1, 3c, and by adding a subdivision; 626.556, subdivisions 3 and 7; Minnesota Statutes 1993 Supplement, sections 245A.04, subdivisions 3 and 3b; 626.556, subdivision 10; and Laws 1993, chapter 171, section 6.

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

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

Those who voted in the affirmative were:

Abrams	Commers	Girard	Jennings	Lasley	Molnau	Osthoft
Anderson, R.	Cooper	Goodno	Johnson, A.	Leppik	Morrison	Ostrom
Asch	Dauner	Greenfield	Johnson, R.	Lieder	Mosel	Ozment
Battaglia	Davids	Greiling	Johnson, V.	Limmer	Munger	Pauly
Bauerly	Dawkins	Gruenes	Kahn	Lindner	Murphy	Pawlenty
Beard	Dehler	Gutknecht	Kalis	Long	Neary	Pelowski
Bergson	Delmont	Hasskamp	Kelley	Lourey	Nelson	Perlt
Bertram	Dempsey	Haukoos	Kelso	Luther	Ness	Peterson
Bettermann	Dorn	Hausman	Kinkel	Lynch	Olson, E.	Pugh
Bishop	Erhardt	Holsten	Klinzing	Macklin	Olson, K.	Reding
Brown, C.	Evans	Hugoson	Knickerbocker	Mahon	Olson, M.	Rest
Brown, K.	Farrell	Huntley	Knight	Mariani	Ornen	Rhodes
Carlson	Finseth	Jacobs	Koppendraye	McCollum	Opatz	Rice
Carruthers	Frerichs	Jaros	Krinkie	McGuire	Orenstein	Rodosovich
Clark	Garcia	Jefferson	Krueger	Milbert	Orfield	Rukavina

Sarna	Smith	Swenson	Van Dellen	Waltman	Wolf
Seagren	Solberg	Tomassoni	Van Engen	Weaver	Worke
Sekhon	Stanius	Tompkins	Vellenga	Wejzman	Workman
Simoneau	Steensma	Trimble	Vickerman	Wenzel	Spk. Anderson, I.
Skoglund	Swiggum	Tunheim	Wagenius	Winter	

The bill was passed and its title agreed to.

S. F. No. 2582, A bill for an act relating to insurance; extending to contract for deed vendors the protections contained in the mortgage clause of the standard fire insurance policy; amending Minnesota Statutes 1992, section 65A.01, 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1744, A bill for an act relating to the city of Lakefield; allowing the city of Lakefield to expand its public utilities commission to five members.

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 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Davids	Finseth	Holsten	Johnson, V.	Krinkie
Anderson, R.	Brown, C.	Dawkins	Garcia	Hugoson	Kahn	Krueger
Asch	Brown, K.	Dehler	Girard	Huntley	Kalis	Lasley
Battaglia	Carlson	Delmont	Greenfield	Jacobs	Kelley	Leppik
Bauerly	Carruthers	Dempsey	Greiling	Jaros	Kelso	Lieder
Beard	Clark	Dorn	Gutknecht	Jefferson	Kinkel	Limmer
Bergson	Commers	Erhardt	Hasskamp	Jennings	Klinzing	Lindner
Bertram	Cooper	Evans	Haukoos	Johnson, A.	Knickerbocker	Long
Bettermann	Dauner	Farrell	Hausman	Johnson, R.	Koppendraye	Lourey

Luther	Mosel	Opatz	Peterson	Sekhon	Tompkins	Wejcman
Lynch	Munger	Orenstein	Pugh	Simoneau	Trimble	Wenzel
Macklin	Murphy	Orfield	Reding	Skoglund	Tunheim	Winter
Mahon	Neary	Osthoff	Rest	Smith	Van Dellen	Wolf
Mariani	Nelson	Ostrom	Rhodes	Solberg	Van Engen	Worke
McCollum	Ness	Ozment	Rice	Stanis	Vellenga	Workman
McGuire	Olson, E.	Pauly	Rodosovich	Steensma	Vickerman	Spk. Anderson, I.
Milbert	Olson, K.	Pawlenty	Rukavina	Sviggum	Wagenius	
Molnau	Olson, M.	Pelowski	Sarna	Swenson	Waltman	
Morrison	Onnen	Perlt	Seagren	Tomassoni	Weaver	

Those who voted in the negative were:

Frerichs	Goodno	Gruenes	Knight
----------	--------	---------	--------

The bill was passed and its title agreed to.

S. F. No. 1898 was reported to the House.

Asch moved to amend S. F. No. 1898, the unofficial engrossment, as follows:

Page 1, after line 17, insert:

"Sec. 2. Minnesota Statutes 1992, section 62A.48, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract, or other evidence of coverage of nursing home care or other long-term care services shall be offered, issued, delivered, or renewed in this state, whether or not the policy is issued in this state, unless the policy is offered, issued, delivered, or renewed by a qualified insurer and the policy satisfies the requirements of sections 62A.46 to 62A.56. A long-term care policy must cover prescribed long-term care in nursing facilities and at least the prescribed long-term home care services in section 62A.46, subdivision 4, clauses (1) to (5), provided by a home health agency. Coverage under a long-term care policy AA must include: a maximum lifetime benefit limit of at least \$100,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Coverage under a long-term care policy A must include: a maximum lifetime benefit limit of at least \$50,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Prior hospitalization may not be required under a long-term care policy.

Coverage under either policy designation must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage. Coverage under either policy designation may include a waiting period of up to 90 days before benefits are paid, but there must be no more than one waiting period per benefit period; for purposes of this sentence, "days" means calendar days. No policy may exclude coverage for mental or nervous disorders which have a demonstrable organic cause, such as Alzheimer's and related dementias. No policy may require the insured to be homebound or house confined to receive home care services. The policy must include a provision that the plan will not be canceled or renewal refused except on the grounds of nonpayment of the premium, provided that the insurer may change the premium rate on a class basis on any policy anniversary date. A provision that the policyholder may elect to have the premium paid in full at age 65 by payment of a higher premium up to age 65 may be offered. A provision that the premium would be waived during any period in which benefits are being paid to the insured during confinement in a nursing facility must be included. A nongroup policyholder may return a policy within 30 days of its delivery and have the premium refunded in full, less any benefits paid under the policy, if the policyholder is not satisfied for any reason.

No individual long-term care policy shall be offered or delivered in this state until the insurer has received from the insured a written designation of at least one person, in addition to the insured, who is to receive notice of cancellation of the policy for nonpayment of premium. The insured has the right to designate up to a total of three persons who are to receive the notice of cancellation, in addition to the insured. The form used for the written designation must inform the insured that designation of one person is required and that designation of up to two

additional persons is optional and must provide space clearly designated for listing between one and three persons. The designation shall include each person's full name, home address, and telephone number. Each time an individual policy is renewed or continued, the insurer shall notify the insured of the right to change this written designation.

The insurer may file a policy form that utilizes a plan of care prepared as provided under section 62A.46, subdivision 5, clause (1) or (2)."

Page 1, line 21, after the period, insert "Section 2 is effective the day following final enactment."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "regulating the waiting period in long-term care policies; amending Minnesota Statutes 1992, section 62A.48, subdivision 1;"

The motion prevailed and the amendment was adopted.

S. F. No. 1898, A bill for an act relating to insurance; health; requiring coverage for equipment and supplies for the management and treatment of diabetes; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

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

Those who voted in the affirmative were:

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

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

S. F. No. 1911, A bill for an act relating to the secretary of state; changing filing procedures for corporations and certain organizations; providing for service of process on limited partnerships; changing requirements for filings governed by the uniform commercial code; amending Minnesota Statutes 1992, sections 302A.821, subdivision 1; 303.07, subdivision 2; 303.17, subdivisions 2 and 4; 315.23, subdivision 3; 315.44; Minnesota Statutes 1993 Supplement, sections 336.9-403; 336.9-407; 336.9-413; 336A.04, subdivision 3; 336A.09, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 322A.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1912, A bill for an act relating to insurance; accident and health; permitting short-term coverage; amending Minnesota Statutes 1993 Supplement, section 62A.65, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1951, A bill for an act relating to insurance; health; restricting termination or reductions of coverage for fibrocystic conditions; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2118, A bill for an act relating to local government; clarifying that the Moose Lake Fire Protection District is a governmental subdivision for certain purposes; making other clarifications; amending Laws 1987, chapter 402, section 2, subdivisions 2, 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

SPECIAL ORDERS

S. F. No. 2503, A bill for an act relating to highways; conforming powers held by counties over county highways to those powers held by counties over county state-aid highways; amending Minnesota Statutes 1992, section 163.11, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1959, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Roseau county.

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

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

Those who voted in the affirmative were:

Abrams	Commers	Girard	Jennings	Lasley	Molnau	Osthoft
Anderson, R.	Cooper	Goodno	Johnson, A.	Leppik	Morrison	Ostrom
Asch	Dauner	Greenfield	Johnson, R.	Lieder	Mosel	Ozment
Battaglia	Davids	Greiling	Johnson, V.	Limmer	Munger	Pauly
Bauerly	Dawkins	Gruenes	Kahn	Lindner	Murphy	Pawlenty
Beard	Dehler	Gutknecht	Kalis	Long	Neary	Pelowski
Bergson	Delmont	Hasskamp	Kelley	Lourey	Nelson	Perlt
Bertram	Dempsey	Haukoos	Kelso	Luther	Ness	Peterson
Bettermann	Dorn	Hausman	Kinkel	Lynch	Olson, E.	Pugh
Bishop	Erhardt	Holsten	Klinzing	Macklin	Olson, K.	Reding
Brown, C.	Evans	Hugoson	Knickerbocker	Mahon	Olson, M.	Rest
Brown, K.	Farrell	Huntley	Knight	Mariani	Onnen	Rhodes
Carlson	Finseth	Jacobs	Koppendrayner	McCollum	Opatz	Rice
Carruthers	Frerichs	Jaros	Krinkie	McGuire	Orenstein	Rodosovich
Clark	Garcia	Jefferson	Krueger	Milbert	Orfield	Rukavina

Sarna	Smith	Swenson	Van Dellen	Waltman	Wolf
Seagren	Solberg	Tomassoni	Van Engen	Weaver	Worke
Sekhon	Stanis	Tompkins	Vellenga	Wejzman	Workman
Simoneau	Steensma	Trimble	Vickerman	Wenzel	Spk. Anderson, I.
Skoglund	Svigum	Tunheim	Wagenius	Winter	

The bill was passed and its title agreed to.

S. F. No. 2246 was reported to the House.

Waltman moved to amend S. F. No. 2246 as follows:

Page 2, after line 15, insert:

"Sec. 2. [PRIVATE SALE OF TAX-FORFEITED LAND; GOODHUE COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Goodhue county may convey by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The land described in paragraph (c) may be sold by private sale to Veterans of Foreign Wars Post No. 5727 of Zumbrota, Minnesota. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in Goodhue county, and is described as:

(1) City of Zumbrota, Original plat, tax parcel No. 72-100-1410; and

(2) City of Zumbrota, Original plat, tax parcel No. 72-100-1440.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 3. [WATER SUPPLY TO WABASHA COUNTY FAIRGROUNDS.]

Notwithstanding any other law to the contrary, the Wabasha county fairgrounds may use water supply pipe of 100 pounds per square inch for a portion of the installation at the fairgrounds and is not required to comply with Minnesota Rules, part 4715.1710. If the use of the fairgrounds exceeds 20 days per year, the entire water supply pipe system must be brought into compliance with present law."

Page 2, line 16, delete "2" and insert "4"

Page 2, line 17; delete "This act is" and insert "Sections 1 and 3 are"

Amend the title as follows:

Page 1, line 2, delete "natural resources" and insert "state lands"

Page 1, line 4, before the period, insert "; authorizing private sale of certain tax-forfeited land that borders public water in Goodhue county; allowing Wabasha county fairgrounds to use certain water service system"

The motion prevailed and the amendment was adopted.

S. F. No. 2246, A bill for an act relating to natural resources; authorizing the exchange of certain state lands in Wabasha and Fillmore counties under certain conditions.

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

The question was taken on the passage of the bill and the roll was called. There were 128 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bergson	Greenfield	Munger	Skoglund
---------	------------	--------	----------

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

H. F. No. 2666 was reported to the House.

Brown, C., moved that H. F. No. 2666 be continued on Special Orders. The motion prevailed.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today:

H. F. Nos. 2278, 2013, 2493, 2626, 1921, 2405 and 2617; S. F. No. 819; and H. F. No. 1834.

SPECIAL ORDERS, Continued

H. F. No. 2278 was reported to the House.

Swiggum and Gutknecht moved to amend H. F. No. 2278, the first engrossment, as follows:

Page 3, line 36, delete "September 1, 1994" and insert "January 1, 1995"

The motion prevailed and the amendment was adopted.

POINT OF ORDER

Carruthers raised a point of order pursuant to section 124 of "Mason's Manual of Legislative Procedure" relating to personalities not permitted in debate. The Speaker ruled the point of order well taken.

POINT OF ORDER

Svigum raised a point of order pursuant to Article III of the Minnesota Constitution relating to the distribution of the powers of government. The Speaker ruled the point of order not in order.

H. F. No. 2278, A bill for an act relating to state government; requiring the governor to develop a plan to create a secretarial system of executive branch organization.

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 82 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clark	Huntley	Lasley	Murphy	Peterson	Steensma
Asch	Cooper	Jacobs	Lieder	Neary	Pugh	Svigum
Battaglia	Dauner	Jaros	Long	Nelson	Reding	Tomassoni
Bauerly	Dawkins	Jefferson	Lourey	Olson, E.	Rest	Trimble
Beard	Delmont	Jennings	Luther	Olson, K.	Rice	Tunheim
Bergson	Dorn	Johnson, A.	Mahon	Opatz	Rodosovich	Vellenga
Bertram	Evans	Johnson, R.	Mariani	Orenstein	Rukavina	Wejcmán
Bishop	Farrell	Kahn	McCollum	Orfield	Sarna	Wenzel
Brown, C.	Garcia	Kalis	McGuire	Osthoff	Sekhon	Winter
Brown, K.	Goodno	Kelley	Milbert	Ostrom	Simoneau	Spk. Anderson, I.
Carlson	Gutknecht	Kinkel	Mosel	Pelowski	Smith	
Carruthers	Hasskamp	Klinzing	Munger	Perlt	Solberg	

Those who voted in the negative were:

Abrams	Frerichs	Kelso	Lindner	Ozment	Tompkins	Worke
Bettermann	Girard	Knickerbocker	Lynch	Pauly	Van Dellen	Workman
Commers	Greenfield	Knight	Macklin	Pawlenty	Van Engen	
Davids	Gruenes	Koppentrayer	Molnau	Rhodes	Vickerman	
Dehler	Haukoos	Krinkie	Morrison	Seagren	Wagenius	
Dempsey	Holsten	Krueger	Ness	Skoglund	Waltman	
Erhardt	Hugoson	Leppik	Olson, M.	Stanis	Weaver	
Finseth	Johnson, V.	Limmer	Onnen	Swenson	Wolf	

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

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

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Greiling moved that the name of Asch be added as an author on H. F. No. 664. The motion prevailed.

Dawkins moved that the name of Wejcmán be added as an author on H. F. No. 2644. The motion prevailed.

Wejcman moved that the names of Swenson, Limmer, Weaver and Lasley be added as authors on H. F. No. 2985. The motion prevailed.

Osthoff moved that the names of Lieder, Kalis, McCollum and Johnson, V., be added as authors on H. F. No. 3109. The motion prevailed.

Dauids moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Tuesday, April 5, 1994, when the vote was taken on the final passage of H. F. No. 2135." The motion prevailed.

Johnson, A., moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Tuesday, April 5, 1994, when the vote was taken on the final passage of H. F. No. 2371." The motion prevailed.

Luther moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Tuesday, April 5, 1994, when the vote was taken on the final passage of H. F. No. 2371." The motion prevailed.

Ozment moved that H. F. No. 2183, now on Technical General Orders, be re-referred to the Committee on Ways and Means. The motion prevailed.

Asch moved that H. F. No. 2775, now on General Orders, be re-referred to the Committee on Environment and Natural Resources Finance. The motion prevailed.

Workman moved that H. F. No. 2862 be returned to its author. The motion prevailed.

Workman moved that H. F. No. 2864 be returned to its author. The motion prevailed.

Workman moved that H. F. No. 2938 be returned to its author. The motion prevailed.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 1:30 p.m., Thursday, April 7, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:30 p.m., Thursday, April 7, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

EIGHTY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 7, 1994

The House of Representatives convened at 1:30 p.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Pastor Ted Predoehl, Messiah Lutheran Church, Forest Lake, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Smith 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. 2066 and H. F. No. 2067, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Sekhon moved that the rules be so far suspended that S. F. No. 2066 be substituted for H. F. No. 2067 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2303 and H. F. No. 2115, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Ostrom moved that the rules be so far suspended that S. F. No. 2303 be substituted for H. F. No. 2115 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Rest from the Committee on Taxes to which was referred:

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

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

The report was adopted.

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

H. F. No. 1918, A bill for an act relating to licensing; requiring the bureau of business licenses to expand services of the bureau; requiring a report to the governor and the legislature.

Reported the same back with the following amendments:

Page 1, line 18, after "shall" insert "develop an implementation plan to"

Page 2, lines 7 and 20, after "shall" insert "develop an implementation plan to"

Page 2, line 32, before "The" insert "Within existing appropriations,"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 2175, A bill for an act relating to the city of Saint Paul; authorizing a program for the replacement of lead pipes and the charging or assessment of costs for the program and the issuance of general or special obligations to pay the costs of the program.

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

The report was adopted.

Rest from the Committee on Taxes to which was referred:

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

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

The report was adopted.

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

H. F. No. 2485, A bill for an act relating to water; providing for duties of the legislative water commission; providing for a sustainable agriculture advisory committee; requiring plans relating to sustainable agriculture and integrated pest management; changing disclosures and fees related to dewatering wells; establishing groundwater policy and education; changing water well permit requirements; requiring reports to the legislature; appropriating money; amending Minnesota Statutes 1992, sections 3.887, subdivisions 5, 6, and 8; 17.114, subdivisions 1, 3, 4, and by adding a subdivision; 18B.045, subdivision 1; 103A.43; 103B.151, subdivision 1; 103G.271, subdivision 5; 103H.175, by adding a subdivision; 103H.201, subdivisions 1 and 4; 103I.101, subdivision 5; 103I.205, subdivision 1; 103I.208; and 103I.331, subdivision 6; Minnesota Statutes 1993 Supplement, sections 18E.06; and 115B.20, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 103A; and 103F; repealing Minnesota Statutes 1992, section 103F.460.

Reported the same back with the following amendments:

Page 9, delete lines 10 to 12

Page 17, delete lines 3 to 20

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 10, delete "appropriating money;"

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

The report was adopted.

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

H. F. No. 2644, A bill for an act relating to companion animals; establishing a low-cost spaying and neutering program; establishing certain standards of care for dogs and cats; imposing penalties; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 346.

Reported the same back with the following amendments:

Pages 7 to 9, delete sections 3 to 5

Renumber the remaining sections

Amend the title as follows:

Page 1, lines 2 and 3, delete "establishing a low-cost spaying and neutering program;"

Page 1, line 5, delete "appropriating money;"

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

The report was adopted.

Wenzel from the Committee on Agriculture to which was referred:

H. F. No. 2885, A bill for an act relating to agriculture; providing for family farm limited liability companies and authorized farm limited liability companies; removing limitation on number of shareholders or partners for authorized farm corporations and partnerships; amending Minnesota Statutes 1992, section 500.24, subdivision 2.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 500.24, subdivision 2, is amended to read:

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

(a) "Farming" means the production of (1) agricultural products; (2) livestock or livestock products; (3) milk or milk products; or (4) fruit or other horticultural products. It does not include the processing, refining, or packaging of said products, nor the provision of spraying or harvesting services by a processor or distributor of farm products. It does not include the production of timber or forest products or the production of poultry or poultry products.

(b) "Family farm" means an unincorporated farming unit owned by one or more persons residing on the farm or actively engaging in farming.

(c) "Family farm corporation" means a corporation founded for the purpose of farming and the ownership of agricultural land in which the majority of the voting stock is held by and the majority of the stockholders are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of said related persons is residing on or actively operating the farm, and none of whose stockholders are corporations; provided that a family farm corporation shall not cease to qualify as such hereunder by reason of any devise or bequest of shares of voting stock.

(d) "Authorized farm corporation" means a corporation meeting the following standards under clause (1) or (2):

(1)(i) its shareholders do not exceed five in number;

(2) (ii) all its shareholders, other than any estate are natural persons;

(3) (iii) it does not have more than one class of shares; and

(4) (iv) its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts; and

(5) (v) shareholders holding 51 percent or more of the interest in the corporation must be residing on the farm or actively engaging in farming;

(6) (vi) the authorized farm corporation, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(7) (vii) a shareholder of the authorized farm corporation is not a shareholder in other authorized farm corporations that directly or indirectly in combination with the authorized farm corporation own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; or

(2)(i) the corporation is engaged in the production of livestock other than dairy cattle; and not engaged in farming activities otherwise prohibited under this section;

(ii) all its shareholders other than an estate, are natural persons or a family farm corporation;

(iii) it does not have more than one class of shares;

(iv) its revenues from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts;

(v) shareholders holding 80 percent or more of the control and financial investment in the corporation must be farmers residing in Minnesota;

(vi) the authorized farm corporation, directly or indirectly, owns or otherwise has an interest, whether legal, beneficial, or otherwise, in any title to no more than 1,500 acres of real estate used for farming or capable of being used for farming in this state;

(vii) the corporation was formed for the production of livestock other than dairy cattle by natural persons or family farm corporations that provide 80 percent or more of the capital investment.

(e) "Agricultural land" means land used for farming.

(f) "Pension or investment fund" means a pension or employee welfare benefit fund, however organized, a mutual fund, a life insurance company separate account, a common trust of a bank or other trustee established for the investment and reinvestment of money contributed to it, a real estate investment trust, or an investment company as defined in United States Code, title 15, section 80a-3. "Pension or investment fund" does not include a benevolent trust established by the owners of a family farm, authorized farm corporation or family farm corporation.

(g) "Farm homestead" means a house including adjoining buildings that has been used as part of a farming operation or is part of the agricultural land used for a farming operation.

(h) "Family farm partnership" means a limited partnership formed for the purpose of farming and the ownership of agricultural land in which the majority of the interests in the partnership is held by and the majority of the partners are persons or the spouses of persons related to each other within the third degree of kindred according to the rules of the civil law, and at least one of the related persons is residing on or actively operating the farm, and none of the partners are corporations. A family farm partnership does not cease to qualify as a family farm partnership because of a devise or bequest of interest in the partnership.

(i) "Authorized farm partnership" means a limited partnership meeting the following standards:

(1) it has been issued a certificate from the secretary of state or is registered with the county recorder and farming and ownership of agricultural land is stated as a purpose or character of the business;

(2) its partners do not exceed five in number;

(3) all its partners, other than an estate, are natural persons;

(4) its revenues from rent, royalties, dividends, interest, and annuities do not exceed 20 percent of its gross receipts;

(5) its general partners hold at least 51 percent of the interest in the land assets of the partnership and reside on the farm or are actively engaging in farming not more than 1,500 acres as a general partner in an authorized limited partnership;

(6) its limited partners do not participate in the business of the limited partnership including operating, managing, or directing management of farming operations;

(7) the authorized farm partnership, directly or indirectly, does not own or otherwise have an interest, whether legal, beneficial, or otherwise, in a title to more than 1,500 acres of real estate used for farming or capable of being used for farming in this state; and

(8) a limited partner of the authorized farm partnership is not a limited partner in other authorized farm partnerships that directly or indirectly in combination with the authorized farm partnership own not more than 1,500 acres of real estate used for farming or capable of being used for farming in this state.

(j) "Farmer" means a person who regularly participates in physical labor or operations management in the farmer's farming operation and files "Schedule F" as part of the person's annual Form 1040 filing with the United States Internal Revenue Service.

Sec. 2. Minnesota Statutes 1992, section 500.24, subdivision 3, is amended to read:

Subd. 3. [FARMING AND OWNERSHIP OF AGRICULTURAL LAND BY CORPORATIONS RESTRICTED.] No corporation, limited liability company, pension or investment fund, or limited partnership shall engage in farming; nor shall any corporation, limited liability company, pension or investment fund, or limited partnership, directly or indirectly, own, acquire, or otherwise obtain an interest, whether legal, beneficial or otherwise, in any title to real estate used for farming or capable of being used for farming in this state. Livestock that are delivered for slaughter or processing may be fed and cared for by a corporation up to 20 days prior to slaughter or processing. Provided, however, that the restrictions in this subdivision do not apply to corporations or partnerships in clause (b) and do not apply to corporations, limited partnerships, and pension or investment funds that record its name and the particular exception under clauses (a) to (s) under which the agricultural land is owned or farmed, have a conservation plan prepared for the agricultural land, report as required under subdivision 4, and satisfy one of the following conditions under clauses (a) to (s):

(a) a bona fide encumbrance taken for purposes of security;

(b) a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership as defined in subdivision 2 or a general partnership;

(c) agricultural land and land capable of being used for farming owned by a corporation as of May 20, 1973, or a pension or investment fund as of May 12, 1981, including the normal expansion of such ownership at a rate not to exceed 20 percent of the amount of land owned as of May 20, 1973, or, in the case of a pension or investment fund, as of May 12, 1981, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(d) agricultural land operated for research or experimental purposes with the approval of the commissioner of agriculture, provided that any commercial sales from the operation must be incidental to the research or experimental objectives of the corporation. A corporation, limited partnership, or pension or investment fund seeking to operate agricultural land for research or experimental purposes must submit to the commissioner a prospectus or proposal of the intended method of operation, containing information required by the commissioner including a copy of any operational contract with individual participants, prior to initial approval of an operation. A corporation, limited partnership, or pension or investment fund operating agricultural land for research or experimental purposes prior to May 1, 1988, must comply with all requirements of this clause except the requirement for initial approval of the project;

(e) agricultural land operated by a corporation or limited partnership for the purpose of raising breeding stock, including embryos, for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod. An entity that is organized to raise livestock other than dairy cattle under this clause after April 1, 1994, that does not meet the definition requirement for an authorized farm corporation must:

(1) sell all castrated animals to be fed out or finished by farming operations that are neither directly or indirectly owned by the business entity operating the breeding stock operation; and

(2) report its total production and sales annually to the commissioner of agriculture;

(f) agricultural land and land capable of being used for farming leased by a corporation or limited partnership in an amount, measured in acres, not to exceed the acreage under lease to such corporation as of May 20, 1973, or to the limited partnership as of May 1, 1988, and the additional acreage required for normal expansion at a rate not to exceed 20 percent of the amount of land leased as of May 20, 1973, for a corporation or May 1, 1988, for a limited partnership in any five-year period, and the additional acreage reasonably necessary to meet the requirements of pollution control rules;

(g) agricultural land when acquired as a gift (either by grant or a devise) by an educational, religious, or charitable nonprofit corporation or by a pension or investment fund or limited partnership; provided that all lands so acquired by a pension or investment fund, and all lands so acquired by a corporation or limited partnership which are not operated for research or experimental purposes, or are not operated for the purpose of raising breeding stock for resale to farmers or operated for the purpose of growing seed, wild rice, nursery plants or sod must be disposed of within ten years after acquiring title thereto;

(h) agricultural land acquired by a pension or investment fund or a corporation other than a family farm corporation or authorized farm corporation, as defined in subdivision 2, or a limited partnership other than a family farm partnership or authorized farm partnership as defined in subdivision 2, for which the corporation or limited partnership has documented plans to use and subsequently uses the land within six years from the date of purchase for a specific nonfarming purpose, or if the land is zoned nonagricultural, or if the land is located within an incorporated area. A pension or investment fund or a corporation or limited partnership may hold such agricultural land in such acreage as may be necessary to its nonfarm business operation; provided, however, that pending the development of agricultural land for nonfarm purposes, such land may not be used for farming except under lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership, or except when controlled through ownership, options, leaseholds, or other agreements by a corporation which has entered into an agreement with the United States of America pursuant to the New Community Act of 1968 (Title IV of the Housing and Urban Development Act of 1968, United States Code, title 42, sections 3901 to 3914) as amended, or a subsidiary or assign of such a corporation;

(i) agricultural lands acquired by a pension or investment fund or a corporation or limited partnership by process of law in the collection of debts, or by any procedure for the enforcement of a lien or claim thereon, whether created by mortgage or otherwise; provided, however, that all lands so acquired be disposed of within ten years after acquiring the title if acquired before May 1, 1988, and five years after acquiring the title if acquired on or after May 1, 1988, acquiring the title thereto, and further provided that the land so acquired shall not be used for farming during the ten-year or five-year period except under a lease to a family farm unit, a family farm corporation, an authorized farm corporation, a family farm partnership, or an authorized farm partnership. The aforementioned ten-year or five-year limitation period shall be deemed a covenant running with the title to the land against any grantee, assignee, or successor of the pension or investment fund, corporation, or limited partnership. Notwithstanding the five-year divestiture requirement under this clause, a financial institution may continue to own the agricultural land if the agricultural land is leased to the immediately preceding former owner, but must divest of the agricultural land within the ten-year period. Livestock acquired by a pension or investment fund, corporation, or limited partnership in the collection of debts, or by a procedure for the enforcement of lien or claim on the livestock whether created by security agreement or otherwise after the effective date of this act, must be sold or disposed of within one full production cycle for the type of livestock acquired or 18 months after the livestock is acquired, whichever is later;

(j) agricultural land acquired by a corporation regulated under the provisions of Minnesota Statutes 1974, chapter 216B, for purposes described in that chapter or by an electric generation or transmission cooperative for use in its business, provided, however, that such land may not be used for farming except under lease to a family farm unit, a family farm corporation, or a family farm partnership;

(k) agricultural land, either leased or owned, totaling no more than 2,700 acres, acquired after May 20, 1973, for the purpose of replacing or expanding asparagus growing operations, provided that such corporation had established 2,000 acres of asparagus production;

(l) all agricultural land or land capable of being used for farming which was owned or leased by an authorized farm corporation as defined in Minnesota Statutes 1974, section 500.24, subdivision 1, clause (d), but which does not qualify as an authorized farm corporation as defined in subdivision 2, clause (d);

(m) a corporation formed primarily for religious purposes whose sole income is derived from agriculture;

(n) agricultural land owned or leased by a corporation prior to August 1, 1975, which was exempted from the restriction of this subdivision under the provisions of Laws 1973, chapter 427, including normal expansion of such ownership or leasehold interest to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1975, in any five-year period and the additional ownership reasonably necessary to meet requirements of pollution control rules;

(o) agricultural land owned or leased by a corporation prior to August 1, 1978, including normal expansion of such ownership or leasehold interest, to be exercised at a rate not to exceed 20 percent of the amount of land owned or leased on August 1, 1978, and the additional ownership reasonably necessary to meet requirements of pollution control rules, provided that nothing herein shall reduce any exemption contained under the provisions of Laws 1975, chapter 324, section 1, subdivision 2;

(p) an interest in the title to agricultural land acquired by a pension fund or family trust established by the owners of a family farm, authorized farm corporation or family farm corporation, but limited to the farm on which one or more of those owners or shareholders have resided or have been actively engaged in farming as required by subdivision 2, clause (b), (c), or (d);

(q) agricultural land owned by a nursing home located in a city with a population, according to the state demographer's 1985 estimate, between 900 and 1,000, in a county with a population, according to the state demographer's 1985 estimate, between 18,000 and 19,000, if the land was given to the nursing home as a gift with the expectation that it would not be sold during the donor's lifetime. This exemption is available until July 1, 1995;

(r) the acreage of agricultural land and land capable of being used for farming owned and recorded by an authorized farm corporation as defined in Minnesota Statutes 1986, section 500.24, subdivision 2, paragraph (d), or a limited partnership as of May 1, 1988, including the normal expansion of the ownership at a rate not to exceed 20 percent of the land owned and recorded as of May 1, 1988, measured in acres, in any five-year period, and including additional ownership reasonably necessary to meet the requirements of pollution control rules;

(s) agricultural land owned or leased as a necessary part of an aquatic farm as defined in section 17.47, subdivision 3.

Sec. 3. [CORPORATE FARMING LAW TASK FORCE.]

Subdivision 1. [PURPOSE.] Current Minnesota law generally precludes corporations from owning farm land or operating a farming enterprise. Corporate farming law has been developed over a period of 14 decades, and the development has included numerous changes to accommodate shifting priorities in agriculture and a recognition that the economic and social climate of the state is not static. There is a concern whether current corporate farming law, especially as it relates to the breeding and raising of swine, represents the appropriate balance between protection of family farms and opportunity for creative new enterprise structures organized by multiple farmers. Farmers wish to support a corporate farming law that is in the overall best interest of production agriculture and preservation of the family farm unit as the main component of the agricultural economy in the state. The study, legislative report, and legislative recommendations authorized by this section will increase public and legislative understanding of the issues involved.

Subd. 2. [CREATION; MEMBERSHIP.] (a) There is hereby created a corporate farming law task force with ten members appointed as follows:

- (1) the chairs of the committees of the Minnesota senate and house of representatives, or their designees;
 - (2) two members of the Minnesota house of representatives appointed by the speaker of the house;
 - (3) one member of the Minnesota house of representatives appointed by the minority leader of the house;
 - (4) two members of the Minnesota senate appointed by the senate committee on rules and administration;
 - (5) one member of the Minnesota senate appointed by the minority leader of the senate;
 - (6) one member with education and experience in the area of agricultural economics appointed by the governor of Minnesota; and
 - (7) one member who is the operator of a production agriculture farm in Minnesota appointed by the governor.
- (b) Each of the appointing authorities must make their respective appointments not later than June 15, 1994.
- (c) Citizen members of the task force may be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 6.
- (d) The first meeting of the task force must be called and convened by the chairs of the agriculture committees of the senate and the house of representatives. Task force members will then elect a permanent chair from among the task force members.

Subd. 3. [CHARGE.] The task force must examine current and projected impacts of corporate farming structures on the economic, social, and environmental conditions and structures of rural Minnesota. The study should consider probable impacts on both agriculture related and nonagriculture businesses in rural communities. Issues of nonpoint source pollution and other environmental issues must also be considered.

Subd. 4. [RESOURCES; STAFF SUPPORT; CONTRACT SERVICES.] The commissioner of agriculture shall provide necessary resources and staff support for the meetings, hearings, activities, and report of the task force. To the extent the task force determines it appropriate to contract with nonstate providers for research or analytical services, the commissioner shall serve as the fiscal agent for the task force.

Subd. 5. [PUBLIC HEARINGS.] The task force shall hold at least four public hearings on the issue of corporate farming law, with specific emphasis on appropriate regulation of business structures involved in swine breeding and raising. At least three of the hearings must be held in greater Minnesota.

Subd. 6. [REPORT.] Not later than February 15, 1995, the corporate farming law task force shall report to the legislature on the findings of its study. The report must include recommendations for changes in Minnesota Statutes and rules of the department of agriculture that are negative to the best interests of production agriculture in the state and the economic, environmental, and social environment and preservation of the family farm.

Subd. 7. [EXPIRATION.] The corporate farming law task force expires 45 days after its report and recommendations are delivered to the legislature or on May 15, 1995, whichever date is earlier.

Subd. 8. [APPROPRIATION; CORPORATE FARMING LAW TASK FORCE.] \$25,000 is appropriated from the general fund to the commissioner of agriculture to provide staff and research support for the corporate farming law task force."

Delete the title and insert:

"A bill for an act relating to agriculture; changing the law limiting corporate farming; establishing a corporate farming law task force; appropriating money; amending Minnesota Statutes 1992, section 500.24, subdivisions 2 and 3."

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

The report was adopted.

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

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

Reported the same back with the following amendments:

Page 3, line 2, delete "\$....." and insert "\$494,000"

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

The report was adopted.

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

H. F. No. 3032, A bill for an act relating to game and fish; clarifying the purposes for which various game and fish revenues may be spent; requiring establishment of citizen oversight committees to review expenditures of game and fish revenues; abolishing the angling license refund for senior citizens; appropriating money and reducing earlier appropriations; amending Minnesota Statutes 1992, sections 97A.055, by adding a subdivision; 97A.071, subdivision 3, and by adding subdivisions; 97A.075, subdivisions 2, 3, and 4; 97A.475, subdivisions 6, 7, 8, and 13; and 97A.485, subdivision 7; Minnesota Statutes 1993 Supplement, sections 97A.055, subdivision 4; 97A.071, subdivision 2; 97A.475, subdivision 12; and 97A.485, subdivision 6; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 4; 97A.475, subdivision 9; and 103E.615, subdivision 6.

Reported the same back with the following amendments:

Page 3, delete sections 3 and 4

Page 4, delete section 6

Page 4, line 25, delete "90" and insert "85"

Page 5, lines 15 and 32, delete "90" and insert "85"

Page 9, line 20, delete "10 to 16 of this act" and insert "7 to 13"

Pages 9 and 10, delete section 18

Page 10, delete lines 15 and 16

Page 10, line 17, delete "(b)" and insert "(a)"

Page 10, line 19, delete "(c)" and insert "(b)"

Page 10, line 22, delete "10 to 16 and 20, paragraph (b)" and insert "7 to 13 and 16, paragraph (a)"

Page 10, line 24, delete "20, paragraph (c)" and insert "16, paragraph (b)"

Renumber the sections in sequence

Amend the title as follows:

Page 1, lines 7 and 8, delete "appropriating money and reducing earlier appropriations;"

Page 1, line 10, delete ", and by adding subdivisions"

Page 1, line 14, delete "97A.071, subdivision 2;"

Page 1, line 17, delete "97A.071, subdivision 4;" and insert "and"

Page 1, line 18, delete "; and 103E.615, subdivision 6"

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1917, 1918, 2175 and 2433 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2066 and 2303 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Huntley, Jaros and Munger introduced:

H. F. No. 3206, A bill for an act relating to state government; increasing the membership of the designer selection board; requiring representation on the board from each congressional district; amending Minnesota Statutes 1992, section 16B.33, subdivision 2.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

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

H. F. No. 3207, A bill for an act relating to the organization and operation of state government; appropriating money for the department of health, the council on disability, veterans nursing homes board, jobs and training, housing finance, veterans affairs, human rights, and other purposes with certain conditions; establishing and modifying certain programs; modifying the compact on industrialized/modular buildings; providing for appointments; amending Minnesota Statutes 1992, sections 16A.124, subdivisions 1, 2, 3, 4, 5, and 6; 16B.75; 62J.05, subdivision 2; 144.801, by adding a subdivision; 144.804, subdivision 1; 144.878, by adding a subdivision; and 145A.14, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 16B.06, subdivision 2a; 144.871, subdivision 2; 144.874, subdivision 11a; 144.878, subdivision 5; 153A.14, subdivision 2; and 239.785, subdivision 2, and by adding a subdivision; Laws 1993, chapter 369, section 11; proposing coding for new law in Minnesota Statutes, chapters 144; 145; 148; 197; 268A; and 645; repealing Minnesota Statutes 1992, section 197.235.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 1880, A resolution memorializing the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

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

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. 1966, A bill for an act relating to peace officers; authorizing officers of states adjoining Minnesota to render assistance to peace officers of this state on request; granting these officers arrest authority in this state under certain circumstances; extending the state and local government tort liability laws to the conduct of these officers; proposing coding for new law in Minnesota Statutes, chapter 626.

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. 2269, A bill for an act relating to retirement; teachers retirement association; authorizing annuity adjustment for a certain annuitant.

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

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. 2675, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public waters in Aitkin county.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lourey moved that the House refuse to concur in the Senate amendments to H. F. No. 2675, 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. 2248, A bill for an act relating to agriculture; changing certain pesticide posting requirements; amending Minnesota Statutes 1992, section 18B.07, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

Gutknecht moved that the House refuse to concur in the Senate amendments to H. F. No. 2248, 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. 2665, A bill for an act relating to parks and recreation; adding lands to certain state parks; converting certain recreation areas to state parks; deleting land from a recreation area; combining a trail and certain waysides into a recreation area; abolishing a state park; amending Minnesota Statutes 1992, section 85.054, by adding a subdivision; repealing Minnesota Statutes 1992, section 85.013, subdivisions 16, 18a, 24, 26, and 28.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

McGuire moved that the House concur in the Senate amendments to H. F. No. 2665 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2665, A bill for an act relating to parks and recreation; adding lands to certain state parks; converting certain recreation areas to state parks; deleting land from a recreation area; combining a trail and certain waysides into a recreation area; abolishing a state park; allowing sale of tax-forfeited land within Tettegouche State Park; amending Minnesota Statutes 1992, section 85.054, by adding a subdivision; repealing Minnesota Statutes 1992, section 85.013, subdivisions 16, 18a, 24, 26, and 28.

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

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 2154, 2348, 2690, 1896, 2297 and 1903.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2154, A bill for an act relating to natural resources; farming; clarifying requirements relating to fish manure from aquatic farms; expanding the scope of cooperative farming agreements on hunting, game refuge, or wildlife management lands; exempting agreements from treatment as leases for tax purposes; amending Minnesota Statutes 1992, section 97A.135, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 17.

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

S. F. No. 2348, A bill for an act relating to the legislature; clarifying the appropriate committees to which certain reports are to be directed; amending Minnesota Statutes 1992, sections 244.09, subdivision 11; 244.13, subdivisions 1 and 3; 244.173; 299A.35, subdivision 3; and 484.74, subdivision 4.

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

S. F. No. 2690, A bill for an act relating to insurance; township mutual fire insurance; allowing companies to issue policies in combination with the policies of other insurers; proposing coding for new law in Minnesota Statutes, chapter 67A.

The bill was read for the first time.

Bertram moved that S. F. No. 2690 and H. F. No. 2990, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1896, A bill for an act relating to transportation; including in state transportation plan and development guide certain transportation matters relating to metropolitan area; amending Minnesota Statutes 1992, sections 174.03, subdivision 1a; 473.146, subdivision 3; and 473.371, subdivision 2.

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

S. F. No. 2297, A bill for an act relating to elections; eliminating combined precincts but authorizing a combined polling place under the same conditions; adding three years to the time precinct boundaries may be changed; requiring separate precincts for each congressional district; limiting precinct boundary changes close to an election; amending Minnesota Statutes 1992, sections 204B.14, subdivisions 2 and 3; 204B.22, subdivision 1; and 205A.11; Minnesota Statutes 1993 Supplement, section 204B.14, subdivisions 4 and 5; repealing Minnesota Statutes 1992, sections 204B.14, subdivision 8; and 204B.16, subdivision 2.

The bill was read for the first time.

Rodosovich moved that S. F. No. 2297 and H. F. No. 2672, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1903, A bill for an act relating to agricultural economy; increasing extent of authorized state participation in rural finance authority loan restructuring program; repealing authorization for the commissioner of finance to issue obligations to assist agricultural-industrial facilities in Detroit Lakes; amending Minnesota Statutes 1992, section 41B.04, subdivision 8; repealing Laws 1992, chapter 543.

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

CONSENT CALENDAR

S. F. No. 1825, A bill for an act relating to manufactured homes; restricting the venue for repossession actions to the county in which the manufactured home is located; making technical changes; amending Minnesota Statutes 1992, sections 327.63, subdivision 1; 327.64, subdivision 2; and 327.65.

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 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Cooper	Dawkins
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Dauner	Dehler
Asch	Beard	Bettermann	Brown, K.	Commers	Davids	Delmont

Dempsey	Hugoson	Koppendrayner	Molnau	Ostrom	Sekhon	Vickerman
Dorn	Huntley	Krueger	Morrison	Ozment	Simoneau	Wagenius
Erhardt	Jacobs	Lasley	Mosel	Pauly	Skoglund	Waltman
Evans	Jaros	Leppik	Munger	Pawlenty	Smith	Weaver
Farrell	Jefferson	Lieder	Murphy	Pelowski	Solberg	Wejzman
Finseth	Jennings	Lindner	Neary	Perlt	Stanius	Wenzel
Frerichs	Johnson, A.	Long	Nelson	Peterson	Steensma	Winter
Garcia	Johnson, R.	Lourey	Ness	Pugh	Sviggum	Wolf
Girard	Kahn	Luther	Olson, E.	Reding	Swenson	Worke
Greenfield	Kalis	Lynch	Olson, K.	Rest	Tomassoni	Workman
Greiling	Kelley	Macklin	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.
Gutknecht	Kelso	Mahon	Onnen	Rice	Trimble	
Hasskamp	Kinkel	Mariani	Opatz	Rodosovich	Tunheim	
Haukoos	Klinzing	McCollum	Orenstein	Rukavina	Van Dellen	
Hausman	Knickerbocker	McGuire	Orfield	Sarna	Van Engen	
Holsten	Knight	Milbert	Osthoff	Seagren	Vellenga	

Those who voted in the negative were:

Goodno	Gruenes	Krinkie	Limmer
--------	---------	---------	--------

The bill was passed and its title agreed to.

S. F. No. 2672, A bill for an act relating to coroners; providing for exemption from educational requirements in certain circumstances; amending Minnesota Statutes 1992, section 390.005, 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 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 3120, A bill for an act relating to military affairs; expediting payment to forces ordered to active duty; amending Minnesota Statutes 1992, section 192.52.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2070, A bill for an act relating to cities; allowing home rule charter cities to apply law applicable to statutory cities in instances in which the charter is silent, with certain restrictions; proposing coding for new law in Minnesota Statutes, chapter 410.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today:

H. F. Nos. 2796, 2658, 1999, 2124, 553, 2023, 2478 and 2517; S. F. No. 2491; and H. F. Nos. 2806 and 2925.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today:

H. F. No. 2893; S. F. Nos. 2422 and 1662; H. F. No. 2005; S. F. Nos. 1794 and 2255; H. F. Nos. 3022 and 2410; and S. F. Nos. 2579, 2081 and 1766.

SPECIAL ORDERS

S. F. No. 2267, A bill for an act relating to real estate; authorizing title insurance companies governed by chapter 68A, or their appointed agents to execute certificates of release of mortgages; proposing coding for new law in Minnesota Statutes, chapter 507.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2666 was reported to the House.

Brown, C., moved that H. F. No. 2666 be continued on Special Orders. The motion prevailed.

H. F. No. 2013, A bill for an act relating to public employment; correcting unintended omissions from previous early retirement legislation; ratifying certain prior payments.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2493, A bill for an act relating to agriculture; changing the law on nuisance liability of agricultural operations; amending Minnesota Statutes 1992, section 561.19, subdivisions 1 and 2.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 3 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Knickerbocker Limmer Skoglund

The bill was passed and its title agreed to.

H. F. No. 2626, A bill for an act relating to retirement; authorizing purchase of prior service credit from the teachers retirement association by a certain member.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Lindner

The bill was passed and its title agreed to.

H. F. No. 1921, A bill for an act relating to retirement; increasing employee contribution rates and benefit computation formulas for the teachers retirement fund; amending Minnesota Statutes 1992, sections 354.42, subdivision 2; and 354.44, subdivision 6.

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

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

Those who voted in the affirmative were:

Abrams	Bergson	Carlson	Dauids	Erhardt	Girard	Hasskamp
Anderson, R.	Bertram	Carruthers	Dawkins	Evans	Goodno	Haukoos
Asch	Bettermann	Clark	Dehler	Farrell	Greenfield	Hausman
Battaglia	Bishop	Commers	Delmont	Finseth	Greiling	Holsten
Bauerly	Brown, C.	Cooper	Dempsey	Frerichs	Gruenes	Hugoson
Beard	Brown, K.	Dauner	Dorn	Garcia	Gutknecht	Huntley

Jacobs	Knickerbocker	Lynch	Nelson	Pawlenty	Sekhon	Van Engen
Jaros	Knight	Macklin	Ness	Pelowski	Skoglund	Vellenga
Jefferson	Koppendrayer	Mahon	Olson, E.	Perlt	Smith	Vickerman
Jennings	Krinkie	Mariani	Olson, K.	Peterson	Solberg	Wagenius
Johnson, A.	Krueger	McCollum	Olson, M.	Pugh	Stanius	Waltman
Johnson, R.	Lasley	McGuire	Onnen	Reding	Steensma	Weaver
Johnson, V.	Leppik	Milbert	Opatz	Rest	Sviggun	Wejcman
Kahn	Lieder	Molnau	Orenstein	Rhodes	Swenson	Wenzel
Kalis	Limmer	Morrison	Orfield	Rice	Tomassoni	Winter
Kelley	Lindner	Mosel	Osthoff	Rodosovich	Tompkins	Wolf
Kelso	Long	Munger	Ostrom	Rukavina	Trimble	Worke
Kinkel	Lourey	Murphy	Ozment	Sarna	Tunheim	Workman
Klinzing	Luther	Neary	Pauly	Seagren	Van Dellen	Spk. Anderson, I.

The bill was passed and its title agreed to.

H. F. No. 2405 was reported to the House.

Johnson, R., moved to amend H. F. No. 2405, the first engrossment, as follows:

Page 58, after line 6, insert:

"ARTICLE 8

LOCAL POLICE AND FIRE

Section 1. [423A.171] [BYLAW AMENDMENTS.]

(a) Notwithstanding a provision of section 69.48; 423.387, subdivision 1; 423.58, subdivision 1; 423.810, subdivision 1; 423B.10; or 424.24, subdivision 1, or other law governing a local police or salaried firefighters relief association to the contrary, the board of trustees of a local relief association governed by section 69.77 or its successor board under chapter 353A or 353B, with municipal approval as provided in section 69.77, subdivision 2i, may amend the bylaws of the relief association to provide that a surviving spouse benefit is payable to a surviving spouse who married a deferred or retired member after the member's retirement, provided the marriage occurred at least five years before the death of the member, and the spouse is 50 years of age or older on the member's date of death.

(b) If the surviving spouse benefit change described in paragraph (a) is made, the change applies to a surviving spouse benefit payable on the effective date of the change and to the potential surviving spouses of all deferred or retired members of the relief association who have that status on the effective date of the change.

(c) The bylaw amendment is not effective until a certified copy of the amendment and the municipal approval has been filed by the municipal clerk with the executive director of the legislative commission on pensions and retirement, the state auditor, and the secretary of state.

(d) Notwithstanding the provisions of section 353B.11, a surviving spouse benefit change made under this section for a relief association that has consolidated with the public employees retirement association is effective upon approval by the public employees retirement association and the municipality pursuant to clause (c)."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Krinkie moved to amend H. F. No. 2405, the first engrossment, as amended, as follows:

Pages 51 to 55, delete Article 5, sections 1 to 10, and insert:

"Section 1. Minnesota Statutes 1992, section 352.75, subdivision 1, is amended to read:

Subdivision 1. [EXISTING EMPLOYEES.] Notwithstanding any law to the contrary, as of July 1, 1978, all active employees of the transit operating division of the metropolitan transit commission and all employees on authorized leaves of absence from the transit operating division who are employed on July 1, 1978, by a labor organization which

is the exclusive bargaining agent representing employees of the transit operating division shall cease to be members of the metropolitan transit commission-transit operating employees retirement fund and shall cease to have any accrual of service credit, rights, or benefits under that retirement fund. After July 1, 1978, those employees become members of the Minnesota state retirement system, are considered state employees for purposes of this chapter, unless specifically excluded by section 352.01, subdivision 2b, and shall have past service with the transit operating division of the metropolitan transit commission credited by the Minnesota state retirement system in accordance with section 352.01, subdivision 11, clause (10). ~~Any employees on authorized leaves of absence from the transit operating division of the metropolitan transit commission who become employed by the labor organization which is the exclusive bargaining agent representing employees of the transit operating division after July 1, 1978, shall be entitled to be members of the Minnesota state retirement system under section 352.029.~~

Page 55, line 10, delete "11" and insert "2"

Page 55, line 18, after the period, insert "For a labor organization employee who qualified for membership in a public pension plan under a law in effect before the effective date of this section, the covered salary is limited to the lesser of:

(1) the employee's actual salary; or (2) 75 percent of the salary established for the governor under section 15A.082 at the time the person received the salary."

Pages 55 and 56, delete Article 5, section 12, and insert:

"Sec. 3. Minnesota Statutes 1992, section 422A.09, subdivision 2, is amended to read:

Subd. 2. The contributing class shall consist of all employees not included in the exempt class, who become prospective beneficiaries of the fund created by sections 422A.01 to 422A.25.

~~A member of the contributing class who is granted a leave of absence without pay by the member's employer to serve as an employee or agent of a labor union primarily representing members of the contributing class may continue as a member of the contributing class during the period of such leave of absence by depositing each month with the fund the amount of the contribution of the employee as required by sections 422A.01 to 422A.25 which amount shall be the normal employee contribution.~~

~~The contributions referred to in this subdivision shall be based on the salary for the position or its equivalent held by the member immediately prior to such leave of absence subject to any adjustment thereof during the period of such leave.~~

Sec. 4. [REPEALER.]

Minnesota Statutes 1992, sections 352.029; and 354.41, subdivision 4, 5, 7, and 9; Minnesota Statutes 1993 Supplement, section 353.017; and Laws 1992, chapter 598, article 3, section 2, are repealed.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment. Sections 1, 3, or 4 do not affect retirement coverage, benefits, or contributions by or on behalf of a person who is a member of a fund referred to in sections 1, 3 or 4 by virtue of serving as an employee, agent, or officer of a labor organization or professional educational organization that represents state, public, Minneapolis, or metropolitan transit operating employees, or professional educators or administrators on the effective date of sections 1, 3 or 4."

A roll call was requested and properly seconded.

The question was taken on the Krinkie amendment and the roll was called. There were 40 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauids	Finseth	Goodno	Haukoos	Johnson, V.	Leppik
Bettermann	Dehler	Frerichs	Gruenes	Holsten	Koppendrayner	Limner
Commers	Erhardt	Girard	Gutknecht	Hugoson	Krinkie	Lindner

Lynch	Morrison	Rhodes	Sviggum	Van Dellen	Waltman	Workman
Macklin	Pauly	Seagren	Swenson	Van Engen	Weaver	
Molnau	Pawlentz	Stanius	Tompkins	Vickerman	Worke	

Those who voted in the negative were:

Anderson, R.	Dauner	Jaros	Lasley	Nelson	Peterson	Tomassoni
Asch	Dawkins	Jefferson	Lieder	Ness	Pugh	Trimble
Battaglia	Delmont	Jennings	Long	Olson, E.	Reding	Tunheim
Bauerly	Dempsey	Johnson, A.	Lourey	Olson, K.	Rest	Vellenga
Beard	Dorn	Johnson, R.	Luther	Olson, M.	Rice	Wagenius
Bergson	Evans	Kahn	Mahon	Onnen	Rodosovich	Wejcmán
Bertram	Farrell	Kalis	Mariani	Opatz	Rukavina	Wenzel
Bishop	Garcia	Kelley	McCollum	Orenstein	Sarna	Winter
Brown, C.	Greenfield	Kelso	McGuire	Orfield	Sekhon	Wolf
Brown, K.	Greiling	Kinkel	Milbert	Osthoﬀ	Simoneau	Spk. Anderson, I.
Carlson	Hasskamp	Klinzing	Mosel	Ostrom	Skoglund	
Carruthers	Hausman	Knickerbocker	Munger	Ozment	Smith	
Clark	Huntley	Knight	Murphy	Pelowski	Solberg	
Cooper	Jacobs	Krueger	Neary	Perlt	Steensma	

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

H. F. No. 2405, A bill for an act relating to retirement; making various administrative and minor substantive changes in the laws governing the Minnesota state retirement system, the public employees retirement association, the teachers retirement association, and police and firefighters retirement law; requiring disclosure of certain investment information; amending Minnesota Statutes 1992, sections 352.01, subdivisions 11 and 13; 352.029, subdivision 1, and by adding subdivisions; 352.04, subdivisions 2 and 3; 352.119, by adding a subdivision; 352B.265; 352D.04, subdivision 2; 353.03, subdivisions 1 and 3a; 354.05, subdivisions 2, 21, 22, 35, and by adding subdivisions; 354.06, subdivisions 2a and 4; 354.071, subdivision 5; 354.091; 354.10, subdivisions 1 and 2; 354.41, subdivision 4, and by adding subdivisions; 354.42, subdivisions 3 and 5; 354.44, subdivisions 1a, 4, and 5a; 354.47; 354.48, subdivision 2; 354.49, subdivision 1; 354.52, subdivisions 2, 2a, 4, and by adding subdivisions; 354.66, subdivisions 2, 3, and by adding a subdivision; and 356.30, subdivision 1; Minnesota Statutes 1993 Supplement, sections 3A.02, subdivision 5; 352.22, subdivision 2; 352.93, subdivision 2a; 352.96, subdivision 4; 352B.08, subdivision 2a; 353.01, subdivisions 10, 12a, 16, and 28; 353.017, subdivisions 1, 3, and by adding subdivisions; 353.27, subdivision 7; 353.37, subdivisions 1, 2, and 4; 353.65, subdivision 3a; 353A.08, subdivision 3; 354.05, subdivision 8; and 354.46, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapters 354; 356; and 423A; repealing Minnesota Statutes 1992, sections 352.15, subdivision 2; 352D.09, subdivision 6; 354.05, subdivisions 15 and 29; 354.43, subdivision 3; 354.57; 354.65; and 356.18.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Commers	Girard	Jennings	Lasley	Mosel	Ozment
Anderson, R.	Cooper	Goodno	Johnson, A.	Leppik	Munger	Pauly
Asch	Dauner	Greenfield	Johnson, R.	Lieder	Murphy	Pawlentz
Battaglia	Dauids	Greiling	Johnson, V.	Long	Neary	Pelowski
Bauerly	Dawkins	Gruenes	Kahn	Lourey	Nelson	Perlt
Beard	Dehler	Gutknecht	Kalis	Luther	Ness	Peterson
Bergson	Delmont	Hasskamp	Kelley	Lynch	Olson, E.	Pugh
Bertram	Dempsey	Haukoos	Kelso	Macklin	Olson, K.	Reding
Bettermann	Dorn	Hausman	Kinkel	Mahon	Olson, M.	Rest
Bishop	Erhardt	Holsten	Klinzing	Mariani	Onnen	Rhodes
Brown, C.	Evans	Hugoson	Knickerbocker	McCollum	Opatz	Rice
Brown, K.	Farrell	Huntley	Knight	McGuire	Orenstein	Rodosovich
Carlson	Finseth	Jacobs	Koppendrayner	Milbert	Orfield	Rukavina
Carruthers	Frerichs	Jaros	Krinkie	Molnau	Osthoﬀ	Sarna
Clark	Garcia	Jefferson	Krueger	Morrison	Ostrom	Seagren

Sekhon	Solberg	Tomassoni	Van Dellen	Wagenius	Wenzel	Workman
Simoneau	Stanius	Tompkins	Van Engen	Waltman	Winter	Spk. Anderson, I.
Skoglund	Steensma	Trimble	Vellenga	Weaver	Wolf	
Smith	Swenson	Tunheim	Vickerman	Wejcmán	Worke	

Those who voted in the negative were:

Limmer Lindner Sviggum

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

H. F. No. 2617 was reported to the House.

Orenstein, Vellenga and Jacobs moved to amend H. F. No. 2617, the first engrossment, as follows:

Page 20, line 10, before "Notwithstanding" insert "(a)"

Page 20, line 18, delete everything after the period

Page 20, delete lines 19 to 22

Page 20, after line 22, insert:

"(b) Notwithstanding any state or local law or charter provision, the city of St. Paul may issue an on-sale license to the catering service that serves the University of St. Thomas for the sale of wine and 3.2 percent malt liquor at the Murray Herrick Campus Center and the O'Shaughnessy Education Center on the campus of the University of St. Thomas. The license may only authorize the licensee to dispense wine and 3.2 percent malt liquor to persons attending events at the Murray Herrick Campus Center or the O'Shaughnessy Education Center.

(c) The licenses authorized by this section are in addition to any other licenses authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section."

The motion prevailed and the amendment was adopted.

Dawkins moved to amend H. F. No. 2617, the first engrossment, as amended, as follows:

Page 11, line 13, delete "depicts" and insert "states or implies in a false or misleading manner a connection with"

The motion prevailed and the amendment was adopted.

Kahn, Rukavina and Greenfield moved to amend H. F. No. 2617, the first engrossment, as amended, as follows:

Page 19, after line 4, insert:

"Sec. 26. Minnesota Statutes 1992, section 340A.504, subdivision 2, is amended to read:

Subd. 2. [INTOXICATING LIQUOR; ON-SALE.] No sale of intoxicating liquor for consumption on the licensed premises may be made:

(1) between 1:00 2:00 a.m. and 8:00 a.m. on the days of Monday through Saturday;

(2) after 1:00 2:00 a.m. on Sundays, except as provided by subdivision 3;

(3) between 8:00 p.m. on December 24 and 8:00 a.m. on December 25, except that when December 25 occurs on a Sunday on-sales on that day are governed by subdivision 3."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Kahn et al amendment and the roll was called. There were 11 yeas and 120 nays as follows:

Those who voted in the affirmative were:

Beard	Greenfield	Jefferson	Osthoff	Sarna	Spk. Anderson, I.
Bertram	Jaros	Kahn	Rukavina	Tomassoni	

Those who voted in the negative were:

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

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

Dehler offered an amendment to H. F. No. 2617, the first engrossment, as amended.

POINT OF ORDER

Osthoff raised a point of order pursuant to rule 3.09 that the Dehler amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 2617, A bill for an act relating to alcoholic beverages; defining terms; regulating agreements between brewers and wholesalers; providing for amounts of malt liquor that may be brewed in a brewery-restaurant; providing exemption from law regulating nondiscrimination in liquor wholesaling; prohibiting certain solicitations by wholesalers; allowing only owner of a brand of distilled spirits to register that brand; denying registration to certain brand labels; requiring reports by certain brewers; requiring permits for transporters of distilled spirits and wine; removing requirements that retail licensees be citizens or resident aliens; allowing counties to issue on-sale licenses to hotels; allowing political committees to obtain temporary on-sale licenses; restricting issuance of off-sale licenses to drugstores; allowing counties to issue exclusive liquor store licenses in certain towns; allowing counties to issue wine auction licenses; restricting issuance of temporary on-sale licenses to one organization or for one location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating

wine tastings; allowing on-sales of intoxicating liquor after 8 p.m. on Christmas eve; allowing certain sales by off-sale retailers to on-sale retailers' restricting use of coupons by retailers, wholesalers, and manufacturers; providing for inspection of premises of temporary on-sale licensees; authorizing issuance of licenses by certain cities and counties; amending Minnesota Statutes 1992, sections 325B.02; 325B.04; 325B.05; 325B.12; 340A.101, subdivision 13; 340A.301, subdivisions 6, 7, and by adding a subdivision; 340A.307, subdivision 4; 340A.308; 340A.311; 340A.404, subdivisions 6 and 10; 340A.405, subdivisions 1, 2, and 4; 340A.410, by adding a subdivision; 340A.412, subdivision 3; 340A.416, subdivision 3; 340A.505; and 340A.907; Minnesota Statutes 1993 Supplement, sections 340A.402; and 340A.415; proposing coding for new law in Minnesota Statutes, chapters 325B; and 340A.

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

The question was taken on the passage of the bill and the roll was called. There were 120 yeas and 14 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Asch	Haukoos	McGuire	Onnen	Rodosovich	Steensma	Waltman
Clark	Lindner	Olson, M.	Rice	Skoglund	Wagenius	Wejcman

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

S. F. No. 819, A bill for an act relating to telephone services; prohibiting collection of charges for information services as if they were charges for telephone services; providing for notice of certain call blocking options; amending Minnesota Statutes 1992, section 237.66, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 325F.

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

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bergson	Carlson	Dauids	Erhardt	Girard	Hasskamp
Anderson, R.	Bertram	Carruthers	Dawkins	Evans	Goodno	Haukoos
Asch	Bettermann	Clark	Dehler	Farrell	Greenfield	Holsten
Battaglia	Bishop	Commers	Delmont	Finseth	Greiling	Hugoson
Bauerly	Brown, C.	Cooper	Dempsey	Frerichs	Gruenes	Huntley
Beard	Brown, K.	Dauner	Dorn	Garcia	Gutknecht	Jacobs

Jaros	Knight	Mahon	Olson, E.	Perlt	Skoglund	Vellenga
Jefferson	Koppendraye	Mariani	Olson, K.	Peterson	Smith	Vickerman
Jennings	Krinkie	McCollum	Olson, M.	Pugh	Solberg	Wagenius
Johnson, A.	Krueger	McGuire	Onnen	Reding	Stanis	Waltman
Johnson, R.	Lasley	Milbert	Opatz	Rest	Steensma	Weaver
Johnson, V.	Leppik	Molnau	Orenstein	Rhodes	Sviggum	Wejcmán
Kahn	Lieder	Morrison	Orfield	Rice	Swenson	Wenzel
Kalis	Limmer	Mosel	Ostho	Rodosovich	Tomassoni	Winter
Kelley	Lindner	Munger	Ostrom	Rukavina	Tompkins	Wolf
Kelso	Lourey	Murphy	Ozment	Sarna	Trimble	Worke
Kinkel	Luther	Neary	Pauly	Seagren	Tunheim	Workman
Klinzing	Lynch	Nelson	Pawlenty	Sekhón	Van Dellen	Spk. Anderson, I.
Knickerbocker	Macklin	Ness	Pelowski	Simoneau	Van Engen	

Those who voted in the negative were:

Long

The bill was passed and its title agreed to.

H. F. No. 1834, A bill for an act relating to solid waste management; postponing the prohibition on disposing of unprocessed mixed municipal solid waste at substandard landfills under specific circumstances; amending Minnesota Statutes 1993 Supplement, section 115A.415.

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 54 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Huntley	Lieder	Opatz	Sarna	Tomassoni
Battaglia	Dauner	Jaros	Luther	Ostrom	Simoneau	Trimble
Bauerly	Dorn	Jennings	Mahon	Pelowski	Smith	Tunheim
Bertram	Girard	Johnson, R.	Milbert	Peterson	Solberg	Wenzel
Brown, C.	Goodno	Johnson, V.	Mosel	Pugh	Stanis	Wolf
Brown, K.	Gruenes	Kalis	Murphy	Reding	Steensma	Spk. Anderson, I.
Carlson	Gutknecht	Kelley	Nelson	Rice	Sviggum	
Carruthers	Hasskamp	Kinkel	Olson, E.	Rukavina	Swenson	

Those who voted in the negative were:

Abrams	Dempsey	Holsten	Krueger	McGuire	Pauly	Van Engen
Asch	Erhardt	Hugoson	Lasley	Molnau	Pawlenty	Vellenga
Beard	Evans	Jefferson	Leppik	Morrison	Perlt	Vickerman
Bergson	Farrell	Johnson, A.	Limmer	Munger	Rest	Wagenius
Bettermann	Finseth	Kahn	Lindner	Neary	Rhodes	Waltman
Clark	Frerichs	Kelso	Long	Ness	Rodosovich	Weaver
Commers	Garcia	Klinzing	Lourey	Olson, M.	Seagren	Wejcmán
Davids	Greenfield	Knickerbocker	Lynch	Onnen	Sekhón	Winter
Dawkins	Greiling	Macklin	Murphy	Orenstein	Skoglund	Worke
Dehler	Haukoos	Koppendraye	Mariani	Ostho	Tompkins	Workman
Delmont	Hausman	Krinkie	McCollum	Ozment	Van Dellen	

The bill was not passed.

H. F. No. 2796, A bill for an act relating to the environment; toxic pollution prevention act; adding definitions; clarifying applicability; modifying the schedule for submitting plans and reports; amending Minnesota Statutes 1992, sections 115D.03, subdivision 5, and by adding a subdivision; 115D.05; and 115D.08, subdivision 1; Minnesota Statutes 1993 Supplement, sections 115D.07, subdivision 1; and 115D.12, 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:

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

The bill was passed and its title agreed to.

H. F. No. 2658 was reported to the House.

Kahn moved to amend H. F. No. 2658, the first engrossment, as follows:

Page 2, line 17, delete everything after the first "the" and insert "salary that would have been paid if the person had been employed full-time for the year immediately preceding the time employment under this section ends"

Page 2, line 18, delete everything before the period

The motion prevailed and the amendment was adopted.

H. F. No. 2658, A bill for an act relating to retirement; waiving the annuity reduction for certain faculty in the state university system who return to teaching part-time after retirement; mandating employer-paid health insurance for these faculty; proposing coding for new law in Minnesota Statutes, chapters 136 and 354.

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

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

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Davids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler

Delmont	Hausman	Klinzing	Mahon	Onnen	Rice	Trimble
Dempsey	Holsten	Knickerbocker	Mariani	Opatz	Rodosovich	Tunheim
Dorn	Hugoson	Knight	McCollum	Orenstein	Rukavina	Van Dellen
Erhardt	Huntley	Koppendraye	McGuire	Orfield	Sarna	Van Engen
Evans	Jacobs	Krinkie	Milbert	Osthoﬀ	Seagren	Vickerman
Farrell	Jaros	Krueger	Molnau	Ostrom	Sekhon	Wagenius
Finseth	Jefferson	Lasley	Morrison	Ozment	Simoneau	Waltman
Frerichs	Jennings	Leppik	Mosel	Pauly	Skoglund	Weaver
Girard	Johnson, A.	Lieder	Munger	Pawlenty	Smith	Wejcman
Goodno	Johnson, R.	Limmer	Murphy	Pelowski	Solberg	Wenzel
Greenfield	Johnson, V.	Lindner	Neary	Perlt	Stanius	Winter
Greiling	Kahn	Long	Nelson	Peterson	Steensma	Wolf
Gruenes	Kalis	Lourey	Ness	Pugh	Sviggum	Worke
Gutknecht	Kelley	Luther	Olson, E.	Reding	Swenson	Workman
Hasskamp	Kelso	Lynch	Olson, K.	Rest	Tomassoni	Spk. Anderson, I.
Haukoos	Kinkel	Macklin	Olson, M.	Rhodes	Tompkins	

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

H. F. No. 1999, A bill for an act relating to insurance; requiring disclosure of information relating to insurance fraud; granting immunity for reporting suspected insurance fraud; requiring insurers to develop antifraud plans; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 60A.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Molnau moved that the names of Limmer and Pawlenty be added as authors on H. F. No. 2530. The motion prevailed.

Pugh moved that the name of Peterson be added as an author on H. F. No. 3032. The motion prevailed.

Carruthers moved that H. F. No. 1918, now on Technical General Orders, be re-referred to the Committee on Rules and Legislative Administration. The motion prevailed.

Carruthers moved that H. F. No. 2958, now on General Orders, be re-referred to the Committee on Health and Human Services. The motion prevailed.

Cooper moved that H. F. No. 2145 be returned to its author. The motion prevailed.

Cooper moved that H. F. No. 2578 be returned to its author. The motion prevailed.

Cooper moved that H. F. No. 3007 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 H. F. No. 2248:

Gutknecht, Dauner and Davids.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2260:

McCollum, Osthoff and Lieder.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 8:00 a.m., Friday, April 8, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 8:00 a.m., Friday, April 8, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

EIGHTY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 8, 1994

The House of Representatives convened at 8:00 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Representative Mary Murphy, District 8A, Hermantown, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Clark, Girard, Greenfield, Kelley, Kelso, Knickerbocker, Orfield and Vellenga were excused.

The Chief Clerk proceeded to read the Journal of the preceding day. Delmont 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. 2297 and H. F. No. 2672, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rodosovich moved that the rules be so far suspended that S. F. No. 2297 be substituted for H. F. No. 2672 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2690 and H. F. No. 2990, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Bertram moved that the rules be so far suspended that S. F. No. 2690 be substituted for H. F. No. 2990 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 6, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

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

H. F. No. 2090, relating to local government; providing that the statutory procedure for tree removal does not apply to trees removed from town roads dedicated by plat.

H. F. No. 1906, relating to state trails; routing an existing trail; establishing new trails.

H. F. No. 1845, relating to education; permitting school boards to begin the 1994-1995 school year before Labor Day.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for

preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
2383		387	11:22 a.m. April 6	April 6
2086		389	11:24 a.m. April 6	April 6
	2090	390	11:27 a.m. April 6	April 6
	1906	391	11:30 a.m. April 6	April 6
	1845	392	11:32 a.m. April 6	April 6
2274		393	11:27 a.m. April 6	April 6

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2189, A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, 12, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 354.42, subdivision 5; 475.61, subdivision 4; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, article 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9,

and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030.

Reported the same back with the following amendments:

Page 3, line 30, delete "transition credit,"

Page 3, line 32, delete "5,"

Pages 7 to 8, delete section 6

Page 9, after line 35, insert:

"Sec. 11. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 2, is amended to read:

Subd. 2. [REFERENDUM REVENUE.] (a) The revenue authorized by section 124A.22, subdivision 1, may be increased in the amount approved by the voters of the district at a referendum called for the purpose. The referendum may be called by the school board or shall be called by the school board upon written petition of qualified voters of the district. The referendum shall be conducted during the calendar year before the increased levy authority, if approved, first becomes payable. Only one election to approve an increase may be held in a calendar year. Unless the referendum is conducted by mail under paragraph (g), the referendum must be held on the first Tuesday after the first Monday in November. The ballot shall state the maximum amount of the increased revenue per actual pupil unit, the estimated referendum tax rate as a percentage of market value in the first year it is to be levied, and that the revenue shall be used to finance school operations. The ballot may state that existing referendum levy authority is expiring. In this case, the ballot may also compare the proposed levy authority to the existing expiring levy authority, and express the proposed increase as the amount, if any, over the expiring referendum levy authority. The ballot shall designate the specific number of years, not to exceed five ten, for which the referendum authorization shall apply. The ballot may contain a textual portion with the information required in this subdivision and a question stating substantially the following:

"Shall the increase in the revenue proposed by (petition to) the board of, School District No. ..., be approved?"

If approved, an amount equal to the approved revenue per actual pupil unit times the actual pupil units for the school year beginning in the year after the levy is certified shall be authorized for certification for the number of years approved, if applicable, or until revoked or reduced by the voters of the district at a subsequent referendum.

(b) The school board shall prepare and deliver by first class mail at least 15 days but no more than 30 days prior to the day of the referendum to each taxpayer a notice of the referendum and the proposed revenue increase. The school board need not mail more than one notice to any taxpayer. For the purpose of giving mailed notice under this subdivision, owners shall be those shown to be owners on the records of the county auditor or, in any county where tax statements are mailed by the county treasurer, on the records of the county treasurer. Every property owner whose name does not appear on the records of the county auditor or the county treasurer shall be deemed to have waived this mailed notice unless the owner has requested in writing that the county auditor or county treasurer, as the case may be, include the name on the records for this purpose. The notice must project the anticipated amount of tax increase in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice for a referendum may state that an existing referendum levy is expiring and project the anticipated amount of increase over the existing referendum levy, if any, in annual dollars and annual percentage for typical residential homesteads, agricultural homesteads, apartments, and commercial-industrial property within the school district.

The notice must include the following statement: "Passage of this referendum will result in an increase in your property taxes."

(c) A referendum on the question of revoking or reducing the increased revenue amount authorized pursuant to paragraph (a) may be called by the school board and shall be called by the school board upon the written petition of qualified voters of the district. A referendum to revoke or reduce the levy amount must be based upon the dollar amount, local tax rate, or amount per actual pupil unit, that was stated to be the basis for the initial authorization. Revenue approved by the voters of the district pursuant to paragraph (a) must be received at least once before it is subject to a referendum on its revocation or reduction for subsequent years. Only one revocation or reduction referendum may be held to revoke or reduce referendum revenue for any specific year and for years thereafter.

(d) A petition authorized by paragraph (a) or (c) shall be effective if signed by a number of qualified voters in excess of 15 percent of the registered voters of the school district on the day the petition is filed with the school board. A referendum invoked by petition shall be held on the date specified in paragraph (a).

(e) The approval of 50 percent plus one of those voting on the question is required to pass a referendum authorized by this subdivision.

(f) At least 15 days prior to the day of the referendum, the district shall submit a copy of the notice required under paragraph (b) to the commissioner of education. Within 15 days after the results of the referendum have been certified by the school board, or in the case of a recount, the certification of the results of the recount by the canvassing board, the district shall notify the commissioner of education of the results of the referendum.

(g) Any referendum under this section held on a day other than the first Tuesday after the first Monday in November must be conducted by mail in accordance with section 204B.46. Notwithstanding paragraph (b) to the contrary, in the case of a referendum conducted by mail under this paragraph, the notice required by paragraph (b) shall be prepared and delivered by first class mail at least 20 days before the referendum."

Page 11, line 10, delete "(i)" and insert "(1)"

Page 11, line 18, delete "(ii)" and insert "(2)"

Page 11, line 28, delete "1997" and insert "2000"

Page 11, line 33, delete "1995" and insert "1997"

Page 12, after line 9, insert "The maximum length of a referendum converted under this paragraph is ten years."

Page 12, line 11, delete "1995" and insert "1997"

Page 12, line 11, delete "1996" and insert "1998"

Page 12, line 15, delete "1996" and insert "1998"

Page 12, line 15, delete "1997" and insert "1999"

Page 12, after line 17, insert:

"(d) for referendum levy amounts converted between June 1, 1999, and June 1, 2000, all other conditions of this subdivision apply except that the maximum length of the referendum is limited to five years."

Page 19, delete section 22

Page 20, after line 35, insert:

"Sec. 26. [SPECIAL DEFINITION OF A PUPIL UNIT IN RICHFIELD.]

Notwithstanding Minnesota Statutes, section 124.17, for independent school district No. 280, Richfield, for fiscal year 1995, the number of pupil units in average daily membership equals the greater of:

(1) the actual pupil units for that year according to section 124.17; or

(2) the number of actual pupil units in the district for fiscal year 1994."

Page 21, line 24, delete "and"

Page 21, line 26, before the period, insert "; and

(3) the increase, because the estimated property tax revenue recognition shift savings are less than previously estimated, is \$3,800,000"

Page 21, delete lines 28 and 29 and insert:

"(1) the reduction, because the estimated property tax revenue recognition shift savings are greater than previously estimated, is \$17,530,000;"

Page 21, line 31, delete "and"

Page 21, line 33, before the period, insert "; and

(4) the increase for the special definition of a pupil unit in Richfield is \$247,000"

Page 22, line 18, delete "fiscal year"

Page 22, line 19, delete "1994 and"

Page 92, line 24, delete "\$76,113,000" and insert "\$76,121,000"

Page 92, line 28, delete "\$65,073,000" and insert "\$65,081,000"

Page 92, line 35, delete "\$37,456,000" and insert "\$37,460,000"

Page 93, line 3, delete "\$32,026,000" and insert "\$32,030,000"

Page 155, lines 10 to 16, delete the new language

Page 155, line 17, delete the new language and insert "or to a full-time appointed official of an exclusive representative of teachers in another Minnesota school district"

Page 157, line 4, after the stricken "\$100,000" insert "\$150,000" and reinstate "..... 1995"

Page 157, delete line 5

Page 161, line 23, delete "..." and insert "2170"

Page 184, line 33, delete "CRIMINAL"

Page 193, line 9, delete "sections 26"

Page 193, line 10, delete "and 27" and insert "section 25"

Page 193, line 11, delete "sections" and insert "section" and delete "and 26"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2648, A bill for an act relating to transportation; applying inspection requirements for commercial motor vehicles to school buses; appropriating money for transit; authorizing issuance of debt instruments for transit purposes; amending Minnesota Statutes 1992, sections 169.781, subdivision 1; and 473.39, by adding a subdivision.

Reported the same back with the following amendments:

Pages 1 to 3, delete sections 1 to 4

Page 3, line 22, delete "Sections 2 and 5 apply" and insert "Section 1 applies"

Renumber the remaining sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, delete everything before "authorizing"

Page 1, line 6, delete "sections 169.781," and insert "section"

Page 1, line 7, delete "subdivision 1; and"

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3178, A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, and board of regents of the University of Minnesota, with certain conditions; changing the designation of Fond du Lac center; prescribing changes to certain financial aid programs; reinstating rules pertaining to private business, trade, and correspondence schools and technical colleges personnel licensing; limiting curricular authority of the POST board; abolishing the higher education coordinating board; adopting a post-secondary funding formula; providing for appointments; defining higher education board authority for bargaining with certain employees; designating certain higher education board employees as unclassified; clarifying transfer provisions for the merger of community colleges, state universities, and technical colleges; transferring bonding authority for the state universities to the higher education board; establishing the higher education board as the sole state agency for federal funding for vocational education; providing for appointments of additional student members on the higher education board; establishing the student board member selection process; authorizing the higher education board to supervise and control construction, improvement, and repair of its facilities; preserving distinct post-secondary missions; recognizing separate student associations; transferring excess debt service funds; amending Minnesota Statutes 1992, sections 43A.06, subdivision 1; 43A.08, subdivision 1; 43A.18, by adding a subdivision; 135A.01; 135A.02; 135A.03, as amended; 136.31; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.41, by adding a subdivision; 136.60; 136A.121, subdivision 17; 136A.125, subdivisions 2, 3, and 4; 136A.15, subdivision 6; 136C.06; and 136E.01, subdivisions 1 and 2; 179A.10, subdivision 1; Minnesota Statutes 1993 Supplement, sections 43A.18, subdivision 4; 136.41, subdivision 8; 136A.233, subdivisions 1 and 2; 136E.03; Laws 1991, chapter 356, article 9, sections 8, subdivision 1; 9; 12; and 13; Laws 1993, chapter 224, article 12, section 39; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; and 136E; repealing Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; 136.31, subdivision 6; 136.40; 136.41, subdivisions 1, 2, 3, 4, 5, 6, and 7; and 136.42; 136C.36; Minnesota Statutes 1993 Supplement, section 135A.061; Laws 1993, First Special Session chapter 2, article 1, section 9, subdivision 8.

Reported the same back with the following amendments:

Page 2, line 29, delete "23,555,000" and insert "24,000,000" in both places

Page 2, line 31, delete "161,000" and insert "450,000" in both places

Page 2, line 33, delete "495,000" and insert "1,000,000" in both places

Page 2, line 37, delete "28,761,000" and insert "30,000,000" and delete "19,761,000" and insert "21,000,000"

Page 3, line 42, delete "23,555,000" and insert "24,000,000"

Page 4, delete lines 3 to 13

Page 4, line 16, delete "161,000" and insert "450,000"

Page 4, delete lines 17 to 27

Page 4, line 40, delete "495,000" and insert "1,000,000"

Page 4, delete lines 41 to 51

Page 13, line 7, after the period, insert "In the event that a successor agency is not named prior to the sunset, all state financial aid and loan programs provided under Minnesota Statutes, chapter 136A, are transferred to the state board of education."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2189 and 3178 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 2297 and 2690 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Krueger, for the State Government Finance Division, introduced:

H. F. No. 3208, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; transferring certain duties and functions; amending Minnesota Statutes 1992, sections 3.97, subdivision 11; 3.971, by adding a subdivision; 13.67; 16A.124, subdivision 2; 16A.127, as amended; 16A.15, subdivision 3; 16B.01, subdivision 4; 16B.05, subdivision 2; 16B.06, subdivisions 1 and 2; 16B.32, by adding a subdivision; 43A.316, subdivision 9; 43A.37, subdivision 1; 69.031, subdivision 5; 116G.15; 129D.14, subdivision 5; 176.611, subdivision 6a; 353.65, subdivision 7; 354.06, subdivision 1; 574.26; and 574.261, subdivision 1; Minnesota Statutes 1993 Supplement,

sections 15.91; 16A.152, subdivision 1; 144C.03, subdivision 2; 144C.07, subdivision 2; 465.795, subdivision 7; 465.796, subdivision 2; 465.797, subdivisions 1, 2, 3, 4, and 5; 465.798; and 465.799; Laws 1993, chapter 192, section 17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; 128C; and 465; repealing Minnesota Statutes 1992, sections 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 355.04; and 355.06; Minnesota Statutes 1993 Supplement, section 465.80, subdivisions 1, 2, 4, and 5; Laws 1985, First Special Session chapter 12, article 11, section 19.

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

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. 1914, A bill for an act relating to financial institutions; reciprocal interstate banking; reciprocal interstate savings and loan acquisitions and branching; removing the geographical limitation contained in the definition of reciprocating state; amending Minnesota Statutes 1992, sections 48.92, subdivision 7; 51A.58.

The Senate has appointed as such committee:

Messrs. Metzen, Solon and Belanger.

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. 584, 862, 1593 and 1694.

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. 1741, 1759, 1740, 1816, 2099, 2465 and 2551.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 584, A bill for an act relating to free speech; protecting citizens and organizations from civil lawsuits for exercising their rights of public participation in government; proposing coding for new law as Minnesota Statutes, chapter 554.

The bill was read for the first time.

Pugh moved that S. F. No. 584 and H. F. No. 1155, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 862, A bill for an act relating to motor vehicles; providing for service of process for certain alleged violations; providing civil penalty; amending Minnesota Statutes 1992, section 168.27, by adding a subdivision.

The bill was read for the first time.

Lasley moved that S. F. No. 862 and H. F. No. 1449, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1593, A bill for an act relating to crime; eliminating the defense of mistake of age or consent for persons who are prosecuted for a prostitution offense; amending Minnesota Statutes 1992, section 609.325, subdivision 2.

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

S. F. No. 1694, A bill for an act relating to civil commitment; modifying procedures relating to administering intrusive mental health treatment to persons committed as mentally ill and dangerous under the civil commitment act; modifying petition and prepetition procedures; amending Minnesota Statutes 1992, sections 13.42, subdivision 3; 253B.03, subdivisions 6b and 6c; 253B.07, subdivisions 1, 2, and 4, and by adding a subdivision; 253B.09, subdivision 2; 253B.12, subdivision 1; 253B.17, subdivision 1; and 525.56, subdivision 3.

The bill was read for the first time.

Dawkins moved that S. F. No. 1694 and H. F. No. 2088, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1741, A bill for an act relating to game and fish; allowing nonresidents to take rough fish by harpooning; amending Minnesota Statutes 1992, section 97C.381.

The bill was read for the first time.

Weaver moved that S. F. No. 1741 and H. F. No. 2517, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1759, A bill for an act relating to corrections; requiring a study of the need for training of correctional staff regarding mental health needs of inmates; requiring a study of the need for training of correctional staff regarding HIV/AIDS issues.

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

S. F. No. 1740, A bill for an act relating to local government; requiring the metropolitan council to study housing redevelopment and rehabilitation costs and benefits; requiring local governments in the seven-county metropolitan area to cooperate with the metropolitan council for purposes of the study.

The bill was read for the first time.

Morrison moved that S. F. No. 1740 and H. F. No. 1840, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1816, A bill for an act relating to motor carriers; amending and eliminating the repeal of regulations related to personal transportation service providers; defining terms and setting requirements related to personal transportation service; increasing a fee; amending Minnesota Statutes 1992, sections 168.1281, subdivisions 1, 2, and by adding a subdivision; 221.011, subdivision 34; and 221.85, subdivisions 1, 3, and by adding a subdivision;

Minnesota Statutes 1993 Supplement, section 168.011, subdivision 36; Laws 1993, chapter 323, section 5; repealing Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1992, chapter 578, section 56; Laws 1993, chapter 323, sections 3 and 4.

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

S. F. No. 2099, A bill for an act relating to recreational vehicles; requiring department of transportation to accept competitive design-build bids for certain nonvehicular bridges on pedestrian facilities and bicycle paths; amending Minnesota Statutes 1992, section 160.262, by adding a subdivision.

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

S. F. No. 2465, A bill for an act relating to the jobs and training department; modifying provisions relating to certain departmental contracts; amending Minnesota Statutes 1993 Supplement, section 16B.06, subdivision 2a.

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

S. F. No. 2551, A bill for an act relating to the city of Duluth; establishing the powers and duties of the board of directors of trusts of Miller-Dwan Hospital in the establishment, administration, management, maintenance, improvement, and financing of the hospital; amending Laws 1969, chapter 224, sections 1, 2, and 3.

The bill was read for the first time.

Huntley moved that S. F. No. 2551 and H. F. No. 2806, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

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

SPECIAL ORDERS

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

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Hasskamp moved that the name of Dehler be added as an author on H. F. No. 1564. The motion prevailed.

Dorn moved that the name of Hugoson be added as an author on H. F. No. 2842. The motion prevailed.

Olson, M., moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Thursday, April 7, 1994, when the vote was taken on the final passage of H. F. No. 2626." The motion prevailed.

Smith moved that H. F. No. 2071 be returned to its author. The motion prevailed.

Bauerly moved that H. F. No. 2509 be returned to its author. The motion prevailed.

Garcia moved that H. F. No. 2631 be returned to its author. The motion prevailed.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 11:00 a.m., Monday, April 11, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Monday, April 11, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

EIGHTY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 11, 1994

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

Prayer was offered by Mark Underdahl, Seminarian, St. Hubert Catholic Community, Chanhausen, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Jennings was excused until 11:40 a.m. Farrell was excused until 11:50 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Workman 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. 584 and H. F. No. 1155, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pugh moved that the rules be so far suspended that S. F. No. 584 be substituted for H. F. No. 1155 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 862 and H. F. No. 1449, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Lasley moved that the rules be so far suspended that S. F. No. 862 be substituted for H. F. No. 1449 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1694 and H. F. No. 2088, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dawkins moved that the rules be so far suspended that S. F. No. 1694 be substituted for H. F. No. 2088 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1740 and H. F. No. 1840, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Morrison moved that the rules be so far suspended that S. F. No. 1740 be substituted for H. F. No. 1840 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1741 and H. F. No. 2517, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Weaver moved that S. F. No. 1741 be substituted for H. F. No. 2517 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2551 and H. F. No. 2806, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Huntley moved that the rules be so far suspended that S. F. No. 2551 be substituted for H. F. No. 2806 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 1316, A bill for an act relating to occupations and professions; establishing a board of nutrition and dietetics practice; requiring nutritionists and dietitians to be licensed; establishing licensing requirements and exemptions; authorizing rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

Reported the same back with the following amendments:

Page 14, line 3, delete "\$....." and insert "\$185,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 1995, A bill for an act relating to waste management; applying government waste reduction requirements to compilations of game and fish laws; clarifying the state's waste management goals; adding heat pumps to the definition of major appliances; authorizing larger capital assistance grants to resource recovery projects under certain circumstances; establishing enforcement of the authority of certain counties to inspect records of certain facilities; clarifying management of waste motor oil filters; establishing a process for resolution of disputes related to toxics in packaging and requiring a report; clarifying the prohibition on toxics in certain products and providing for exemptions; authorizing the issuance of field citations; requiring and authorizing training and certification of appliance recyclers and services respectively; removing the federal government from the definition of commercial transporter of medical waste; requiring medical waste management plans to contain information regarding mailing of sharps; banning sale of apparel containing mercury switches; clarifying the potential role of the private sector in metropolitan waste management; authorizing metropolitan counties to enforce prohibitions on disposal of unprocessed waste and to inspect the records of waste management facilities; expanding the restriction on disposal of unprocessed waste from the metropolitan area; requiring a report on management of waste electronic appliances; requiring a report on products that contain mercury; requiring a report on recycling facilities; amending Minnesota Statutes 1992, sections 97A.051, subdivision 1; 115A.02; 115A.03, subdivision 17a; 115A.554; 115A.557, subdivision 3; 115A.87; 115A.882, subdivision 3, and by adding a subdivision; 115A.9157, subdivisions 4 and 5; 115A.918, subdivision 1, and by adding a subdivision; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.9301, by adding a subdivision; 115A.95; 115A.9561, subdivision 2; 115A.965, subdivision 6, and by adding a subdivision; 116.07, subdivision 4h; 116.76, subdivision 4; 116.92, subdivision 8; 473.803, by adding a subdivision; 473.811, subdivisions 5 and 5a; 473.843, subdivision 1; 473.844, subdivision 1a; 473.845, subdivision 3; and 473.848, subdivisions 1 and 5; Minnesota Statutes 1993 Supplement, sections 115A.54, subdivision 2a; 115A.916; 115A.929; 115A.9651; 115A.981, subdivision 3; 116.79, subdivision 1; 473.149, subdivision 6; and 473.846; proposing coding for new law in Minnesota Statutes, chapters 116; and 473; repealing Minnesota Statutes 1993 Supplement, section 115A.542.

Reported the same back with the following amendments:

Page 10, line 35, after "publicly" insert "or privately"

Page 22, delete section 27

Page 33, line 32, delete "31 to 41" and insert "30 to 40"

Page 33, line 36, delete "30 and 45" and insert "29 and 44"

Page 34, line 3, delete "39" and insert "38"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 16, delete everything after the semicolon

Page 1, delete line 17

Page 1, line 18, delete "respectively;"

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

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

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2120, A bill for an act relating to occupations and professions; providing that health-related licensing boards may establish a program to protect the public from impaired regulated persons; providing for appointments; providing for rulemaking; appropriating money; amending Minnesota Statutes 1993 Supplement, section 214.06, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 214.

Reported the same back with the following amendments:

Page 7, line 13, after "fund" insert "for the fiscal year ending June 30, 1995,"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2132, A bill for an act relating to commerce; agriculture; adding labeling requirements for salvaged food; adding licensing and permit requirements for salvaged food distributors; adding record keeping requirements; requiring salvaged food served for compensation to be identified; providing for labeling of Canadian wild rice; amending Minnesota Statutes 1992, sections 30.49, subdivision 2; and 31.495, subdivisions 1, 2, 5, and by adding subdivisions.

Reported the same back with the following amendments:

Page 3, delete lines 33 to 36

Page 4, delete line 1

Page 4, line 2, delete "(d)" and insert "(c)"

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

The report was adopted.

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

H. F. No. 2158, A bill for an act relating to pollution; requiring that cities and counties adopt ordinances complying with pollution control agency rules regarding individual sewage treatment systems; requiring the agency to license sewage treatment professionals; requiring rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

Reported the same back with the following amendments:

Page 2, after line 3, insert:

"(i) 'Local unit of government' means a township, city, or county."

Page 2, line 4, delete "(i)" and insert "(j)"

Page 2, line 7, delete "(j)" and insert "(k)"

Page 2, delete lines 11 to 14, and insert:

"Subd. 2. [LOCAL ORDINANCES; AGENCY RULES.] (a) Any ordinance adopted by a local unit of government to regulate individual sewage treatment systems must be in substantial compliance with the provisions of Minnesota Rules, chapter 7080, by January 1, 1996."

Page 2, line 21, delete "will adopt and" and insert "shall"

Page 2, line 34, after "(a)" insert "A local unit of government under subdivision 2 may not issue"

Page 2, line 35, delete "may not be issued"

Page 3, line 8, delete "city or county" and insert "local unit of government"

Page 4, line 5, delete "required"

Page 4, lines 9 and 13, delete "county or city" and insert "local unit of government"

Page 5, line 32, delete "performance" and insert "corporate surety"

Page 6, line 3, delete "Counties and cities" and insert "A local unit of government"

Page 6, after line 23, insert:

"Subd. 6. [FEE DEPOSIT.] The fee under subdivision 5 shall be deposited by the commissioner in the environmental fund."

Page 6, delete lines 25 to 28, and insert:

"(a) \$120,000 is appropriated from the environmental fund to the commissioner of the pollution control agency for the purposes of sections 1 and 2 to be available for the biennium ending June 30, 1995."

"(b) Amounts spent by the commissioner of the pollution control agency from the appropriation in paragraph (a) must be reimbursed to the environmental fund no later than June 30, 1997."

Amend the title as follows:

Page 1, line 2, after "that" insert "certain towns," and after "cities" insert a comma

Page 1, line 3, delete "adopt" and insert "have"

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2234, A bill for an act relating to natural resources; personnel working on certain projects; terms and conditions of certain 1993 appropriations; appropriating money; amending Minnesota Statutes 1992, sections 116P.05, subdivision 2; 116P.08, subdivisions 6 and 7; and 116P.09, subdivision 4; Minnesota Statutes 1993 Supplement, section 116P.11; Laws 1993, chapter 172, section 14, subdivisions 4 and 11.

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

The report was adopted.

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

H. F. No. 2249, A bill for an act relating to agricultural businesses; providing an interest buy-down program for farmers and small businesses; authorizing a protein analysis equipment lease pilot program; providing supplemental funding for certain emergency employment programs; creating a crop disaster insurance study; limiting corn producer checkoff refunds; increasing funding for the farm advocates program, agricultural resource centers, farm and small business management programs at technical colleges, and the Farmers' Legal Action Group; expanding research on grain diseases, soybean varieties, and genetics; appropriating money; amending Minnesota Statutes 1992, section 17.63; proposing coding for new law in Minnesota Statutes, chapter 17B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LEGISLATIVE FINDINGS; NATURAL DISASTER RELIEF

Section 1. [FINDINGS.]

The legislature finds that the Minnesota agricultural economy and rural communities have been severely damaged by natural disasters in 1993. Cold weather, heavy snows, excessive rainfall, floods, near total crop failures, and grain diseases drastically reduced the income of farm families and the economic vitality of small towns throughout the state. The legislature further finds that it is in the public interest to act promptly to provide assistance to farm operators and small businesses to restore economic stability, maintain a viable workforce, and reduce the emotional stress caused by the natural disasters. The legislature therefore provides for the implementation of appropriate disaster relief programs in this act.

ARTICLE 2

FARM AND SMALL BUSINESS LOAN INTEREST BUY-DOWN PROGRAM

Section 1. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this article.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 3. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer or small business operator who applies to a participating lender for a loan and meets all qualifications established in section 2 and any further qualifications that may be announced by the commissioner.

Subd. 4. [FARMER.] "Farmer" means a state resident, a domestic family farm corporation, or a family farm partnership as defined in Minnesota Statutes, section 500.24, subdivision 2, operating a farm within the state.

Subd. 5. [FARM LOAN.] "Farm loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Subd. 6. [INTEREST BUY-DOWN.] "Interest buy-down" means a reduction in the effective interest rate on a farm loan or a small business loan to an eligible borrower due to partial payment of interest costs by the commissioner and partial reduction of interest costs by the participating lender.

Subd. 7. [LENDER.] "Lender" means a bank, credit union, or savings and loan association chartered by the state or federal government, a unit of the farm credit system, the Federal Deposit Insurance Corporation, or another financial institution approved by the commissioner.

Subd. 8. [PARTICIPATING LENDER.] "Participating lender" means a lender who has been granted participating lender status by the commissioner.

Subd. 9. [SMALL BUSINESS.] "Small business" means a business entity as defined in Minnesota Statutes, section 645.445, with its principal place of business in Minnesota.

Subd. 10. [SMALL BUSINESS LOAN.] "Small business loan" means an original, extended, or renegotiated loan or line of credit obtained by a small business for purposes of financing the operations of a small business. A small business loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Sec. 2. [ELIGIBILITY; FARM LOAN.]

A farmer is eligible for the farm loan interest buy-down program under this article if a participating lender determines that the farmer meets the criteria in this section.

(a) The farmer suffered significant losses during 1993 from a natural disaster and the farm operation faces economic stress without the assistance of the farm loan interest buy-down program. A determination of significant loss and economic stress by a lender is deemed reasonable and accurate without further audit or substantiation.

(b) The farmer has a reasonable opportunity for long-term financial viability in the farmer's current farm operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 3. [ELIGIBILITY; SMALL BUSINESS LOAN.]

A small business is eligible for the small business loan interest buy-down program if a participating lender determines that the small business meets the criteria in this section.

(a) The small business received, or was eligible to receive, assistance from one or more federal programs because of a natural disaster that occurred during calendar year 1993.

(b) The small business has a reasonable opportunity for long-term financial viability in the small business's current operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 4. [LENDER ELIGIBILITY; OBLIGATIONS; TIMELY APPLICATION.]

Subdivision 1. [ELIGIBLE PARTICIPATING LENDER STATUS.] A lender who meets the requirements established by the commissioner must be approved as a participating lender.

Subd. 2. [RECEIPT OF APPLICATIONS FOR INTEREST BUY-DOWN.] A participating lender shall receive and evaluate loan applications from a farmer or small business. An eligible borrower must complete a loan application with a participating lender before December 31, 1994. In determining whether to make a farm or small business loan, the participating lender may use criteria in addition to those in sections 2 and 3.

Subd. 3. [MAXIMUM INTEREST RATE.] To qualify for interest buy-down payments, a participating lender shall offer to make a farm or small business loan to an eligible borrower at a rate of interest equivalent to that offered to other borrowers having similar security and financial status, less the lender's contribution under the program. The commissioner, in cooperation with the commissioner of commerce, may use appropriate means to verify that the interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Subd. 4. [PRIORITY.] Properly completed applications for the interest buy-down program take priority in the order they are received by the commissioner.

Sec. 5. [RESPONSIBILITIES OF COMMISSIONER.]

Subdivision 1. [ANNOUNCEMENT OF PROGRAM PROCEDURES.] Within 30 days after the effective date of this article, the commissioner shall announce procedures for the interest buy-down program.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] The commissioner, in cooperation with the commissioner of commerce, shall prepare and distribute forms and instructions to all lenders in the state.

Subd. 3. [APPROVAL OF APPLICATIONS FOR INTEREST BUY-DOWN PAYMENT.] (a) The commissioner shall review, within five working days of submission by a participating lender, a properly completed application for interest buy-down payments on a farm or small business loan. If a participating lender does not receive written notice that the commissioner has denied interest buy-down payments within seven working days, the borrower is an eligible borrower and interest buy-down payments on the farm or small business loan are approved by the commissioner.

(b) All applications received by the commissioner after appropriated interest buy-down program funds have been encumbered, plus an amount anticipated to become available because of loans that may be retired early, must be returned immediately to the lender with an explanation that participation in the interest buy-down program is denied due to prior commitment of available program funds.

Subd. 4. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] Within 60 days after a request by a participating lender, the commissioner shall pay to the participating lender one-half of the expected interest buy-down amount. The balance of the state contribution must be paid by the commissioner to the participating lender within 30 days after the loan matures or is repaid in full and the request is submitted by the participating lender. All interest buy-down payments under this article must be made by joint-payee checks in the name of the participating lender and the eligible borrower.

Sec. 6. [STATE CONTRIBUTION; MAXIMUM LOAN.]

The commissioner shall pay to a participating lender for the first \$50,000 of an approved farm or small business loan made to an eligible borrower an amount equal to an annual rate of three percent interest on the loan, but the payment may not exceed \$2,250 per farm or small business loan.

Sec. 7. [LENDER CONTRIBUTION.]

A participating lender shall provide a reduction in interest rate for the first \$50,000 of an approved farm or small business loan made to an eligible borrower in an amount equal to an annual rate of at least one-half of one percent interest on the loan.

Sec. 8. [APPROPRIATION; INTEREST BUY-DOWN.]

(a) \$16,000,000 is appropriated from the general fund to the commissioner of agriculture for the interest buy-down program in sections 1 to 7. Any unencumbered balance remaining on July 1, 1995, does not cancel but is transferred to and becomes additional funding for the emergency job creation program in article 9, section 1. Not more than \$100,000 of this appropriation may be used by the commissioner for program administrative costs.

(b) The commissioner shall not approve an application for a loan under the interest buy-down program after the appropriation for the program, plus an amount anticipated to become available because of loans that may be retired early, has been fully committed.

Sec. 9. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

SUPPLEMENTAL CROP DISASTER INSURANCE

Section 1. [CROP DISASTER INSURANCE.]

Subdivision 1. [STUDY.] The commissioner of agriculture, in consultation with the commissioner of commerce and farm and insurance organizations in Minnesota, shall perform a comprehensive study to determine the feasibility of establishing a captive nonprofit insurance company to provide supplemental crop disaster insurance coverage to farm operators. The captive insurance company would obtain reinsurance for at least 80 percent of its risk. The companies providing reinsurance would be allowed to invest assets in grain commodity options and the options must be considered admitted assets for purposes of state insurance regulation.

Subd. 2. [REPORT.] Not later than December 15, 1994, the commissioner of agriculture must report to the legislature on the findings and recommendations of the study in subdivision 1.

Sec. 2. [APPROPRIATION.]

\$250,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the study and report in section 1.

ARTICLE 4

PROTEIN ANALYSIS EQUIPMENT LEASE PILOT PROGRAM

Section 1. [17B.042] [PROTEIN ANALYSIS EQUIPMENT; COMMISSIONER MAY PROVIDE BY LEASE.]

Subdivision 1. [EQUIPMENT LEASING PROGRAM; PURPOSE.] The legislature finds that Minnesota wheat producers face a critical problem because country elevators currently use a wide variety of technologies, brands, and models of wheat protein analysis equipment. Inaccurate and inconsistent protein readings on wheat samples result in the loss of millions of dollars of income each year for farmers, and contribute to further decline in the economic base of Minnesota's rural communities. The legislature further finds that country elevators often lack the resources to acquire adequate, reliable protein testing equipment on their own. It is therefore found to be in the public interest for the commissioner of agriculture to establish a voluntary program to lease to country elevators, at cost, high quality wheat protein testing equipment.

Subd. 2. [SELECTION OF EQUIPMENT; PILOT LEASING PROGRAM.] Not later than April 1, 1995, the commissioner shall evaluate available wheat protein analysis equipment and determine a brand and model to be used in the pilot lease program. Selection may be made on the basis of competitive bid price but must also take into consideration operational factors such as reliability, replicability, durability, ease of calibration and use, and the availability of comprehensive operator training.

Subd. 3. [PARTICIPATION IN PILOT EQUIPMENT LEASE PROGRAM; ELIGIBILITY.] The commissioner shall designate up to eight counties in which to implement the pilot equipment lease program.

Subd. 4. [TERMS OF LEASE.] The commissioner shall establish terms and conditions of the protein equipment test program so that the cost of equipment will be amortized over the estimated useful life of the equipment.

Subd. 5. [MANDATORY EQUIPMENT OPERATOR TRAINING.] The principal protein test equipment operator in each country elevator that participates in the pilot equipment lease program must undergo comprehensive training as determined appropriate by the commissioner.

Sec. 2. [APPROPRIATION; PROTEIN ANALYSIS EQUIPMENT LEASE PILOT PROJECT.]

\$2,000,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the pilot equipment lease program in section 1. Of this appropriation, not more than \$25,000 may be used for costs of administering the program.

Sec. 3. [APPROPRIATION; GRAIN INSPECTION AND WEIGHING ACCOUNT DEFICIT.]

\$250,000 is appropriated from the general fund to the grain inspection and weighing account established in Minnesota Statutes, chapter 17B, and from the account to the commissioner of agriculture as needed for carrying out the purposes of Minnesota Statutes, chapter 17B.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 5

CORN PRODUCER CHECKOFF FEES

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

17.63 [REFUND OF FEES.]

(a) Any producer, except

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

(2) a producer of paddy wild rice; or

(3) a producer of corn,

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

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

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

ARTICLE 6

VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM

Section 1. [41B.045] [VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "Agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agriculture crops, including waste and residues from agriculture crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products.

(2) "Value-added agricultural product" means a product derived from agricultural crops, including waste and residues from agriculture crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products, which are processed by an agricultural product processing facility.

Subd. 2. [ESTABLISHMENT.] The authority shall establish and implement a value-added agricultural product loan program to help farmers finance the purchase of stock in a cooperative proposing to build or purchase and operate an agricultural product processing facility.

Subd. 3. [REVOLVING FUND.] There is established in the state treasury a value-added agricultural product revolving fund which is eligible to receive appropriations. All repayments of financial assistance granted under subdivision 2, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the value-added agricultural loan program, including costs incurred by the authority to establish and administer the program.

Subd. 4. [ELIGIBILITY.] To be eligible for this program a borrower must:

- (1) be a resident of Minnesota or a domestic family farm corporation as defined in section 500.24, subdivision 2;
- (2) be a grower of the agricultural product which is to be processed by an agricultural product processing facility;
- (3) demonstrate an ability to repay the loan; and
- (4) meet any other requirements which the authority may impose by rule.

Subd. 5. [LOANS.] (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$24,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

(d) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(e) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund.

(f) Stock loans under this program will be made using money in the value-added agricultural product revolving fund established under subdivision 3.

(g) The authority may not grant stock loans in a cumulative amount exceeding \$3,000,000 for the financing of stock purchases in any one cooperative.

Subd. 6. [RULES.] The authority may adopt rules necessary for the administration of the program including rules which establish a minimum cost of any agricultural product processing facility for which financial assistance may be given to any farmer to help finance the purchase of stock in a cooperative.

Sec. 2. [APPROPRIATION; VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

\$2,000,000 is appropriated from the general fund to the value-added agricultural product revolving fund for use by the rural finance authority as provided in section 1.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 7

RURAL FINANCE AUTHORITY PROGRAM REVIEW; REPORT

Section 1. [RURAL FINANCE AUTHORITY PROGRAM REVIEW.]

Subdivision 1. [REVIEW OF LOCAL LENDER PARTICIPATION; BARRIERS.] (a) The commissioner of agriculture and the director of the rural finance authority shall initiate an effort to examine local lender participation in programs of the rural finance authority and expand participation in programs of the authority where possible. The effort must examine the reasons why lenders do not participate in programs of the authority. The effort must attempt to determine if current programs of the authority fail to meet the needs of lenders and the scale and types of farming practiced in areas with low participation.

Subd. 2. [REPORT; RECOMMENDATIONS.] Not later than March 1, 1995, the commissioner shall report to the legislature on the findings, conclusions, and recommendations of the investigation and promotion effort. The report must include suggestions for changes in rural finance authority programs to make the programs more attractive to lenders and farm operators in areas where lenders do not participate in rural finance authority programs. The report may recommend statutory changes to make rural finance authority programs more available to Minnesota farm operators.

Sec. 2. [APPROPRIATION; RFA PROGRAM REVIEW.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for the employment and expenses of additional staff to carry out the rural finance authority examination and promotion effort in section 1. This appropriation remains available until June 30, 1995.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 8

CORPORATE FARMING LAW TASK FORCE

Section 1. [CORPORATE FARMING LAW TASK FORCE.]

Subdivision 1. [PURPOSE.] Current Minnesota law generally precludes corporations from owning farm land or operating a farming enterprise. Corporate farming law has been developed over a period of 14 decades, and the development has included numerous changes to accommodate shifting priorities in agriculture and a recognition that the economic and social climate of the state is not static. There is a concern whether current corporate farming law, especially as it relates to the breeding and raising of swine, represents the appropriate balance between protection of family farms and opportunity for creative new enterprise structures organized by multiple farmers. Farmers wish to support a corporate farming law that is in the overall best interest of production agriculture and preservation of the family farm unit as the main component of the agricultural economy in the state. The study, legislative report, and legislative recommendations authorized by this section will increase public and legislative understanding of the issues involved.

Subd. 2. [CREATION; MEMBERSHIP.] (a) There is hereby created a corporate farming law task force with ten members appointed as follows:

(1) the chairs of the agriculture policy committees of the Minnesota senate and house of representatives, or their designees;

(2) two members of the Minnesota house of representatives appointed by the speaker of the house;

(3) one member of the Minnesota house of representatives appointed by the minority leader of the house;

(4) two members of the Minnesota senate appointed by the senate committee on rules and administration;

(5) one member of the Minnesota senate appointed by the minority leader of the senate;

(6) one member with education and experience in the area of agricultural economics appointed by the governor of Minnesota; and

(7) one member who is the operator of a production agriculture farm in Minnesota appointed by the governor.

(b) Each of the appointing authorities must make their respective appointments not later than June 15, 1994.

(c) Citizen members of the task force may be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 6.

(d) The first meeting of the task force must be called and convened by the chairs of the agriculture policy committees of the senate and the house of representatives. Task force members must then elect a permanent chair from among the task force members.

Subd. 3. [CHARGE.] The task force must examine current and projected impacts of corporate farming enterprises on the economic, social, and environmental conditions and structures of rural Minnesota. The study should consider probable impacts on both agriculture related and nonagricultural businesses in rural communities. Issues of nonpoint source pollution and other environmental issues must also be considered.

Subd. 4. [RESOURCES; STAFF SUPPORT; CONTRACT SERVICES.] The commissioner of agriculture shall provide necessary resources and staff support for the meetings, hearings, activities, and report of the task force. To the extent the task force determines it appropriate to contract with nonstate providers for research or analytical services, the commissioner shall serve as the fiscal agent for the task force. To the extent practicable, the task force may also use services and resources of the Farmers' Legal Action Group, Inc.

Subd. 5. [PUBLIC HEARINGS.] The task force shall hold at least four public hearings on the issue of corporate farming law, with specific emphasis on appropriate regulation of business structures involved in swine breeding and raising. At least three of the hearings must be held in greater Minnesota.

Subd. 6. [REPORT.] Not later than February 15, 1995, the corporate farming law task force shall report to the legislature on the findings of its study. The report must include recommendations for changes in Minnesota Statutes and rules of the department of agriculture that are negative to the best interests of production agriculture in the state and the economic, environmental, and social environment and preservation of the family farm.

Subd. 7. [EXPIRATION.] The corporate farming law task force expires 45 days after its report and recommendations are delivered to the legislature or on May 15, 1995, whichever date is earlier.

Sec. 2. [APPROPRIATION; CORPORATE FARMING LAW TASK FORCE.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture to provide staff and research support for the corporate farming law task force in section 1.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 9

MISCELLANEOUS APPROPRIATIONS

Section 1. [APPROPRIATION; EMERGENCY JOB CREATION; DEPARTMENT OF JOBS AND TRAINING.]

\$3,700,000 is appropriated from the general fund to the commissioner of jobs and training to supplement the federal emergency job creation program. This appropriation is available when federal funding for the emergency job creation program in Minnesota is exhausted. The commissioner may allow projects that would not have been funded by the federal government in order to fund public projects, employing flood victims, that are not necessarily related to flood damage, but which local governments are unable to undertake because of flood expenses. The commissioner may also fund the leasing or other use of specialized equipment and services for projects undertaken with this appropriation. This appropriation is available until August 31, 1995.

Sec. 2. [APPROPRIATION; FARM ADVOCATES.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture to supplement other sources of funding for the farm advocates program. This appropriation is available until June 30, 1995.

Sec. 3. [APPROPRIATION; AGRICULTURAL RESOURCE CENTERS.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture for supplemental funding for agricultural resource centers. This appropriation is available until June 30, 1995.

Sec. 4. [APPROPRIATION; WHEAT SCAB RESEARCH.]

\$200,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, to make grants to the University of Minnesota or other Minnesota educational institutions for research into the problem of wheat scab (vomitoxin) in Minnesota. The research should be designed to minimize the adverse effects of future wheat scab infestations in the short term while seeking to fully eliminate the problem in the long term.

Before making grants under this section, the commissioner shall develop grant criteria priorities including:

- (1) locating a small grains specialist in the wheat growing area of the state;
- (2) long-term variety development and short-term marketing solutions;
- (3) alternative agronomic and management techniques for wheat production that minimize scab and describe the biology and the pathology of wheat scab infestation; and
- (4) alternative uses for scabby wheat that minimize the adverse effects of mycotoxin produced by the scab infestation.

Sec. 5. [APPROPRIATION; FARMERS' LEGAL ACTION GROUP.]

\$100,000 is appropriated from the general fund to the supreme court as supplemental funding for the Farmers' Legal Action Group, Inc. This appropriation is available until June 30, 1995.

Sec. 6. [APPROPRIATION; HIGH OIL SOYBEANS RESEARCH.]

\$200,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, to make research grants to the University of Minnesota or other educational institutions in Minnesota to develop higher protein, higher oil content varieties of soybeans that would grow in Minnesota.

Sec. 7. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agricultural businesses; providing an interest buy-down program for farmers and small businesses; authorizing a protein analysis equipment lease pilot program; providing for a value-added agricultural product loan program; requiring studies of rural finance authority program participation, the corporate farming law, and supplemental crop disaster insurance; providing supplemental funding for certain emergency employment programs; limiting corn producer checkoff refunds; increasing funding for the farm advocates program, agricultural resource centers, and the Farmers' Legal Action Group; expanding research on grain diseases and soybean varieties; appropriating money; amending Minnesota Statutes 1992, section 17.63; proposing coding for new law in Minnesota Statutes, chapters 17B; and 41B."

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 2351, A bill for an act relating to firearms; imposing criminal penalties for certain acts committed with a BB gun; amending Minnesota Statutes 1992, section 609.713, subdivision 3; Minnesota Statutes 1993 Supplement, section 624.7181.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [CRIMINAL JUSTICE AND CRIME PREVENTION; APPROPRIATIONS.]

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

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$ 1,549,000	\$ 42,473,000	\$ 44,022,000

APPROPRIATIONS Available for the Year Ending June 30

1994	1995
\$ -0-	\$ 230,000

Sec. 2. ATTORNEY GENERAL

\$230,000 is for four attorney positions for purposes of the merger of the public higher education systems.

For the 1996-1997 detailed operating budget submitted to the legislature, the department of finance, in consultation with the attorney general's office and the agencies covered by article 11 shall make the proper base adjustments to the budgets of each agency in order to implement the funding changes that result from article 11.

The commissioner of human services is directed to transfer \$178,000 in fiscal year 1994 and \$178,000 in fiscal year 1995, to the special revenue fund to fund the appropriation from the special project account created in Minnesota Statutes, section 256.01, subdivision 2, clause (15), for costs incurred in the resolution of long-term care appeals in Laws 1993, chapter 192, section 11, subdivision 3.

Sec. 3. BOARD OF PUBLIC DEFENSE

-0-	4,454,000
-----	-----------

\$4,426,000 is for the purpose of completing the assumption by the state of the costs of public defense services. This appropriation is for the period January 1, 1995, to June 30, 1996, and shall be annualized for the 1996-1997 biennium.

\$28,000 is for the purpose of replacing discontinued federal funding.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Sec. 4. CORRECTIONS

1,549,000

28,854,000

Subdivision 1. Correctional Institutions

1,549,000

21,729,000

\$2,000,000 is for increased correctional facility operating costs associated with the prison bed impact of 1994 criminal and juvenile justice legislation.

\$622,000 is for correctional officer salary adjustments according to the arbitration settlement.

\$3,306,000 is available October 1, 1994, and is for correctional positions at MCF-Oak Park Heights, MCF-St. Cloud, and MCF-Stillwater. The appropriation must be used to add these positions according to the plans agreed to by corrections department management and union officials at the three facilities.

\$2,250,000 is for additional security staff positions and is available January 1, 1995.

Subd. 2. Community Services

-0-

4,125,000

\$300,000 is for two pilot programs in Hennepin and Ramsey counties, to provide transitional programming and intensive surveillance and supervision for offenders who have just been released from prison on supervised release. The pilot programs shall be designed to improve offender accountability for observing the conditions of supervised release, to reduce recidivism, and to reduce the risk these offenders may pose to public safety.

The pilot programs shall include a research component designed to answer the following questions, at a minimum:

(a) Did the higher level of supervision, surveillance, and control provided under the pilot programs increase the number of offenders who successfully complied with the conditions of supervised release as compared to offenders who did not participate in the programs?

(b) Over the longer term, were there fewer felony-level crimes committed by the offenders who participated in the pilot programs as compared to offenders who did not participate in the programs?

\$250,000 is for a grant to the counties of Dodge, Fillmore, and Olmsted to help fund the operation of a community corrections center established under Minnesota Statutes, section 241.31.

\$75,000 is to implement the CHIPS-delinquents demonstration projects and to prepare the required report.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Subd. 3. Federal Revenue Study

The commissioner of finance shall convene a working group composed of representatives of the departments of corrections and human services, the association of Minnesota counties, and the Minnesota association of community corrections act counties to develop state budget options for state fiscal years 1996 and 1997 which will maximize use of federal revenue or grant revenue for medical or other treatment of inmates in correctional facilities and for the treatment of juveniles adjudicated delinquent. The working group shall examine a wide range of federal and state revenue sources including, but not limited to, AFDC-Emergency Assistance available under Title IV-A of the Social Security Act; AFDC-Foster Care payments available under Title IV-E of the Social Security Act; General Assistance Medical Care (GAMC); and Medical Assistance (MA); available under Title XIX of the Social Security Act.

Sec. 5. CORRECTIONS OMBUDSMAN

-0- 20,000

Sec. 6. DISTRICT COURTS

-0- 4,000,000

Sec. 7. EDUCATION

-0- 870,000

\$400,000 for grants to school districts to advance the efforts of elementary schools to develop and improve parent education and involvement programs.

\$150,000 is for awarding male responsibility and fathering program grants. This appropriation is available until June 30, 1996. The grant recipient must match \$1 of state money with at least 50 cents of nonstate money or in-kind contributions. The commissioner shall give greater consideration to awarding a grant to those programs with a higher nonstate match.

\$130,000 is to make payments for purposes of the post-secondary enrollment options program to an opportunities industrialization center accredited by the north central association of colleges and schools.

\$100,000 is for grants to cities, counties, and school boards for community violence prevention councils or for nonprofit organizations serving cities, counties, and school boards. The councils and organizations shall identify community needs and resources for violence prevention and development services that address community needs relating to violence prevention. Any of the funds awarded in fiscal year 1995 that are not expended by the grant recipient in that fiscal year are available in fiscal year 1996 for the same purpose. This amount is added to the appropriation in Laws 1993, chapter 224, article 4, section 44, subdivision 17. One hundred percent of the appropriation must be paid in fiscal year 1995 in the same manner as specified in Minnesota Statutes, section 124.195, subdivision 9.

\$20,000 is for providing training for Indian social work aides employed by school districts. The training must focus on helping Indian students and their families with special education concerns.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

\$50,000 is for a grant to the Spanish speaking affairs council for a study of drop-out rates among Chicano and Latino students. The council shall consult with the state board of education in conducting the study and shall make recommendations to the legislature regarding its findings by January 15, 1995.

\$20,000 is for the Model School for Truants located in the Law Enforcement Center in Mankato.

Sec. 8. HUMAN SERVICES

-0-

300,000

This appropriation is for incentive grants to communities opting to include the Home Instruction Program for Preschool Youngsters (HIPPY) program as part of their family service collaborative efforts. Of this amount, the commissioner shall allocate \$50,000 to the Center for Asian-Pacific Islanders for its child care and parenting program. If the Center for Asian-Pacific Islanders does not apply for or utilize the \$50,000 by September 30, 1994, the money shall be available for funding an alternative HIPPY site.

Sec. 9. JOBS AND TRAINING

-0-

2,500,000

\$2,000,000 is for the Minnesota Youth Program.

\$500,000 is for the emergency jobs program under Minnesota Statutes, sections 268.672 to 268.88.

Sec. 10. PUBLIC SAFETY

-0-

2,770,000

Subdivision 1. Administration and Related Services

-0-

2,160,000

\$110,000 is for upgrades and enhancements of information services and communications within the department and for the services provided to the criminal justice community through the Criminal Justice Communications Network.

\$200,000 is to reimburse local law enforcement agencies for a portion of the costs they incur in conducting background checks and issuing permits under Minnesota Statutes, sections 624.711 to 624.717. Within the limits of this appropriation, the department shall reimburse local law enforcement agencies up to \$10 per firearms background check, based on satisfactory invoices submitted by the local agency.

\$400,000 is to fund neighborhood block clubs and community-oriented policing efforts.

\$400,000 is for the crime information reward fund.

\$100,000 is for the fund established by Minnesota Statutes, section 299C.065.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

\$50,000 is to develop the criminal alert network plan; to conduct a pilot crime-fax project to test the usefulness of broadcast fax for crime alert and crime prevention communications to private businesses and other entities; to evaluate the appropriateness of using various existing state computer networks and the Internet as an alert network to disseminate information about crime and criminal suspects; and for a network coordinator position to facilitate the development of the plan, the crime-fax pilot project and the evaluation of the networks for use as a crime alert network.

\$200,000 is to implement community-based truancy action projects. Funds shall not be used to replace existing funding, but may be used to supplement it. This appropriation is available until expended.

\$500,000 is to make grants to local law enforcement jurisdictions to develop three truancy service centers. This appropriation is available until expended.

\$200,000 is to implement intensive neglect intervention projects. Funds shall not be used to replace existing funding for services to children. This appropriation is available until expended.

Subd. 2. Criminal Apprehension

-0-

310,000

\$170,000 is to supplement current funding for drug abuse resistance education training programs.

\$40,000 is to fund the gang resistance education training pilot program.

\$100,000 is to establish and maintain the tattoo identification system.

Subd. 3. Crime Victim Services

-0-

\$300,000

Of this amount, \$155,000 is for payment of crime victim reparations; \$45,000 is for administrative costs associated with the crime victims reparations act; and \$100,000 is for the operation of the crime victim ombudsman.

Sec. 11. SUPREME COURT

-0-

175,000

\$75,000 is to conduct the civil commitment study.

\$100,000 is to the state court administrator for the establishment of a statewide judicial interpreter certification and training program. Interpreters, translators, non-English speaking persons, persons for whom English is a second language, and other interested members of the public, must have an opportunity to assist in the development of the certification program criteria.

APPROPRIATIONS Available for the Year Ending June 30	
1994	1995

Sec. 12. NORTHWEST COMMUNITY LAW ENFORCEMENT
PROJECT

-0-	100,000
-----	---------

This appropriation is to administer the Northwest Law Enforcement Project.

Sec. 13. PRODUCTIVE DAY INITIATIVE PROGRAMS

-0-	1,200,000
-----	-----------

Subdivision 1. Amounts

Of this amount, the following amounts are appropriated to the counties named in this section to develop and implement the productive day initiative programs.

Subd. 2. Hennepin County

-0-	600,000
-----	---------

Subd. 3. Ramsey County

-0-	300,000
-----	---------

Subd. 4. St. Louis County

-0-	300,000
-----	---------

Sec. 14. TRANSFERS

Subdivision 1. General Procedure

If the appropriation in this article to an agency in the executive branch is specified by program, the agency may transfer unencumbered balances among the programs specified in that section after getting the approval of the commissioner of finance. The commissioner shall not approve a transfer unless the commissioner believes that it will carry out the intent of the legislature. The transfer must be reported immediately to the committee on finance of the senate and the committee on ways and means of the house of representatives. If the appropriation in this article to an agency in the executive branch is specified by activity, the agency may transfer unencumbered balances among the activities specified in that section using the same procedure as for transfers among programs.

Subd. 2. Transfer Prohibited

If an amount is specified in this article for an item within an activity, that amount must not be transferred or used for any other purpose.

Sec. 15. UNCODIFIED LANGUAGE

All uncodified language contained in this article expires on June 30, 1995, unless a different expiration is explicit.

ARTICLE 2

GENERAL CRIME PROVISIONS

Section 1. Minnesota Statutes 1992, section 84.9691, is amended to read:

84.9691 [RULEMAKING.]

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

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

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

Sec. 2. Minnesota Statutes 1992, section 152.01, is amended by adding a subdivision to read:

Subd. 22. [TRANSIT ZONE.] "Transit zone" means a public transit vehicle or facility as defined in section 609.855, subdivision 1.

Sec. 3. Minnesota Statutes 1992, section 152.021, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the first degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing cocaine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing a narcotic drug other than cocaine;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 200 or more dosage units; or

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 50 kilograms or more containing marijuana or Tetrahydrocannabinols, or one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols in a school zone, a park zone, or a public housing zone, or a transit zone.

Sec. 4. Minnesota Statutes 1993 Supplement, section 152.022, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the second degree if:

(1) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of three grams or more containing cocaine;

(2) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;

(3) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of ten grams or more containing methamphetamine, amphetamine, phencyclidine, or hallucinogen or, if the controlled substance is packaged in dosage units, equaling 50 or more dosage units;

(4) on one or more occasions within a 90-day period the person unlawfully sells one or more mixtures of a total weight of 25 kilograms or more containing marijuana or Tetrahydrocannabinols;

(5) the person unlawfully sells any amount of a schedule I or II narcotic drug to a person under the age of 18, or conspires with or employs a person under the age of 18 to unlawfully sell the substance; or

(6) the person unlawfully sells any of the following in a school zone, a park zone, ~~or~~ a public housing zone, or a transit zone:

- (i) any amount of a schedule I or II narcotic drug, or lysergic acid diethylamide (LSD);
- (ii) one or more mixtures containing methamphetamine or amphetamine; or
- (iii) one or more mixtures of a total weight of five kilograms or more containing marijuana or Tetrahydrocannabinols.

Sec. 5. Minnesota Statutes 1993 Supplement, section 152.023, subdivision 2, is amended to read:

Subd. 2. [POSSESSION CRIMES.] A person is guilty of controlled substance crime in the third degree if:

- (1) the person unlawfully possesses one or more mixtures of a total weight of three grams or more containing cocaine;
- (2) the person unlawfully possesses one or more mixtures of a total weight of ten grams or more containing a narcotic drug other than cocaine;
- (3) the person unlawfully possesses one or more mixtures containing a narcotic drug, it is packaged in dosage units, and equals 50 or more dosage units;
- (4) the person unlawfully possesses any amount of a schedule I or II narcotic drug or five or more dosage units of lysergic acid diethylamide (LSD) in a school zone, a park zone, ~~or~~ a public housing zone, or a transit zone;
- (5) the person unlawfully possesses one or more mixtures of a total weight of ten kilograms or more containing marijuana or Tetrahydrocannabinols; or
- (6) the person unlawfully possesses one or more mixtures containing methamphetamine or amphetamine in a school zone, a park zone, ~~or~~ a public housing zone, or a transit zone.

Sec. 6. Minnesota Statutes 1992, section 152.024, subdivision 1, is amended to read:

Subdivision 1. [SALE CRIMES.] A person is guilty of controlled substance crime in the fourth degree if:

- (1) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule I, II, or III, except marijuana or Tetrahydrocannabinols;
- (2) the person unlawfully sells one or more mixtures containing a controlled substance classified in schedule IV or V to a person under the age of 18;
- (3) the person conspires with or employs a person under the age of 18 to unlawfully sell a controlled substance classified in schedule IV or V; or
- (4) the person unlawfully sells any amount of marijuana or Tetrahydrocannabinols in a school zone, a park zone, ~~or~~ a public housing zone, or a transit zone, except a small amount for no remuneration.

Sec. 7. Minnesota Statutes 1992, section 169.89, subdivision 2, is amended to read:

Subd. 2. [PENALTY; JURY TRIAL.] A person charged with a petty misdemeanor is not entitled to a jury trial but shall be tried by a judge without a jury. If convicted, the person is not subject to imprisonment but shall be punished by a fine of not more than ~~\$100~~ \$200.

Sec. 8. Minnesota Statutes 1992, section 171.18, subdivision 1, is amended to read:

Subdivision 1. [OFFENSES.] The commissioner may suspend the license of a driver without preliminary hearing upon a showing by department records or other sufficient evidence that the licensee:

- (1) has committed an offense for which mandatory revocation of license is required upon conviction;
- (2) has been convicted by a court for violating a provision of chapter 169 or an ordinance regulating traffic and department records show that the violation contributed in causing an accident resulting in the death or personal injury of another, or serious property damage;
- (3) is an habitually reckless or negligent driver of a motor vehicle;
- (4) is an habitual violator of the traffic laws;
- (5) is incompetent to drive a motor vehicle as determined in a judicial proceeding;
- (6) has permitted an unlawful or fraudulent use of the license;
- (7) has committed an offense in another state that, if committed in this state, would be grounds for suspension;
- (8) has committed a violation of section 169.444, subdivision 2, paragraph (a);
- (9) has committed a violation of section 171.22, except that the commissioner may not suspend a person's driver's license based solely on the fact that the person possessed a fictitious or fraudulently altered Minnesota identification card;
- (10) has failed to appear in court as provided in section 169.92, subdivision 4; or
- (11) has failed to report a medical condition that, if reported, would have resulted in cancellation of driving privileges.

However, an action taken by the commissioner under clause (2) or (5) must conform to the recommendation of the court when made in connection with the prosecution of the licensee.

Sec. 9. Minnesota Statutes 1993 Supplement, section 171.24, is amended to read:

171.24 [VIOLATIONS; DRIVING WITHOUT VALID LICENSE.]

~~(a)~~ Subdivision 1. [DRIVING AFTER SUSPENSION.] Except as otherwise provided in paragraph (e) subdivision 5, any a person whose is guilty of a misdemeanor if:

- (1) the person's driver's license or driving privilege has been canceled, suspended, or revoked and who;
- (2) the person has been given notice of, or reasonably should know of the revocation, suspension, or cancellation; and who
- (3) the person disobeys such the order by operating anywhere in this state any motor vehicle, the operation of which requires a driver's license, while such the person's license or privilege is canceled, suspended, or revoked is guilty of a misdemeanor.

~~(b)~~ Subd. 2. [DRIVING AFTER REVOCATION.] A person is guilty of a misdemeanor if:

- (1) the person's driver's license or driving privilege has been revoked;
- (2) the person has been given notice of or reasonably should know of the revocation; and
- (3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is revoked.

Subd. 3. [DRIVING AFTER CANCELLATION.] A person is guilty of a misdemeanor if:

- (1) the person's driver's license or driving privilege has been canceled;
- (2) the person has been given notice of or reasonably should know of the cancellation; and
- (3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled.

Subd. 4. [DRIVING AFTER DISQUALIFICATION.] Any A person who is guilty of a misdemeanor if the person:

- (1) has been disqualified from holding a commercial driver's license or been denied the privilege to operate a commercial motor vehicle, ~~who~~;
- (2) has been given notice of or reasonably should know of the disqualification; and ~~who~~
- (3) disobeys the order by operating in this state a commercial motor vehicle while the person is disqualified to hold the license or privilege, ~~is guilty of a misdemeanor.~~

(e) Subd. 5. [GROSS MISDEMEANOR.] A person is guilty of a gross misdemeanor if:

- (1) the person's driver's license or driving ~~privileges~~ privilege has been canceled or denied under section 171.04, subdivision 1, clause (8), ~~and~~;
- (2) the person has been given notice of or reasonably should know of the cancellation or denial; and
- (2) (3) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled or denied.

Subd. 6. [SUFFICIENCY OF NOTICE.] (a) Notice of revocation, suspension, cancellation, or disqualification is sufficient if personally served, or if mailed by first class mail to the person's last known address or to the address listed on the person's driver's license. Notice is also sufficient if the person was informed that revocation, suspension, cancellation, or disqualification would be imposed upon a condition occurring or failing to occur, and where the condition has in fact occurred or failed to occur.

(b) It is not a defense that a person failed to file a change of address with the post office, or failed to notify the department of public safety of a change of name or address as required under section 171.11.

Sec. 10. Minnesota Statutes 1993 Supplement, section 244.05, subdivision 4, is amended to read:

Subd. 4. [MINIMUM IMPRISONMENT, LIFE SENTENCE.] An inmate serving a mandatory life sentence under section 609.184 must not be given supervised release under this section. An inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (5), or (6); or 609.346, subdivision 2a, must not be given supervised release under this section without having served a minimum term of 30 years. An inmate serving a mandatory life sentence under section 609.25, subdivision 2, clause (3); or 609.385 must not be given supervised release under this section without having served a minimum term of imprisonment of 17 years.

Sec. 11. Minnesota Statutes 1993 Supplement, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (5), or (6); 609.25, subdivision 2, clause (3); 609.346, subdivision 2a; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

Sec. 12. Minnesota Statutes 1992, section 388.051, is amended by adding a subdivision to read:

Subd. 3. [PLEA NEGOTIATION POLICIES AND PRACTICES; WRITTEN GUIDELINES REQUIRED.] (a) On or before January 1, 1995, each county attorney shall adopt written guidelines governing the county attorney's plea negotiation policies and practices. The guidelines shall address, but need not be limited to, the following matters:

- (1) the circumstances under which plea negotiation agreements are permissible;

(2) the factors that are considered in formulating plea agreements; and

(3) the extent to which input from other persons concerned with a prosecution, such as victims and law enforcement officers, is considered in formulating plea agreements.

(b) Plea negotiation policies and procedures adopted under this subdivision are public data, as defined in section 13.02.

Sec. 13. Minnesota Statutes 1993 Supplement, section 388.23, subdivision 1, is amended to read:

Subdivision 1. [AUTHORITY.] The county attorney, or any deputy or assistant county attorney whom the county attorney authorizes in writing, has the authority to subpoena and require the production of any records of telephone companies, cellular phone companies, paging companies, electric companies, gas companies, water utilities, chemical suppliers, hotels and motels, pawn shops, airlines, buses, taxis, and other entities engaged in the business of transporting people, and freight companies, warehousing companies, self-service storage facilities, package delivery companies, and other entities engaged in the businesses of transport, storage, or delivery, and records of the existence of safe deposit box account numbers and customer savings and checking account numbers maintained by financial institutions and safe deposit companies, insurance records relating to the monetary payment or settlement of claims, and wage and employment records of an applicant or recipient of public assistance who is the subject of a welfare fraud investigation relating to eligibility information for public assistance programs. Subpoenas may only be issued for records that are relevant to an ongoing legitimate law enforcement investigation ~~or welfare fraud investigation and there is probable cause that a crime has been committed.~~ Administrative subpoenas may only be issued in welfare fraud cases if there is probable cause to believe a crime has been committed. This provision applies only to the records of business entities and does not extend to private individuals or their dwellings. Subpoenas may only be served by peace officers as defined by section 626.84, subdivision 1, paragraph (c), or persons designated by the county attorney.

Sec. 14. Minnesota Statutes 1993 Supplement, section 473.407, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The metropolitan transit commission may appoint peace officers, as defined in section 626.84, subdivision 1, paragraph (c), and establish a law enforcement agency, as defined in section 626.84, subdivision 1, paragraph (h), known as the metropolitan transit commission police, to police its property and routes and to make arrests under sections 629.30 and 629.34. The jurisdiction of the law enforcement agency is limited to offenses relating to public transit vehicles and facilities and commission property, equipment, employees, and passengers.

Sec. 15. Minnesota Statutes 1993 Supplement, section 518B.01, subdivision 6, is amended to read:

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

- (1) restrain the abusing party from committing acts of domestic abuse;
- (2) exclude the abusing party from the dwelling which the parties share or from the residence of the petitioner;
- (3) award temporary custody or establish temporary visitation with regard to minor children of the parties on a basis which gives primary consideration to the safety of the victim and the children. Except for cases in which custody is contested, findings under section 257.025, 518.17, or 518.175 are not required. If the court finds that the safety of the victim or the children will be jeopardized by unsupervised or unrestricted visitation, the court shall condition or restrict visitation as to time, place, duration, or supervision, or deny visitation entirely, as needed to guard the safety of the victim and the children. The court's decision on custody and visitation shall in no way delay the issuance of an order for protection granting other reliefs provided for in this section;
- (4) on the same basis as is provided in chapter 518, establish temporary support for minor children or a spouse, and order the withholding of support from the income of the person obligated to pay the support according to chapter 518;
- (5) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;
- (6) order the abusing party to participate in treatment or counseling services;

(7) award temporary use and possession of property and restrain one or both parties from transferring, encumbering, concealing, or disposing of property except in the usual course of business or for the necessities of life, and to account to the court for all such transfers, encumbrances, dispositions, and expenditures made after the order is served or communicated to the party restrained in open court;

(8) exclude the abusing party from the place of employment of the petitioner, or otherwise limit access to the petitioner by the abusing party at the petitioner's place of employment;

(9) order the abusing party to pay restitution to the petitioner;

(10) order the continuance of all currently available insurance coverage without change in coverage or beneficiary designation; and

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

(b) Any relief granted by the order for protection shall be for a fixed period not to exceed one year, except when the court determines a longer fixed period is appropriate. When a referee presides at the hearing on the petition, the order granting relief becomes effective upon the referee's signature.

(c) An order granting the relief authorized in paragraph (a), clause (1), may not be vacated or modified in a proceeding for dissolution of marriage or legal separation, except that the court may hear a motion for modification of an order for protection concurrently with a proceeding for dissolution of marriage upon notice of motion and motion. The notice required by court rule shall not be waived. If the proceedings are consolidated and the motion to modify is granted, a separate order for modification of an order for protection shall be issued.

(d) An order granting the relief authorized in paragraph (a), clause (2), is not voided by the admittance of the abusing party into the dwelling from which the abusing party is excluded.

(e) If a proceeding for dissolution of marriage or legal separation is pending between the parties, the court shall provide a copy of the order for protection to the court with jurisdiction over the dissolution or separation proceeding for inclusion in its file.

(f) An order for restitution issued under this subdivision is enforceable as civil judgment.

Sec. 16. Minnesota Statutes 1993 Supplement, section 518B.01, subdivision 14, is amended to read:

Subd. 14. [VIOLATION OF AN ORDER FOR PROTECTION.] (a) Whenever an order for protection is granted pursuant to this section, and the respondent or person to be restrained knows of the order, violation of the order for protection is a misdemeanor. Upon conviction, the defendant must be sentenced to a minimum of three days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. If the court stays imposition or execution of the jail sentence and the defendant refuses or fails to comply with the court's treatment order, the court must impose and execute the stayed jail sentence. A person is guilty of a gross misdemeanor who violates this paragraph during the time period between a previous conviction under this paragraph; sections 609.221 to 609.224; 609.713, subdivisions 1 or 3; 609.748, subdivision 6; 609.749; or a similar law of another state and the end of the five years following discharge from sentence for that conviction. Upon conviction, the defendant must be sentenced to a minimum of ten days imprisonment and must be ordered to participate in counseling or other appropriate programs selected by the court. Notwithstanding section 609.135, the court must impose and execute the minimum sentence provided in this paragraph for gross misdemeanor convictions.

(b) A peace officer shall arrest without a warrant and take into custody a person whom the peace officer has probable cause to believe has violated an order granted pursuant to this section restraining the person or excluding the person from the residence or the petitioner's place of employment, even if the violation of the order did not take place in the presence of the peace officer, if the existence of the order can be verified by the officer. The person shall be held in custody for at least 36 hours, excluding the day of arrest, Sundays, and holidays, unless the person is released earlier by a judge or judicial officer. A peace officer acting in good faith and exercising due care in making an arrest pursuant to this paragraph is immune from civil liability that might result from the officer's actions.

(c) A violation of an order for protection shall also constitute contempt of court and be subject to the penalties therefor.

(d) If the court finds that the respondent has violated an order for protection and that there is reason to believe that the respondent will commit a further violation of the provisions of the order restraining the respondent from committing acts of domestic abuse or excluding the respondent from the petitioner's residence, the court may require the respondent to acknowledge an obligation to comply with the order on the record. The court may require a bond sufficient to deter the respondent from committing further violations of the order for protection, considering the financial resources of the respondent, and not to exceed \$10,000. If the respondent refuses to comply with an order to acknowledge the obligation or post a bond under this paragraph, the court shall commit the respondent to the county jail during the term of the order for protection or until the respondent complies with the order under this paragraph. The warrant must state the cause of commitment, with the sum and time for which any bond is required. If an order is issued under this paragraph, the court may order the costs of the contempt action, or any part of them, to be paid by the respondent. An order under this paragraph is appealable.

(e) Upon the filing of an affidavit by the petitioner, any peace officer, or an interested party designated by the court, alleging that the respondent has violated any order for protection granted pursuant to this section, the court may issue an order to the respondent, requiring the respondent to appear and show cause within 14 days why the respondent should not be found in contempt of court and punished therefor. The hearing may be held by the court in any county in which the petitioner or respondent temporarily or permanently resides at the time of the alleged violation. The court also shall refer the violation of the order for protection to the appropriate prosecuting authority for possible prosecution under paragraph (a).

(f) If it is alleged that the respondent has violated an order for protection issued under subdivision 6 and the court finds that the order has expired between the time of the alleged violation and the court's hearing on the violation, the court may grant a new order for protection under subdivision 6 based solely on the respondent's alleged violation of the prior order, to be effective until the hearing on the alleged violation of the prior order. If the court finds that the respondent has violated the prior order, the relief granted in the new order for protection shall be extended for a fixed period, not to exceed one year.

(g) The admittance into petitioner's dwelling of an abusing party excluded from the dwelling under an order for protection is not a violation by the petitioner of the order for protection.

A peace officer is not liable under section 609.43, clause (1), for a failure to perform a duty required by paragraph (b).

Sec. 17. Minnesota Statutes 1992, section 609.0331, is amended to read:

609.0331 [INCREASED MAXIMUM PENALTIES FOR PETTY MISDEMEANORS.]

~~Except as provided in this section,~~ A law of this state that provides, on or after August 1, 1987, for a maximum penalty of \$100 for a petty misdemeanor is considered to provide for a maximum fine of \$200. ~~However, a petty misdemeanor under chapter 168 or 169 remains subject to a maximum fine of \$100, except that a violation of chapter 168 or 169 that was originally charged as a misdemeanor and is being treated as a petty misdemeanor under section 609.131 or the rules of criminal procedure is subject to a maximum fine of \$200.~~

Sec. 18. Minnesota Statutes 1992, section 609.0332, is amended to read:

609.0332 [INCREASED MAXIMUM PENALTY FOR PETTY MISDEMEANOR ORDINANCE VIOLATIONS.]

~~Subdivision 1. [INCREASED FINE.]~~ From August 1, 1987, if a state law or municipal charter sets a limit of \$100 or less on the fines that a statutory or home rule charter city, town, county, or other political subdivision may prescribe for an ordinance violation that is defined as a petty misdemeanor, that law or charter is considered to provide that the political subdivision has the power to prescribe a maximum fine of \$200 for the petty misdemeanor violation.

~~Subd. 2. [EXCEPTION.] Notwithstanding subdivision 1, no fine of more than \$100 may be imposed for a petty misdemeanor ordinance violation which conforms in substantial part to a petty misdemeanor provision contained in section 152.027, subdivision 4, or chapter 168 or 169.~~

Sec. 19. [609.132] [CONTINUANCE FOR DISMISSAL.]

The decision to offer a continuance of a criminal prosecution and to dismiss criminal charges based on the defendant's satisfactory completion of the conditions of the continuance is an exercise of prosecutorial discretion resting solely with the prosecuting attorney.

Sec. 20. Minnesota Statutes 1993 Supplement, section 609.14, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] (a) When it appears that the defendant has violated any of the conditions of probation or intermediate sanction, or has otherwise been guilty of misconduct which warrants the imposing or execution of sentence, the court may without notice revoke the stay and direct that the defendant be taken into immediate custody.

(b) When it appears that the defendant violated any of the conditions of probation during the term of the stay, but the term of the stay has since expired, the defendant's probation officer or the prosecutor may ask the court to initiate probation revocation proceedings under the rules of criminal procedure at any time within six months after the expiration of the stay. The court also may initiate proceedings under these circumstances on its own motion. If proceedings are initiated within this six-month period, the court may conduct a revocation hearing and take any action authorized under rule 27.04 at any time during or after the six-month period.

(c) Notwithstanding the provisions of section 609.135 or any law to the contrary, after proceedings to revoke the stay have been initiated by a court order revoking the stay and directing either that the defendant be taken into custody or that a summons be issued in accordance with paragraph (a), the proceedings to revoke the stay may be concluded and the summary hearing provided by subdivision 2 may be conducted after the expiration of the stay or after the six month period set forth in paragraph (b) of this section. The proceedings to revoke the stay shall not be dismissed on the basis that the summary hearing is conducted after the term of the stay or after the six month period. The ability or inability to locate or apprehend the defendant prior to the expiration of the stay or during or after the six month period shall not preclude the court from conducting the summary hearing.

Sec. 21. Minnesota Statutes 1992, section 609.185, is amended to read:

609.185 [MURDER IN THE FIRST DEGREE.]

Whoever does any of the following is guilty of murder in the first degree and shall be sentenced to imprisonment for life:

(1) causes the death of a human being with premeditation and with intent to effect the death of the person or of another;

(2) causes the death of a human being while committing or attempting to commit criminal sexual conduct in the first or second degree with force or violence, either upon or affecting the person or another;

(3) causes the death of a human being with intent to effect the death of the person or another, while committing or attempting to commit burglary, aggravated robbery, kidnapping, arson in the first or second degree, tampering with a witness in the first degree, escape from custody, or any felony violation of chapter 152 involving the unlawful sale of a controlled substance;

(4) causes the death of a peace officer or a guard employed at a Minnesota state correctional facility, or a local correctional officer with intent to effect the death of that person or another, while the peace officer or guard or correctional officer is engaged in the performance of official duties;

(5) causes the death of a minor under circumstances other than those described in clause (1) or (2) while committing child abuse, when the perpetrator has engaged in a past pattern of child abuse upon the child and the death occurs under circumstances manifesting an extreme indifference to human life; or

(6) causes the death of a human being under circumstances other than those described in clause (1), (2), or (5) while committing domestic abuse, when the perpetrator has engaged in a past pattern of domestic abuse upon the victim and the death occurs under circumstances manifesting an extreme indifference to human life.

For purposes of clause (5), "child abuse" means an act committed against a minor victim that constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, 609.345, 609.377, 609.378, or 609.713.

For purposes of clause (6), "domestic abuse" means an act that:

(1) constitutes a violation of section 609.221, 609.222, 609.223, 609.224, 609.342, 609.343, 609.344, 609.345, or 609.713; and

(2) is committed against the victim who is a family or household member as defined in section 518B.01, subdivision 2, paragraph (b).

Sec. 22. Minnesota Statutes 1992, section 609.2231, subdivision 2, is amended to read:

Subd. 2. [FIREFIGHTERS AND EMERGENCY MEDICAL PERSONNEL.] Whoever assaults any of the following persons and inflicts demonstrable bodily harm is guilty of a gross misdemeanor:

(1) a member of a municipal or volunteer fire department or emergency medical services personnel unit in the performance of the member's duties, or assaults;

(2) a physician, nurse, or other person providing health care services in a hospital emergency department; or

(3) an employee of the department of natural resources who is engaged in forest fire activities, and inflicts demonstrable bodily harm is guilty of a gross misdemeanor.

Sec. 23. Minnesota Statutes 1992, section 609.224, is amended by adding a subdivision to read:

Subd. 5. [FELONY; VICTIM UNDER FOUR.] Whoever violates subdivision 1 against a victim under the age of four, and causes bodily harm to the child's head, eyes, or neck, or otherwise causes multiple bruises to the body, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Sec. 24. [609.2245] [FEMALE GENITAL MUTILATION; PENALTIES.]

Subdivision 1. [CRIME.] Except as otherwise permitted in subdivision 2, whoever knowingly circumcises, excises, or infibulates, in whole or in part, the labia majora, labia minora, or clitoris of another is guilty of a felony. Consent to the procedure by the person on whom it is performed is not a defense to a violation of this subdivision.

Subd. 2. [PERMITTED ACTIVITIES.] A surgical procedure is not a violation of subdivision 1 if the procedure:

(1) is necessary to the health of the person on whom it is performed and is performed by a physician licensed under chapter 147 or a physician in training under the supervision of a licensed physician; or

(2) is performed on a person who is in labor or who has just given birth and is performed for medical purposes connected with that labor or birth by a physician licensed under chapter 147 or a physician in training under the supervision of a licensed physician.

Sec. 25. Minnesota Statutes 1992, section 609.245, is amended to read:

609.245 [AGGRAVATED ROBBERY.]

Whoever, while committing a robbery, is armed with or implies, by word or act, possession of a dangerous weapon, or is armed with any article used or fashioned in a manner to lead the victim to reasonably believe it to be a dangerous weapon, or inflicts bodily harm upon another, is guilty of aggravated robbery and may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$35,000, or both.

Sec. 26. Minnesota Statutes 1992, section 609.25, subdivision 2, is amended to read:

Subd. 2. [SENTENCE.] Whoever violates subdivision 1 may be sentenced as follows:

(1) If the victim is released in a safe place without great bodily harm, to imprisonment for not more than 20 years or to payment of a fine of not more than \$35,000, or both; or

(2) If the victim is not released in a safe place, or if the victim suffers great bodily harm during the course of the kidnapping, or if the person kidnapped is under the age of 16, to imprisonment for not more than 40 years or to payment of a fine of not more than \$50,000, or both; or

(3) If the defendant is convicted under subdivision 1 and, at the time of sentencing, the victim has not been found, the defendant shall be sentenced to imprisonment for life.

Sec. 27. Minnesota Statutes 1992, section 609.321, subdivision 12, is amended to read:

Subd. 12. A "public place" means a public street or sidewalk, a pedestrian skyway system as defined in section 469.125, subdivision 4, a hotel, motel, or other place of public accommodation, a public transit vehicle or facility, or a place licensed to sell intoxicating liquor, wine, nonintoxicating malt beverages, or food.

Sec. 28. Minnesota Statutes 1992, section 609.3241, is amended to read:

609.3241 [PENALTY ASSESSMENT AUTHORIZED.]

~~In any county that has established a multidisciplinary child protection team pursuant to section 626.558, When a court sentences an adult convicted of violating section 609.322, 609.323, or 609.324, while acting other than as a prostitute, the court shall impose an assessment of not less than \$250 and not more than \$500 for a violation of section 609.324, subdivision 2, or a misdemeanor violation of section 609.324, subdivision 3; otherwise the court shall impose an assessment of not less than \$500 and not more than \$1,000. The mandatory minimum portion of the assessment is to be used for the purposes described in section 626.558, subdivision 2a, and is in addition to the assessment or surcharge required by section 609.101. Any portion of the assessment imposed in excess of the mandatory minimum amount shall be forwarded to the general fund and is appropriated annually to the commissioner of corrections. The commissioner, with the assistance of the general crime victims advisory council, shall use money received under this section for grants to agencies that provide assistance to individuals who have stopped or wish to stop engaging in prostitution. Grant money may be used to provide these individuals with medical care, child care, temporary housing, and educational expenses.~~

Sec. 29. Minnesota Statutes 1992, section 609.325, subdivision 2, is amended to read:

Subd. 2. Consent or mistake as to age shall be no defense to prosecutions under section 609.322 ~~or~~, 609.323, or 609.324.

Sec. 30. Minnesota Statutes 1992, section 609.341, subdivision 11, is amended to read:

Subd. 11. (a) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (a) to (f), and 609.345, subdivision 1, clauses (a) to (e), and (h) to (k), includes any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, and committed with sexual or aggressive intent:

- (i) the intentional touching by the actor of the complainant's intimate parts, or
- (ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts effected by coercion or the use of a position of authority, or by inducement if the complainant is under 13 years of age or mentally impaired, or
- (iii) the touching by another of the complainant's intimate parts effected by coercion or the use of a position of authority, or
- (iv) in any of the cases above, the touching of the clothing covering the immediate area of the intimate parts.

(b) "Sexual contact," for the purposes of sections 609.343, subdivision 1, clauses (g) and (h), and 609.345, subdivision 1, clauses (f) and (g), includes any of the following acts committed with sexual or aggressive intent:

- (i) the intentional touching by the actor of the complainant's intimate parts;
- (ii) the touching by the complainant of the actor's, the complainant's, or another's intimate parts;
- (iii) the touching by another of the complainant's intimate parts; or
- (iv) in any of the cases listed above, touching of the clothing covering the immediate area of the intimate parts.

(c) "Sexual contact with a person under 13" means the intentional touching of the complainant's bare genitals or anal opening by the actor's bare genitals or anal opening with sexual or aggressive intent or the touching by the complainant's bare genitals or anal opening of the actor's or another's bare genitals or anal opening with sexual or aggressive intent.

Sec. 31. Minnesota Statutes 1992, section 609.341, subdivision 12, is amended to read:

Subd. 12. "Sexual penetration" means any of the following acts committed without the complainant's consent, except in those cases where consent is not a defense, whether or not emission of semen occurs:

(1) sexual intercourse, cunnilingus, fellatio, or anal intercourse; or

(2) any intrusion however slight into the genital or anal openings;

(i) of the complainant's body ~~of by~~ any part of the actor's body or any object used by the actor for this purpose, ~~where the act is committed without the complainant's consent, except in those cases where consent is not a defense. Emission of semen is not necessary;~~

(ii) of the complainant's body by any part of the body of the complainant, by any part of the body of another person, or by any object used by the complainant or another person for this purpose, when effected by coercion or the use of a position of authority, or by inducement if the child is under 13 years of age or mentally impaired; or

(iii) of the body of the actor or another person by any part of the body of the complainant or by any object used by the complainant for this purpose, when effected by coercion or the use of a position of authority, or by inducement if the child is under 13 years of age or mentally impaired.

Sec. 32. Minnesota Statutes 1992, section 609.341, is amended by adding a subdivision to read:

Subd. 21. [SCHOOL.] "School" means a public or private middle or secondary school, college, university, community college, vocational or technical school, or any other institution engaged in instructing pupils who are at least 16 but less than 18 years of age.

Sec. 33. Minnesota Statutes 1992, section 609.341, is amended by adding a subdivision to read:

Subd. 22. [TEACHER.] "Teacher" means all persons employed in a school as instructional, supervisory, and support staff including superintendents, principals, supervisors, secondary vocational and other classroom teachers, teachers' aides and classroom assistants, librarians, counselors, school psychologists, school nurses, school social workers, audio-visual directors and coordinators, recreation personnel and coaches, media generalists, media supervisors, and speech therapists.

Sec. 34. Minnesota Statutes 1992, section 609.342, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person, or in sexual contact with a person under 13 as defined in section 609.341, subdivision 11, paragraph (c), is guilty of criminal sexual conduct in the first degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(c) circumstances existing at the time of the act cause the complainant to have a reasonable fear of imminent great bodily harm to the complainant or another;

(d) the actor is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant to reasonably believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;

(e) the actor causes personal injury to the complainant, and either of the following circumstances exist:

(i) the actor uses force or coercion to accomplish sexual penetration; or

(ii) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(f) the actor is aided or abetted by one or more accomplices within the meaning of section 609.05, and either of the following circumstances exists:

- (i) an accomplice uses force or coercion to cause the complainant to submit; or
- (ii) an accomplice is armed with a dangerous weapon or any article used or fashioned in a manner to lead the complainant reasonably to believe it to be a dangerous weapon and uses or threatens to use the weapon or article to cause the complainant to submit;
- (g) the actor has a significant relationship to the complainant and the complainant was under 16 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense; or

(h) the actor has a significant relationship to the complainant, the complainant was under 16 years of age at the time of the sexual penetration, and:

- (i) the actor or an accomplice used force or coercion to accomplish the penetration;
- (ii) the complainant suffered personal injury; or
- (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Sec. 35. Minnesota Statutes 1993 Supplement, section 609.344, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual penetration with another person is guilty of criminal sexual conduct in the third degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age nor consent to the act by the complainant shall be a defense;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 24 months older than the complainant. In any such case it shall be an affirmative defense, which must be proved by a preponderance of the evidence, that the actor believes the complainant to be 16 years of age or older. If the actor in such a case is no more than 48 months but more than 24 months older than the complainant, the actor may be sentenced to imprisonment for not more than five years. Consent by the complainant is not a defense;

(c) the actor uses force or coercion to accomplish the penetration;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual penetration, and:

- (i) the actor or an accomplice used force or coercion to accomplish the penetration;
- (ii) the complainant suffered personal injury; or
- (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual penetration occurred:

(i) during the psychotherapy session; or

(ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual penetration occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual penetration by means of deception or false representation that the penetration is for a bona fide medical purpose. Consent by the complainant is not a defense; or

(l) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual penetration occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual penetration occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private.

Consent by the complainant is not a defense; or

(m) the actor is a teacher in a school and the complainant is a student or former student of the teacher who is at least 16 but less than 18 years of age at the time of the sexual penetration. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Sec. 36. Minnesota Statutes 1993 Supplement, section 609.345, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] A person who engages in sexual contact with another person is guilty of criminal sexual conduct in the fourth degree if any of the following circumstances exists:

(a) the complainant is under 13 years of age and the actor is no more than 36 months older than the complainant. Neither mistake as to the complainant's age or consent to the act by the complainant is a defense. In a prosecution under this clause, the state is not required to prove that the sexual contact was coerced;

(b) the complainant is at least 13 but less than 16 years of age and the actor is more than 48 months older than the complainant or in a position of authority over the complainant and uses this authority to cause the complainant to submit. Consent by the complainant to the act is not a defense. In any such case, it shall be an affirmative defense which must be proved by a preponderance of the evidence that the actor believes the complainant to be 16 years of age or older;

(c) the actor uses force or coercion to accomplish the sexual contact;

(d) the actor knows or has reason to know that the complainant is mentally impaired, mentally incapacitated, or physically helpless;

(e) the complainant is at least 16 but less than 18 years of age and the actor is more than 48 months older than the complainant and in a position of authority over the complainant, and uses this authority to cause the complainant to submit. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(f) the actor has a significant relationship to the complainant and the complainant was at least 16 but under 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(g) the actor has a significant relationship to the complainant, the complainant was at least 16 but under 18 years of age at the time of the sexual contact, and:

- (i) the actor or an accomplice used force or coercion to accomplish the contact;
- (ii) the complainant suffered personal injury; or
- (iii) the sexual abuse involved multiple acts committed over an extended period of time.

Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense;

(h) the actor is a psychotherapist and the complainant is a patient of the psychotherapist and the sexual contact occurred:

- (i) during the psychotherapy session; or
- (ii) outside the psychotherapy session if an ongoing psychotherapist-patient relationship exists.

Consent by the complainant is not a defense;

(i) the actor is a psychotherapist and the complainant is a former patient of the psychotherapist and the former patient is emotionally dependent upon the psychotherapist;

(j) the actor is a psychotherapist and the complainant is a patient or former patient and the sexual contact occurred by means of therapeutic deception. Consent by the complainant is not a defense;

(k) the actor accomplishes the sexual contact by means of deception or false representation that the contact is for a bona fide medical purpose. Consent by the complainant is not a defense; or

(1) the actor is or purports to be a member of the clergy, the complainant is not married to the actor, and:

(i) the sexual contact occurred during the course of a meeting in which the complainant sought or received religious or spiritual advice, aid, or comfort from the actor in private; or

(ii) the sexual contact occurred during a period of time in which the complainant was meeting on an ongoing basis with the actor to seek or receive religious or spiritual advice, aid, or comfort in private.

Consent by the complainant is not a defense; or

(m) the actor is a teacher in a school and the complainant is a student or former student of the teacher who is at least 16 but less than 18 years of age at the time of the sexual contact. Neither mistake as to the complainant's age nor consent to the act by the complainant is a defense.

Sec. 37. Minnesota Statutes 1992, section 609.3451, subdivision 1, is amended to read:

Subdivision 1. [CRIME DEFINED.] (a) A person is guilty of criminal sexual conduct in the fifth degree if the person engages in nonconsensual sexual contact.

(b) For purposes of this section, "sexual contact" has the meaning given in section 609.341, subdivision 11, paragraph (a), clauses (i) and (iv), but does not include the intentional touching of the clothing covering the immediate area of the buttocks. This exclusion does not apply to conduct in public transit vehicles or facilities.

(c) Sexual contact also includes the intentional removal or attempted removal of clothing covering the complainant's intimate parts or undergarments, if the action is performed with sexual or aggressive intent.

Sec. 38. Minnesota Statutes 1993 Supplement, section 609.346, subdivision 2, is amended to read:

Subd. 2. [SUBSEQUENT SEX OFFENSE; PENALTY.] Except as provided in subdivision 2a or 2b, if a person is convicted under sections 609.342 to 609.345, within 15 years of a previous sex offense conviction, or if a person is convicted under sections 609.342 to 609.345 of an offense involving multiple contemporaneous victims, the court shall

commit the defendant to the commissioner of corrections for not less than three years, nor more than the maximum sentence provided by law for the offense for which convicted, notwithstanding the provisions of sections 242.19, 243.05, 609.11, 609.12 and 609.135. The court may not stay the execution of the sentence imposed under this subdivision solely upon a finding that the offender is amenable to probation or treatment. The court may stay the execution of the sentence imposed under this subdivision only if it finds: (a) that the offender does not present a danger to public safety; (b) the offender is not likely to reoffend by committing further violations of sections 609.342 to 609.345; (c) that the crime did not involve an aggravating factor which would justify a departure from the presumptive sentence under the sentencing guidelines; and (d) that a professional assessment indicates the offender is accepted by and can respond to treatment at a long-term inpatient program exclusively treating sex offenders and approved by the commissioner of corrections. If the court stays the execution of a sentence, it shall include the following as conditions of probation: (1) incarceration in a local jail or workhouse; and (2) a requirement that the offender successfully complete the treatment program and aftercare as directed by the court.

Sec. 39. Minnesota Statutes 1992, section 609.377, is amended to read:

609.377 [MALICIOUS PUNISHMENT OF A CHILD.]

A parent, legal guardian, or caretaker who, by an intentional act or a series of intentional acts with respect to a child, evidences unreasonable force or cruel discipline that is excessive under the circumstances is guilty of malicious punishment of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. If the punishment results in substantial bodily harm, that person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. If the punishment results in great bodily harm, that person may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both. If the punishment is to a child under the age of four and causes bodily harm to the head, eyes, neck, or otherwise causes multiple bruises to the body, the person may be sentenced to imprisonment for not more than five years or a fine of \$10,000, or both.

Sec. 40. [609.381] [CONTRIBUTING TO MINOR'S DELINQUENCY OR NEED FOR PROTECTION OR SERVICES.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them in this subdivision:

- (1) "Delinquency" has the meaning given in section 260.015, subdivision 5;
- (2) "Habitual truant" has the meaning given in section 260.015, subdivision 19;
- (3) "Juvenile petty offender" has the meaning given in section 260.015, subdivision 21;
- (4) "Need for protection or services" has the meaning given in section 260.015, subdivision 2a; and
- (5) "Runaway" has the meaning given in section 260.015, subdivision 20.

Subd. 2. [CRIME.] Any person who by act or omission causes, assists, or contributes to the need for protection or services or delinquency of a child, or to a child's status as a juvenile petty offender, is guilty of a crime and may be sentenced as provided in subdivision 3.

Subd. 3. [SENTENCE.] (a) An adult who violates subdivision 2 by causing or assisting the minor to be a runaway and to leave this state is guilty of a felony and, upon conviction, may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$4,000, or both.

(b) An adult who violates subdivision 2 under any of the following circumstances is guilty of a gross misdemeanor:

- (1) the minor was 15 years of age or younger at the time of the alleged act;
- (2) the adult caused or assisted the minor to be a runaway within this state for more than two days; or
- (3) the adult caused or assisted the minor to be an habitual truant.

(c) A person who violates subdivision 2 under any circumstance not listed in paragraph (a) or (b) is guilty of a misdemeanor.

Subd. 4. [EXCEPTION.] This section does not apply to:

(1) licensed social service agencies and outreach workers who, while acting within the scope of their professional duties, provide services to runaway children; or

(2) any person who reasonably believed the action taken was necessary to protect the minor from physical, sexual, or emotional abuse.

Sec. 41. Minnesota Statutes 1992, section 609.485, subdivision 2, is amended to read:

Subd. 2. [ACTS PROHIBITED.] Whoever does any of the following may be sentenced as provided in subdivision 4:

(1) escapes while held in lawful custody on a charge or conviction of a crime, or while held in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age;

(2) transfers to another, who is in lawful custody on a charge or conviction of a crime, or introduces into an institution in which the latter is confined, anything usable in making such escape, with intent that it shall be so used;

(3) having another in lawful custody on a charge or conviction of a crime, intentionally permits the other to escape; or

(4) escapes while in a facility designated under section 253B.18, subdivision 1, pursuant to a court commitment order after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a. Notwithstanding section 609.17, no person may be charged with or convicted of an attempt to commit a violation of this clause.

For purposes of clause (1), "escapes while held in lawful custody" includes absconding from electronic monitoring or absconding after removing an electronic monitoring device from the person's body.

Sec. 42. Minnesota Statutes 1992, section 609.485, subdivision 4, is amended to read:

Subd. 4. [SENTENCE.] (a) Except as otherwise provided in subdivision 3a, whoever violates this section may be sentenced as follows:

(1) if the person who escapes is in lawful custody on a charge or conviction of a felony, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both;

(2) if the person who escapes is in lawful custody after a finding of not guilty by reason of mental illness or mental deficiency of a crime against the person, as defined in section 253B.02, subdivision 4a, to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both; or

(3) if such charge or conviction is for a gross misdemeanor or misdemeanor, or if the person who escapes is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

~~(4) If such charge or conviction is for a misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.~~

~~(5) (b) If the escape was a violation of subdivision 2, clause (1), (2), or (3), and was effected by violence or threat of violence against a person, the sentence may be increased to not more than twice those permitted in paragraph (a), clauses (1), and (3), and (4).~~

~~(6) (c) Unless a concurrent term is specified by the court, a sentence under this section shall be consecutive to any sentence previously imposed or which may be imposed for any crime or offense for which the person was in custody when the person escaped.~~

~~(7) (d) Notwithstanding clause (6) paragraph (c), if a person who was committed to the commissioner of corrections under section 260.185 escapes from the custody of the commissioner while 18 years of age, the person's sentence under this section shall commence on the person's 19th birthday or on the person's date of discharge by the commissioner of corrections, whichever occurs first. However, if the person described in this clause is convicted under this section after becoming 19 years old and after having been discharged by the commissioner, the person's sentence shall commence upon imposition by the sentencing court.~~

(8) (e) Notwithstanding ~~clause (6)~~ paragraph (c), if a person who is in lawful custody on an allegation or adjudication of a delinquent act while 18 years of age escapes from a local juvenile correctional facility, the person's sentence under this section begins on the person's 19th birthday or on the person's date of discharge from the jurisdiction of the juvenile court, whichever occurs first. However, if the person described in this ~~clause~~ paragraph is convicted after becoming 19 years old and after discharge from the jurisdiction of the juvenile court, the person's sentence begins upon imposition by the sentencing court.

Sec. 43. Minnesota Statutes 1992, section 609.497, subdivision 1, is amended to read:

Subdivision 1. [CRIME.] A person is guilty of a felony and may be sentenced under subdivision 2 if the person knowingly initiates, organizes, plans, finances, directs, manages, supervises, or otherwise engages in ~~a business an~~ activity that has as a primary or secondary purpose concealing money or property that was gained as a direct result of the commission of a felony under this chapter or chapter 152, or of an offense committed in another jurisdiction that would be a felony under this chapter or chapter 152 if committed in Minnesota.

Sec. 44. Minnesota Statutes 1992, section 609.497, is amended by adding a subdivision to read:

Subd. 3. [PAYMENT OF REASONABLE ATTORNEY FEES.] Subdivision 1 does not preclude the payment or receipt of reasonable attorney fees.

Sec. 45. Minnesota Statutes 1992, section 609.506, is amended by adding a subdivision to read:

Subd. 3. [GROSS MISDEMEANOR.] Whoever in any criminal proceeding with intent to obstruct justice gives a fictitious name, other than a nickname, or gives a false date of birth to a court official is guilty of a misdemeanor. Whoever in any criminal proceeding with intent to obstruct justice gives the name and date of birth of another person to a court official is guilty of a gross misdemeanor. "Court official" includes a judge, referee, court administrator, or any employee of the court.

Sec. 46. Minnesota Statutes 1993 Supplement, section 609.531, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] For the purpose of sections 609.531 to 609.5318, the following terms have the meanings given them.

(a) "Conveyance device" means a device used for transportation and includes, but is not limited to, a motor vehicle, trailer, snowmobile, airplane, and vessel and any equipment attached to it. The term "conveyance device" does not include property which is, in fact, itself stolen or taken in violation of the law.

(b) "Weapon used" means a weapon used or possessed in the furtherance of a crime and defined as a dangerous weapon under section 609.02, subdivision 6.

(c) "Property" means property as defined in section 609.52, subdivision 1, clause (1).

(d) "Contraband" means property which is illegal to possess under Minnesota law.

(e) "Appropriate agency" means the bureau of criminal apprehension, the Minnesota state patrol, a county sheriff's department, the suburban Hennepin regional park district park rangers, the department of natural resources division of enforcement, metropolitan transit commission police, the University of Minnesota police department, or a city or airport police department.

(f) "Designated offense" includes:

(1) for weapons used: any violation of this chapter;

(2) for all other purposes: a felony violation of, or a felony-level attempt or conspiracy to violate, section 325E.17; 325E.18; 609.185; 609.19; 609.195; 609.21; 609.221; 609.222; 609.223; 609.2231; 609.24; 609.245; 609.25; 609.255; 609.322; 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); 609.344, subdivision 1, clauses (a) to (e), and (h) to (j); 609.345, subdivision 1, clauses (a) to (e), and (h) to (j); 609.42; 609.425; 609.466; 609.485; 609.487; 609.52; 609.525; 609.53; 609.54; 609.551; 609.561; 609.562; 609.563; 609.582; 609.59; 609.595; 609.631; 609.66, subdivision 1e; 609.671, subdivisions 3, 4, 5, 8, and 12; 609.687; 609.821; 609.825; 609.86; 609.88; 609.89; 609.893; 617.246; or a gross misdemeanor or felony violation of section 609.891 or 624.7181; or any violation of section 609.324.

(g) "Controlled substance" has the meaning given in section 152.01, subdivision 4.

Sec. 47. Minnesota Statutes 1992, section 609.561, is amended by adding a subdivision to read:

Subd. 3. Whoever unlawfully by means of fire or explosives, intentionally destroys or damages any building not included in subdivision 1, whether the property of the actor or another, commits arson in the first degree if a combustible or flammable liquid is used to start or accelerate the fire may be sentenced to imprisonment for not more than 20 years or a fine of not more than \$20,000, or both.

As used in this subdivision, "flammable liquid" means any liquid having a flash point below 100 degrees Fahrenheit and having a vapor pressure not exceeding 40 pounds per square inch (absolute) at 100 degrees Fahrenheit, but does not include intoxicating liquor as defined in section 340A.101. As used in this subdivision, "combustible liquid" means a liquid having a flash point at or above 100 degrees Fahrenheit.

Sec. 48. [609.5642] [INCREASED PENALTIES FOR ARSON RESULTING IN INJURY TO PERSONS.]

Subdivision 1. [HARM TO VICTIMS; PENALTY ENHANCEMENTS.] The statutory maximum penalties for the crimes listed in subdivision 2, shall be increased by three years if another person who is not a participant in the crime sustains substantial bodily harm as a result of the fire or explosion, or during efforts to extinguish or contain the fire or explosion, or during efforts to rescue persons who may be trapped or harmed by the fire or explosion.

Subd. 2. [APPLICATION.] This section applies to arson in the first degree, arson in the second degree, arson in the third degree, and wildfire arson under the circumstances described in sections 609.561, 609.562, 609.563, and 609.5641.

Sec. 49. Minnesota Statutes 1992, section 609.611, is amended to read:

609.611 [DEFRAUDING INSURER.]

Subdivision 1. [DEFRAUD; DAMAGES OR CONCEALS PROPERTY.] Whoever with intent to injure or defraud an insurer, damages, removes, or conceals any property real or personal, whether the actor's own or that of another, which is at the time insured by any person, firm, or corporation against loss or damage;

(a) May be sentenced to imprisonment for not more than three years or to payment of fine of not more than \$5,000, or both if the value insured for is less than \$20,000; or

(b) May be sentenced to imprisonment for not more than five years or to payment of fine of not more than \$10,000, or both if the value insured for is \$20,000 or greater;

(c) Proof that the actor recovered or attempted to recover on a policy of insurance by reason of the fire alleged loss is relevant but not essential to establish the actor's intent to defraud the insurer.

Subd. 2. [DEFRAUD; FALSE LOSS CLAIM.] Whoever intentionally makes a claim to an insurance company that personal property was lost, stolen, damaged, destroyed, misplaced, or disappeared, knowing the claim to be false may be sentenced as provided in section 609.52, subdivision 3. The applicable statute of limitations provision under section 628.26 shall not begin to run until the insurance company or law enforcement agency is aware of the fraud, but in no event may the prosecution be commenced later than seven years after the claim was made.

Sec. 50. Minnesota Statutes 1992, section 609.66, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR AND GROSS MISDEMEANOR CRIMES.] (a) Whoever does any of the following is guilty of a crime and may be sentenced as provided in paragraph (b):

(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; or

(3) manufactures or sells for any unlawful purpose any weapon known as a slungshot or sand club; or

(4) manufactures, transfers, or possesses 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) outside of a municipality and without the parent's or guardian's consent, furnishes a child under 14 years of age, or as a parent or guardian permits the 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.

Possession of written evidence of prior consent signed by the minor's parent or guardian is a complete defense to a charge under clause (6).

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, or a transit zone, as defined in section 152.01, subdivision 22, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; or

(2) otherwise, including where the act was committed on residential premises within a zone described in clause (1) if the offender was at the time an owner, tenant, or invitee for a lawful purpose with respect to those residential premises, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

Sec. 51. Minnesota Statutes 1993 Supplement, section 609.66, subdivision 1a, is amended to read:

Subd. 1a. [FELONY CRIMES; SILENCERS PROHIBITED; RECKLESS DISCHARGE.] (a) Whoever does any of the following is guilty of a felony and may be sentenced as provided in paragraph (b):

(1) sells or has in possession any device designed to silence or muffle the discharge of a firearm;

(2) intentionally discharges a firearm under circumstances that endanger the safety of another; or

(3) recklessly discharges a firearm within a municipality.

(b) A person convicted under paragraph (a) may be sentenced as follows:

(1) if the act was committed in a public housing zone, as defined in section 152.01, subdivision 19, a school zone, as defined in section 152.01, subdivision 14a, or a park zone, as defined in section 152.01, subdivision 12a, or a transit zone, as defined in section 152.01, subdivision 22, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both; or

(2) otherwise, to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

Sec. 52. Minnesota Statutes 1993 Supplement, section 609.685, subdivision 3, is amended to read:

Subd. 3. [PETTY MISDEMEANOR.] Whoever possesses, smokes, chews, or otherwise ingests, purchases, or attempts to purchase tobacco or tobacco related devices and is under the age of 18 years is guilty of a petty misdemeanor. This subdivision does not apply to a person under the age of 18 years who purchases or attempts to purchase tobacco or tobacco related devices while under the direct supervision of a responsible adult for training, education, research, or enforcement purposes.

Sec. 53. Minnesota Statutes 1993 Supplement, section 609.713, subdivision 1, is amended to read:

Subdivision 1. Whoever threatens, directly or indirectly, to commit any crime of violence with purpose to terrorize another or to cause evacuation of a building, place of assembly or ~~facility of public transportation~~ transit facility or vehicle, as defined in section 609.855, subdivision 1, or otherwise to cause serious public inconvenience, or in a reckless disregard of the risk of causing such terror or inconvenience may be sentenced to imprisonment for not more than five years. As used in this subdivision, "crime of violence" has the meaning given "violent crime" in section 609.152, subdivision 1, paragraph (d).

Sec. 54. Minnesota Statutes 1992, section 609.72, subdivision 1, is amended to read:

Subdivision 1. Whoever does any of the following in a public or private place, including on a school bus, knowing, or having reasonable grounds to know that it will, or will tend to, alarm, anger or disturb others or provoke an assault or breach of the peace, is guilty of disorderly conduct, which is a misdemeanor:

- (1) Engages in brawling or fighting; or
- (2) Disturbs an assembly or meeting, not unlawful in its character; or
- (3) Engages in offensive, obscene, abusive, boisterous, or noisy conduct or in offensive, obscene, or abusive language tending reasonably to arouse alarm, anger, or resentment in others.

A person does not violate this section if the person's disorderly conduct was caused by an epileptic seizure.

Sec. 55. Minnesota Statutes 1993 Supplement, section 609.748, subdivision 5, is amended to read:

Subd. 5. [RESTRAINING ORDER.] (a) The court may grant a restraining order ordering the respondent to cease or avoid the harassment of another person or to have no contact with that person if all of the following occur:

- (1) the petitioner has filed a petition under subdivision 3;
- (2) the sheriff has served respondent with a copy of the temporary restraining order obtained under subdivision 4, and with notice of the time and place of the hearing, or service has been made by publication under subdivision 3, paragraph (b); and
- (3) the court finds at the hearing that there are reasonable grounds to believe that the respondent has engaged in harassment.

A restraining order may be issued only against the respondent named in the petition; except that if the respondent is an organization, the order may be issued against and apply to all of the members of the organization. Relief granted by the restraining order must be for a fixed period of not more than two years. When a referee presides at the hearing on the petition, the restraining order becomes effective upon the referee's signature.

- (b) An order issued under this subdivision must be personally served upon the respondent.

Sec. 56. Minnesota Statutes 1992, section 609.855, is amended to read:

609.855 [CRIMES AGAINST TRANSIT PROVIDERS AND OPERATORS.]

Subdivision 1. [PUBLIC TRANSIT VEHICLE OR FACILITY DEFINED.] A public transit vehicle or facility means a vehicle, facility, or location that is owned, operated, used, contracted for, funded by, or identified by a political subdivision for the purpose of providing public transit service or where passengers can wait, board, or alight the vehicle. The vehicle, facility, or location must be clearly identified as public transit related. Public transit vehicle or facility does not include a taxi or taxi stand.

Subd. 2. [UNLAWFULLY OBTAINING SERVICES.] ~~Whoever intentionally obtains or attempts to obtain service from a provider of regular route public transit as defined in section 174.22, subdivision 8, or from a public conveyance, service without making paying the required fare deposit or otherwise obtaining the consent of the transit operator or other an authorized transit representative is guilty of unlawfully obtaining services and may be sentenced as provided in subdivision 4 7.~~

Subd. 2 3. [UNLAWFUL INTERFERENCE WITH TRANSIT OPERATOR.] (a) ~~Whoever intentionally commits an act that unreasonably interferes with or obstructs tending reasonably to interfere with or obstruct the safe operation of a transit vehicle is guilty of unlawful interference with a transit operator and may be sentenced as provided in subdivision 4 7.~~

(b) An act that is committed on a transit vehicle that distracts the driver from the safe operation of the vehicle or that endangers passengers is unreasonable provided that an authorized transit representative has clearly warned the person once to stop the act. This would include an act prohibited by subdivision 4 after the person has been warned once by the driver and the act continues.

Subd. 3 4. [PROHIBITED ACTIVITIES.] Whoever, while ~~riding~~ in a public transit vehicle providing regular route transit service or facility:

(1) operates a radio, television, tape player, electronic musical instrument, or other electronic device, other than a watch, which amplifies music, unless the sound emanates only from earphones or headphones and except that vehicle operators may operate electronic equipment for official business;

(2) smokes or carries lighted smoking paraphernalia;

(3) consumes food or beverages, except when authorized by the operator or other official of the transit system;

(4) throws or deposits litter;

(5) carries or is in control of an animal without the operator's consent; or

(6) ~~acts in any other manner which disturbs the peace and quiet of another person~~ engages in brawling or fighting or engages in offensive, obscene, abusive, boisterous, or noisy conduct or in offensive, obscene, or abusive language tending reasonably to arouse alarm, anger, or resentment in others;

is guilty of disruptive behavior and may be sentenced as provided in subdivision 4 7.

Subd. 5. [SHOOTING AT PUBLIC TRANSIT VEHICLE OR FACILITY.] Whoever recklessly discharges a firearm at any portion of a public transit vehicle or facility is guilty of a felony and may be sentenced to imprisonment for not more than three years or to payment of a fine of not more than \$6,000, or both. If the transit vehicle or facility is occupied, the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 6. [THROWING OBJECTS AT A PUBLIC TRANSIT VEHICLE OR FACILITY.] Whoever intentionally throws, shoots, or propels any stone, brick, or other missile at a public transit vehicle or facility in a manner which the actor knows or reasonably should know is capable of causing bodily harm is guilty of a gross misdemeanor.

Subd. 4 7. [PENALTY.] Whoever violates ~~subdivision 1, 2, or 3~~ subdivisions 2 to 4 may be sentenced as follows:

(a) to imprisonment for not more than ~~one year~~ three years or to payment of a fine of not more than ~~\$3,000~~ \$5,000, or both, if the violation was accompanied by force or violence or a communication of a threat of force or violence; or

(b) to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, if the violation was not accompanied by force or violence or a communication of a threat of force or violence.

Subd. 8. [RESTRAINING ORDERS.] (a) At the sentencing on a violation of subdivision 2, 3, 4, 5, or 6, the district court shall consider the extent to which the person's conduct has negatively disrupted the delivery of transit services or has affected the utilization of public transit services by others. The district court may, in its discretion, include as part of any sentence for a violation of subdivision 2, 3, 4, 5, or 6, an order restraining the person from using public transit vehicles and facilities for a fixed period, not to exceed two years or any term of probation, whichever is longer.

(b) The district court administrator shall forward copies of any orders, and any subsequent orders of the court rescinding or modifying the original order, promptly to the operator of the transit system on which the offense took place.

(c) A person who violates an order issued under this subdivision is guilty of a gross misdemeanor.

Sec. 57. Minnesota Statutes 1992, section 609.87, is amended by adding a subdivision to read:

Subd. 2a. [AUTHORIZATION.] "Authorization" means with the permission of the owner of the computer, computer system, computer network, computer software, or other property. Authorization may be limited by the owner by: (1) giving the user actual notice orally or in writing; (2) posting a written notice in a prominent location adjacent to the computer being used; or (3) using a notice displayed on or announced by the computer being used.

Sec. 58. Minnesota Statutes 1992, section 609.88, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer damage and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization damages or destroys any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6;

(b) Intentionally and without authorization ~~and~~ or with intent to injure or defraud alters any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6; or

(c) Distributes a destructive computer program, without authorization and with intent to damage or destroy any computer, computer system, computer network, computer software, or any other property specifically defined in section 609.87, subdivision 6.

Sec. 59. Minnesota Statutes 1992, section 609.89, subdivision 1, is amended to read:

Subdivision 1. [ACTS.] Whoever does any of the following is guilty of computer theft and may be sentenced as provided in subdivision 2:

(a) Intentionally and without authorization or claim of right accesses or causes to be accessed any computer, computer system, computer network or any part thereof for the purpose of obtaining services or property; or

(b) Intentionally and without claim of right, and with intent to ~~permanently~~ deprive the owner of use or possession, takes, transfers, conceals or retains possession of any computer, computer system, or any computer software or data contained in a computer, computer system, or computer network.

Sec. 60. [609.8911] [REPORTING VIOLATIONS.]

A person who has reason to believe that any provision of section 609.88, 609.89, or 609.891 is being or has been violated shall report the suspected violation to the prosecuting authority in the county in which all or part of the suspected violation occurred. A person who makes a report under this section is immune from any criminal or civil liability that otherwise might result from the person's action, if the person is acting in good faith.

Sec. 61. Minnesota Statutes 1992, section 617.23, is amended to read:

617.23 [INDECENT EXPOSURE; PENALTIES.]

Every person who shall willfully and lewdly expose the person's body, or the private parts thereof, in any public place, or in any place where others are present, or shall procure another to expose private parts, and every person who shall be guilty of any open or gross lewdness or lascivious behavior, or any public indecency other than hereinbefore specified, shall be guilty of a misdemeanor, ~~and punished by a fine of not less than \$5, or by imprisonment in a county jail for not less than ten days.~~

~~Every person committing the offense herein set forth, after having once been convicted of such an offense in this state, shall be guilty of a gross misdemeanor.~~

A person is guilty of a gross misdemeanor if the person violates this section after having been previously convicted of violating this section, sections 609.342 to 609.3451, or a statute from another state in conformity with any of those sections.

Sec. 62. Minnesota Statutes 1993 Supplement, 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 of a child by a person responsible for the child's care, by a person who has a significant relationship to the child, as defined in section 609.341, or by a person in a position of authority, as defined in section 609.341, subdivision 10, to any act which constitutes a violation of section 609.342, 609.343, 609.344, or 609.345. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246. Sexual abuse includes threatened sexual abuse.

(b) "Person responsible for the child's care" means (1) an individual functioning within the family unit and having responsibilities for the care of the child such as a parent, guardian, or other person having similar care responsibilities, or (2) an individual functioning outside the family unit and having responsibilities for the care of the child such as a 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, babysitting whether paid or unpaid, counseling, teaching, and coaching.

(c) "Neglect" means failure by a 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, 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, or failure to take steps to ensure that a child is educated in accordance with state law. 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 the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child in lieu of medical care; except that there is a duty to report if a lack of medical care may cause imminent and serious danger to the child's health. This section does not impose upon persons, not otherwise legally responsible for providing a child with necessary food, clothing, shelter, education, or medical care, a duty to provide that care. Neglect includes prenatal exposure to a controlled substance, as defined in section 253B.02, subdivision 2, used by the mother for a nonmedical purpose, as evidenced by withdrawal symptoms in the child at birth, results of a toxicology test performed on the mother at delivery or the child at birth, or medical effects or developmental delays during the child's first year of life that medically indicate prenatal exposure to a controlled substance. Neglect also means "medical neglect" as defined in section 260.015, subdivision 2a, clause (5).

(d) "Physical abuse" means any physical or mental injury, or threatened injury, inflicted by a person responsible for the child's care on a child other than by accidental means, or any physical or mental injury that cannot reasonably be explained by the child's history of injuries, or any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Report" means any report received by the local welfare agency, police department, or county sheriff pursuant to this section.

(f) "Facility" means a day care facility, residential facility, agency, hospital, sanitarium, or other facility or institution required to be licensed pursuant to sections 144.50 to 144.58, 241.021, or 245A.01 to 245A.16.

(g) "Operator" means an operator or agency as defined in section 245A.02.

(h) "Commissioner" means the commissioner of human services.

(i) "Assessment" includes authority to interview the child, the person or persons responsible for the child's care, the alleged perpetrator, and any other person with knowledge of the abuse or neglect for the purpose of gathering the facts, assessing the risk to the child, and formulating a plan.

(j) "Practice of social services," for the purposes of subdivision 3, includes but is not limited to employee assistance counseling and the provision of guardian ad litem services.

(k) "Mental injury" means an injury to the psychological capacity or emotional stability of a child as evidenced by an observable or substantial impairment in the child's ability to function within a normal range of performance and behavior with due regard to the child's culture.

(l) "Threatened injury" means a statement, overt act, condition, or status that represents a substantial risk of physical or sexual abuse or mental injury.

Sec. 63. Minnesota Statutes 1992, section 626.557, 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 context indicates otherwise.

(a) "Facility" means a hospital or other entity required to be licensed pursuant to sections 144.50 to 144.58; a nursing home required to be licensed to serve adults pursuant to section 144A.02; an agency, day care facility, or residential facility required to be licensed to serve adults pursuant to sections 245A.01 to 245A.16; or a home care provider licensed under section 144A.46.

(b) "Vulnerable adult" means any person 18 years of age or older:

- (1) who is a resident or inpatient of a facility;
- (2) who receives services at or from a facility required to be licensed to serve adults pursuant to sections 245A.01 to 245A.16, except a person receiving outpatient services for treatment of chemical dependency or mental illness;
- (3) who receives services from a home care provider licensed under section 144A.46; or
- (4) who, regardless of residence or type of service received, is unable or unlikely to report abuse or neglect without assistance because of impairment of mental or physical function or emotional status.

(c) "Caretaker" means an individual or facility who has responsibility for the care of a vulnerable adult as a result of a family relationship, or who has assumed responsibility for all or a portion of the care of a vulnerable adult voluntarily, by contract, or by agreement.

(d) "Abuse" means:

- (1) any act which constitutes a violation under sections 609.221 to 609.223, 609.23 to 609.235, 609.322, 609.342, 609.343, 609.344, or 609.345;
- (2) nontherapeutic conduct which produces or could reasonably be expected to produce pain or injury and is not accidental, or any repeated conduct which produces or could reasonably be expected to produce mental or emotional distress;
- (3) any sexual contact between a facility staff person and a resident or client of that facility;
- (4) the illegal use of a vulnerable adult's person or property for another person's profit or advantage, or the breach of a fiduciary relationship through the use of a person or a person's property for any purpose not in the proper and lawful execution of a trust, including but not limited to situations where a person obtains money, property, or services from a vulnerable adult through the use of undue influence, harassment, duress, deception, or fraud; or
- (5) any aversive and deprivation procedures that have not been authorized under section 245.825.

(e) "Neglect" means:

- (1) failure by a caretaker to supply a vulnerable adult with necessary food, clothing, shelter, health care or supervision;
- (2) the absence or likelihood of absence of necessary food, clothing, shelter, health care, or supervision for a vulnerable adult; or
- (3) the absence or likelihood of absence of necessary financial management to protect a vulnerable adult against abuse as defined in paragraph (d), clause (4). Nothing in this section shall be construed to require a health care facility to provide financial management or supervise financial management for a vulnerable adult except as otherwise required by law.

(f) "Report" means any report received by a local welfare agency, police department, county sheriff, or licensing agency pursuant to this section.

(g) "Licensing agency" means:

- (1) the commissioner of health, for facilities as defined in clause (a) which are required to be licensed or certified by the department of health;
- (2) the commissioner of human services, for facilities required by sections 245A.01 to 245A.16 to be licensed;
- (3) any licensing board which regulates persons pursuant to section 214.01, subdivision 2; and
- (4) any agency responsible for credentialing human services occupations.

(h) "Substantiated" means a preponderance of the evidence shows that an act that meets the definition of abuse or neglect occurred.

(i) "False" means a preponderance of the evidence shows that an act that meets the definition of abuse or neglect did not occur.

(j) "Inconclusive" means there is less than a preponderance of evidence to show that abuse or neglect did or did not occur.

Sec. 64. Minnesota Statutes 1992, section 626.557, subdivision 10a, is amended to read:

Subd. 10a. [NOTIFICATION OF NEGLECT OR ABUSE IN A FACILITY.] (a) When a report is received that alleges neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under section 144A.02 or sections 245A.01 to 245A.16, the local welfare agency investigating the report shall notify the guardian or conservator of the person of a vulnerable adult under guardianship or conservatorship of the person who is alleged to have been abused or neglected. The local welfare agency shall notify the person, if any, designated to be notified in case of an emergency by a vulnerable adult not under guardianship or conservatorship of the person who is alleged to have been abused or neglected, unless consent is denied by the vulnerable adult. The notice shall contain the following information: the name of the facility; the fact that a report of alleged abuse or neglect of a vulnerable adult in the facility has been received; the nature of the alleged abuse or neglect; that the agency is conducting an investigation; any protective or corrective measures being taken pending the outcome of the investigation; and that a written memorandum will be provided when the investigation is completed.

(b) In a case of alleged neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under sections 245A.01 to 245A.16, the local welfare agency may also provide the information in paragraph (a) to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guardianship or conservatorship of the person, to any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the investigative agency knows or has reason to believe the alleged neglect, physical abuse, or sexual abuse has occurred.

(c) When the investigation required under subdivision 10 is completed, the local welfare agency shall provide a written memorandum containing the following information to every guardian or conservator of the person or other person notified by the agency of the investigation under paragraph (a) or (b): the name of the facility investigated; the nature of the alleged neglect, physical abuse, or sexual abuse; the investigator's name; a summary of the investigative findings; a statement of whether the report was found to be substantiated, inconclusive, or false as to abuse or neglect; and the protective or corrective measures that are being or will be taken. The memorandum shall be written in a manner that protects the identity of the reporter and the alleged victim and shall not contain the name or, to the extent possible, reveal the identity of the alleged perpetrator or of those interviewed during the investigation.

(d) In a case of neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of a facility required to be licensed under sections 245A.01 to 245A.16, the local welfare agency may also provide the written memorandum to the guardian or conservator of the person of any other vulnerable adult in the facility who is under guardianship or conservatorship of the person, to any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, and to the person, if any, designated to be notified in case of an emergency by any other vulnerable adult in the facility who is not under guardianship or conservatorship of the person, unless consent is denied by the vulnerable adult, if the report is substantiated or if the investigation is inconclusive and the report is a second or subsequent report of neglect, physical abuse, or sexual abuse of a vulnerable adult while in the care of the facility.

(e) In determining whether to exercise the discretionary authority granted under paragraphs (b) and (d), the local welfare agency shall consider the seriousness and extent of the alleged neglect, physical abuse, or sexual abuse and the impact of notification on the residents of the facility. The facility shall be notified whenever this discretion is exercised.

(f) Where federal law specifically prohibits the disclosure of patient identifying information, the local welfare agency shall not provide any notice under paragraph (a) or (b) or any memorandum under paragraph (c) or (d) unless the vulnerable adult has consented to disclosure in a manner which conforms to federal requirements.

Sec. 65. Minnesota Statutes 1992, section 626.557, subdivision 12, is amended to read:

Subd. 12. [RECORDS.] (a) Each licensing agency shall maintain summary records of reports of alleged abuse or neglect and alleged violations of the requirements of this section with respect to facilities or persons licensed or credentialed by that agency. As part of these records, the agency shall prepare an investigation memorandum. Notwithstanding section 13.46, subdivision 3, the investigation memorandum shall be accessible to the public pursuant to section 13.03 and a copy shall be provided to any public agency which referred the matter to the licensing agency for investigation. It shall contain a complete review of the agency's investigation, including but not limited to: the name of any facility investigated; a statement of the nature of the alleged abuse or neglect or other violation of the requirements of this section; pertinent information obtained from medical or other records reviewed; the investigator's name; a summary of the investigation's findings; a statement of whether the report was found to be substantiated, inconclusive, or false as to abuse or neglect; and a statement of any action taken by the agency. The investigation memorandum shall be written in a manner which protects the identity of the reporter and of the vulnerable adult and may not contain the name or, to the extent possible, the identity of the alleged perpetrator or of those interviewed during the investigation. During the licensing agency's investigation, all data collected pursuant to this section shall be classified as investigative data pursuant to section 13.39. After the licensing agency's investigation is complete, the data on individuals collected and maintained shall be private data on individuals. All data collected pursuant to this section shall be made available to prosecuting authorities and law enforcement officials, local welfare agencies, and licensing agencies investigating the alleged abuse or neglect. The subject of the report may compel disclosure of the name of the reporter only with the consent of the reporter or upon a written finding by the court that the report was false and that there is evidence that the report was made in bad faith. This subdivision does not alter disclosure responsibilities or obligations under the rules of criminal procedure.

(b) Notwithstanding the provisions of section 138.163:

(1) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be false may be destroyed two years after the finding was made;

(2) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be inconclusive may be destroyed four years after the finding was made;

(3) all data maintained by licensing agencies, treatment facilities, or other public agencies which relate to reports which, upon investigation, are found to be substantiated may be destroyed seven years after the finding was made.

Sec. 66. Minnesota Statutes 1992, section 626A.05, subdivision 2, is amended to read:

Subd. 2. [OFFENSES FOR WHICH INTERCEPTION OF WIRE OR ORAL COMMUNICATION MAY BE AUTHORIZED.] A warrant authorizing interception of wire, electronic, or oral communications by investigative or law enforcement officers may only be issued when the interception may provide evidence of the commission of, or of an attempt or conspiracy to commit, any of the following offenses:

(1) a felony offense involving murder, manslaughter, assault in the first, second, and third degrees, aggravated robbery, kidnapping, criminal sexual conduct in the first, second, and third degrees, prostitution, bribery, perjury, escape from custody, theft, receiving stolen property, embezzlement, burglary in the first, second, and third degrees, forgery, aggravated forgery, check forgery, or financial transaction card fraud, as punishable under sections 609.185, 609.19, 609.195, 609.20, 609.221, 609.222, 609.223, 609.2231, 609.245, 609.25, 609.321 to 609.324, 609.342, 609.343, 609.344, 609.42, 609.48, 609.485, subdivision 4, paragraph (a), clause (1), 609.52, 609.53, 609.54, 609.582, 609.625, 609.63, 609.631, 609.821, and 609.825;

(2) an offense relating to gambling or controlled substances, as punishable under section 609.76 or chapter 152; or

(3) an offense relating to restraint of trade defined in section 325D.53, subdivision 1 or 2, as punishable under section 325D.56, subdivision 2.

Sec. 67. Minnesota Statutes 1992, section 629.471, is amended to read:

629.471 [MAXIMUM BAIL ON MISDEMEANORS; GROSS MISDEMEANORS.]

Subdivision 1. [DOUBLE THE FINE.] Except as provided in subdivision 2 or 3, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor offense is double the highest cash fine that may be imposed for that offense.

Subd. 2. [QUADRUPLE THE FINE.] For offenses under sections 169.09, 169.121, 169.129, 518B.01, 609.2231, subdivision 2, 609.224, 609.487, and 609.525, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is quadruple the highest cash fine that may be imposed for the offense.

Subd. 3. [SIX TIMES THE FINE.] For offenses under sections 518B.01 and 609.224, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is six times the highest cash fine that may be imposed for the offense.

Sec. 68. [DEMONSTRATION PROJECTS; INTERVENTION WITH CHIPS-DELINQUENTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of corrections shall establish demonstration projects in at least two counties to develop and provide effective intervention and treatment for children under the age of ten who are committing or have committed unlawful acts. The commissioner may determine the length of the demonstration projects.

Subd. 2. [REPORT.] After the demonstration projects have been completed, the commissioner shall evaluate their success and make recommendations to the legislature concerning the types of services that should be provided to these children.

Sec. 69. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall consider ranking conduct constituting criminal sexual contact with a child under the age of 13, as defined in sections 30 and 34, in severity level VII of the sentencing guidelines grid.

Sec. 70. [SENTENCING GUIDELINES COMMISSION STUDY.]

The sentencing guidelines commission shall evaluate whether the current sentencing guidelines and related statutes are effective in furthering the goals of protecting the public safety and coordinating correctional resources with sentencing policy. Based on this evaluation, the commission shall develop and recommend options for modifying the sentencing guidelines so as to ensure that state correctional resources are reserved for violent offenders. These options may include, but need not be limited to, changes to severity level rankings, criminal history score computations, sentence durations, the grid, and other sentencing guidelines policies.

The commission shall report to the legislature by January 1, 1995, concerning any modifications it proposes to adopt as a result of its study. The commission's report shall explain the rationale behind each proposed modification.

Sec. 71. [REPORT TO THE LEGISLATURE.]

By December 31, 1994, the attorney general, in cooperation with the commissioners of health and human services, shall provide the legislature with a detailed plan with specific law, rule, or administrative procedure changes to implement the recommendations of the advisory committee established under Laws 1993, chapter 338, section 11. The attorney general shall work with that advisory committee, law enforcement agencies, and representatives of labor organizations and professional associations representing employees affected by the vulnerable adults act to develop comprehensive recommendations addressing issues in the operation of Minnesota Statutes, section 626.557, particularly the issues which the advisory committee identified in its February 1994 report to the governor and legislature.

Sec. 72. [REVISOR'S INSTRUCTION.]

In each section of Minnesota Statutes referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C. The references in column C may be changed by the revisor to the section of Minnesota Statutes in which the bill sections are compiled.

<u>Column A</u>	<u>Column B</u>	<u>Column C</u>
260.161	260.315	609.381
260.255	260.315	609.381
260.261	260.315	609.381
609.379	260.315	609.381

Sec. 73. [REPEALER.]

Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; and 609.0332, subdivision 2, are repealed.

Sec. 74. [EFFECTIVE DATE.]

Sections 2 to 28 and 30 to 73 are effective August 1, 1994, and apply to crimes committed on or after that date. Sections 1 and 29 are effective the day following final enactment and applies to crimes committed on or after that date. Offenses committed before August 1, 1994, may be used in computing previous sex offender convictions for purposes of section 38.

ARTICLE 3

FIREARMS PROVISIONS

Section 1. Minnesota Statutes 1992, section 244.09, is amended by adding a subdivision to read:

Subd. 14. [REPORT ON MANDATORY MINIMUM SENTENCES.] The sentencing guidelines commission shall include in its annual report to the legislature a summary and analysis of reports received from county attorneys under section 609.11, subdivision 10. The commission also shall forward to the bureau of criminal apprehension the information provided by county attorneys under section 609.11, subdivision 10.

Sec. 2. [245.041] [PROVISION OF FIREARMS BACKGROUND CHECK INFORMATION.]

Notwithstanding any other provision of law, the department of human services shall provide information to local law enforcement agencies for the sole purpose of facilitating the firearms background check under sections 624.7131, 624.7132, and 624.714.

Sec. 3. [253B.091] [REPORTING JUDICIAL COMMITMENTS INVOLVING PRIVATE TREATMENT PROGRAMS OR FACILITIES.]

When a committing court judicially commits a proposed patient to a treatment program or facility other than a state-operated program or facility, the court shall report the commitment to the department of human services for purposes of firearm background checks under section 245.041.

Sec. 4. Minnesota Statutes 1992, section 383B.225, subdivision 6, is amended to read:

Subd. 6. [INVESTIGATION PROCEDURE.] (a) Upon notification of the death of any person, as provided in subdivision 5, the county medical examiner or a designee may proceed to the body, take charge of it, and order, when necessary, that there be no interference with the body or the scene of death. Any person violating the order of the examiner is guilty of a misdemeanor. The examiner or the examiner's designee shall make inquiry regarding the cause and manner of death and prepare written findings together with the report of death and its circumstances, which shall be filed in the office of the examiner. When it appears that death may have resulted from a criminal act and that further investigation is advisable, a copy of the report shall be transmitted to the county attorney. The examiner may take possession of all property of the deceased, mark it for identification, and make an inventory. The examiner shall take possession of all articles useful in establishing the cause of death, mark them for identification and retain them securely until they are no longer needed for evidence or investigation. The examiner shall release any property or articles needed for any criminal investigation to law enforcement officers conducting the investigation. When a reasonable basis exists for not releasing property or articles to law enforcement officers, the examiner shall consult with the county attorney. If the county attorney determines that a reasonable basis exists for not releasing the property or articles, the examiner may retain them. The property or articles shall be returned immediately upon completion of the investigation. When the property or articles are no longer needed for the investigation or as evidence, the examiner shall release the property or articles to the person or persons entitled to them. Notwithstanding any other law to the contrary, when personal property of a decedent has come into the possession of the examiner, and is not used for a criminal investigation or as evidence, and has not been otherwise released as provided in this subdivision, the name of the decedent shall be filed with the probate court, together with a copy of the inventory of the decedent's property. At that time, an examination of the records of the probate court shall be made to determine whether a will has been admitted to probate or an administration has been commenced. Property of a nominal value, including wearing apparel, may be released to the spouse or any blood relative of the decedent or to the person accepting financial responsibility for burial of the decedent. If property has not been released by the examiner and no will has been admitted to probate or administration commenced within six months after death, the examiner shall sell the property at a public auction upon notice and in a manner as the probate court may direct; except that the examiner must cause to be destroyed any firearm or other weapon that is not released to or claimed by a decedent's spouse or blood relative. If the name of the decedent is not known, the examiner shall inventory the

property of the decedent and after six months may sell the property at a public auction. The examiner shall be allowed reasonable expenses for the care and sale of the property and shall deposit the net proceeds of the sale with the county administrator, or the administrator's designee, in the name of the decedent, if known. If the decedent is not known, the examiner shall establish a means of identifying the property of the decedent with the unknown decedent and shall deposit the net proceeds of the sale with the county administrator, or a designee, so, that, if the unknown decedent's identity is established within six years, the proceeds can be properly distributed. In either case, duplicate receipts shall be provided to the examiner, one of which shall be filed with the court, the other of which shall be retained in the office of the examiner. If a representative shall qualify within six years from the time of deposit, the county administrator, or a designee, shall pay the amount of the deposit to the representative upon order of the court. If no order is made within six years, the proceeds of the sale shall become a part of the general revenue of the county.

(b) For the purposes of this section, health-related records or data on a decedent, except health data defined in section 13.38, whose death is being investigated under this section, whether the records or data are recorded or unrecorded, including but not limited to those concerning medical, surgical, psychiatric, psychological, or any other consultation, diagnosis, or treatment, including medical imaging, shall be made promptly available to the medical examiner, upon the medical examiner's written request, by a person having custody of, possession of, access to, or knowledge of the records or data. The medical examiner shall pay the reasonable costs of copies of records or data provided to the medical examiner under this section. Data collected or created pursuant to this subdivision relating to any psychiatric, psychological, or mental health consultation with, diagnosis of, or treatment of the decedent whose death is being investigated shall remain confidential or protected nonpublic data, except that the medical examiner's report may contain a summary of such data.

Sec. 5. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 4, is amended to read:

Subd. 4. [DANGEROUS WEAPON.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a dangerous weapon other than a firearm, ~~or had in possession a firearm~~, shall be committed to the commissioner of corrections for not less than one year plus one day, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, used a dangerous weapon other than a firearm, ~~or had in possession a firearm~~, shall be committed to the commissioner of corrections for not less than three years nor more than the maximum sentence provided by law.

Sec. 6. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 5, is amended to read:

Subd. 5. [FIREARM.] Any defendant convicted of an offense listed in subdivision 9 in which the defendant or an accomplice, at the time of the offense, possessed or used, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm, shall be committed to the commissioner of corrections for not less than three years, nor more than the maximum sentence provided by law. Any defendant convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of the offense, possessed or used a firearm shall be committed to the commissioner of corrections for not less than five years, nor more than the maximum sentence provided by law.

Sec. 7. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 8, is amended to read:

Subd. 8. [MOTION BY PROSECUTOR.] (a) Except as otherwise provided in paragraph (b), prior to the time of sentencing, the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentences established by this section. The motion shall be accompanied by a statement on the record of the reasons for it. When presented with the motion and if it finds substantial mitigating factors exist, or on its own motion, the court shall may sentence the defendant without regard to the mandatory minimum sentences established by this section if the court finds substantial and compelling reasons to do so. A sentence imposed under this subdivision is a departure from the sentencing guidelines.

(b) The court may not, on its own motion or the prosecutor's motion, sentence a defendant without regard to the mandatory minimum sentences established by this section if the defendant previously has been convicted of an offense listed in subdivision 9 in which the defendant used or possessed a firearm or other dangerous weapon.

Sec. 8. Minnesota Statutes 1993 Supplement, section 609.11, is amended by adding a subdivision to read:

Subd. 10. [REPORT TO SENTENCING GUIDELINES COMMISSION.] By February 1 each year, each county attorney shall file a report with the sentencing guidelines commission providing the following information for the previous calendar year:

(1) the number of cases charged to which the provisions of this section apply;

(2) for cases resulting in a conviction, the number of cases in which the offender received the mandatory sentence required by this section; and

(3) for cases resulting in a conviction in which the offender did not receive at least the mandatory minimum sentence, a statement of the reasons.

Nothing in this subdivision requires a county attorney to reveal the reason the offender did not receive at least the mandatory minimum sentence if revealing the reason could endanger public safety, the safety of any person, or the integrity of an ongoing investigation.

Sec. 9. Minnesota Statutes 1992, section 609.165, is amended by adding a subdivision to read:

Subd. 1b. [VIOLATION AND PENALTY.] (a) Any person, whether imprisoned, on probation, or under supervised release, who ships, transports, possesses, or receives a firearm in violation of subdivision 1a, commits a crime and may be sentenced to imprisonment for not more than three years or required to pay a fine of not more than \$6,000, or both.

(b) Nothing in this section shall be construed to bar a conviction and sentencing for a violation of section 624.713, subdivision 1, clause (b).

Sec. 10. Minnesota Statutes 1993 Supplement, section 609.5315, subdivision 1, is amended to read:

Subdivision 1. [DISPOSITION.] If the court finds under section 609.5313, 609.5314, or 609.5318 that the property is subject to forfeiture, it shall order the appropriate agency to:

(1) destroy all weapons used, firearms, ammunition, and firearm accessories that the agency decides not to use for law enforcement purposes under clause (6);

(2) sell property that is not required to be destroyed by law and is not harmful to the public and distribute the proceeds under subdivision 5;

(2) (3) take custody of the property and remove it for disposition in accordance with law;

(3) (4) forward the property to the federal drug enforcement administration;

(4) (5) disburse money as provided under subdivision 5; or

(5) (6) keep property other than money for official use by the agency and the prosecuting agency.

Sec. 11. Minnesota Statutes 1993 Supplement, section 609.5315, subdivision 2, is amended to read:

Subd. 2. [DISPOSITION OF ADMINISTRATIVELY FORFEITED PROPERTY.] If property is forfeited administratively under section 609.5314 or 609.5318 and no demand for judicial determination is made, the appropriate agency may dispose of the property in any of the ways listed in subdivision 1, except that the agency must destroy all forfeited weapons used, firearms, ammunition, and firearm accessories that the agency decides not to use for law enforcement purposes under subdivision 1, clause (6).

Sec. 12. Minnesota Statutes 1992, section 609.5316, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND.] Except as otherwise provided in this subdivision, if the property is contraband, the property must be summarily forfeited and either destroyed or used by the appropriate agency for law enforcement purposes. Upon summary forfeiture, weapons used must be destroyed by the appropriate agency unless the agency decides to use the weapons for law enforcement purposes.

Sec. 13. Minnesota Statutes 1992, section 609.66, subdivision 1b, is amended to read:

Subd. 1b. [FELONY; FURNISHING TO MINORS.] Whoever, in any municipality of this state, furnishes a minor under 18 years of age with a firearm, airgun, ammunition, or explosive without the prior consent of the minor's parent or guardian or of the police department of the municipality is guilty of a felony and may be sentenced to

imprisonment for not more than five ten years or to payment of a fine of not more than \$10,000 \$20,000, or both. Possession of written evidence of prior consent signed by the minor's parent or guardian is a complete defense to a charge under this subdivision.

Sec. 14. Minnesota Statutes 1992, section 609.66, subdivision 1c, is amended to read:

Subd. 1c. [FELONY; FURNISHING A DANGEROUS WEAPON.] Whoever recklessly furnishes a person with a dangerous weapon in conscious disregard of a known substantial risk that the object will be possessed or used in furtherance of a felony crime of violence is guilty of a felony and may be sentenced to imprisonment for not more than five ten years or to payment of a fine of not more than \$10,000 \$20,000, or both.

Sec. 15. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 1f. [GROSS MISDEMEANOR; TRANSFERRING A FIREARM WITHOUT BACKGROUND CHECK.] A person, other than a federally-licensed firearms dealer, who transfers a pistol or semiautomatic military-style assault weapon to another without complying with the transfer requirements of section 624.7132, is guilty of a gross misdemeanor if the transferee possesses or uses the weapon within one year after the transfer in furtherance of a felony crime of violence, and if:

- (1) the transferee was prohibited from possessing the weapon under section 624.713 at the time of the transfer; or
- (2) it was reasonably foreseeable at the time of the transfer that the transferee was likely to use or possess the weapon in furtherance of a felony crime of violence.

Sec. 16. [609.667] [FIREARMS; REMOVAL OR ALTERATION OF SERIAL NUMBER.]

Whoever commits any of the following acts may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both:

- (1) obliterates, removes, changes, or alters the serial number or other identification of a firearm;
- (2) receives or possesses a firearm, the serial number or other identification of which has been obliterated, removed, changed, or altered; or
- (3) receives or possesses a firearm that is not identified by a serial number.

As used in this section, "serial number or other identification" means the serial number and other information required under United States Code, title 26, section 5842, for the identification of firearms.

Sec. 17. Minnesota Statutes 1992, section 609.713, subdivision 3, is amended to read:

Subd. 3. (a) Whoever displays, exhibits, brandishes, or otherwise employs a replica firearm or a BB gun in a threatening manner, may be sentenced to imprisonment for not more than one year and one day or to payment of a fine of not more than \$3,000, or both, if, in doing so, the person either:

- (1) causes or attempts to cause terror in another person; or
- (2) acts in reckless disregard of the risk of causing terror in another person.

(b) For purposes of this subdivision:

(1) "BB gun" means a device that fires or ejects a shot measuring .18 of an inch or less in diameter; and

(2) "replica firearm" means a device or object that is not defined as a dangerous weapon, and that is a facsimile or toy version of, and reasonably appears to be a pistol, revolver, shotgun, sawed-off shotgun, rifle, machine gun, rocket launcher, or any other firearm. The term replica firearm includes, but is not limited to, devices or objects that are designed to fire only blanks.

Sec. 18. Minnesota Statutes 1993 Supplement, section 624.712, subdivision 5, is amended to read:

Subd. 5. "Crime of violence" includes murder in the first, second, and third degrees, manslaughter in the first and second degrees, aiding suicide, aiding attempted suicide, felony violations of assault in the first, second, third, and fourth degrees, assaults motivated by bias under section 609.2231, subdivision 4, terroristic threats, use of drugs to injure or to facilitate crime, simple robbery, aggravated robbery, kidnapping, false imprisonment, criminal sexual conduct in the first, second, third, and fourth degrees, theft of a firearm, arson in the first and second degrees, riot, burglary in the first, second, third, and fourth degrees, reckless use of a gun or dangerous weapon, intentionally pointing a gun at or towards a human being, setting a spring gun, and unlawfully owning, possessing, operating a machine gun or short-barreled shotgun, and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609. "Crime of violence" also includes felony violations of chapter 152.

Sec. 19. Minnesota Statutes 1993 Supplement, section 624.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol or semiautomatic military-style assault weapon or, except for paragraph (a), any other firearm:

(a) a person under the age of 18 years except that a person under 18 may carry or possess a pistol or semiautomatic military-style assault weapon (i) in the actual presence or under the direct supervision of the person's 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; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol or semiautomatic military-style assault weapon and approved by the commissioner of natural resources;

(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 to civil rights or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. 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 retarded," or "mentally ill and dangerous to the public" person as defined in section 253B.02, to a treatment facility, or who has ever been found incompetent to stand trial or not guilty by reason of mental illness, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that the person is no longer suffering from this disability;

(d) a person who has been convicted in Minnesota or elsewhere of a misdemeanor or gross misdemeanor violation of chapter 152, 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 the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent" as defined in section 253B.02, unless the person has completed treatment. Property rights may not be abated but access may be restricted by the courts;

(f) a peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility. Property rights may not be abated but access may be restricted by the courts;

(g) a person who has been charged with committing a crime of violence and has been placed in a pretrial diversion program by the court before disposition, until the person has completed the diversion program and the charge of committing the crime of violence has been dismissed; or

(h) a person who has been convicted in another state of committing an offense similar to the offense described in section 609.224, subdivision 3, against a family or household member, unless three years have elapsed since the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224, subdivision 3, or a similar law of another state.

A person who issues a certificate pursuant to this subdivision in good faith is not liable for damages resulting or arising from the actions or misconduct with a firearm committed by the individual who is the subject of the certificate.

Sec. 20. Minnesota Statutes 1993 Supplement, section 624.7131, subdivision 1, is amended to read:

Subdivision 1. [INFORMATION.] Any person may apply for a transferee permit by providing the following information in writing to the chief of police of an organized full time police department of the municipality in which the person resides or to the county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee; and

(c) a statement that the proposed transferee authorizes the release to the local police authority of information about the proposed transferee collected, created, or maintained by the department of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1, clause (c), (e), or (f); and

(d) a statement by the proposed transferee that the proposed transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

The statement statements shall be signed and dated by the person applying for a permit. At the time of application, the local police authority shall provide the applicant with a dated receipt for the application.

Sec. 21. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 1, is amended to read:

Subdivision 1. [REQUIRED INFORMATION.] Except as provided in this section and section 624.7131, every person who agrees to transfer a pistol or semiautomatic military-style assault weapon shall report the following information in writing to the chief of police of the organized full-time police department of the municipality where the agreement is made or to the appropriate county sheriff if there is no such local chief of police:

(a) the name, residence, telephone number and driver's license number or nonqualification certificate number, if any, of the proposed transferee;

(b) the sex, date of birth, height, weight and color of eyes, and distinguishing physical characteristics, if any, of the proposed transferee;

(c) a statement that the proposed transferee authorizes the release to the local police authority of information about the proposed transferee collected, created, or maintained by the department of human services, to the extent that the information relates to the proposed transferee's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1, clause (c), (e), or (f);

(d) a statement by the proposed transferee that the transferee is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon; and

(~~d~~) (e) the address of the place of business of the transferor.

The report shall be signed and dated by the transferor and the proposed transferee. The report shall be delivered by the transferor to the chief of police or sheriff no later than three days after the date of the agreement to transfer, excluding weekends and legal holidays.

Sec. 22. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 12, is amended to read:

Subd. 12. [EXCLUSIONS.] Except as otherwise provided in section 609.66, subdivision 1f, this section shall not apply to transfers of antique firearms as curiosities or for their historical significance or value, transfers to or between federally licensed firearms dealers, transfers by order of court, involuntary transfers, transfers at death or the following transfers:

(a) a transfer by a person other than a federally licensed firearms dealer;

- (b) a loan to a prospective transferee if the loan is intended for a period of no more than one day;
- (c) the delivery of a pistol or semiautomatic military-style assault weapon to a person for the purpose of repair, reconditioning or remodeling;
- (d) a loan by a teacher to a student in a course designed to teach marksmanship or safety with a pistol and approved by the commissioner of natural resources;
- (e) a loan between persons at a firearms collectors exhibition;
- (f) a loan between persons lawfully engaged in hunting or target shooting if the loan is intended for a period of no more than 12 hours;
- (g) a loan between law enforcement officers who have the power to make arrests other than citizen arrests; and
- (h) a loan between employees or between the employer and an employee in a business if the employee is required to carry a pistol or semiautomatic military-style assault weapon by reason of employment and is the holder of a valid permit to carry a pistol.

Sec. 23. Minnesota Statutes 1992, section 624.714, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] Applications for permits to carry shall set forth in writing the following information:

- (1) the name, residence, telephone number, and driver's license number or nonqualification certificate number, if any, of the applicant;
- (2) the sex, date of birth, height, weight, and color of eyes and hair, and distinguishing physical characteristics, if any, of the applicant;
- (3) a statement that the applicant authorizes the release to the local police authority of information about the applicant collected, created, or maintained by the department of human services, to the extent that the information relates to the applicant's eligibility to possess a pistol or semiautomatic military-style assault weapon under section 624.713, subdivision 1, clause (c), (e), or (f);
- (4) a statement by the applicant that the applicant is not prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon; and
- (4) (5) a recent color photograph of the applicant.

The application shall be signed and dated by the applicant.

Sec. 24. Minnesota Statutes 1993 Supplement, section 624.7181, is amended to read:

624.7181 [RIFLES AND SHOTGUNS IN PUBLIC PLACES.]

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

- (a) "BB gun" means a device that fires or ejects a shot measuring .18 of an inch or less in diameter.
- (b) "Carry" does not include:
 - (1) the carrying of a BB gun, rifle, or shotgun to, from, or at a place where firearms are repaired, bought, sold, traded, or displayed, or where hunting, target shooting, or other lawful activity involving firearms occurs, or at funerals, parades, or other lawful ceremonies;
 - (2) the carrying by a person of a BB gun, rifle, or shotgun that is unloaded and in a gun case expressly made to contain a firearm, if the case fully encloses the firearm by being zipped, snapped, buckled, tied, or otherwise fastened, and no portion of the firearm is exposed;
 - (3) the carrying of a BB gun, rifle, or shotgun by a person who has a permit under section 624.714;

- (4) the carrying of an antique firearm as a curiosity or for its historical significance or value; or
- (5) the transporting of a BB gun, rifle, or shotgun in compliance with section 97B.045.

(b) (c) "Public place" means property owned, leased, or controlled by a governmental unit and private property that is regularly and frequently open to or made available for use by the public in sufficient numbers to give clear notice of the property's current dedication to public use but does not include: a person's dwelling house or premises, the place of business owned or managed by the person, or land possessed by the person; a gun show, gun shop, or hunting or target shooting facility; or the woods, fields, or waters of this state where the person is present lawfully for the purpose of hunting or target shooting or other lawful activity involving firearms.

Subd. 2. [GROSS MISDEMEANOR.] Whoever carries a BB gun, rifle, or shotgun on or about the person in a public place is guilty of a gross misdemeanor.

Subd. 3. [EXCEPTIONS.] This section does not apply to officers, employees, or agents of law enforcement agencies or the armed forces of this state or the United States, or private detectives or protective agents, to the extent that these persons are authorized by law to carry firearms and are acting in the scope of their official duties.

Sec. 25. [629.625] [CONDITIONS OF PRETRIAL RELEASE.]

A judge or judicial officer may order, as a condition of pretrial release, that the defendant must refrain from possessing a firearm, destructive device, or other dangerous weapon during the conditional release period. This condition may be imposed in addition to any other condition authorized by Rule 6.02 of the Rules of Criminal Procedure.

Sec. 26. [FIREARMS REPORT REQUIRED.]

The criminal justice statistical analysis center of the office of strategic and long-range planning shall report to the legislature no later than January 31 of each year on the number of persons arrested, charged, convicted, and sentenced for violations of each state law affecting the use or possession of firearms. The report must include complete statistics, including full information on the firearms involved, on each crime committed affecting the use or possession of firearms and a breakdown by county of the crimes committed.

Sec. 27. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall consider increasing the severity level ranking of the crime of theft of a firearm. If the commission modifies the ranking, the commission shall apply the modification to crimes committed on or after August 1, 1994.

Sec. 28. [EFFECTIVE DATE.]

Sections 1 to 27 are effective August 1, 1994, and apply to crimes committed on or after that date.

ARTICLE 4

LAW ENFORCEMENT

Section 1. [8.35] [CRIME INFORMATION REWARD FUND; ESTABLISHMENT AND ADMINISTRATION.]

Subdivision 1. [CREATION.] A crime information reward fund is created as an account in the state treasury. Money appropriated to the account is available to pay rewards as directed by the board under subdivision 3.

Subd. 2. [CRIME INFORMATION REWARD BOARD.] A crime information reward board is established consisting of the following members:

- (1) the attorney general;
- (2) the chair of the house judiciary committee;
- (3) the chair of the senate crime prevention committee;

- (4) the commissioner of public safety;
- (5) a county attorney appointed by the governor;
- (6) a police chief or sheriff appointed by the governor; and
- (7) a public member appointed by the governor, who is a crime victim.

The attorney general shall serve as chair of the board.

Subd. 3. [POWERS AND DUTIES.] The board is authorized to pay a reward to any person who, in response to a board-sponsored reward offer, provides information leading to the arrest and conviction of a criminal offender. The board shall establish criteria for determining the amount of the reward and the duration of the reward offer. In no event shall a reward exceed \$..... or a reward offer remain open longer than .. days. The board shall select the criminal investigations for which rewards are offered based on recommendations made by board members or by the law enforcement agency or agencies conducting the criminal investigation.

Subd. 4. [TERMS; COMPENSATION; VACANCIES; MEETINGS.] Section 15.075 governs the membership terms, compensation, and removal of members and the filling of membership vacancies, except that board members are not eligible to receive per diem compensation. The board shall meet at the call of the chair to make decisions regarding reward offers and the payment of rewards. The board may conduct its meetings by means of telephone conference calls, where necessary.

Sec. 2. Minnesota Statutes 1993 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) 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:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) 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;
- (6) to administer federal funds or programs;
- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax;
- (9) to the Minnesota department of jobs and training for the purpose of monitoring the eligibility of the data subject for unemployment compensation, for any employment or training program administered, supervised, or certified by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, and to verify receipt of energy assistance for the telephone assistance plan;
- (10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;
- (11) data maintained by residential facilities as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;

(12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;

(13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education coordinating board to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);

(14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;

(15) the current address of a recipient of aid to families with dependent children, ~~medical assistance, general assistance, work readiness, or general assistance medical care~~ may be disclosed to law enforcement officers who provide the name and social security number of the recipient and satisfactorily demonstrate that: (i) the recipient is a fugitive felon, including the grounds for this determination; (ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and (iii) the request is made in writing and in the proper exercise of those duties; ~~or~~

(16) the current address of a recipient of general assistance, work readiness, or general assistance medical care may be disclosed to probation officers and corrections agents who are supervising the recipient, and to law enforcement officers who are investigating the recipient in connection with a gross misdemeanor or felony level offense; or

(17) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the food stamp act, in accordance with Code of Federal Regulations, title 7, section 272.1(c).

(b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed in accordance with the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.

(c) Data provided to law enforcement agencies under paragraph (a), clause (15) ~~or~~, (16), ~~or~~ (17), or paragraph (b) are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).

(d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 3. Minnesota Statutes 1993 Supplement, section 13.82, subdivision 10, is amended to read:

Subd. 10. [PROTECTION OF IDENTITIES.] A law enforcement agency or a law enforcement dispatching agency working under direction of a law enforcement agency may withhold public access to data on individuals to protect the identity of individuals in the following circumstances:

(a) when access to the data would reveal the identity of an undercover law enforcement officer;

(b) when access to the data would reveal the identity of a victim of criminal sexual conduct or of a violation of section 617.246, subdivision 2;

(c) when access to the data would reveal the identity of a paid or unpaid informant being used by the agency if the agency reasonably determines that revealing the identity of the informant would threaten the personal safety of the informant;

(d) when access to the data would reveal the identity of a victim of or witness to a crime if the victim or witness specifically requests not to be identified publicly, and the agency reasonably determines that revealing the identity of the victim or witness would threaten the personal safety or property of the individual;

(e) when access to the data would reveal the identity of a deceased person whose body was unlawfully removed from a cemetery in which it was interred; ~~or~~

(f) when access to the data would reveal the identity of a person who placed a call to a 911 system or the identity or telephone number of a service subscriber whose phone is used to place a call to the 911 system and: (1) the agency determines that revealing the identity may threaten the personal safety or property of any person; or (2) the object of the call is to receive help in a mental health emergency. For the purposes of this paragraph, a voice recording of a call placed to the 911 system is deemed to reveal the identity of the caller; or

(g) when access to the data would reveal the identity of a juvenile witness and the agency reasonably determines that the subject matter of the investigation justifies protecting the identity of the witness.

Data concerning individuals whose identities are protected by this subdivision are private data about those individuals. Law enforcement agencies shall establish procedures to acquire the data and make the decisions necessary to protect the identity of individuals described in clause clauses (d) and (g).

Sec. 4. Minnesota Statutes 1992, section 13.99, subdivision 79, is amended to read:

Subd. 79. [PEACE OFFICERS, COURT SERVICES, AND CORRECTIONS RECORDS OF JUVENILES.] Inspection and maintenance of juvenile records held by police and the commissioner of corrections are governed by section 260.161, subdivision 3. Disclosure to school officials of court services data on juveniles adjudicated delinquent is governed by section 260.161, subdivision 3a.

Sec. 5. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 2, is amended to read:

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. "Patient" also means a minor who is admitted to a residential program as defined in section 253C.01. For purposes of subdivisions 1, 3 to 16, 18, 20 and 30, "patient" also means any person who is receiving mental health treatment on an outpatient basis or in a community support program or other community-based program. "Resident" means a person who is admitted to a nonacute care facility including extended care facilities, nursing homes, and boarding care homes for care required because of prolonged mental or physical illness or disability, recovery from injury or disease, or advancing age. For purposes of all subdivisions except subdivisions 28 and 29, "resident" also means a person who is admitted to a facility licensed as a board and lodging facility under Minnesota Rules, parts 4625.0100 to 4625.2355, or a supervised living facility under Minnesota Rules, parts 4665.0100 to 4665.9900, and which operates a rehabilitation program licensed under Minnesota Rules, parts 9530.4100 to 9530.4450. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident.

Sec. 6. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 21, is amended to read:

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. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident. 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.

Sec. 7. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 26, is amended to read:

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. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident.

Sec. 8. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] (a) A person shall register under this section if:

(1) the person was charged with or petitioned for a felony violation of or attempt to violate any of the following, and convicted of or adjudicated delinquent for that offense or of another offense arising out of the same set of circumstances:

(i) murder under section 609.185, clause (2);

(ii) kidnapping under section 609.25, involving a minor victim; or

(iii) criminal sexual conduct under section 609.342, ~~subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.343, subdivision 1, paragraph (a), (b), (c), (d), (e), or (f); 609.344, subdivision 1, paragraph (c), or (d); or 609.345, subdivision 1, paragraph (c), or (d); or~~

(2) the person was convicted of a predatory crime as defined in section 609.1352, and the offender was sentenced as a patterned sex offender or the court found on its own motion or that of the prosecutor that the crime was part of a predatory pattern of behavior that had criminal sexual conduct as its goal.

(b) A person also shall register under this section if:

(1) the person was convicted or adjudicated in another state of an offense which would be a violation of a law described in paragraph (a) if committed in this state; and

(2) the person enters and remains in this state for 30 days or longer.

Sec. 9. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 2, is amended to read:

Subd. 2. [NOTICE.] When a person who is required to register under this section subdivision 1, paragraph (a), is sentenced, the court shall tell the person of the duty to register under this section. The court shall require the person to read and sign a form stating that the duty of the person to register under this section has been explained. If a person required to register under this section was not notified by the court of the registration requirement at the time of sentencing, the assigned corrections agent shall notify the person of the requirements of this section.

Sec. 10. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 3, is amended to read:

Subd. 3. [REGISTRATION PROCEDURE.] (a) The A person required to register under subdivision 1, paragraph (a), shall register with the corrections agent as soon as the agent is assigned to the person. A person required to register under subdivision 1, paragraph (b), shall register with the bureau of criminal apprehension.

(b) If the person changes residence address, the person shall give the new address to the current or last assigned Minnesota corrections agent or, where applicable, to the Bureau of Criminal Apprehension in writing within ten days. An offender is deemed to change addresses when the offender remains at a new address for longer than two weeks and evinces an intent to take up residence there. The agent shall, within three business days after receipt of this information, forward it to the bureau of criminal apprehension.

Sec. 11. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 4, is amended to read:

Subd. 4. [CONTENTS OF REGISTRATION.] The registration provided to the corrections agent or to the bureau of criminal apprehension must consist of a statement in writing signed by the person, giving information required by the bureau of criminal apprehension, and a fingerprint card and photograph of the person if these have not already been obtained in connection with the offense that triggers registration. Within three days, the corrections agent shall forward the statement, fingerprint card, and photograph to the bureau of criminal apprehension. The bureau shall send one copy to the appropriate law enforcement authority that will have jurisdiction where the person will reside on release or discharge.

Sec. 12. Minnesota Statutes 1992, section 243.166, subdivision 5, is amended to read:

Subd. 5. [CRIMINAL PENALTY.] A person required to register under this section who violates any of its provisions or intentionally provides false information to a corrections agent is guilty of a gross misdemeanor. A violation of this section may be prosecuted either where the person resides or where the person was last assigned to a Minnesota corrections agent.

Sec. 13. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 6, is amended to read:

Subd. 6. [REGISTRATION PERIOD.] (a) Notwithstanding the provisions of section 609.165, subdivision 1, a person required to register under this section subdivision 1, paragraph (a), shall continue to comply with this section until ten years have elapsed since the person was initially assigned to a corrections agent in connection with the offense, or until the probation, supervised release, or conditional release period expires, whichever occurs later. A person required to register under subdivision 1, paragraph (b), shall continue to comply with this section until ten years have elapsed since the person initially entered this state or until the person's probation, supervised release, or parole expires, whichever occurs later.

(b) If a person required to register under this section fails to register following a change in address, the commissioner of public safety may require the person to continue to register for an additional period of five years.

Sec. 14. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 9, is amended to read:

Subd. 9. [PRISONERS OR PROBATIONERS FROM OTHER STATES.] When the state accepts ~~a prisoner an offender~~ from another state under a reciprocal agreement under the interstate compact authorized by section 243.16 or under any authorized interstate agreement, the acceptance is conditional on the offender agreeing to register under this section when the offender is living in Minnesota ~~following a term of imprisonment if any part of that term was served in this state.~~

Sec. 15. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 3, is amended to read:

Subd. 3. [VISITORS AND PHONE CALLS.] Subject to the general rules of the treatment facility, a patient has the right to receive visitors and make phone calls. The head of the treatment facility may restrict visits and phone calls on determining that the medical welfare of the patient requires it. Any limitation imposed on the exercise of the patient's visitation and phone call rights and the reason for it shall be made a part of the clinical record of the patient. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident.

Sec. 16. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 4, is amended to read:

Subd. 4. [SPECIAL VISITATION; RELIGION.] A patient has the right to meet with or call a personal physician, spiritual advisor, and counsel at all reasonable times. Upon admission to a facility, a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or

resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. Although a patient or resident or the legal guardian or conservator of a patient or resident has requested that directory information be private, the hospital may release directory information to a law enforcement agency, probation officer, or corrections agent pursuant to a lawful investigation pertaining to the patient or resident. The patient has the right to continue the practice of religion.

Sec. 17. Minnesota Statutes 1993 Supplement, section 260.161, subdivision 1, is amended to read:

Subdivision 1. [RECORDS REQUIRED TO BE KEPT.] (a) The juvenile court judge shall keep such minutes and in such manner as the court deems necessary and proper. Except as provided in paragraph (b), the court shall keep and maintain records pertaining to delinquent adjudications until the person reaches the age of 23 years and shall release the records on an individual to another juvenile court that has jurisdiction of the juvenile, to a requesting adult court for purposes of sentencing, or to an adult court or juvenile court as required by the right of confrontation of either the United States Constitution or the Minnesota Constitution. The juvenile court shall provide, upon the request of any other juvenile court, copies of the records concerning adjudications involving the particular child. The court also shall provide copies of records concerning delinquency adjudications, on request, to law enforcement agencies, probation officers, and corrections agents.

The court shall also keep an index in which files pertaining to juvenile matters shall be indexed under the name of the child. After the name of each file shall be shown the file number and, if ordered by the court, the book and page of the register in which the documents pertaining to such file are listed. The court shall also keep a register properly indexed in which shall be listed under the name of the child all documents filed pertaining to the child and in the order filed. The list shall show the name of the document and the date of filing thereof. The juvenile court legal records shall be deposited in files and shall include the petition, summons, notice, findings, orders, decrees, judgments, and motions and such other matters as the court deems necessary and proper. Unless otherwise provided by law, all court records shall be open at all reasonable times to the inspection of any child to whom the records relate, and to the child's parent and guardian.

(b) The court shall retain records of the court finding that a juvenile committed an act that would be a violation of, or an attempt to violate, section 609.342, 609.343, 609.344, or 609.345, until the offender reaches the age of 25. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the court shall retain the juvenile records for as long as the records would have been retained if the offender had been an adult at the time of the juvenile offense. This paragraph does not apply unless the juvenile was represented by an attorney when the petition was admitted or proven.

Sec. 18. Minnesota Statutes 1993 Supplement, section 260.161, subdivision 3, is amended to read:

Subd. 3. [PEACE OFFICER RECORDS OF CHILDREN.] (a) Except for records relating to an offense where proceedings are public under section 260.155, subdivision 1, peace officers' records of children who are or may be delinquent or who may be engaged in criminal acts shall be kept separate from records of persons 18 years of age or older and are private data but shall be disseminated: (1) by order of the juvenile court, (2) as required by section 126.036, (3) as authorized under section 13.82, subdivision 2, (4) to the child or the child's parent or guardian unless disclosure of a record would interfere with an ongoing investigation, or (5) as provided in paragraph paragraphs (d), (e), (f), and (g). Except as provided in paragraph (c), no photographs of a child taken into custody may be taken without the consent of the juvenile court unless the child is alleged to have violated section 169.121 or 169.129. Peace officers' records containing data about children who are victims of crimes or witnesses to crimes must be administered consistent with section 13.82, subdivisions 2, 3, 4, and 10. Any person violating any of the provisions of this subdivision shall be guilty of a misdemeanor.

In the case of computerized records maintained about juveniles by peace officers, the requirement of this subdivision that records about juveniles must be kept separate from adult records does not mean that a law enforcement agency must keep its records concerning juveniles on a separate computer system. Law enforcement agencies may keep juvenile records on the same computer as adult records and may use a common index to access both juvenile and adult records so long as the agency has in place procedures that keep juvenile records in a separate place in computer storage and that comply with the special data retention and other requirements associated with protecting data on juveniles.

(b) Nothing in this subdivision prohibits the exchange of information by law enforcement agencies if the exchanged information is pertinent and necessary to the requesting agency in initiating, furthering, or completing a criminal investigation.

(c) A photograph may be taken of a child taken into custody pursuant to section 260.165, subdivision 1, clause (b), provided that the photograph must be destroyed when the child reaches the age of 19 years. The commissioner of corrections may photograph juveniles whose legal custody is transferred to the commissioner. Photographs of juveniles authorized by this paragraph may be used only for institution management purposes, case supervision by parole agents, and to assist law enforcement agencies to apprehend juvenile offenders. The commissioner shall maintain photographs of juveniles in the same manner as juvenile court records and names under this section.

(d) Traffic investigation reports are open to inspection by a person who has sustained physical harm or economic loss as a result of the traffic accident. Identifying information on juveniles who are parties to traffic accidents may be disclosed as authorized under section 13.82, subdivision 4, and accident reports required under section 169.09 may be released under section 169.09, subdivision 13, unless the information would identify a juvenile who was taken into custody or who is suspected of committing an offense that would be a crime if committed by an adult, or would associate a juvenile with the offense, and the offense is not a minor traffic offense under section 260.193.

(e) Peace officer records of children who are or may be delinquent or who may be engaged in criminal activity may be disseminated to school officials without a juvenile court order when the information in the records is pertinent and necessary to maintaining order and safety in the school building and on school property. A law enforcement agency shall, unless it would jeopardize an ongoing investigation, notify school officials whenever the agency has probable cause to believe a student enrolled in the school has been involved in criminal activity involving the possession or use of a dangerous weapon.

A school official who receives peace officer records under this paragraph may use the information only for the purpose of maintaining order and safety in the school building and on school property. The classification of the data while in the hands of the school official is governed by section 13.03, subdivision 4. As used in this paragraph, "school" means a public or private elementary, middle, or secondary school.

(f) In any county in which the county attorney operates or authorizes the operation of a juvenile prepetition or pretrial diversion program, a law enforcement agency or county attorney's office may provide data concerning a juvenile who is a participant in or is being considered for participation in a juvenile diversion program to appropriate school officials and public or private social service agencies who are participants in the diversion program. School officials and public or private social service agencies may provide data concerning a juvenile who is a participant or is being considered for participation in a juvenile diversion program to an appropriate law enforcement agency or a county attorney's office to the extent permitted by federal law. Any data exchanged pursuant to this clause shall retain the data practices classification which it had with the originating agency and may be used only for law enforcement purposes or for purposes of operation of the diversion program.

(g) Peace officer records of children who are or may be delinquent or who may be engaged in criminal acts may be disseminated upon request to a local social service agency to promote the best interests of the subject of the data.

Sec. 19. Minnesota Statutes 1992, section 260.161, is amended by adding a subdivision to read:

Subd. 3a. [COURT SERVICES DATA ON JUVENILES; DISCLOSURE TO SCHOOL OFFICIALS.] Private or confidential court services data on juveniles who have been adjudicated delinquent may be disseminated to school officials without a juvenile court order when the information in the records is pertinent and necessary to maintaining order and safety in the school building and on school property.

A school official who receives court services data under this subdivision may use the information only for the purpose of maintaining order and safety in the school building and on school property. The classification of the data while in the hands of the school official is governed by section 13.03, subdivision 4.

When data is disseminated under this subdivision, the court services agency must notify the parent or guardian of the subject of the data that the information has been shared with school officials.

As used in this subdivision, "school" means a public or private elementary, middle, or secondary school.

Sec. 20. Minnesota Statutes 1992, section 299A.38, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY REQUIREMENTS.] (a) Only vests that either meet or exceed the requirements of standard 0101.01 0101.03 of the National Institute of Justice in effect on December 30, 1986, or that meet or exceed the requirements of that standard, except wet armor conditioning, are eligible for reimbursement.

(b) Eligibility for reimbursement is limited to vests bought after December 31, 1986, by or for peace officers (1) who did not own a vest meeting the requirements of paragraph (a) before the purchase, or (2) who owned a vest that was at least six years old.

Sec. 21. Minnesota Statutes 1992 Statutes, section 299C.065, as amended by Laws 1993, chapter 326, article 12, section 6, is amended to read:

299C.065 [UNDERCOVER BUY FUND; WITNESS ASSISTANCE SERVICES; CRIME INFORMATION REWARDS.]

Subdivision 1. [GRANTS.] The commissioner of public safety shall make grants to local officials for the following purposes:

(1) the cooperative investigation of cross jurisdictional criminal activity relating to the possession and sale of controlled substances;

(2) receiving or selling stolen goods;

(3) participating in gambling activities in violation of section 609.76;

(4) violations of section 609.322, 609.323, or any other state or federal law prohibiting the recruitment, transportation, or use of juveniles for purposes of prostitution;

(5) witness assistance services in cases involving criminal gang activity in violation of section 609.229, or domestic assault, as defined in section 611A.0315; and

(6) for partial reimbursement of local costs associated with unanticipated, intensive, long-term, multijurisdictional criminal investigations that exhaust available local resources, except that the commissioner may not reimburse the costs of a local investigation involving a child who is reported to be missing and endangered unless the law enforcement agency complies with section 299C.53 and the agency's own investigative policy.

Subd. 1a. [CRIME INFORMATION REWARDS.] A crime information reward fund is created under the administration of the commissioner of public safety. The commissioner is authorized to make grants to local officials to pay a reward to any person who, in response to a reward offer sponsored by a law enforcement agency, provides information leading to the successful arrest and prosecution of a criminal offender. The commissioner shall establish criteria for determining the amount of the reward and the duration of the reward offer.

Subd. 2. [APPLICATION FOR GRANT.] A county sheriff or the chief administrative officer of a municipal police department may apply to the commissioner of public safety for a grant for any of the purposes described in subdivision 1 or 1a, on forms and pursuant to procedures developed by the superintendent. For grants under subdivision 1, the application shall describe the type of intended criminal investigation, an estimate of the amount of money required, and any other information the superintendent deems necessary.

Subd. 3. [INVESTIGATION REPORT.] A report shall be made to the commissioner at the conclusion of an investigation pursuant to this section for which a grant was made under subdivision 1 stating: (1) the number of persons arrested, (2) the nature of charges filed against them, (3) the nature and value of controlled substances or contraband purchased or seized, (4) the amount of money paid to informants during the investigation, and (5) a separate accounting of the amount of money spent for expenses, other than "buy money", of bureau and local law enforcement personnel during the investigation. The commissioner shall prepare and submit to the legislature chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each year a report of investigations pursuant to this section receiving grants under subdivision 1.

Subd. 3a. [ACCOUNTING REPORT.] The head of a law enforcement agency that receives a grant under this section for witness assistance services or crime information rewards shall file a report with the commissioner at the conclusion of the case detailing the specific purposes for which the money was spent. The commissioner shall prepare

and submit to the legislature chairs of the committees in the senate and house of representatives with jurisdiction over criminal justice policy by January 1 of each year a summary report of witness assistance services and crime information rewards provided under this section.

Subd. 4. [DATA CLASSIFICATION.] An application to the commissioner for money is a confidential record. Information within investigative files that identifies or could reasonably be used to ascertain the identity of assisted witnesses, sources, or undercover investigators is a confidential record. A report at the conclusion of an investigation is a public record, except that information in a report pertaining to the identity or location of an assisted witness is private data.

Sec. 22. Minnesota Statutes 1993 Supplement, section 299C.10, subdivision 1, is amended to read:

Subdivision 1. [LAW ENFORCEMENT DUTY.] It is hereby made the duty of the sheriffs of the respective counties and of the police officers in cities of the first, second, and third classes, under the direction of the chiefs of police in such cities, to take or cause to be taken immediately finger and thumb prints, photographs, tattoo identification data, and such other identification data as may be requested or required by the superintendent of the bureau; of all persons arrested for a felony, gross misdemeanor, of all juveniles committing felonies as distinguished from those committed by adult offenders, of all persons reasonably believed by the arresting officer to be fugitives from justice, of all persons in whose possession, when arrested, are found concealed firearms or other dangerous weapons, burglar tools or outfits, high-power explosives, or articles, machines, or appliances usable for an unlawful purpose and reasonably believed by the arresting officer to be intended for such purposes, and within 24 hours thereafter to forward such fingerprint records and other identification data on such forms and in such manner as may be prescribed by the superintendent of the bureau of criminal apprehension.

Sec. 23. Minnesota Statutes 1992, section 299C.11, is amended to read:

299C.11 [INFORMATION FURNISHED BY SHERIFFS AND POLICE CHIEFS.]

The sheriff of each county and the chief of police of each city of the first, second, and third classes shall furnish the bureau, upon such form as the superintendent shall prescribe, with such finger and thumb prints, photographs, tattoo identification data, and other identification data as may be requested or required by the superintendent of the bureau, which may be taken under the provisions of section 299C.10, of persons who shall be convicted of a felony, gross misdemeanor, or who shall be found to have been convicted of a felony or gross misdemeanor, within ten years next preceding their arrest. Upon the determination of all pending criminal actions or proceedings in favor of the arrested person, the arrested person shall, upon demand, have all such finger and thumb prints, photographs, tattoo identification data, and other identification data, and all copies and duplicates thereof, returned, provided it is not established that the arrested person has been convicted of any felony, either within or without the state, within the period of ten years immediately preceding such determination.

For purposes of this section, "determination of all pending criminal actions or proceedings in favor of the arrested person" does not include the sealing of a criminal record pursuant to section 152.18, subdivision 1, 242.31, or 609.168.

Sec. 24. [299C.115] [COUNTIES TO PROVIDE WARRANT INFORMATION TO STATE CRIMINAL JUSTICE INFORMATION SYSTEM.]

By January 1, 1996, every county shall, in the manner provided in either clause (1) or (2), make warrant information available to other users of the Minnesota criminal justice information system:

(1) the county shall enter the warrant information in the warrant file of the Minnesota criminal justice information system; or

(2) the county, at no charge to the state, shall make the warrant information that is maintained in the county's computer accessible by means of a single query to the Minnesota criminal justice information system.

As used in this section, "warrant information" means information on all outstanding felony, gross misdemeanor, and misdemeanor warrants for adults and juveniles that are issued within the county.

Sec. 25. Minnesota Statutes 1992, section 299C.14, is amended to read:

299C.14 [OFFICERS OF PENAL INSTITUTIONS TO FURNISH BUREAU WITH DATA RELATING TO RELEASED PRISONERS.]

It shall be the duty of the officials having charge of the penal institutions of the state or the release of prisoners therefrom to furnish to the bureau, as the superintendent may require, finger and thumb prints, photographs, tattoo identification data, other identification data, modus operandi reports, and criminal records of prisoners heretofore, now, or hereafter confined in such penal institutions, together with the period of their service and the time, terms, and conditions of their discharge.

Sec. 26. [299C.145] [TATTOO IDENTIFICATION SYSTEM; ESTABLISHMENT AND OPERATION.]

Subdivision 1. [DEFINITION.] As used in this section and in sections 299C.10, 299C.11, and 299C.14, "tattoo identification data" means a photograph of a tattoo and a description of the body location where the tattoo appears.

Subd. 2. [SYSTEM ESTABLISHMENT.] The superintendent shall establish and maintain a system within the bureau to enable law enforcement agencies to submit and obtain tattoo identification data on persons who are under investigation for criminal activity. The system shall cross reference the tattoo identification data with the name of the individual from whose body the tattoo identification data was obtained. The system also shall cross reference tattoo identification data with the names of individuals who have been identified as having a similar or identical tattoo in the same body location.

Subd. 3. [AUTHORITY TO ENTER OR RETRIEVE TATTOO IDENTIFICATION DATA.] Only law enforcement agencies may submit data to and obtain data from the tattoo identification system.

Subd. 4. [RULES.] The bureau may adopt rules to provide for the orderly collection, entry, and retrieval of data contained in the tattoo identification system.

Sec. 27. Minnesota Statutes 1992, section 299C.52, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] As used in sections 299C.52 to 299C.56, the following terms have the meanings given them:

(a) "Child" means any person under the age of 18 years or any person certified or known to be mentally incompetent;

(b) "CJIS" means Minnesota criminal justice information system;

(c) "Missing" means the status of a child after a law enforcement agency that has received a report of a missing child has conducted a preliminary investigation and determined that the child cannot be located; and

(d) "NCIC" means National Crime Information Center; and

(e) "Endangered" means that a law enforcement official has received sufficient evidence that the child is with a person who presents a threat of immediate physical injury to the child or physical or sexual abuse of the child.

Sec. 28. Minnesota Statutes 1992, section 299C.53, subdivision 1, is amended to read:

Subdivision 1. [INVESTIGATION AND ENTRY OF INFORMATION.] Upon receiving a report of a child believed to be missing, a law enforcement agency shall conduct a preliminary investigation to determine whether the child is missing. If the child is initially determined to be missing and endangered, the agency shall immediately consult the Bureau of Criminal Apprehension during the preliminary investigation, in recognition of the fact that the first two hours are critical. If the child is determined to be missing, the agency shall immediately enter identifying and descriptive information about the child through the CJIS into the NCIC computer. Law enforcement agencies having direct access to the CJIS and the NCIC computer shall enter and retrieve the data directly and shall cooperate in the entry and retrieval of data on behalf of law enforcement agencies which do not have direct access to the systems.

Sec. 29. Minnesota Statutes 1992, section 299C.53, is amended by adding a subdivision to read:

Subd. 3. [MISSING AND ENDANGERED CHILDREN.] If the bureau of criminal apprehension receives a report from a law enforcement agency indicating that a child is missing and endangered, the superintendent may assist the law enforcement agency in conducting the preliminary investigation, offer resources, and assist the agency in helping implement the investigation policy with particular attention to the need for immediate action.

Sec. 30. Minnesota Statutes 1993 Supplement, section 299C.65, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHING GROUP.] The criminal and juvenile information policy group consists of the chair of the sentencing guidelines commission, the commissioner of corrections, the commissioner of public safety, and the state court administrator.

The policy group shall study and make recommendations to the governor, the supreme court, and the legislature on:

(1) a framework for integrated criminal justice information systems, including the development and maintenance of a community data model for state, county, and local criminal justice information;

(2) the responsibilities of each entity within the criminal and juvenile justice systems concerning the collection, maintenance, dissemination, and sharing of criminal justice information with one another;

(3) actions necessary to ensure that information maintained in the criminal justice information systems is accurate and up-to-date;

(4) the development of an information system containing criminal justice information on felony-level juvenile offenders that is part of the integrated criminal justice information system framework;

(5) the development of an information system containing criminal justice information on misdemeanor arrests, prosecutions, and convictions that is part of the integrated criminal justice information system framework;

(6) comprehensive training programs and requirements for all individuals in criminal justice agencies to ensure the quality and accuracy of information in those systems;

(7) continuing education requirements for individuals in criminal justice agencies who are responsible for the collection, maintenance, dissemination, and sharing of criminal justice data;

(8) a periodic audit process to ensure the quality and accuracy of information contained in the criminal justice information systems;

(9) the equipment, training, and funding needs of the state and local agencies that participate in the criminal justice information systems;

(10) the impact of integrated criminal justice information systems on individual privacy rights; and

(11) the impact of proposed legislation on the criminal justice system, including any fiscal impact, need for training, changes in information systems, and changes in processes; and

(12) the collection of race data in criminal justice information systems.

Sec. 31. Minnesota Statutes 1992, section 299D.07, is amended to read:

299D.07 [HELICOPTERS AND FIXED WING AIRCRAFT.]

The commissioner of public safety is hereby authorized to retain, acquire, maintain and operate helicopters and fixed wing aircraft for the purposes of the highway patrol and the Bureau of Criminal Apprehension and to employ state patrol officer pilots as required.

Sec. 32. Minnesota Statutes 1992, section 403.02, is amended by adding a subdivision to read:

Subd. 9. [ENHANCED 911 SERVICE.] "Enhanced 911 Service" means the use of selective routing, automatic location identification, or local location identification as part of local 911 service.

Sec. 33. Minnesota Statutes 1992, section 403.11, subdivision 1, is amended to read:

Subdivision 1. [EMERGENCY TELEPHONE SERVICE FEE.] (a) Each customer of a ~~local-exchange telephone company or communications carrier that provides service capable of originating a 911 emergency telephone call~~ is assessed a fee to cover the costs of ongoing maintenance and related improvements for trunking and central office switching equipment for minimum 911 emergency telephone service, plus administrative and staffing costs of the department of administration related to managing the 911 emergency telephone service program. Recurring charges by a public utility providing telephone service for updating the information required by section 403.07, subdivision 3, must be paid by the commissioner for information if the utility is included in an approved 911 plan and the charges have been certified and approved under subdivision 3.

(b) The fee may not be less than eight cents nor more than 30 cents a month for each customer access line or other basic access service, including trunk equivalents as designated by the public utilities commission for access charge purposes and including cellular and other nonwire access services. The fee must be the same for all customers.

(c) The fee must be collected by each ~~utility providing local-exchange telephone service company or carrier providing service subject to the fee~~. Fees are payable to and must be submitted to the commissioner of administration monthly before the 25th of each month following the month of collection, except that fees may be submitted quarterly if less than \$250 a month is due, or annually if less than \$25 a month is due. Receipts must be deposited in the state treasury and credited to a 911 emergency telephone service account in the special revenue fund. The money in the account may only be used for 911 telephone services as provided in paragraph (a).

(d) The commissioner of administration, with the approval of the commissioner of finance, shall establish the amount of the fee within the limits specified and inform the utilities companies and carriers of the amount to be collected. Utilities Companies and carriers must be given a minimum of 45 days notice of fee changes.

Sec. 34. Minnesota Statutes 1992, section 403.11, subdivision 4, is amended to read:

Subd. 4. [LOCAL RECURRING COSTS.] Recurring costs of telephone communications equipment and services at public safety answering points shall be borne by the local governmental unit operating the public safety answering point or allocated pursuant to section 403.10, subdivision 3. Costs attributable to local government electives for services beyond minimum 911 service not otherwise addressed under section 403.113 shall be borne by the governmental unit requesting the elective service.

Sec. 35. [403.113] [ENHANCED 911 SERVICE COSTS.]

Subdivision 1. [ENHANCED 911 SERVICE FEE.] (a) In addition to the actual fee assessed under section 403.11, each customer receiving local telephone service, excluding cellular or other nonwire service, is assessed a fee to fund implementation and maintenance of enhanced 911 service, including acquisition of necessary equipment and the costs of the department of administration to administer the program. The actual fee assessed under section 403.11 and the enhanced 911 service fee must be collected as one amount and may not exceed the amount specified in section 403.11, subdivision 1, paragraph (b).

(b) The enhanced 911 service fee must be collected and deposited in the same manner as the fee in section 403.11 and used solely for the purposes of paragraph (a) and subdivision 3.

(c) The commissioner of the department of administration, in consultation with counties and 911 system users, shall determine the amount of the enhanced 911 service fee and inform telephone companies of the total amount of the 911 service fees in the same manner as provided in section 403.11.

Subd. 2. [ENHANCED 911 SERVICE; DISTRIBUTION OF MONEY.] (a) After payment of the costs of the department of administration to administer the program, the commissioner shall distribute the money collected under this section as follows:

(1) one-half of the amount equally to all qualified counties; and

(2) the remaining one-half to qualified counties and cities with existing 911 systems based on each county's or city's percentage of the total population of qualified counties and cities. The population of a qualified city with an existing system must be deducted from its county's population when calculating the county's share under this clause if the city seeks direct distribution of its share.

(b) A county's share under subdivision 1 must be shared pro rata between the county and existing city systems in the county. A county or city shall deposit money received under this subdivision in an interest-bearing fund or account separate from the county's or city's general fund and may use money in the fund or account only for the purposes specified in subdivision 3.

(c) For the purposes of this subdivision, a county or city is qualified to share in the distribution of money for enhanced 911 service if the county auditor certifies to the commissioner of administration the amount of the county's or city's levy for the cost of providing enhanced 911 service for taxes payable in the year in which money for enhanced 911 service will be distributed. The commissioner may not distribute money to a county or city in an amount greater than twice the amount of the county's or city's certified levy. After December 31, 1998, a county or city is qualified to share in the distribution of money for enhanced 911 service if, in addition to the levy required under this paragraph, it has implemented enhanced 911 service.

(d) For the purposes of this subdivision, "existing city system" means a city 911 system that provides at least basic 911 service and that was implemented on or before April 1, 1993.

Subd. 3. [LOCAL EXPENDITURES.] (a) Money distributed to counties or an existing city system for enhanced 911 service may be spent on enhanced 911 system costs for the purposes stated in subdivision 1, paragraph (a). In addition, money may be spent to lease, purchase, lease-purchase, or maintain enhanced 911 equipment, including telephone equipment; recording equipment; computer hardware; computer software for data base provisioning, addressing, mapping, and any other software necessary for automatic location identification or local location identification; trunk lines; selective routing equipment; the master street address guide; dispatcher public safety answering point equipment proficiency and operational skills; and the equipment necessary within the public safety answering point to notify and communicate with the emergency services requested by the 911 caller.

(b) Money distributed for enhanced 911 service may not be spent on:

- (1) purchasing or leasing of real estate or cosmetic additions to or remodeling of communications centers;
- (2) mobile communications vehicles, fire engines, ambulances, law enforcement vehicles, or other emergency vehicles;
- (3) signs, posts, or other markers related to addressing or any costs associated with the installation or maintenance of signs, posts, or markers.

Subd. 4. [AUDITS.] Each county and city shall conduct an annual audit on the use of funds distributed to it for enhanced 911 service. A copy of each audit report must be submitted to the commissioner of administration.

Subd. 5. [FEE REVIEW.] By January 1, 1999, the commissioner of administration, in consultation with counties and 911 service users, shall review funding requirements for enhanced 911 system costs.

Sec. 36. Minnesota Statutes 1993 Supplement, section 480.30, is amended to read:

480.30 [JUDICIAL TRAINING ON DOMESTIC ABUSE, HARASSMENT, AND STALKING.]

The supreme court's judicial education program must include ongoing training for district court judges on child and adolescent sexual abuse, domestic abuse, harassment, and stalking laws, and related civil and criminal court issues. The program must include information about the specific needs of victims. The program must include education on the causes of sexual abuse and family violence and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on sexual abuse and domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system.

Sec. 37. Minnesota Statutes 1992, section 609.5315, subdivision 3, is amended to read:

Subd. 3. [USE BY LAW ENFORCEMENT.] (a) Property kept under this section may be used only in the performance of official duties of the appropriate agency or prosecuting agency and may not be used for any other purpose. If an appropriate agency keeps a forfeited motor vehicle for official use, it shall make reasonable efforts to ensure that the motor vehicle is available for use and adaptation by the agency's officers who participate in the drug abuse resistance education program.

(b) Proceeds from the sale of property kept under this subdivision must be disbursed as provided in subdivision 5.

Sec. 38. Minnesota Statutes 1992, section 626.556, subdivision 3a, is amended to read:

Subd. 3a. [REPORT OF DEPRIVATION OF PARENTAL RIGHTS OR KIDNAPPING.] A person mandated to report under subdivision 3, who knows or has reason to know of a violation of section 609.25 or 609.26, shall report the information to the local police department or the county sheriff. Receipt by a local welfare agency of a report or notification of a report of a violation of section 609.25 or 609.26 shall not be construed to invoke the duties of subdivision 10, 10a, or 10b.

Sec. 39. Minnesota Statutes 1992, section 626.76, is amended to read:

626.76 [RULES AND REGULATIONS; AIDING OTHER OFFICERS.]

Subdivision 1. Any appointive or elective agency or office of peace officers as defined in subdivision 3 may establish rules or regulations and enter into agreements with other offices and agencies for:

- (1) assisting other peace officers in the line of their duty and within the course of their employment; and
- (2) exchanging the agency's peace officers with peace officers of another agency or office on a temporary basis.

Additionally, the agency or office may establish rules and regulations for assisting probation, parole, and supervised release agents who are supervising probationers, parolees, or supervised releasees in the geographic area within the agency's or office's jurisdiction.

Subd. 2. When a peace officer gives assistance to another peace officer or to a parole, probation, or supervised release agent within the scope of the rules or regulations of the peace officer's appointive or elected agency or office, any such assistance shall be within the line of duty and course of employment of the officer rendering the assistance.

Subd. 2a. When a peace officer acts on behalf of another agency or office within the scope of an exchange agreement entered into under subdivision 1, the officer's actions are within the officer's line of duty and course of employment to the same extent as if the officer had acted on behalf of the officer's employing agency.

Subd. 3. For the purposes of this section ~~the term~~, "peace officer" means any member of a police department, state patrol, game warden service, sheriff's office, or any other law enforcement agency, the members of which have, by law, the power of arrest.

Subd. 4. This section shall in no way be construed as extending or enlarging the duties or authority of any peace officer or any other law enforcement agent as defined in subdivision 3 except as provided in this section.

Sec. 40. [626.8454] [MANUAL AND POLICY FOR INVESTIGATING CASES INVOLVING CHILDREN WHO ARE MISSING AND ENDANGERED.]

Subdivision 1. [MANUAL.] By July 1, 1994, the superintendent of the Bureau of Criminal Apprehension shall transmit to law enforcement agencies a training and procedures manual on child abduction investigations.

Subd. 2. [MODEL INVESTIGATION POLICY.] By January 1, 1995, the peace officer standards and training board shall develop a model investigation policy for cases involving children who are missing and endangered as defined in section 299C.52. The model policy shall describe the procedures for the handling of cases involving children who are missing and endangered. In developing the policy, the board shall consult with representatives of the Bureau of Criminal Apprehension, Minnesota police chiefs association, Minnesota sheriff's association, Minnesota police and peace officers association, Minnesota association of women police, Minnesota county attorneys association, and victims advocacy groups. The manual on child abduction investigation shall serve as a basis for defining the specific actions to be taken during the early investigation.

Subd. 3. [LOCAL POLICY.] By August 1, 1995, each chief of police and sheriff shall establish and implement a written policy governing the investigation of cases involving children who are missing and endangered as defined in section 299C.52. The policy shall be based on the model policy developed under subdivision 2. The policy shall include specific actions to be taken during the initial two-hour period.

Sec. 41. Minnesota Statutes 1992, section 626.846, subdivision 6, is amended to read:

Subd. 6. A person seeking election or appointment to the office of sheriff, or seeking appointment to the position of chief law enforcement officer, as defined by the rules of the board, after June 30, 1987, must be licensed or eligible to be licensed as a peace officer. The person shall submit proof of peace officer licensure or eligibility as part of the application for office. A person elected or appointed to the office of sheriff or the position of chief law enforcement officer shall be licensed as a peace officer during the person's term of office or employment.

Sec. 42. Minnesota Statutes 1992, section 629.73, is amended to read:

629.73 [NOTICE TO SEXUAL ASSAULT CRIME VICTIM REGARDING RELEASE OF ARRESTED OR DETAINED PERSON.]

Subdivision 1. [ORAL NOTICE.] ~~When a person arrested or a juvenile detained for criminal sexual conduct or attempted criminal sexual conduct~~ a crime of violence or an attempted crime of violence is about to be released from pretrial detention, the agency having custody of the arrested or detained person or its designee shall make a reasonable and good faith effort before release to inform orally the victim or, if the victim is incapacitated, the same or next of kin, or if the victim is a minor, the victim's parent or guardian of the following matters:

- (1) the conditions of release, if any;
- (2) the time of release;
- (3) the time, date, and place of the next scheduled court appearance of the arrested or detained person and, where applicable, the victim's right to be present at the court appearance; and
- (4) the location and telephone number of the area sexual assault program as designated by the commissioner of corrections.

Subd. 2. [WRITTEN NOTICE.] As soon as practicable after the arrested or detained person is released, the agency having custody of the arrested or detained person or its designee must personally deliver or mail to the alleged victim written notice of the information contained in subdivision 1, clauses (2) and (3).

Sec. 43. [BUREAU OF CRIMINAL APPREHENSION; REPORT TO LEGISLATURE REQUIRED.]

The superintendent of the Bureau of Criminal Apprehension shall conduct a study of the mandate in Minnesota Statutes, sections 299C.10 and 299C.11, that local law enforcement agencies take finger and thumb prints of persons arrested for certain crimes and forward copies of the prints to the bureau within 24 hours. The superintendent shall determine the extent to which law enforcement agencies comply or fail to comply with this law and shall analyze the reasons for lack of compliance where it exists.

By January 15, 1995, the superintendent shall submit a report to the chair of the house judiciary committee and the chair of the senate crime prevention committee. The report shall contain the superintendent's findings and shall make recommendations for improving the accuracy, comprehensiveness, and timeliness of finger and thumb print data collection within the criminal justice system.

Sec. 44. [CRIMINAL ALERT NETWORK.]

Subdivision 1. [PLAN.] The commissioner of public safety, in cooperation with the commissioner of administration, shall develop a plan for an integrated criminal alert network to facilitate the communication of crime prevention information by electronic means among state agencies, law enforcement officials, and the private sector. The plan shall identify ways to disseminate data regarding the commission of crime, including information on missing and endangered children. In addition, the plan shall consider methods of reducing theft and other crime by the use of electronic transmission of information. In developing the plan, the commissioner shall consider the efficacy of existing means of transmitting information about crime and evaluate the following means of information transfer: existing state computer networks, INTERNET, and fax machines, including broadcast fax procedures.

Subd. 2. [REPORT.] The commissioner shall report to the legislature by January 1, 1995, concerning the details of the plan.

Sec. 45. [GANG RESISTANCE EDUCATION TRAINING; PILOT PROGRAMS.]

Subdivision 1. [TRAINING PROGRAM.] The Bureau of Criminal Apprehension shall develop a pilot program to train peace officers to teach the gang resistance education training (GREAT) curriculum in middle schools. The training program must be approved by the commissioner.

Subd. 2. [GRANTS.] Law enforcement agencies and school districts may apply to the commissioner for grants to enable peace officers to undergo the training described in subdivision 1. Grants may be used to cover the cost of the training as well as reimbursement for actual, reasonable travel and living expenses incurred in connection with the training. The commissioner shall administer the program, shall promote it throughout the state, and is authorized to receive money from public and private sources for use in carrying it out.

Subd. 3. [REPORTS.] The commissioner may require grant recipients to account to the commissioner at reasonable time intervals regarding the use of grants and the training and programs provided.

Subd. 4. [EVALUATION.] The commissioner shall evaluate the success of the gang resistance education training pilot program and report conclusions and recommendations to the chairs of the house judiciary committee and the senate crime prevention committee by February 1, 1995.

Sec. 46. [INTERIM FEE AND DISTRIBUTION.]

Until January 1, 1996, the enhanced 911 service fee is ten cents per month in addition to the fee actually collected under Minnesota Statutes 1992, section 403.11, subdivision 1. The additional fee is imposed effective January 1, 1995. Distribution of the revenue from the fee under Minnesota Statutes, section 403.113, subdivision 2, must begin March 1, 1995. The commissioner of the department of administration shall determine the amount of the additional enhanced 911 service fee to be in effect beginning January 1, 1996, under Minnesota Statutes, section 403.113.

Sec. 47. [PRETRIAL SERVICES.]

The conference of chief judges shall consider including within the pretrial services checklist:

(1) an evaluation of the proximity of the residences of the alleged offender and the victim, including whether the victim and defendant cohabitate or are close neighbors if the case involves criminal sexual conduct or domestic violence; and

(2) an attempt to contact the victim or victim's family to verify information on which the bail decision is based.

Sec. 48. [TRAINING FOR PROSECUTORS.]

The county attorneys association, in conjunction with the attorney general's office, shall prepare and conduct an annual training course for county attorneys and city attorneys to deal with the prosecution of bias-motivated crimes. The course may be combined with other training conducted by the county attorneys association or other groups.

ARTICLE 5

EXPLOSIVES AND BLASTING AGENTS

Section 1. Minnesota Statutes 1992, section 299F.71, is amended to read:

299F.71 [POLICY.]

The beneficial use of explosives and blasting agents has resulted in great savings of time, labor, and money in the development of the state. However, existing laws and rules have not restricted explosives to those who would use or contribute to their use for beneficial purposes. The inattentive care, indiscriminate and unrecorded transfer and perverse use of explosives has resulted in death, grave personal injury, and substantial property damage in this state; in addition, the resulting bombings and bombing threats have terrorized and inconvenienced the public.

It is the policy of this state to require such controls of explosives and blasting agents and their component parts from the time prior to manufacture through ultimate use as are necessary to protect the safety and welfare of the public, without unduly restricting the legitimate manufacture, sale, transport, and use of explosives and blasting agents.

Sec. 2. Minnesota Statutes 1992, section 299F.72, is amended by adding a subdivision to read:

Subd. 1a. [BLASTING AGENT.] "Blasting agent" means any material or mixture (1) that consists of a fuel and oxidizer, (2) that is intended for blasting, (3) that is not otherwise classified as an explosive, (4) in which none of the ingredients is classified as an explosive, and (5) when a finished product, as mixed and packaged for use or shipment, that cannot be detonated by means of a number eight test blasting cap when unconfined. The term does not include flammable liquids or flammable gases.

Sec. 3. Minnesota Statutes 1992, section 299F.72, is amended by adding a subdivision to read:

Subd. 1b. [CRIME OF VIOLENCE.] "Crime of violence" includes murder in the first, second, and third degrees; manslaughter in the first and second degrees; aiding suicide; aiding attempted suicide; felony violations of assault in the first, second, third, and fourth degrees; terroristic threats; use of drugs to injure or to facilitate crime; simple robbery; aggravated robbery; kidnapping; false imprisonment; criminal sexual conduct in the first, second, third, and fourth degrees; theft of a firearm; arson in the first and second degrees; riot; burglary in the first, second, third, and fourth degrees; reckless use of a gun or dangerous weapon; intentionally pointing a gun at or towards a human being; setting a spring gun; and unlawfully owning, possessing, or operating a machine gun or short-barreled shotgun; and an attempt to commit any of these offenses, as each of those offenses is defined in chapter 609. Crime of violence also includes a felony violation of chapter 152; and a domestic assault conviction when committed within the last three years or while an order for protection is active against the person, whichever period is longer.

Sec. 4. Minnesota Statutes 1992, section 299F.72, subdivision 2, is amended to read:

Subd. 2. [EXPLOSIVE.] "Explosive" means any chemical compound or mixture, or device, the primary or common purpose of which is to function by explosion; that is, with substantially instantaneous release of gas and heat; but shall, unless the compound, mixture, or device is otherwise specifically classified by the United States Department of Transportation. The term does not mean or include the components for handloading rifle, pistol, and shotgun ammunition, and/or rifle, pistol and shotgun ammunition, black powder, smokeless powder, primers, and fuses when used for ammunition and components for antique or replica muzzleloading rifles, pistols, muskets, shotguns, and cannons, or when possessed or used for rifle, pistol, and shotgun ammunition, nor does it include fireworks as defined in section 624.20, nor shall it include any fertilizer product possessed, used or sold solely for a legitimate agricultural, forestry, conservation, or horticultural purpose.

Sec. 5. Minnesota Statutes 1992, section 299F.73, is amended to read:

299F.73 [LICENSE REQUIRED.]

Subdivision 1. [MANUFACTURE, ASSEMBLY, OR STORAGE OF EXPLOSIVES.] No person shall manufacture, assemble, warehouse or store explosives or blasting agents for purposes of wholesale or retail sale, or for any other purpose other than for ultimate consumption without being licensed to do so by the commissioner of public safety.

Subd. 2. [APPLICATION.] In order to obtain the license herein required such person shall make application to the commissioner of public safety. The application shall be on forms provided by the commissioner of public safety and shall require such information as the commissioner deems necessary including but not limited to the name, address, age, experience and knowledge of the applicant in the use, handling, and storage of explosives and explosive devices or blasting agents, and whether the applicant is a person to whom no such license may be issued pursuant to section 299F.77. The commissioner of public safety may refuse to issue a license to any person who does not have sufficient knowledge of the use, handling, or storage of explosives or blasting agents to protect the public safety. Any person aggrieved by the denial of a license may request a hearing before the commissioner of public safety. The provisions of sections 14.57 to 14.69 shall apply to such hearing and subsequent proceedings, if any.

Sec. 6. Minnesota Statutes 1992, section 299F.74, is amended to read:

299F.74 [PERMIT REQUIRED FOR POSSESSION OR USE.]

No person shall possess explosives or blasting agents, unless said person shall have obtained a valid license as provided in section 299F.73, or unless said person shall have obtained a valid permit for the use of explosives or blasting agents as hereinafter provided. The transportation of an explosive or blasting agent by a common carrier for hire shall not be deemed to be possession of an explosive or blasting agent for purposes of this section.

Sec. 7. Minnesota Statutes 1992, section 299F.75, is amended to read:

299F.75 [PERMIT APPLICATION.]

Subdivision 1. [REQUIREMENT.] Any person desiring to possess explosives or blasting agents, other than a person licensed as provided in section 299F.73, shall make application for a permit for the use of explosives or blasting agents to the appropriate local sheriff or chief of police of a statutory or home rule charter city of the first, second or third class, or such other person as is designated by the commissioner of public safety, on a standardized form provided by the commissioner of public safety.

Subd. 2. [CONTENTS.] The application shall require the applicant's name, address, purpose for acquiring explosives or blasting agents, place of intended acquisition, quantity required, place and time of intended use, place and means of storage until such use and whether the applicant is a person to whom no such permit may be issued pursuant to section 299F.77. Issuing authorities may request a certificate from the applicant regarding the applicant's knowledge in the use, handling, and storage of explosives and blasting agents, and may refuse to issue a permit to any person who does not have sufficient knowledge to protect the public safety. Any person aggrieved by the denial of a permit may request a hearing before the commissioner of public safety. The provisions of sections 14.57 to 14.69 shall apply to such hearings and subsequent proceedings, if any.

Subd. 3. [NOTICE.] Prior to the storage or use of explosives or blasting agents, the applicant shall notify the appropriate local fire official and law enforcement agency.

Sec. 8. Minnesota Statutes 1992, section 299F.77, is amended to read:

299F.77 [ISSUANCE TO CERTAIN PERSONS PROHIBITED.]

The following persons shall not be entitled to receive an explosives license or permit:

(a) ~~Any person who within the past five years has been convicted of a felony or gross misdemeanor involving moral turpitude, is on parole or probation therefor, or is currently under indictment for any such crime~~ a person under the age of 18 years;

(b) ~~Any person with mental illness or mental retardation as defined in section 253B.02 who has been confined or committed in Minnesota or elsewhere for mental illness or mental retardation to any hospital, mental institution or sanitarium, or who has been certified by a medical doctor as being mentally ill or mentally retarded, unless in possession of a certificate of a medical doctor or psychiatrist licensed to practice in this state, or other satisfactory proof, that the person no longer has this disability~~ a person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person's civil rights have been restored or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions that would have been crimes of violence if they had been committed in this state;

(c) ~~Any person who is or has been hospitalized or committed for treatment for the habitual use of a narcotic drug, as defined in section 152.01, subdivision 10 or a controlled substance, as defined in section 152.01, subdivision 4, or who has been certified by a medical doctor as being addicted to narcotic drugs or depressant or stimulant drugs, unless in possession of a certificate of a medical doctor or psychiatrist licensed to practice in this state, or other satisfactory proof, that the person no longer has this disability~~ a person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally retarded," or "mentally ill and dangerous to the public" person, as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person is no longer suffering from this disability;

(d) ~~Any person who by reason of the habitual and excessive use of intoxicating liquors is incapable of self management or management of personal affairs and who has been confined or committed to any hospital, or treatment facility in this state or elsewhere as a "chemically dependent person" as defined in section 253B.02, or who has been certified by a medical doctor as being addicted to alcohol, unless in possession of a certificate of a medical doctor or psychiatrist licensed to practice in this state, or other satisfactory proof, that the person no longer has this disability~~ 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 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 the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years; and

(e) Any person under the age of 18 years a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent," as defined in section 253B.02, unless the person has completed treatment.

Sec. 9. Minnesota Statutes 1992, section 299F.78, subdivision 1, is amended to read:

Subdivision 1. ~~[REQUIREMENTS TO TRANSFER TRANSFERRING EXPLOSIVES OR BLASTING AGENTS.]~~ No person shall transfer explosives or blasting agents to another unless the transferee shall display to the transferor a copy of a valid license or use permit and proper identification, and unless said transferee shall present to the transferor a signed ~~standardized form provided by the commissioner of public safety,~~ acknowledging receipt of the quantity of explosives or blasting agents transferred, the identifying numbers of the same explosives, or if none, the identifying numbers of the primary container from which the ~~same explosives or blasting agents~~ were distributed, and the serial number of the use permit displayed, ~~which receipt shall be kept among the transferor's records until authorized to dispose of it by the state fire marshal.~~

Sec. 10. [299F.785] [BLACK POWDER.]

No person shall manufacture, assemble, warehouse, or store black powder for purposes of wholesale or retail sale without being licensed to do so by the commissioner of public safety. The license shall be as prescribed by section 299F.73, subdivision 2. Persons who purchase more than five pounds of black powder shall provide suitable identification to the licensee and the licensee shall record the person's name and date of birth, date of purchase, and amount purchased. Additional information may be required by the commissioner. The records maintained by the licensee must be open to the inspection of any peace officer acting in the normal course of duties. Persons shall notify the appropriate local fire official before storing more than five pounds of black powder.

Sec. 11. Minnesota Statutes 1992, section 299F.79, is amended to read:

299F.79 [UNAUTHORIZED POSSESSION WITH INTENT OF COMPONENTS; PENALTY.]

Whoever possesses one or more of the components necessary to manufacture or assemble explosives or blasting agents, with the intent to manufacture or assemble explosives or blasting agents, unless said person shall have a valid license or permit as provided by sections 299F.73 and 299F.75, may be sentenced to imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both.

Sec. 12. Minnesota Statutes 1992, section 299F.80, is amended to read:

299F.80 [UNAUTHORIZED POSSESSION OF EXPLOSIVES WITHOUT PERMIT OR BLASTING AGENTS; PENALTY.]

Subdivision 1. [POSSESSION WITHOUT LICENSE OR PERMIT.] Except as provided in subdivision 2, whoever possesses explosives or blasting agents without a valid license or permit may be sentenced to imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both.

Subd. 2. [POSSESSION FOR LEGITIMATE PURPOSES; PENALTY.] Whoever possesses ~~dynamite or other~~ explosives or blasting agents commonly used for agricultural, forestry, conservation, industry or mining purposes, without a valid license or permit, with intent to use the same for legitimate agricultural, forestry, conservation, industry or mining purposes, and in only such quantities as are reasonably necessary for such intended use, may be sentenced to imprisonment for not more than 90 days or to a payment of a fine of not more than ~~\$300~~ \$700, or both.

Sec. 13. Minnesota Statutes 1992, section 299F.82, is amended to read:

299F.82 [ILLEGAL TRANSFER.]

Subdivision 1. [PENALTY.] Except as provided in subdivision 2, whoever illegally transfers an explosive or blasting agent to another may be sentenced to imprisonment for not more than five years or payment of a fine of not more than \$10,000, or both.

Subd. 2. [PENALTY; LEGITIMATE PURPOSES.] Whoever illegally transfers ~~dynamite or other explosives or blasting agents~~ commonly used for agricultural, forestry, conservation, industry or mining purposes to another, personally known to the transferor, in the belief that the same shall be used for legitimate agricultural, forestry, conservation, industry or mining purposes, and in only such quantities as are reasonably necessary for such believed use, may be sentenced to imprisonment for not more than 90 days or to payment of a fine of not more than ~~\$300~~ \$700, or both.

Sec. 14. Minnesota Statutes 1992, section 299F.83, is amended to read:

299F.83 [NEGLIGENT DISCHARGE.]

Whoever, acting with gross disregard for human life or property, negligently causes an explosive, ~~explosive device, or incendiary device, or blasting agent~~ to be discharged may be sentenced to imprisonment for not more than ten years or payment of a fine of not more than \$20,000, or both.

Sec. 15. [299F.831] [HANDLING WHILE INFLUENCED BY ALCOHOL OR DRUG.]

Subdivision 1. [PROHIBITION.] A person shall not handle or use explosives or blasting agents while under the influence of alcohol or controlled substances as defined by section 169.121, subdivision 1.

Subd. 2. [PENALTY.] Whoever handles or uses an explosive or blasting agent while under the influence of alcohol or a controlled substance is guilty of a misdemeanor and may be sentenced to imprisonment for not more than 90 days or payment of a fine of not more than \$700, or both.

Sec. 16. [609.668] [EXPLOSIVE AND INCENDIARY DEVICES.]

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

(a) "Explosive device" means a device so articulated that an ignition by fire, friction, concussion, chemical reaction, or detonation of any part of the device may cause such sudden generation of highly heated gases that the resultant gaseous pressures are capable of producing destructive effects. Explosive devices include, but are not limited to, bombs, grenades, rockets having a propellant charge of more than four ounces, mines, and fireworks modified for other than their intended purpose. The term includes devices that produce a chemical reaction that produces gas capable of bursting its container and producing destructive effects. The term does not include firearms ammunition.

(b) "Incendiary device" means a device so articulated that an ignition by fire, friction, concussion, detonation, or other method may produce destructive effects primarily through combustion rather than explosion. The term does not include a manufactured device or article in common use by the general public that is designed to produce combustion for a lawful purpose, including but not limited to matches, lighters, flares, or devices commercially manufactured primarily for the purpose of illumination, heating, or cooking. The term does not include firearms ammunition.

(c) "Crime of violence" includes murder in the first, second, and third degrees; manslaughter in the first and second degrees; aiding suicide; aiding attempted suicide; felony violations of assault in the first, second, third, and fourth degrees; terroristic threats; use of drugs to injure or to facilitate crime; simple robbery; aggravated robbery; kidnapping; false imprisonment; criminal sexual conduct in the first, second, third, and fourth degrees; theft of a firearm; arson in the first and second degrees; riot; burglary in the first, second, third, and fourth degrees; reckless use of a gun or dangerous weapon; intentionally pointing a gun at or toward a human being; setting a spring gun; and unlawfully owning, possessing, or operating a machine gun or short-barreled shotgun; and an attempt to commit any of these offenses. "Crime of violence" also includes a felony violation of chapter 152; and a domestic assault conviction when committed within the last three years or while an order for protection is active against the person, whichever period is longer.

Subd. 2. [POSSESSION BY CERTAIN PERSONS PROHIBITED.] The following persons are prohibited from possessing or reporting an explosive device or incendiary device:

(a) a person under the age of 18 years;

(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's civil rights have been restored or the sentence has expired, whichever occurs first, and during that time the person has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions that would have been crimes of violence 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 retarded," or "mentally ill and dangerous to the public" person, as defined in section 253B.02, to a treatment facility, unless the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person is no longer suffering from this disability;

(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 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 the person possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that the person has not abused a controlled substance or marijuana during the previous two years;

(e) a person who has been confined or committed to a treatment facility in Minnesota or elsewhere as "chemically dependent," as defined in section 253B.02, unless the person has completed treatment; and

(f) a peace officer who is informally admitted to a treatment facility under section 253B.04 for chemical dependency, unless the officer possesses a certificate from the head of the treatment facility discharging or provisionally discharging the officer from the treatment facility.

A person who in good faith issues a certificate to a person described in this subdivision to possess or use an incendiary or explosive device is not liable for damages resulting or arising from the actions or misconduct with an explosive or incendiary device committed by the individual who is the subject of the certificate.

Subd. 3. [USES PERMITTED.] (a) The following persons may own or possess an explosive device or incendiary device provided that subdivision 4 is complied with:

(1) law enforcement officers for use in the course of their duties;

(2) fire department personnel for use in the course of their duties;

(3) corrections officers and other personnel at correctional facilities or institutions when used for the retention of persons convicted or accused of crime;

(4) persons possessing explosive devices or incendiary devices that although designed as devices have been determined by the commissioner of public safety or the commissioner's delegate, by reason of the date of manufacture, value, design, or other characteristics, to be a collector's item, relic, museum piece, or specifically used in a particular vocation or employment, such as the entertainment industry; and

(5) dealers and manufacturers who are federally licensed or registered.

(b) Persons listed in paragraph (a) shall also comply with the federal requirements for the registration and licensing of destructive devices.

Subd. 4. [REPORT REQUIRED.] (a) Before owning or possessing an explosive device or incendiary device as authorized by subdivision 3, a person shall file a written report with the department of public safety showing the person's name and address; the person's title, position, and type of employment; a description of the explosive device or incendiary device sufficient to enable identification of the device; the purpose for which the device will be owned or possessed; the federal license or registration number, if appropriate; and other information as the department may require.

(b) Before owning or possessing an explosive device or incendiary device, a dealer or manufacturer shall file a written report with the department of public safety showing the name and address of the dealer or manufacturer; the federal license or registration number, if appropriate; the general type and disposition of the device; and other information as the department may require.

Subd. 5. [EXCEPTIONS.] This section does not apply to:

(1) members of the armed forces of either the United States or the state of Minnesota when for use in the course of duties;

(2) educational institutions when the devices are manufactured or used in conjunction with an official education course or program;

(3) propellant-actuated devices, or propellant-actuated industrial tools manufactured, imported, or distributed for their intended purpose;

(4) items that are neither designed or redesigned for use as explosive devices or incendiary devices;

(5) governmental organizations using explosive devices or incendiary devices for agricultural purposes or control of wildlife;

(6) governmental organizations using explosive devices or incendiary devices for official training purposes or as items retained as evidence; or

(7) arsenals, navy yards, depots, or other establishments owned by, or operated by or on behalf of, the United States.

Subd. 6. [ACTS PROHIBITED; PENALTIES.] (a) Except as otherwise provided in this section, whoever possesses, manufactures, transports, or stores an explosive device or incendiary device in violation of this section may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(b) Whoever legally possesses, manufactures, transports, or stores an explosive device or incendiary device, with intent to use the device to damage property or cause injury, may be sentenced to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both.

(c) Whoever, acting with gross disregard for human life or property, negligently causes an explosive device or incendiary device to be discharged, may be sentenced to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both.

Subd. 7. [INITIAL REPORTING.] All persons have 60 days from the effective date of this section to report explosive devices and incendiary devices to the department of public safety.

Sec. 17. Minnesota Statutes 1993 Supplement, section 609.902, subdivision 4, is amended to read:

Subd. 4. [CRIMINAL ACT.] "Criminal act" means conduct constituting, or a conspiracy or attempt to commit, a felony violation of chapter 152, or a felony violation of section 297D.09; 299F.79; 299F.80; 299F.811; 299F.815; 299F.82; 609.185; 609.19; 609.195; 609.20; 609.205; 609.221; 609.222; 609.223; 609.2231; 609.228; 609.235; 609.245; 609.25; 609.27; 609.322; 609.323; 609.342; 609.343; 609.344; 609.345; 609.42; 609.48; 609.485; 609.495; 609.496; 609.497; 609.498; 609.52, subdivision 2, if the offense is punishable under subdivision 3, clause (3)(b) or clause 3(d)(v) or (vi); section 609.52, subdivision 2, clause (4); 609.53; 609.561; 609.562; 609.582, subdivision 1 or 2; 609.668; 609.67; 609.687; 609.713; 609.86; 624.713; or 624.74. "Criminal act" also includes conduct constituting, or a conspiracy or attempt to commit, a felony violation of section 609.52, subdivision 2, clause (3), (4), (15), or (16) if the violation involves an insurance company as defined in section 60A.02, subdivision 4, a nonprofit health service plan corporation regulated under chapter 62C, a health maintenance organization regulated under chapter 62D, or a fraternal benefit society regulated under chapter 64B.

Sec. 18. [REPEALER.]

Minnesota Statutes 1992, sections 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; and 299F.815, as amended by Laws 1993, chapter 326, article 5, section 3; and Minnesota Statutes 1993 Supplement, section 299F.811, are repealed.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 are effective August 1, 1994, and apply to crimes committed on or after that date.

ARTICLE 6

CORRECTIONS

Section 1. [16B.181] [PRODUCTS AND SERVICES FROM CORRECTIONAL FACILITIES.]

The commissioner, in consultation with the commissioner of corrections, shall prepare a list of products and services that are available for purchase from state correctional facilities. After publication of the product and service list by the commissioner, state agencies and institutions shall purchase the listed products and services from the state correctional facilities if the products and services are comparable in price and quality to products and services available from other sources.

Sec. 2. [241.0222] [SECURE JUVENILE DETENTION FACILITY CONSTRUCTION GRANTS.]

Subdivision 1. [GRANTS AUTHORIZED.] The commissioner of corrections shall make grants to Hennepin county, Ramsey county, or groups of counties for up to 80 percent of the construction cost of secure juvenile detention and treatment facilities. The commissioner shall ensure that grants are distributed so that facilities are available for both male and female juveniles, and that the needs of very young offenders can be met. The commissioner shall also require that programming in the facilities be culturally specific and sensitive. To the extent possible, grants should be made for facilities or living units of 12 beds or fewer. No more than one grant shall be made in each judicial district.

Subd. 2. [APPLICATIONS.] Applications for grants shall be submitted to the commissioner using forms and instructions which the commissioner shall provide. The commissioner must notify counties of the amount available for grants under this section for the counties in their judicial district. Applications can be submitted by Hennepin county, Ramsey county, or by a group of counties. The application must indicate that all counties in the judicial district have been consulted in the development of the proposal for the facility. If a county bordering a judicial district requests to join with counties in the adjoining judicial district, the commissioner may allow the county to cooperate in the grant application with the counties in the adjoining district. If the commissioner allows this, the commissioner shall reallocate the grant money attributable to that county to the judicial district with which the county will be cooperating.

Subd. 3. [ELIGIBILITY.] Applicants must include a cooperative plan for the secure detention and treatment of juveniles among the applicant counties. The cooperative plan must identify the location of the facility. The facility must be located within 15 miles of a permanent chambers within the judicial district, as specified in section 2.722, or at the site of an existing county home facility, as authorized in section 260.094, or at the site of an existing detention home, as authorized in section 260.101.

Subd. 4. [ALLOCATION FORMULA.] (a) The commissioner must determine the amount available for grants for counties in each judicial district under this subdivision.

(b) Five percent of the money appropriated for these grants shall be allocated for the counties in each judicial district for a mileage distribution allowance in proportion to the percent each county's surface area comprises of the total surface area of the state. Ninety-five percent of the money appropriated for these grants shall be allocated for the counties in each judicial district using the formula in section 401.10.

(c) The amount allocated for all counties within a judicial district shall be totaled to determine the amount available for a grant within that judicial district. Amounts attributable to a county which the commissioner has authorized to cooperate in a grant with a county or counties in an adjacent judicial district shall be reallocated to that judicial district.

Subd. 5. [AWARD OF GRANT.] The commissioner shall determine the amount of the grant for each applicant. Prior to determining the amount of the grant, the commissioner must determine that a facility of the size proposed is needed in the proposed service area, and that the proposed facility meets the minimum standards and requirements established by the commissioner under section 241.0221, subdivision 4, paragraph (a). The commissioner may reduce the amount of the grant below the amount requested by the applicant if the commissioner determines that the facility could be constructed at lesser cost, or that a smaller facility is warranted. Grants shall be for up to 80 percent of the cost of the facility, but not to exceed the amount allocated for the counties in the judicial district under subdivision 4. The grant may only be used for capital expenditures to acquire, design, construct, renovate, equip, and furnish a secure juvenile detention and treatment facility.

Subd. 6. [AGREEMENT.] Counties receiving grants must agree to provide the money needed to finance the nonstate share of the cost of construction of the facility, and if the grant is to a group of counties, the counties must specify how this cost is allocated among the counties in the group. Counties receiving grants must also agree that the county or group of counties will operate the facility according to the minimum standards and requirements established by the commissioner under section 241.0221, subdivision 4, paragraph (a). Counties and groups of counties receiving grants must also agree to make beds available to all other counties in the judicial district. All costs of operation of the facility must be paid by the county or counties receiving the grants, except that costs for juveniles placed in the facility may be billed to their county of residence by agreement among the counties or by law.

Subd. 7. [BONDS FOR LOCAL SHARE.] Counties receiving a grant under this section may issue general obligation bonds under chapter 475 without an election to finance the nonstate share of the cost of the facility, and the indebtedness will not be included in the net debt limit of the county. Groups of counties receiving a grant may issue these bonds individually, or may agree that the bonds will be issued by a single county, with the full faith, credit, and taxing power of each of the counties in the group pledged for the repayment of the obligations.

Subd. 8. [REALLOCATION OF UNUSED GRANT MONEY.] On December 31, 1996, the commissioner shall determine whether any money remains of the appropriations made in 1994 for the purposes of this section. If any money remains that has not been granted to counties, the commissioner shall invite counties to submit applications for capital improvements to acquire or better publicly owned secure juvenile detention facilities. The commissioner shall consider the needs of applicants for improvements at the facilities and shall make grants to counties whose needs, in the commissioner's judgment, are greatest.

Sec. 3. Minnesota Statutes 1992, section 241.26, subdivision 7, is amended to read:

Subd. 7. [PAYMENT OF BOARD AND ROOM.] The commissioner shall determine the amount to be paid for board and room by such work placement inmate. When special circumstances warrant or for just and reasonable cause, the commissioner may waive the payment by the inmate of board and room charges and report such waivers to the commissioner of finance.

Where a work placement inmate is housed in a jail or workhouse, such board and room revenue shall be paid over to such city or county official as provided for in subdivision 2, provided however, that when payment of board and room has been waived, the commissioner shall make such payments from funds appropriated for that purpose.

Sec. 4. [241.275] [PRODUCTIVE DAY INITIATIVE PROGRAMS; CORRECTIONAL FACILITIES; HENNEPIN, RAMSEY, AND ST. LOUIS COUNTIES.]

Subdivision 1. [PROGRAM ESTABLISHMENT.] The counties of Hennepin, Ramsey, and St. Louis shall each establish a productive day initiative program in their correctional facilities as described in this section. The productive day program shall be designed to motivate inmates in local correctional facilities to develop basic life and work skills through training and education, thereby creating opportunities for inmates on release to achieve more successful integration into the community.

Subd. 2. [PROGRAM COMPONENTS.] The productive day initiative programs shall include components described in paragraphs (a) to (c).

(a) The initiative programs shall contain programs designed to promote the inmate's self-esteem, self-discipline, and economic self-sufficiency by providing structured training and education with respect to basic life skills, including hygiene, personal financial budgeting, literacy, and conflict management.

(b) The programs shall contain individualized educational, vocational, and work programs designed to productively occupy an inmate for at least eight hours a day.

(c) The program administrators shall develop correctional industry programs, including marketing efforts to attract work opportunities both inside correctional facilities and outside in the community. Program options may include expanding and reorganizing on-site industry programs, locating off-site industry work areas, and community service work programs. To develop innovative work programs, program administrators may enlist members of the business and labor community to help target possible productive enterprises for inmate work programs.

Subd. 3. [ELIGIBILITY.] The administrators of each productive day program shall develop criteria for inmate eligibility for the program.

Subd. 4. [EVALUATION.] The administrators of each of the productive day initiative programs shall develop program evaluation tools to monitor the success of the programs.

Subd. 5. [REPORT.] Hennepin, Ramsey, and St. Louis counties shall each report results of their evaluations to the chairs of the house judiciary finance division and the senate crime prevention finance division by July 1, 1996.

Sec. 5. Minnesota Statutes 1993 Supplement, section 242.51, is amended to read:

242.51 [THE MINNESOTA CORRECTIONAL FACILITY-SAUK CENTRE.]

There is established the Minnesota correctional facility-Sauk Centre at Sauk Centre, Minnesota, in which may be placed persons committed to the commissioner of corrections by the courts of this state who, in the opinion of the commissioner, may benefit from the programs available thereat. The general control and management of the facility shall be under the commissioner of corrections.

~~The commissioner shall charge counties or other appropriate jurisdictions for the actual per diem cost of confinement of juveniles at the Minnesota correctional facility-Sauk Centre.~~

~~The commissioner shall annually determine costs making necessary adjustments to reflect the actual costs of confinement. All money received under this section must be deposited to the general fund.~~

Sec. 6. Minnesota Statutes 1992, section 243.05, is amended by adding a subdivision to read:

Subd. 1a. [DETENTION OF FELONS WHO FLEE PENDING SENTENCING.] The commissioner of corrections shall assist law enforcement agencies in locating and taking into custody any person who has been convicted of a felony for which a prison sentence is presumed under the sentencing guidelines and applicable statutes, and who absconds pending sentencing in violation of the conditions of release imposed by the court under rule 27.01 of the Rules of Criminal Procedure. The written order of the commissioner of corrections is sufficient authority for any state parole and probation agent to take the person into custody without a warrant and to take the person before the court without further delay.

Sec. 7. Minnesota Statutes 1992, section 243.18, subdivision 1, is amended to read:

Subdivision 1. [GOOD-TIME REDUCTION OF SENTENCE.] Every inmate sentenced before May 1, 1980, for any term other than life, confined in a state adult correctional facility or on parole therefrom, may diminish the term of sentence one day for each two days during which the inmate has not violated any facility rule or discipline.

The commissioner of corrections, in view of the aggravated nature and frequency of offenses, may take away any or all of the good time previously gained, and, in consideration of mitigating circumstances or ignorance on the part of the inmate, may afterwards restore the inmate, in whole or in part, to the standing the inmate possessed before such good time was taken away.

Sec. 8. Minnesota Statutes 1993 Supplement, section 243.18, subdivision 2, is amended to read:

Subd. 2. [WORK REQUIRED; GOOD TIME.] This subdivision applies only to inmates whose crimes were committed before August 1, 1993. All inmates are required to work. An inmate for whom a who fails to perform an available work assignment is available may shall be sanctioned either by not earn earning good time under subdivision 1 or by serving a disciplinary confinement period, as appropriate, for any day on which the inmate does not perform the work assignment. The commissioner may excuse an inmate from work only for illness, physical disability, or to participate in an education or treatment program.

Sec. 9. Minnesota Statutes 1992, section 243.23, subdivision 2, is amended to read:

Subd. 2. The commissioner may promulgate rules requiring the inmates of adult correctional facilities under the commissioner's control to pay all or a part of the cost of their board, room, clothing, medical, dental and other correctional services. These costs are payable from any earnings of the inmate, including earnings from private industry established at state correctional facilities pursuant to section 243.88. All sums of money received pursuant to the payments made for correctional services as authorized in this subdivision are available for use by the commissioner during the current and subsequent fiscal year, and are appropriated to the commissioner of corrections for the purposes of the fund from which the earnings were paid.

Sec. 10. Minnesota Statutes 1992, section 243.24, subdivision 1, is amended to read:

Subdivision 1. [SOLE BENEFIT OF INMATE.] Any money arising under section 243.23 shall be and remain under the control of the commissioner of corrections and shall be for the sole benefit of the inmate, unless by special order of the commissioner of corrections it shall be used as designated in section 243.23, ~~subdivision subdivisions 2 and 3~~, or for rendering assistance to the inmate's family or dependent relatives, under such rules as to time, manner, and amount of disbursements as the commissioner of corrections may prescribe. Unless ordered disbursed as hereinbefore prescribed or for an urgency determined in each case by the chief executive officer of the facility, a portion of such earnings in an amount to be determined by the commissioner shall be set aside and kept by the facility in the public welfare fund of the state for the benefit of the inmate and for the purpose of assisting the inmate when leaving the facility and if released on parole said sum to be disbursed to the inmate in such amounts and at such times as the commissioner of corrections may authorize and on final discharge, if any portion remains undisbursed, it shall be transmitted to the inmate.

Sec. 11. Minnesota Statutes 1992, section 244.12, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The commissioner may order that an offender who meets the eligibility requirements of subdivisions 2 and 3 be placed on intensive community supervision, as described in sections 244.14 and 244.15, for all or part of the offender's sentence if the offender agrees to participate in the program ~~and if the sentencing court approves in writing of the offender's participation in the program.~~

Sec. 12. Minnesota Statutes 1992, section 244.12, subdivision 2, is amended to read:

Subd. 2. [ELIGIBILITY.] The commissioner must limit the intensive community supervision program to the following persons:

- (1) offenders who are committed to the commissioner's custody following revocation of a stayed sentence; and
- (2) offenders who are committed to the commissioner's custody for a sentence of ~~27~~ 30 months or less, who did not receive a dispositional departure under the sentencing guidelines, and who have already served a period of incarceration as a result of the offense for which they are committed.

Sec. 13. Minnesota Statutes 1993 Supplement, section 244.14, subdivision 3, is amended to read:

Subd. 3. [SANCTIONS.] The commissioner shall impose severe and meaningful sanctions for violating the conditions of an intensive community supervision program. The commissioner shall provide for revocation of intensive community supervision of an offender who:

- (1) commits a material violation of or repeatedly fails to follow the rules of the program;
- (2) commits any misdemeanor, gross misdemeanor, or felony offense; or
- (3) presents a risk to the public, based on the offender's behavior, attitude, or abuse of alcohol or controlled substances. The revocation of intensive community supervision is governed by the procedures in the commissioner's rules adopted under section 244.05, subdivision 2.

An offender whose intensive community supervision is revoked shall be imprisoned for a time period equal to the offender's term of imprisonment, or until readmitted to the program, but in no case for longer than the time remaining in the offender's sentence. "Term of imprisonment" means a time period equal to two-thirds of the sentence originally executed by the sentencing court, minus jail credit, if any.

Sec. 14. Minnesota Statutes 1992, section 244.15, subdivision 4, is amended to read:

Subd. 4. [FACE-TO-FACE CONTACTS.] (a) During phase I, the assigned intensive supervision agent shall have at least four face-to-face contacts with the offender each week.

(b) During phase II, two face-to-face contacts a week are required.

(c) During phase III, one face-to-face contact a week is required.

(d) During phase IV, two face-to-face contacts a month are required.

(e) When an offender is a resident of a jail or facility which is staffed full time, the assigned agent may reduce face-to-face contacts to one per week during all phases.

Sec. 15. Minnesota Statutes 1993 Supplement, section 401.13, is amended to read:

401.13 [CHARGES MADE TO COUNTIES.]

Each participating county will be charged a sum equal to the actual per diem cost of confinement of those juveniles committed to the commissioner after August 1, 1973, and confined in a state correctional facility. Provided, however, that the amount charged a participating county for the costs of confinement shall not exceed the subsidy to which the county is eligible. The commissioner shall annually determine costs making necessary adjustments to reflect the actual costs of confinement. However, in no case shall the percentage increase in the amount charged to the counties exceed the percentage by which the appropriation for the purposes of sections 401.01 to 401.16 was increased over the preceding biennium. The commissioner of corrections shall bill the counties and deposit the receipts from the counties in the general fund. All charges shall be a charge upon the county of commitment.

Sec. 16. Minnesota Statutes 1992, section 631.425, subdivision 6, is amended to read:

Subd. 6. [REDUCTION OF SENTENCE.] The term of the inmate's sentence may be reduced by one fourth, if in the opinion of the court the inmate's conduct, diligence, and general attitude merit reduction, whether the term is part of an executed sentence or is imposed as a condition of probation, shall, when ten days or more, be reduced by one day for each two days served, commencing on the day of arrival, during which the inmate has not violated any rule or discipline of the place within which the person is incarcerated and, if required to labor, has labored with diligence and fidelity.

Sec. 17. [APPLICATION.]

The intent of section 7 is to clarify the provisions of Minnesota Statutes, section 243.18, subdivision 1.

Sec. 18. Laws 1993, chapter 146, article 2, section 32, is amended to read:

Sec. 32. [EFFECTIVE DATE.]

Section 12 is effective the day following final enactment. Sections 15 and 18 are effective July 1, 1994 of no effect.

Sec. 19. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall renumber Minnesota Statutes 1992, section 243.18, subdivision 1 as section 244.04, subdivision 1a; and shall change the headnote of Minnesota Statutes 1992, section 243.18 from "DIMINUTION OF SENTENCE" to "WORK REQUIRED."

Sec. 20. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 243.18, subdivision 3, is repealed.

ARTICLE 7

CORRECTIONAL PERSONNEL RETIREMENT COVERAGE

Section 1. Minnesota Statutes 1992, section 352.91, is amended by adding a subdivision to read:

Subd. 2a. [SPECIAL TEACHERS.] "Covered correctional service" also means service rendered by a state employee as a special teacher employed by the department of corrections or by the department of human services at a security unit, provided that a majority of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner, unless the person elects to retain the current retirement coverage under section 5.

Sec. 2. Minnesota Statutes 1992, section 352.91, is amended by adding a subdivision to read:

Subd. 3c. [NURSING PERSONNEL.] (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility or at the Minnesota security hospital specified in paragraph (b), provided that a majority of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner, unless the person elects to retain the current retirement coverage under section 5.

(b) The employment positions are as follows:

- (1) registered nurse - senior;
- (2) registered nurse;
- (3) registered nurse - principal; and
- (4) clinical nurse specialist.

Sec. 3. Minnesota Statutes 1992, section 352.91, is amended by adding a subdivision to read:

Subd. 3d. [OTHER CORRECTIONAL PERSONNEL.] (a) "Covered correctional service" means service by a state employee in one of the employment positions at a correctional facility or at the Minnesota security hospital specified in paragraph (b), provided that a majority of the employee's working time is spent in direct contact with inmates or patients and the fact of this direct contact is certified to the executive director by the appropriate commissioner, unless the person elects to retain the current retirement coverage under section 5.

(b) The employment positions are as follows:

- (1) corrections behavior therapist;
- (2) corrections behavior therapist specialist;
- (3) corrections inmate personnel specialist;
- (4) corrections caseworkers;
- (5) corrections caseworkers career;
- (6) library/information research services specialist;
- (7) psych II;
- (8) psych III;
- (9) recreation therapist;
- (10) recreation therapist senior;
- (11) social work specialist;
- (12) health program representative senior;
- (13) behavior analyst 1;
- (14) behavior analyst 2;
- (15) psychologist 1;
- (16) psychologist 2;
- (17) recreation therapist, senior;

- (18) recreation therapist, lead;
- (19) rehabilitation counselor;
- (20) social worker;
- (21) social worker, senior;
- (22) social worker specialist;
- (23) library information research services specialist senior;
- (24) psychologist supervisor; and
- (25) psychological services director.

Sec. 4. Minnesota Statutes 1992, section 352.92, subdivision 2, is amended to read:

Subd. 2. [EMPLOYER CONTRIBUTIONS.] (a) In lieu of employer contributions payable under section 352.04, subdivision 3, the employer shall contribute for covered correctional employees an amount equal to ~~6.27~~ 6.99 percent of salary.

(b) By January 1 of each year, the board of directors shall report to the legislative commission on pensions and retirement, the chair of the committee on appropriations of the house of representatives, and the chair of the committee on finance of the senate on the amount raised by the employer and employee contribution rates in effect and whether the total amount is less than, the same as, or more than the actuarial requirement determined under section 356.215.

Sec. 5. [TEMPORARY PROVISION; ELECTION TO RETAIN RETIREMENT COVERAGE.]

Subdivision 1. [GENERAL STATE EMPLOYEE RETIREMENT COVERAGE RETENTION ELECTION.] An employee in a position specified as qualifying under sections 1 to 3 must have retirement coverage transferred from the general state employees retirement plan of the Minnesota state retirement system or the teachers retirement association to the correctional employees retirement plan of the Minnesota state retirement system, effective on the applicable effective date specified in section 9, unless the employee elects to retain the person's current retirement coverage. The election to retain coverage must be made in writing by the person on a form prescribed by the executive director of the Minnesota state retirement system and must be filed with the executive director no later than the December 31 next following the applicable effective date specified in section 9.

Subd. 2. [REFUND IN CERTAIN INSTANCES.] The amount by which employee contributions required by Minnesota Statutes, section 352.92, subdivision 1, made after the applicable effective date specified in section 9 exceed the employee contributions otherwise payable, as provided in Minnesota Statutes, sections 352.04, subdivision 2, or 354.42, subdivision 2, as applicable, must be refunded within 60 days of the date of the election to retain retirement coverage, plus interest at the rate of one-half of one percent per month or portion of a month for the period from the applicable effective date specified in section 9 to the date that the refund is paid.

Subd. 3. [TRANSFER OF REMAINING CONTRIBUTIONS.] The amount of employee contributions made by a person electing to retain retirement coverage that is not refunded under subdivision 2, plus .7084 percent per month or portion of a month for the period from the applicable effective date specified in section 9 to the date the refund is paid, must be transferred by the appropriate executive director to the general state employees retirement fund as soon as is practicable following the election and must be accompanied by an amount representing the applicable employer contribution. The employer contribution for members of the general state employees retirement plan must be determined by multiplying the amount of the unrefunded member contributions plus interest by the factor 1.02. The employer contribution for members of the teachers retirement association is an amount equal to the unrefunded member contribution.

Subd. 4. [IRREVOCABLE RETENTION ELECTION.] The election to retain retirement coverage is irrevocable once filed with the executive director. A failure to make the election to retain coverage by the January 1 next following the applicable effective date specified in section 9 is an irrevocable agreement by the employee to the retirement coverage change.

Sec. 6. [COVERAGE FOR PRIOR STATE SERVICE FOR CERTAIN PERSONS.]

Subdivision 1. [ELECTION OF PRIOR STATE SERVICE COVERAGE.] (a) An employee who has future retirement coverage transferred to the correctional employees retirement plan under sections 1 to 3, and who does not elect to retain general state employee retirement plan or teachers retirement association coverage under section 5, is entitled to elect to obtain prior service credit for eligible state service performed on or after July 1, 1974, and before the applicable effective date specified in section 9 with the department of corrections or with the department of human services at the Minnesota security hospital.

(b) Eligible state service with the department of corrections or with the department of human services is any prior period of continuous service on or after July 1, 1974, performed as an employee of the department of corrections or of the department of human services that would have been eligible for the correctional employees retirement plan coverage under sections 1 to 3, if that prior service had been performed after the applicable effective date specified in section 9 rather than before that date. Service is continuous if there has been no period of discontinuation of eligible state service for a period greater than 180 calendar days.

(c) The department of corrections or the department of human services, whichever applies, shall certify eligible state service to the executive director of the Minnesota state retirement system.

Subd. 2. [PAYMENT FOR PRIOR SERVICE.] (a) An employee electing to obtain prior service credit under subdivision 1 must pay an additional employee contribution for that prior service except for any period of time that the employee was a member of the basic program of the teachers retirement association. The additional member contribution is the contribution differential percentage applied to the actual salary paid to the employee during the period of the prior eligible state service, plus interest at the rate of six percent per annum, compounded annually. The contribution differential percentage is the difference between 4.9 percent of salary and the applicable employee contribution rate of the general state employees retirement plan or the teachers retirement association during the prior eligible state service.

(b) The additional member contribution must be paid only in a lump sum. Payment must accompany the election to obtain prior service credit. No election or payment may be made by the person or accepted by the executive director after the September 30 of the calendar year next following the calendar year in which the applicable effective date specified in section 9 occurs.

Subd. 3. [TRANSFER OF PRIOR MEMBER AND REGULAR EMPLOYER ACCUMULATED CONTRIBUTIONS AND INTEREST.] (a) Accumulated employee contributions for any period of eligible state service in the general state employees retirement fund of the Minnesota state retirement system or in the teachers retirement association as applicable, plus interest at the rate of six percent per annum, compounded annually, by an employee electing to obtain prior service credit must be transferred by the appropriate executive director from the general state employees retirement fund or the teachers retirement fund to the correctional employees retirement fund.

(b) The transfer of the accumulated member contributions plus interest must be made within 60 days after the election to obtain prior service credit.

(c) As a corresponding employer contribution transfer amount, an amount equal to employee contributions plus interest, as determined in paragraph (a), must be transferred from the general state employees retirement fund or the teachers retirement fund, as applicable, to the correctional employees retirement fund. Additional employer contributions may not be transferred.

(d) Transfer of the employer contribution plus interest must accompany the transfer of employee contributions plus interest.

Subd. 4. [EFFECT OF THE TRANSFER OF CONTRIBUTIONS.] Upon the transfer of accumulated employee contributions, employer contributions, and interest for a person electing to obtain prior service credit under subdivision 1, service credit in the general state employees retirement plan of the Minnesota state retirement system or in the teachers retirement association for the time covered by the service transferred is forfeited.

Subd. 5. [COUNSELING.] (a) The commissioners of corrections, human services, and employee relations, and the executive directors of the Minnesota state retirement system and teachers retirement association have the joint responsibility of providing affected employees of the department of corrections or the department of human services with appropriate and timely retirement and related benefit counseling.

(b) Counseling must include the anticipated impact of the retirement coverage change on the person's future retirement benefit amounts, future retirement eligibility, future applicability of mandatory retirement laws, and future postemployment insurance coverage.

(c) The commissioners of corrections and human services must consult with the appropriate collective bargaining agents of the affected employees regarding the content, form, and timing of the counseling required by this section.

Sec. 7. [TRANSITIONAL PROVISION; RETENTION OF CERTAIN RIGHTS.]

(a) Nothing in this act may be considered to restrict the entitlement of a person under state law to repay a previously taken refund of employee or member contributions to a Minnesota public pension plan if all qualifying requirements are met.

(b) The period of correctional employees retirement plan contributions, plus interest, must be restored upon the repayment of the appropriate refund amount if the service was correctional employees retirement plan covered service on the date when the service was rendered or on the date when the refund was taken.

Sec. 8. [EARLY RETIREMENT INCENTIVE.]

This section applies to an employee who has future retirement coverage transferred to the correctional employee retirement plan under sections 1 to 3, and who is at least 55 years old on the applicable effective date of sections 1 to 3. That employee may participate in a health insurance early retirement incentive available under the terms of a collective bargaining agreement in effect on the day before the applicable effective date of sections 1 to 3, notwithstanding any provision of the collective bargaining agreement that limits participation to persons who select the option during the payroll period in which their 55th birthday occurs. A person selecting the health insurance early retirement incentive under this section must retire by the later of the September 30 of the calendar year next following the calendar year in which the applicable effective date specified in section 9 occurs, or the first time at which the person has at least three years of covered correctional service.

Sec. 9. [EFFECTIVE DATE.]

(a) Sections 1 and 4 to 8 are effective on the first day of the first full pay period beginning after June 30, 1994.

(b) Sections 2 and 3 are effective on the first day of the first full pay period beginning after June 30, 1995.

ARTICLE 8

CRIME VICTIMS

Section 1. Minnesota Statutes 1992, section 611A.036, is amended to read:

611A.036 [PROHIBITION AGAINST EMPLOYER RETALIATION.]

An employer or employer's agent who threatens to discharge or discipline a victim or witness, or who discharges, disciplines, or causes a victim or witness to be discharged from employment or disciplined because the victim or the witness is subpoenaed or requested by the prosecutor to attend court for the purpose of giving testimony, is guilty of a misdemeanor and may be punished for contempt of court. In addition, the court shall order the employer to offer job reinstatement to any victim or witness discharged from employment in violation of this section, and to pay the victim or witness back wages as appropriate.

Sec. 2. [611A.0385] [SENTENCING; IMPLEMENTATION OF RIGHT TO NOTICE OF OFFENDER RELEASE.]

At the time of sentencing or the disposition hearing in which there is an identifiable victim, the court or its designee shall make reasonable good faith efforts to inform each affected victim of the offender notice of release provisions of section 611A.06. The state court administrator, in consultation with the commissioner of corrections, shall prepare a form that outlines the notice of release provisions under section 611A.06 and describes how a victim should complete and submit a request to the commissioner of corrections to be informed of an offender's release. The state court administrator shall make these forms available to court administrators who shall assist the court in disseminating right to notice of offender release information to victims.

Sec. 3. Minnesota Statutes 1993 Supplement, section 611A.04, subdivision 1, is amended to read:

Subdivision 1. [REQUEST; DECISION.] (a) A victim of a crime has the right to receive restitution as part of the disposition of a criminal charge or juvenile delinquency proceeding against the offender if the offender is convicted or found delinquent. An insurer that reimburses a crime victim for losses incurred as a result of a crime shall have the standing of the victim, to the extent of the reimbursement, for purposes of this subdivision, provided that restitution is paid to the crime victim first. The court, or a person or agency designated by the court, shall request information from the victim to determine the amount of restitution owed. The court or its designee shall obtain the information from the victim in affidavit form or by other competent evidence. Information submitted relating to restitution must describe the items or elements of loss, itemize the total dollar amounts of restitution claimed, and specify the reasons justifying these amounts, if restitution is in the form of money or property. A request for restitution may include, but is not limited to, any out-of-pocket losses resulting from the crime, including medical and therapy costs, replacement of wages and services, and funeral expenses. An actual or prospective civil action involving the alleged crime shall not be used by the court as a basis to deny a victim's right to obtain court ordered restitution under this section. In order to be considered at the sentencing or dispositional hearing, all information regarding restitution must be received by the court administrator of the appropriate court at least three business days before the sentencing or dispositional hearing. The court administrator shall provide copies of this request to the prosecutor and the offender or the offender's attorney at least 24 hours before the sentencing or dispositional hearing. The issue of restitution may be reserved or the sentencing or disposition dispositional hearing or hearing on the restitution request may be continued if the victim's affidavit or other competent evidence submitted by the victim is not received in time. At the sentencing or dispositional hearing, the court shall give the offender an opportunity to respond to specific items of restitution and their dollar amounts in accordance with the procedures established in section 611A.045, subdivision 3.

(b) The court may amend or issue an order of restitution after the sentencing or dispositional hearing if:

- (1) the offender is on probation, committed to the commissioner of corrections, or on supervised release;
- (2) information regarding restitution was submitted as required under paragraph (a); and
- (3) the true extent of the victim's loss was not known at the time of the sentencing or dispositional hearing, or hearing on the restitution request.

If the court holds a hearing on the restitution request, the court must notify the offender, the offender's attorney, the victim, and the prosecutor at least five business days before the hearing. The court's restitution decision is governed by this section and section 611A.045.

(c) The court shall grant or deny restitution or partial restitution and shall state on the record its reasons for its decision on restitution if information relating to restitution has been presented. If the court grants partial restitution it shall also specify the full amount of restitution that may be docketed as a civil judgment under subdivision 3. The court may not require that the victim waive or otherwise forfeit any rights or causes of action as a condition of granting restitution or partial restitution. In the case of a defendant who is on probation, the court may not refuse to enforce an order for restitution solely on the grounds that the order has been docketed as a civil judgment.

Sec. 4. Minnesota Statutes 1992, section 611A.045, subdivision 3, is amended to read:

Subd. 3. [DISPUTE; EVIDENTIARY BURDEN; PROCEDURES.] At the sentencing, dispositional hearing, or hearing on the restitution request, the offender shall have the burden to produce evidence if the offender intends to challenge the amount of restitution or specific items of restitution or their dollar amounts. This burden of production must include a detailed sworn affidavit of the offender setting forth all challenges to the restitution or items of restitution, and specifying all reasons justifying dollar amounts of restitution which differ from the amounts requested by the victim or victims. The affidavit must be served on the prosecuting attorney and the court at least five business days before the hearing. A dispute as to the proper amount or type of restitution must be resolved by the court by the preponderance of the evidence. The burden of demonstrating the amount of loss sustained by a victim as a result of the offense and the appropriateness of a particular type of restitution is on the prosecution.

Sec. 5. Minnesota Statutes 1993 Supplement, section 611A.06, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF RELEASE REQUIRED.] The commissioner of corrections or other custodial authority shall make a good faith effort to notify the victim that the offender is to be released from imprisonment or incarceration, including release on extended furlough and for work release; released from a juvenile correctional

facility; released from a facility in which the offender was confined due to incompetency, mental illness, or mental deficiency, or commitment under section 253B.18; or ~~transferred to a minimum security setting if the offender's custody status is reduced,~~ if the victim has mailed to the commissioner of corrections or to the head of the facility in which the offender is confined a written request for this notice. The good faith effort to notify the victim must occur prior to the offender's release, ~~transfer, or change in security when the offender's custody status is reduced.~~ For a victim of a felony crime against the person for which the offender was sentenced to imprisonment for more than 18 months, the good faith effort to notify the victim must occur 60 days before the offender's release, ~~transfer, or change to minimum security status.~~

Sec. 6. Minnesota Statutes 1992, section 611A.19, is amended to read:

611A.19 [TESTING OF SEX VIOLENT OFFENDER FOR HUMAN IMMUNODEFICIENCY VIRUS.]

Subdivision 1. [TESTING ON REQUEST OF VICTIM.] (a) The sentencing court may issue an order requiring a person convicted of ~~violating section 609.342, 609.343, 609.344, or 609.345 a violent crime, as defined in section 609.152,~~ to submit to testing to determine the presence of human immunodeficiency virus (HIV) antibody if:

- (1) the prosecutor moves for the test order in camera;
- (2) the victim requests the test; and
- (3) evidence exists that the broken skin or mucous membrane of the victim was exposed to or had contact with the offender's semen or blood during commission of the crime.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional and that no reference to the test, the motion requesting the test, the test order, or the test results may appear in the criminal record or be maintained in any record of the court or court services.

Subd. 2. [DISCLOSURE OF TEST RESULTS.] The date and results of any a test performed under subdivision 1 are private data as defined in section 13.02, subdivision 12, when maintained by a person subject to chapter 13, or may be released only with the subject's consent, if maintained by a person not subject to chapter 13. The results are available, on request, to the victim or, if the victim is a minor, to the victim's parent or guardian and positive test results shall be reported to the commissioner of health. Any test results given to a victim or victim's parent or guardian shall be provided by a health professional who is trained to provide the counseling described in section 144.763. Data regarding administration and results of the test are not accessible to any other person for any purpose and shall not be maintained in any record of the court or court services or any other record. After the test results are given to the victim or the victim's parent or guardian, data on the test must be removed from any medical data or health records maintained under section 13.42 or 144.335 and destroyed.

Sec. 7. Minnesota Statutes 1993 Supplement, section 611A.52, subdivision 8, is amended to read:

Subd. 8. [ECONOMIC LOSS.] "Economic loss" means actual economic detriment incurred as a direct result of injury or death.

(a) In the case of injury the term is limited to:

- (1) reasonable expenses incurred for necessary medical, chiropractic, hospital, rehabilitative, and dental products, services, or accommodations, including ambulance services, drugs, appliances, and prosthetic devices;
- (2) reasonable expenses associated with recreational therapy where a claimant has suffered amputation of a limb;
- (3) reasonable expenses incurred for psychological or psychiatric products, services, or accommodations, not to exceed a limit set annually by the board, where the nature of the injury or the circumstances of the crime are such that the treatment is necessary to the rehabilitation of the victim, ~~subject to the following limitations:~~

~~(i) if treatment is likely to continue longer than six months after the date the claim is filed and the cost of the additional treatment will exceed \$1,500, or if the total cost of treatment in any case will exceed \$4,000, the provider shall first submit to the board a plan which includes the measurable treatment goals, the estimated cost of the treatment, and the estimated date of completion of the treatment. Claims submitted for treatment that was provided more than 30 days after the estimated date of completion may be paid only after advance approval by the board of an extension of treatment; and~~

~~(ii) the board may, in its discretion, elect to pay claims under this clause on a quarterly basis;~~

(4) loss of income that the victim would have earned had the victim not been injured;

(5) reasonable expenses incurred for substitute child care or household services to replace those the victim would have performed had the victim not been injured. As used in this clause, "child care services" means services provided by facilities licensed under and in compliance with either Minnesota Rules, parts 9502.0315 to 9502.0445, or 9545.0510 to 9545.0670, or exempted from licensing requirements pursuant to section 245A.03. Licensed facilities must be paid at a rate not to exceed their standard rate of payment. Facilities exempted from licensing requirements must be paid at a rate not to exceed \$3 an hour per child for daytime child care or \$4 an hour per child for evening child care; and

(6) reasonable expenses actually incurred to return a child who was a victim of a crime under section 609.25 or 609.26 to the child's parents or lawful custodian. These expenses are limited to transportation costs, meals, and lodging from the time the child was located until the child was returned home.

(b) In the case of death the term is limited to:

(1) reasonable expenses actually incurred for funeral, burial, or cremation, not to exceed an amount to be determined by the board on the first day of each fiscal year;

(2) reasonable expenses for medical, chiropractic, hospital, rehabilitative, psychological and psychiatric services, products or accommodations which were incurred prior to the victim's death and for which the victim's survivors or estate are liable;

(3) loss of support, including contributions of money, products or goods, but excluding services which the victim would have supplied to dependents if the victim had lived; and

(4) reasonable expenses incurred for substitute child care and household services to replace those which the victim would have performed for the benefit of dependents if the victim had lived.

Claims for loss of support for minor children made under clause (3) must be paid for three years or until the child reaches 18 years old, whichever is the shorter period. After three years, if the child is younger than 18 years old a claim for loss of support may be resubmitted to the board, and the board staff shall evaluate the claim giving consideration to the child's financial need and to the availability of funds to the board. Claims for loss of support for a spouse made under clause (3) shall also be reviewed at least once every three years. The board staff shall evaluate the claim giving consideration to the spouse's financial need and to the availability of funds to the board.

Claims for substitute child care services made under clause (4) must be limited to the actual care that the deceased victim would have provided to enable surviving family members to pursue economic, educational, and other activities other than recreational activities.

Sec. 8. Minnesota Statutes 1992, section 611A.53, subdivision 2, is amended to read:

Subd. 2. No reparations shall be awarded to a claimant otherwise eligible if:

(a) the crime was not reported to the police within ~~five~~ 30 days of its occurrence or, if it could not reasonably have been reported within that period, within ~~five~~ 30 days of the time when a report could reasonably have been made. A victim of criminal sexual conduct in the first, second, third, or fourth degree who does not report the crime within ~~five~~ 30 days of its occurrence is deemed to have been unable to have reported it within that period;

(b) the victim or claimant failed or refused to cooperate fully with the police and other law enforcement officials;

(c) the victim or claimant was the offender or an accomplice of the offender or an award to the claimant would unjustly benefit the offender or an accomplice;

(d) the victim or claimant was in the act of committing a crime at the time the injury occurred;

(e) no claim was filed with the board within ~~one-year~~ two years of victim's injury or death; except that (1) if the claimant was unable to file a claim within that period, then the claim can be made within ~~one-year~~ two years of the time when a claim could have been filed; and (2) if the victim's injury or death was not reasonably discoverable within ~~one-year~~ two years of the injury or death, then the claim can be made within ~~one-year~~ two years of the time

when the injury or death is reasonably discoverable. The following circumstances do not render a claimant unable to file a claim for the purposes of this clause: (1) lack of knowledge of the existence of the Minnesota crime victims reparations act, (2) the failure of a law enforcement agency to provide information or assistance to a potential claimant under section 611A.66, (3) the incompetency of the claimant if the claimant's affairs were being managed during that period by a guardian, guardian ad litem, conservator, authorized agent, or parent, or (4) the fact that the claimant is not of the age of majority; or

(f) the claim is less than \$50.

The limitations contained in clauses (a) and (e) do not apply to victims of domestic child abuse as defined in section 260.015, subdivision 24. In those cases the ~~one~~ two-year limitation period commences running with the report of the crime to the police; provided that no claim as a result of loss due to domestic child abuse may be paid when the claimant is 21 years of age or older at the time the claim is filed.

ARTICLE 9

JUDICIAL PROVISIONS

Section 1. Minnesota Statutes 1992, 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 judges shall be chosen as hereinafter specified:

1. Goodhue, Dakota, Carver, Le Sueur, McLeod, Scott, and Sibley; ~~27~~ 28 judges; and four permanent chambers shall be maintained in Red Wing, Hastings, Shakopee, and Glencoe and one other shall be maintained at the place designated by the chief judge of the district;

2. Ramsey; 24 judges;

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

4. Hennepin; ~~54~~ 57 judges;

5. Blue Earth, Watonwan, Lyon, Redwood, Brown, Nicollet, Lincoln, Cottonwood, Murray, Nobles, Pipestone, Rock, Faribault, Martin, and Jackson; 17 judges; and permanent chambers shall be maintained in Marshall, Windom, Fairmont, New Ulm, and Mankato;

6. Carlton, St. Louis, Lake, and Cook; 15 judges;

7. Benton, Douglas, Mille Lacs, Morrison, Otter Tail, Stearns, Todd, Clay, Becker, and Wadena; ~~20~~ 22 judges; and permanent chambers shall be maintained in Moorhead, Fergus Falls, Little Falls, and St. Cloud;

8. Chippewa, Kandiyohi, Lac qui Parle, Meeker, Renville, Swift, Yellow Medicine, Big Stone, Grant, Pope, Stevens, Traverse, and Wilkin; 11 judges; and permanent chambers shall be maintained in Morris, Montevideo, and Willmar;

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

10. Anoka, Isanti, Wright, Sherburne, Kanabec, Pine, Chisago, and Washington; ~~32~~ 34 judges; and permanent chambers shall be maintained in Anoka, Stillwater, and other places designated by the chief judge of the district.

Sec. 2. Minnesota Statutes 1992, section 253B.19, subdivision 2, is amended to read:

Subd. 2. [PETITION; HEARING.] The committed person or the county attorney of the county from which a patient as mentally ill and dangerous to the public was committed may petition the appeal panel for a rehearing and reconsideration of a decision by the commissioner. The petition shall be filed with the supreme court within 30 days after the decision of the commissioner. The supreme court shall refer the petition to the chief judge of the appeal panel. The chief judge shall notify the patient, the county attorney of the county of commitment, the designated

agency, the commissioner, the head of the treatment facility, any interested person, and other persons the chief judge designates, of the time and place of the hearing on the petition. The notice shall be given at least 14 days prior to the date of the hearing. The hearing shall be within 45 days of the filing of the petition. Any person may oppose the petition. The appeal panel may appoint examiners and may adjourn the hearing from time to time. It shall hear and receive all relevant testimony and evidence and make a record of all proceedings. The patient, patient's counsel, and the county attorney of the committing county may be present and present and cross-examine all witnesses. The petitioning party bears the burden of going forward with the evidence. The party opposing discharge bears the burden of proof by clear and convincing evidence that the respondent is in need of commitment.

Sec. 3. Minnesota Statutes 1993 Supplement, section 357.021, subdivision 2, is amended to read:

Subd. 2. [FEE AMOUNTS.] The fees to be charged and collected by the court administrator shall be as follows:

(1) In every civil action or proceeding in said court, the plaintiff, petitioner, or other moving party shall pay, when the first paper is filed for that party in said action, a fee of \$122.

The defendant or other adverse or intervening party, or any one or more of several defendants or other adverse or intervening parties appearing separately from the others, shall pay, when the first paper is filed for that party in said action, a fee of \$122.

The party requesting a trial by jury shall pay \$75.

The fees above stated shall be the full trial fee chargeable to said parties irrespective of whether trial be to the court alone, to the court and jury, or disposed of without trial, and shall include the entry of judgment in the action, but does not include copies or certified copies of any papers so filed or proceedings under chapter 103E, except the provisions therein as to appeals.

(2) Certified copy of any instrument from a civil or criminal proceeding, ~~\$5, plus 25 cents per page after the first page \$10, and \$3.50, plus 25 cents per page after the first page~~ \$5 for an uncertified copy.

(3) Issuing a subpoena, \$3 for each name.

(4) Issuing an execution and filing the return thereof; issuing a writ of attachment, injunction, habeas corpus, mandamus, quo warranto, certiorari, or other writs not specifically mentioned, \$10.

(5) Issuing a transcript of judgment, or for filing and docketing a transcript of judgment from another court, \$7.50.

(6) Filing and entering a satisfaction of judgment, partial satisfaction, or assignment of judgment, \$5.

(7) Certificate as to existence or nonexistence of judgments docketed, \$5 for each name certified to.

(8) Filing and indexing trade name; or recording basic science certificate; or recording certificate of physicians, osteopaths, chiropractors, veterinarians, or optometrists, \$5.

(9) For the filing of each partial, final, or annual account in all trusteeships, \$10.

(10) For the deposit of a will, \$5.

(11) For recording notary commission, \$25, of which, notwithstanding subdivision 1a, paragraph (b), \$20 must be forwarded to the state treasurer to be deposited in the state treasury and credited to the general fund.

(12) When a defendant pleads guilty to or is sentenced for a petty misdemeanor other than a parking violation, the defendant shall pay a fee of \$11.

(13) Filing a motion or response to a motion for modification of child support, a fee fixed by rule or order of the supreme court.

(14) All other services required by law for which no fee is provided, such fee as compares favorably with those herein provided, or such as may be fixed by rule or order of the court.

The fees in clauses (3) and (4) need not be paid by a public authority or the party the public authority represents.

Sec. 4. Minnesota Statutes 1992, section 357.22, is amended to read:

357.22 [WITNESSES.]

The fees to be paid to witnesses shall be as follows:

(1) For attending in any action or proceeding in any court or before any officer, person, or board authorized to take the examination of witnesses, ~~\$10~~ \$20 for each day;

(2) For travel to and from the place of attendance, to be estimated from the witness's residence, if within the state, or from the boundary line of the state where the witness crossed it, if without the state, 24 28 cents per mile.

No person is obliged to attend as a witness in any civil case unless one day's attendance and travel fees are paid or tendered the witness in advance.

Sec. 5. Minnesota Statutes 1993 Supplement, section 357.24, is amended to read:

357.24 [CRIMINAL CASES.]

Witnesses for the state in criminal cases and witnesses attending on behalf of any defendant represented by a public defender or an attorney performing public defense work for a public defense corporation under section 611.216, shall receive the same fees for travel and attendance as provided in section 357.22. Judges also may allow like fees to witnesses attending in behalf of any other defendant. In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages and child care, not to exceed ~~\$40~~ \$60 per day. When a defendant is represented by a public defender or an attorney performing public defense work for a public defense corporation under section 611.216, neither the defendant nor the public defender shall be charged for any subpoena fees or for service of subpoenas by a public official. The compensation and reimbursement shall be paid out of the county treasury.

Sec. 6. Minnesota Statutes 1992, section 357.241, is amended to read:

357.241 [JUVENILE COURT WITNESSES.]

Witnesses in juvenile proceedings shall receive the same fees for travel and attendance as provided in section 357.22. In addition these witnesses shall receive reasonable expenses actually incurred for meals, loss of wages, and child care, not to exceed ~~\$40~~ \$60 per day.

Sec. 7. Minnesota Statutes 1992, section 357.242, is amended to read:

357.242 [PARENTS OF JUVENILES.]

In any proceeding where a parent or guardian attends the proceeding with a minor witness and the parent or guardian is not a witness, one parent or guardian shall be compensated in those cases where witness compensation is mandatory under section 357.22, 357.24, or 357.241, and may be compensated at the discretion of the judge when the minor is a witness on behalf of a defendant in a criminal case or on behalf of a juvenile in a juvenile court proceeding. The court shall award no more than a combined total of ~~\$40~~ \$60 to the parent or guardian and the minor witness.

Sec. 8. Minnesota Statutes 1992, section 480.09, is amended by adding a subdivision to read:

Subd. 7. [OPEN STACK ACCESS.] The state law library must provide all judges, attorneys, law clerks, or other employees of the court of appeals, with open stack access to all parts of its collection.

Sec. 9. Minnesota Statutes 1993 Supplement, section 480.30, is amended to read:

480.30 [~~JUDICIAL TRAINING ON DOMESTIC ABUSE, HARASSMENT, AND STALKING.~~]

The supreme court's judicial education program must include ongoing training for district court judges on domestic abuse, harassment, and stalking laws and related civil and criminal court issues. The program must include education on the causes of family violence and culturally responsive approaches to serving victims. The program must

emphasize the need for the coordination of court and legal victim advocacy services and include education on domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system. The program also must include training for judges, judicial officers, and court services personnel on how to assure that their bail evaluations and decisions are racially and culturally neutral.

Sec. 10. Minnesota Statutes 1992, section 485.06, is amended to read:

485.06 [SEARCH OF RECORDS; CERTIFICATE; PUBLIC INSPECTION.]

The court administrator, upon request of any person, shall make search of the books and records of the court administrator's office, and ascertain the existence, docketing, or satisfaction of any judgment or other lien, and certify the result of such search under the court administrator's hand and the seal of said court, giving the name of the party against whom any judgment or lien appears of record, the amount thereof, and the time of its entry; and, if satisfied of its satisfaction, and any other entries requested relative to such judgment. The court administrator's search will be a search for the exact match of the requested name. Nothing in this section shall prevent attorneys or others from having access to such books and records at all reasonable times, when no certificate is necessary or required.

Sec. 11. Minnesota Statutes 1992, section 494.05, is amended to read:

494.05 [GRANTS.]

Subdivision 1. [ELIGIBILITY REQUIREMENTS.] A community dispute resolution program is not eligible for a grant under this section unless it:

- (1) complies with this chapter and the guidelines and rules adopted under this chapter;
- (2) is certified by the state court administrator under section 494.015, subdivision 2;
- (3) demonstrates that at least two-thirds of its annual budget will be derived from sources other than the state;
- (4) documents evidence of support within its service area by community organizations, administrative agencies, and judicial and legal system representatives; and
- (5) is exempt or has applied for exemption from federal taxation under section 501(c)(3) of the Internal Revenue Code of 1986 or is administered and funded by a city, county, or court system as a distinct, identifiable unit that has a separate and distinguishable operating budget.

Subd. 2. [FUNDING.] Grants under this section must be used for the costs of operating approved programs. A program is eligible to receive a grant an amount of money equal to one-third one-half of its estimated annual budget, but not more than \$25,000 a year.

Subd. 3. [REPORTS.] The state court administrator shall compile a summary report of the data submitted in the previous year and any other relevant information from other sources. The report must be submitted to the legislature by February 1 of each year.

Sec. 12. Minnesota Statutes 1992, section 508.11, is amended to read:

508.11 [APPLICATION FILED WITH COURT ADMINISTRATOR; DOCKET; ABSTRACT.]

The application shall be filed with the court administrator, ~~who shall docket the same in a book to be known as the "Land Registration Docket."~~ All orders, judgments, and decrees of the court in the proceeding shall be minuted ~~in such docket.~~ All final orders or decrees shall be recorded by the court administrator and proper reference made ~~thereto in such docket.~~ At the time of the filing of the application with the court administrator, a copy thereof, duly certified by the court administrator, shall be filed for record with the county recorder, and shall be notice forever to purchasers and encumbrancers of the pendency of the proceeding and of all matters referred to in the court files and records pertaining to the proceeding. The applicant shall file with the court administrator, as soon after the filing of the application as is practicable, an abstract of title to the land described in the application, satisfactory to the examiner. If required so to do by the examiner, the applicant shall likewise cause the land to be surveyed by some competent surveyor, and file with the court administrator a plat of the land duly certified by such surveyor.

Sec. 13. Minnesota Statutes 1993 Supplement, section 593.48, is amended to read:

593.48 [COMPENSATION OF JURORS AND TRAVEL REIMBURSEMENT.]

A juror shall be reimbursed for round-trip travel between the juror's residence and the place of holding court and compensated for required attendance at sessions of court and may be reimbursed for additional day care expenses incurred as a result of jury duty at rates determined by the supreme court. A juror may request reimbursement for additional parking expenses incurred as a result of jury duty, in which case the reimbursement shall be paid and the juror's compensation for required attendance at sessions of court shall be reduced by the amount of the parking reimbursement. Except in the eighth judicial district where the state shall pay directly, the compensation and reimbursement shall be paid out of the county treasury upon receipt of authorization to pay from the jury commissioner. These jury costs shall be reimbursed monthly by the supreme court upon submission of an invoice by the county treasurer. A monthly report of payments to jurors shall be sent to the jury commissioner within two weeks of the end of the month in the form required by the jury commissioner.

Sec. 14. Minnesota Statutes 1992, section 600.23, subdivision 1, is amended to read:

Subdivision 1. [DEPOSIT OF PAPERS.] Every county recorder, ~~and every court administrator of a court of record,~~ upon being paid the legal fees therefor, shall receive and deposit in the office any instruments or papers which shall be offered for that purpose and, if required, shall give to the person depositing the same a receipt therefor.

Sec. 15. Minnesota Statutes 1992, section 611.21, is amended to read:

611.21 [SERVICES OTHER THAN COUNSEL.]

(a) ~~Counsel, whether or not appointed by the court, for a~~ an indigent defendant who is financially unable to obtain, or representing a defendant who, at the outset of the prosecution, would otherwise have been eligible to be represented by a public defender, may file an ex parte application requesting investigative, expert, or other services necessary to an adequate defense in the case ~~may request them in an ex parte application.~~ Upon finding, after appropriate inquiry in an ex parte proceeding, that the services are necessary and that the defendant is financially unable to obtain them, the court shall authorize counsel to obtain the services on behalf of the defendant. The court may establish a limit on the amount which may be expended or promised for such services. The court may, in the interests of justice, and upon a finding that timely procurement of necessary services could not await prior authorization, ratify such services after they have been obtained, but such ratification shall be given only in unusual situations. The court shall determine reasonable compensation for the services and direct payment by the county in which the prosecution originated, to the organization or person who rendered them, upon the filing of a claim for compensation supported by an affidavit specifying the time expended, services rendered, and expenses incurred on behalf of the defendant, and the compensation received in the same case or for the same services from any other source.

(b) The compensation to be paid to a person for such service rendered to a defendant under this section, or to be paid to an organization for such services rendered by an employee, may not exceed \$1,000, exclusive of reimbursement for expenses reasonably incurred, unless payment in excess of that limit is certified by the court as necessary to provide fair compensation for services of an unusual character or duration and the amount of the excess payment is approved by the chief judge of the district. The chief judge of the judicial district may delegate approval authority to an active district judge.

(c) If the court denies authorizing counsel to obtain services on behalf of the defendant, the court shall make written findings of fact and conclusions of law that state the basis for determining that counsel may not obtain services on behalf of the defendant. When the court issues an order denying counsel the authority to obtain services, the defendant may appeal immediately from that order to the court of appeals and may request an expedited hearing.

Sec. 16. [629.74] [PRETRIAL BAIL EVALUATION.]

A pretrial bail evaluation shall be completed on each defendant arrested and detained for committing a felony level offense or for violation of section 518B.01, 609.224, 609.748, or 609.749. In cases where the defendant requests appointed counsel, the evaluation shall include completion of the financial statement required in section 611.17. The local corrections department, or designee, shall perform the services required by this section. The conference of chief judges, in consultation with the department of corrections, shall approve the pretrial evaluation form to be used in each county.

Sec. 17. [PROSECUTOR TRAINING.]

The county attorneys association, in conjunction with the attorney general's office, shall prepare and conduct a training course for prosecutors on how to assure that their bail recommendations are racially and culturally neutral. The course may be combined with other training conducted by the county attorneys association or other groups.

Sec. 18. [COMMITMENT STUDY.]

Subdivision 1. [GENERAL; TASK FORCE.] The supreme court is requested to conduct a study of state civil commitment laws and procedures and related legal and treatment issues. To conduct the study, the supreme court shall convene an advisory task force on the commitment system, including the following:

(1) judges, county attorneys, a representative of the attorney general's office, and attorneys who represent patients and proposed patients;

(2) parents or other family members of patients;

(3) mental health advocates;

(4) patients or former patients;

(5) mental health service providers;

(6) representatives of state and county mental health agencies;

(7) law enforcement; and

(8) two members of the house of representatives, one of whom must be a member of the minority party, appointed by the speaker, and two members of the senate, one of whom must be a member of the minority party, appointed by the subcommittee on committees of the senate committee on rules and administration.

Members of the task force should represent a cross-section of regions within the state. The task force shall select a chair from among its membership, other than the members appointed under clause (8).

Subd. 2. [SCOPE OF STUDY.] To the extent practicable, the study should include:

(1) hearings and procedures governing administration of neuroleptic medications;

(2) provisional discharges;

(3) monitoring of medication;

(4) mental health treatment advance declarations;

(5) relationship between the commitment act and the psychopathic personality statute;

(6) criteria for commitments and 72-hour holds;

(7) time lines and length of commitment;

(8) impact of available resources and service delivery systems on commitments and implementation of least restrictive alternatives;

(9) training and expertise of professionals involved in the commitment process;

(10) separation of functions and conflicts of interest and related due process issues in the commitment process;

(11) rights of patients;

(12) variations in implementation and interpretation of commitment laws around the state;

(13) vulnerable adult reporting and mental competency issues; and

(14) any other commitment, legal, and treatment issues identified by the task force.

The work of the task force must not duplicate but should be coordinated with the work of the task force on sexual predators.

Subd. 3. [STAFF.] The task force may employ necessary staff to provide legal counsel, research, and clerical assistance.

Subd. 4. [REPORT.] The task force shall submit a written report to the governor and the legislature by January 15, 1996, containing its findings and recommendations. The task force expires upon submission of its report.

Sec. 19. [TASK FORCE ON SEXUAL PREDATORS.]

There is created a 12-member task force to study issues relating to the confinement of sexual predators, including commitment of psychopathic personalities. The task force shall consist of two members of the senate appointed by the majority leader and two members of the house of representatives appointed by the speaker. Legislative membership from each body shall consist of one member of the democratic farmer labor party and one member of the independent republican party. In addition, the task force shall contain the following:

(1) three members selected by the commissioner of corrections, including at least one representative from the law enforcement community;

(2) one county attorney selected by the county attorneys association; and

(3) four members selected by the commissioner of human services, including the ombudsman for mental health and mental retardation, one mental health professional, one representative of a mental health advocacy group, and one representative from the attorney general's office.

The task force may request research and information from the commissioners of corrections and human services and staff assistance as needed.

The task force shall be convened no later than August 1, 1994, and shall examine current law and practice relating to the commitment of psychopathic personalities under chapters 253B and 526. The task force shall examine the laws of other jurisdictions and the clinical literature on sex offender treatment and shall make recommendations on options, both civil and criminal, for dealing with sexual predators. The task force shall report to the chairs of the house judiciary and senate crime prevention committees with these recommendations by January 15, 1995.

Sec. 20. [REPEALER.]

Minnesota Statutes 1992, section 629.69, is repealed.

Sec. 21. [EFFECTIVE DATE.]

The additional judgeships authorized for judicial districts in section 1 are established effective February 1, 1995.

ARTICLE 10

CRIME PREVENTION

Section 1. [116J.877] [COMMUNITY ECONOMIC DEVELOPMENT FACILITIES.]

The commissioner may construct, or make grants or loans with or without interest to counties, home rule charter or statutory cities, or school districts for the capital costs of the acquisition, improvement, rehabilitation, site improvement, and development of properties for community economic development purposes. Facilities eligible for loans and grants under this section include business incubators, community owned banks or credit unions, and facilities used for the youth entrepreneurship education program under section 116J.655. The facility must be owned by the state or a political subdivision, but may be leased to or managed by a nonprofit organization to carry out the community economic development purpose approved by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695.

Sec. 2. Minnesota Statutes 1992, section 123.3514, subdivision 3, is amended to read:

Subd. 3. [DEFINITIONS.] For purposes of this section, an "eligible institution" means a Minnesota public post-secondary institution, a private, nonprofit two-year trade and technical school granting associate degrees, an opportunities industrialization center accredited by the north central association of colleges and schools, or a private, residential, two-year or four-year, liberal arts, degree-granting college or university located in Minnesota. "Course" means a course or program.

Sec. 3. Minnesota Statutes 1992, section 126.02, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTION REQUIRED IN PUBLIC SCHOOLS.] There shall be established and provided in all the public schools of this state, physical and health education, training, and instruction of pupils of both sexes. At the request of a district or school, the department of education shall make available existing curriculum on responsible parenting and child development, responsible decision making in relationships, and the legal implications of paternity. Every pupil attending any such school, to the extent physically fit and able to do so, shall participate in the physical training program. Suitable modified courses shall be provided for pupils physically or mentally unable or unfit to take the courses prescribed for normal pupils. No pupil shall be required to undergo a physical or medical examination or treatment if the parent or legal guardian of the person of such pupil shall in writing notify the teacher or principal or other person in charge of such pupil of an objection to such physical or medical examination or treatment; provided that secondary school pupils in junior and senior years need not take the course unless required by the local school board.

Sec. 4. Minnesota Statutes 1992, section 299A.31, is amended to read:

299A.31 [CHEMICAL ABUSE AND VIOLENCE PREVENTION RESOURCE COUNCIL.]

Subdivision 1. [ESTABLISHMENT; MEMBERSHIP.] A chemical abuse and violence prevention resource council consisting of 19 members is established. The commissioners of public safety, education, health, corrections, and human services, the director of the office of strategic and long-range planning, and the attorney general shall each appoint one member from among their employees. The speaker of the house of representatives and the subcommittee on committees of the senate shall each appoint a legislative member. The governor shall appoint an additional ten members who shall represent the demographic and geographic composition of the state and, to the extent possible, shall represent the following: public health; education including preschool, elementary, and higher education; social services; financial aid services; chemical dependency treatment; law enforcement; prosecution; defense; the judiciary; corrections; treatment research professionals; drug abuse prevention professionals; the business sector; religious leaders; representatives of racial and ethnic minority communities; and other community representatives. The members shall designate one of the governor's appointees as chair of the council. Compensation and removal of members are governed by section 15.059.

Subd. 2. [ACCEPTANCE OF FUNDS AND DONATIONS.] The council may accept federal money, gifts, donations, and bequests for the purpose of performing the duties set forth in this section and section 299A.32. The council shall use its best efforts to solicit funds from private individuals and organizations to match state appropriations.

Sec. 5. Minnesota Statutes 1992, section 299A.32, subdivision 3, is amended to read:

Subd. 3. [ANNUAL REPORT.] By February 1 each year, the council shall submit a written report to the governor and the legislature describing its activities during the preceding year, describing efforts that have been made to enhance and improve utilization of existing resources and to identify deficits in prevention efforts, and recommending appropriate changes, including any legislative changes that it considers necessary or advisable in the area of chemical abuse and violence prevention policy, programs, and services.

Sec. 6. [MALE RESPONSIBILITY AND FATHERING GRANTS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A grant program for fiscal year 1995 is established to educate young people, particularly males ages ten to 21, on the responsibilities of parenthood. The purpose of the program is to foster male responsibility by encouraging youth or parenting program providers to collaborate with school districts to attain the outcomes in this section.

Subd. 2. [ELIGIBILITY; APPLICATION PROCESS.] (a) A youth or parenting program provider whose purpose is to reduce teen pregnancy or teach child development and parenting skills in collaboration with a school district may submit an application for a grant. The grant applicant must prepare an application in collaboration with the advisory committee under paragraph (c). Each grant application must describe:

- (1) the program's structure and components, including collaborative and outreach efforts;
- (2) how the applicant will implement and evaluate the program;
- (3) a plan for using male instructors and mentors;
- (4) the outcomes the applicant expects to attain; and
- (5) a cultural diversity plan to ensure that program staff or teachers reflect the cultural backgrounds of the population served and that the program content is culturally sensitive.

(b) Grant recipients must, at minimum, educate young people, particularly males ages ten to 21, about responsible parenting and child development, responsible decision making in relationships, and the legal implications of paternity. Grant recipients must promote public awareness of male responsibility issues in the collaborating school district. Grant recipients may offer support groups, health and nutrition education, and mentoring and peer teaching.

(c) A grant applicant must establish an advisory committee to assist the applicant in planning and implementing a grant. The advisory committee must include student representatives, adult males from the community, representatives of community organizations, teachers, parent educators, and representatives of family social service agencies.

Subd. 3. [EXPECTED OUTCOMES.] Grant recipients shall use the funds for programs designed to prevent teen pregnancy and to prevent crime in the long term. Grant recipients must assist youth to:

- (1) understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of parenting;
- (2) understand the long-term responsibility of fatherhood;
- (3) understand the importance of fathers in the lives of children;
- (4) acquire parenting skills and knowledge of child development; and
- (5) find community support for their roles as fathers and nurturers of children.

Subd. 4. [GRANT AWARDS.] The commissioner of education shall award at least ten male responsibility and fathering grants. The commissioner shall establish a committee to review the grant applications based on the criteria in subdivisions 2 and 3 and the applicant's ability to match state money and advise the commissioner. The committee shall include teachers and representatives of community organizations, student organizations, and education or family social service agencies that offer parent education programs. The commissioner shall ensure that the grants are proportionately distributed throughout the state among school districts with student populations of different sizes.

Subd. 5. [COOPERATIVE AGREEMENTS.] The commissioner of education may enter into cooperative agreements with the commissioner of human services for purposes of child support, education and awareness, paternity education and awareness, and gaining federal financial participation.

Subd. 6. [REPORT.] The commissioner shall report to the legislature by January 15, 1996, on the success of grant recipients in meeting their expected outcomes.

Sec. 7. [PURPOSE.]

It is well established that children who are chronically absent from school face a bleak future in that they are at greater risk of ending up in the delinquency system, becoming high school dropouts, and finding themselves without the skills necessary to have a productive work life as adults. To effectively combat truancy and educational neglect, there needs to be a continuum of intervention and services to support parents and children and keep children in

school. That continuum should be characterized by progressively intrusive intervention beginning with the strongest efforts at the school and community level and offering access to the public agency and court's authority when necessary.

Sec. 8. [126.25] [COMMUNITY-BASED TRUANCY ACTION PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of public safety, in cooperation with the commissioners of education, human services, and corrections, shall establish demonstration projects to reduce truancy rates in schools by early identification of students with school absenteeism problems and providing appropriate interventions based on each student's underlying issues that are contributing to the truant behavior.

Subd. 2. [PROGRAM COMPONENTS.] (a) Projects eligible for grants under this section shall be community-based and must include cooperation between at least one school and one community agency and provide coordinated intervention, prevention, and educational services. Services may include:

- (1) assessment for underlying issues that are contributing to the child's truant behavior;
- (2) referral to community-based services for the child and family which includes, but is not limited to, individual or family counseling, educational testing, psychological evaluations, tutoring, mentoring, and mediation;
- (3) transition services to integrate the child back into school and to help the child succeed once there;
- (4) culturally sensitive programming and staffing; and
- (5) increased school response including in-school suspension, better attendance monitoring and enforcement, after-school study programs, and in-service training for teachers and staff.

(b) Priority will be given to grants that include:

- (1) local law enforcement;
- (2) elementary and middle schools;
- (3) multiple schools and multiple community agencies;
- (4) parent associations; and
- (5) neighborhood associations.

Subd. 3. [EVALUATION.] Grant recipients must report to the commissioner of public safety by of each year on the services and programs provided, the number of children served, the average daily attendance for the school year, and the number of habitual truancy and educational neglect petitions referred for court intervention.

Sec. 9. [144.3872] [FEMALE GENITAL MUTILATION; EDUCATION AND OUTREACH.]

The commissioner of health shall carry out appropriate education, prevention, and outreach activities in communities that traditionally practice female circumcision, excision, or infibulation to inform people in those communities about the health risks and emotional trauma inflicted by those practices and to inform them and the medical community of the criminal penalties contained in section 609.2245.

Sec. 10. Minnesota Statutes 1992, section 145A.05, is amended by adding a subdivision to read:

Subd. 7a. [CURFEW.] A county board may adopt an ordinance establishing a uniform countywide curfew for persons under 17 years of age.

Sec. 11. [268.917] [HEAD START, LEARNING READINESS, AND EARLY CHILDHOOD CARE AND INTERVENTION FACILITIES.]

The commissioner may construct, or make grants or loans with or without interest to counties, home rule charter or statutory cities, or school districts for the capital costs of the acquisition, improvement, rehabilitation, site improvement, and development of properties for the purposes of head start programs, learning readiness programs,

and other early childhood care, education, and intervention programs. The facility must be owned by the state or a political subdivision but may be leased to or managed by a nonprofit organization to carry out an early childhood education or intervention program approved by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695.

Sec. 12. [268.918] [CRIME PREVENTION FACILITIES.]

The commissioner may construct, or make grants or loans with or without interest to counties, home rule charter or statutory cities, or school districts for the capital costs of crime prevention facilities, including acquisition, improvement, rehabilitation, site improvement, and development of facilities. Facilities eligible for loans under this subdivision include, but are not limited to:

- (1) community recreation and community safe art facilities;
- (2) youth treatment, intervention, and diversion facilities;
- (3) facilities for "one-stop services for children" pilot programs that bring together in one facility the services needed by young parents;
- (4) facilities that provide Upward Bound services to students under Title IV of the federal Higher Education Act;
- (5) facilities developed through the United States Department of Labor's Youth Fair Chance Program for youth employment and training initiative;
- (6) facilities used to support labor union efforts for youth training. A facility must be owned by the state or a political subdivision but may be leased to or managed by a nonprofit organization to carry out a crime prevention program approved by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695.

Sec. 13. Minnesota Statutes 1993 Supplement, section 462A.202, is amended by adding a subdivision to read:

Subd. 8. [CRIME PREVENTION FACILITIES.] The agency may make grants or loans with or without interest to counties, home rule charter or statutory cities, or school districts for the capital costs of acquisition, improvement, rehabilitation, site improvement, and development of (1) residential shelters and other residential facilities serving crime victims, including but not limited to, shelters for battered women, family nurturing residences for single parents and their children, residences for homeless pregnant teenagers and other homeless teenagers, safe housing for youth who are exiting gangs, short-term group homes for teen and older children made homeless or displaced by drug raids and who are not able to be placed in foster homes, safe housing for children endangered because they are a witness to violent crimes, and housing for chronic chemically dependent adults, and (2) facilities for crime prevention including but not limited to, curfew and truancy centers for children, youth chemical dependency prevention program centers, and youth health and fitness facilities. The facility must be owned by the state or a political subdivision, but may be leased to or managed by a nonprofit organization to carry out the crime prevention program approved by the commissioner. The lease or management agreement must comply with the requirements of section 16A.695. Loans under this subdivision are subject to the restrictions in subdivision 7.

Sec. 14. [TRUANCY SERVICE CENTER PILOT PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of public safety in cooperation with the commissioners of education, human services, and corrections, shall establish three two-year truancy service center pilot projects to:

- (1) communicate a strong message about the community's expectations of school attendance;
- (2) reduce habitual truancy, school dropout, and future delinquency by helping to link children and parents with needed social and educational services;
- (3) prevent exploitation of or harm to juveniles on the street;
- (4) help support and reinforce the responsibility of parents for their child's school attendance;
- (5) provide a mechanism for collaboration between schools, police, parents, community-based programs, businesses, parks, recreation departments, and community residents on truancy prevention; and

(6) reduce the number of crimes committed by juveniles during school hours.

The truancy service centers shall include: one center in Hennepin county, one center in Ramsey county, and one center in a county designated by the commissioner of public safety in cooperation with the commissioners of education, human services, and corrections.

Subd. 2. [BOARD.] Each center shall be governed by an intergovernmental board including the city mayor, school superintendent, police chief, county attorney, county board members or their designees, and selected representatives of community-based agencies.

Subd. 3. [TRUANT STUDENTS; ACTION.] Each truancy service center pilot project shall receive truant students brought in by police officers and shall take appropriate action that may include one or more of the following:

(1) assessing the truant student's attendance situation, including enrollment status, verification of truancy, and school attendance history;

(2) assisting in coordinating intervention efforts where appropriate, including checking with juvenile probation and children and family services to determine whether an active case is pending and facilitating transfer to an appropriate facility, if indicated, and evaluating the need for and making referral to a health clinic, chemical dependency treatment, protective services, social or recreational programs, or school or community-based services and demonstration programs described in this section;

(3) contacting the parents or legal guardian of the truant student and releasing the truant student to the custody of the parents or guardian; and

(4) facilitating the juvenile's earliest possible return to school.

Subd. 4. [PERSONS EXCLUDED FROM SERVICE CENTERS.] The pilot truancy service centers shall not accept:

(1) juveniles arrested for criminal violations;

(2) intoxicated juveniles;

(3) ill or injured juveniles; or

(4) juveniles older than mandatory school attendance age.

Subd. 5. [EXPANSION OF SERVICES.] Truancy services centers may expand their service capability in order to receive curfew violators and take appropriate action including, but not limited to, coordination of intervention efforts, contacting parents, and developing strategies to ensure that parents assume responsibility and are held accountable for their children's curfew violations.

Subd. 6. [REPORT.] The commissioner of public safety, at the end of the pilot projects, shall report findings and recommendations to the legislature.

Sec. 15. [INTENSIVE NEGLECT INTERVENTION PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of public safety, in cooperation with the commissioners of education, human services, and corrections, shall establish two-year demonstration projects in at least two counties to address the needs of children who are at risk of school failure, delinquency, and mental health problems due to conditions of chronic neglect in their homes. These projects shall be designed to develop standards and model programming for intervention with chronic neglect.

Subd. 2. [PROGRAM REQUIREMENTS.] Counties eligible for grants under this section shall develop projects which operate out of the local social service agency and include the following:

(1) a provision for joint service delivery with community corrections to address multiple needs of children in the family, demonstrate improved methods of service delivery, and prevent delinquent behavior;

(2) a provision for multidisciplinary team service delivery that will include minimally, resources to address employment, chemical dependency, housing, and health and educational needs;

(3) demonstration of standards including, but not limited to, model case planning, indices of child well-being, success measures tied to child well-being, time frames for achievement of success measures, a scheme for progressively intrusive intervention, and use of juvenile court intervention and criminal court intervention; and

(4) a comprehensive review of funding and other sources available to children under this section in order to identify fiscal incentives and disincentives to successful service delivery.

Subd. 3. [REPORT.] The commissioner of public safety, at the end of the projects, shall report findings and recommendations to the legislature on the standards and model programming developed under the demonstration projects to guide the redesign of service delivery for chronic neglect.

ARTICLE 11

ATTORNEY GENERAL

Section 1. Minnesota Statutes 1992, section 8.06, is amended to read:

8.06 [ATTORNEY FOR STATE OFFICERS, BOARDS, OR COMMISSIONS; EMPLOY COUNSEL.]

The attorney general shall act as the attorney for all state officers and all boards or commissions created by law in all matters pertaining to their official duties. When requested by the attorney general, it shall be the duty of any county attorney of the state to appear within the county and act as attorney for any such board, commission, or officer in any court of such county. The attorney general may, upon request in writing, employ, and fix the compensation of, a special attorney for any such board, commission, or officer when, in the attorney general's judgment, the public welfare will be promoted thereby. Such special attorney's fees or salary shall be paid from the appropriation made for such board, commission, or officer. ~~A state agency that is current with its billings from the attorney general for legal services may contract with the attorney general for additional legal and investigative services.~~ Except as herein provided, no board, commission, or officer shall hereafter employ any attorney at the expense of the state.

Whenever the attorney general, the governor, and the chief justice of the supreme court shall certify, in writing, filed in the office of the secretary of state, that it is necessary, in the proper conduct of the legal business of the state, either civil or criminal, that the state employ additional counsel, the attorney general shall thereupon be authorized to employ such counsel and, with the governor and the chief justice, fix the additional counsel's compensation. Except as herein stated, no additional counsel shall be employed and the legal business of the state shall be performed exclusively by the attorney general and the attorney general's assistants.

Sec. 2. Minnesota Statutes 1993 Supplement, section 8.15, is amended to read:

8.15 [ATTORNEY GENERAL COSTS.]

Subdivision 1. [FEE SCHEDULES.] The attorney general in consultation with the commissioner of finance shall assess executive branch agencies a fee for legal services rendered to them, except that the attorney general may not assess the department of human rights for legal representation on behalf of complaining parties who have filed a charge of discrimination with the department. The assessment against appropriations from other than the general fund must be the full cost of providing the services. The assessment against appropriations supported by fees must be included in the fee calculation. The assessment against appropriations from the general fund not supported by fees must be one-half of the cost of providing the services. An amount equal to the general fund receipts in the even-numbered year of the biennium is appropriated to the attorney general for each year of the succeeding biennium. All other receipts from assessments must be deposited in the state treasury and credited to the general fund. develop a fee schedule to be used by the attorney general in developing the agreements authorized in subdivision 3.

~~The attorney general in consultation with the commissioner of finance shall assess political subdivisions fees to cover half the cost of legal services rendered to them, except that The attorney general may not assess a county any fee for legal services rendered in connection with a psychopathic personality commitment proceeding under section 526.10 for which the attorney general assumes responsibility under section 8.01.~~

Subd. 2. [BIENNIAL BUDGET REQUEST.] (a) The attorney general in consultation with the commissioner of finance shall designate which agencies will have their legal service requests included in the budget request of the attorney general.

(b) All other agencies, in consultation with the attorney general and the commissioner of finance, shall include a request for legal services in their biennial budget requests.

Subd. 3. [AGREEMENTS.] To facilitate the delivery of legal services, the attorney general may:

(1) enter into agreements with executive branch agencies, political subdivisions, or quasi-state agencies to provide legal services for the benefit of the citizens of Minnesota; and

(2) in addition to funds otherwise appropriated by the legislature, accept and spend funds received under any agreement authorized in clause (1) for the purpose set forth in clause (1), subject to a report of receipts to the chairs of the senate finance committee and the house ways and means committee by October 15 each year.

Funds received under this subdivision must be deposited in the general fund and are appropriated to the attorney general for the purposes set forth in this subdivision.

Subd. 4. [REPORTS.] The attorney general shall prepare an annual expenditure report describing actual expenditures for each agency or political subdivision receiving legal services. The report shall describe:

(1) estimated and actual expenditures, including expenditures authorized through agreements;

(2) the type of services provided; and

(3) major current and future legal issues.

The report shall be submitted to the chairs of the senate finance committee and the house ways and means committee by October 15 each year.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1995.

ARTICLE 12

PUBLIC DEFENDER

Section 1. Minnesota Statutes 1992, section 477A.012, is amended by adding a subdivision to read:

Subd. 7. [AID OFFSET FOR 1995 PUBLIC DEFENDER COSTS.] (a) In the case of a county located in the first, fifth, seventh, ninth, or tenth judicial district, there shall be deducted from the payment to the county under this section an amount equal to the cost of public defense services in juvenile and misdemeanor cases, to the extent those costs are assumed by the state for the calendar year beginning on January 1, 1995.

(b) For the purpose of the aid reductions under this section, the following amounts shall be used by the commissioner of revenue as the cost of public defense services in juvenile and misdemeanor cases for each county in the first, fifth, seventh, ninth, and tenth judicial districts, during the calendar year beginning on January 1, 1995:

<u>COUNTY</u>	<u>JUDICIAL DISTRICT</u>	<u>AMOUNT</u>
<u>(1) Aitkin</u>	<u>9</u>	<u>\$126,000</u>
<u>(2) Anoka</u>	<u>10</u>	<u>\$634,000</u>
<u>(3) Becker</u>	<u>7</u>	<u>\$160,000</u>
<u>(4) Beltrami</u>	<u>9</u>	<u>\$130,000</u>
<u>(5) Benton</u>	<u>7</u>	<u>\$ 80,000</u>
<u>(6) Blue Earth</u>	<u>5</u>	<u>\$ 96,000</u>
<u>(7) Brown</u>	<u>5</u>	<u>\$ 58,000</u>
<u>(8) Carver</u>	<u>1</u>	<u>\$ 82,000</u>

(9) <u>Cass</u>	9	<u>\$134,000</u>
(10) <u>Chisago</u>	10	<u>\$ 66,000</u>
(11) <u>Clay</u>	7	<u>\$136,000</u>
(12) <u>Clearwater</u>	9	<u>\$ 24,000</u>
(13) <u>Cottonwood</u>	5	<u>\$ 24,000</u>
(14) <u>Crow Wing</u>	9	<u>\$128,000</u>
(15) <u>Dakota</u>	1	<u>\$644,000</u>
(16) <u>Douglas</u>	7	<u>\$ 84,000</u>
(17) <u>Faribault</u>	5	<u>\$ 34,000</u>
(18) <u>Goodhue</u>	1	<u>\$ 94,000</u>
(19) <u>Hubbard</u>	9	<u>\$ 30,000</u>
(20) <u>Isanti</u>	10	<u>\$ 56,000</u>
(21) <u>Itasca</u>	9	<u>\$ 44,000</u>
(22) <u>Jackson</u>	5	<u>\$ 30,000</u>
(23) <u>Kanabec</u>	10	<u>\$ 42,000</u>
(24) <u>Kittson</u>	9	<u>\$ 12,000</u>
(25) <u>Koochiching</u>	9	<u>\$ 32,000</u>
(26) <u>Lake of the Woods</u>	9	<u>\$ 8,000</u>
(27) <u>Le Sueur</u>	1	<u>\$ 64,000</u>
(28) <u>Lincoln</u>	5	<u>\$ 20,000</u>
(29) <u>Lyon</u>	5	<u>\$ 58,000</u>
(30) <u>Mahnomen</u>	9	<u>\$ 12,000</u>
(31) <u>Marshall</u>	9	<u>\$ 28,000</u>
(32) <u>Martin</u>	5	<u>\$ 74,000</u>
(33) <u>McLeod</u>	1	<u>\$ 66,000</u>
(34) <u>Mille Lacs</u>	7	<u>\$ 46,000</u>
(35) <u>Morrison</u>	7	<u>\$ 70,000</u>
(36) <u>Murray</u>	5	<u>\$ 14,000</u>
(37) <u>Nicollet</u>	5	<u>\$ 86,000</u>
(38) <u>Nobles</u>	5	<u>\$ 62,000</u>

(39) <u>Norman</u>	<u>9</u>	<u>\$ 18,000</u>
(40) <u>Otter Tail</u>	<u>7</u>	<u>\$172,000</u>
(41) <u>Pennington</u>	<u>9</u>	<u>\$ 30,000</u>
(42) <u>Pine</u>	<u>10</u>	<u>\$ 46,000</u>
(43) <u>Pipestone</u>	<u>5</u>	<u>\$ 14,000</u>
(44) <u>Polk</u>	<u>9</u>	<u>\$140,000</u>
(45) <u>Red Lake</u>	<u>9</u>	<u>\$ 10,000</u>
(46) <u>Redwood</u>	<u>5</u>	<u>\$ 98,000</u>
(47) <u>Rock</u>	<u>5</u>	<u>\$ 28,000</u>
(48) <u>Roseau</u>	<u>9</u>	<u>\$ 42,000</u>
(49) <u>Scott</u>	<u>1</u>	<u>\$164,000</u>
(50) <u>Sherburne</u>	<u>10</u>	<u>\$164,000</u>
(51) <u>Sibley</u>	<u>1</u>	<u>\$ 82,000</u>
(52) <u>Stearns</u>	<u>7</u>	<u>\$386,000</u>
(53) <u>Todd</u>	<u>7</u>	<u>\$ 66,000</u>
(54) <u>Wadena</u>	<u>7</u>	<u>\$ 24,000</u>
(55) <u>Washington</u>	<u>10</u>	<u>\$282,000</u>
(56) <u>Watsonwan</u>	<u>5</u>	<u>\$ 38,000</u>
(57) <u>Wright</u>	<u>10</u>	<u>\$118,000</u>

(c) One-fourth of the amount specified under paragraph (b) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1994, and one-half of the amount computed under paragraph (b) for each county shall be deducted from each local government aid payment to the county under section 477A.015 in 1995, and each subsequent year. If the amount specified under paragraph (b) exceeds the amount payable to a county under subdivision 1, the excess shall be deducted from the aid payable to the county under section 273.1398, subdivision 2, and then, if necessary, from the disparity reduction aid under section 273.1398, subdivision 3.

(d) The appropriation for the state assumption of the costs of public defender services in juvenile and misdemeanor cases in the first, fifth, seventh, ninth, and tenth judicial districts, for the time period from January 1, 1995, to June 30, 1995, shall be annualized for the 1996-1997 biennium.

Sec. 2. Minnesota Statutes 1993 Supplement, section 611.17, is amended to read:

611.17 [FINANCIAL INQUIRY; STATEMENTS.]

(a) Each judicial district must screen requests under paragraph (b).

(b) Upon a request for the appointment of counsel, the court shall make appropriate inquiry into the financial circumstances of the applicant, who shall submit a financial statement under oath or affirmation setting forth the applicant's assets and liabilities, including the value of any real property owned by the applicant, whether homestead or otherwise, less the amount of any encumbrances on the real property, the source or sources of income, and any other information required by the court. The state public defender shall furnish appropriate forms for the financial

statements. The information contained in the statement shall be confidential and for the exclusive use of the court and the public defender appointed by the court to represent the applicant except for any prosecution under section 609.48. A refusal to execute the financial statement or produce financial records constitutes a waiver of the right to the appointment of a public defender.

Sec. 3. Minnesota Statutes 1993 Supplement, section 611.20, subdivision 2, is amended to read:

Subd. 2. [PARTIAL PAYMENT.] If the court determines that the defendant is able to make partial payment, the court shall direct the partial payments to the ~~governmental unit responsible for the costs of the public defender state general fund~~. Payments directed by the court to the state shall be recorded by the court administrator who shall transfer the payments to the state treasurer.

Sec. 4. Minnesota Statutes 1992, section 611.26, subdivision 4, is amended to read:

Subd. 4. [ASSISTANT PUBLIC DEFENDERS.] A chief district public defender shall appoint assistants who are qualified attorneys licensed to practice law in this state and other staff as the chief district public defender finds prudent and necessary subject to the standards adopted by the state public defender. Assistant district public defenders must be appointed to ensure broad geographic representation and caseload distribution within the district. Each assistant district public defender serves at the pleasure of the chief district public defender. A chief district public defender is authorized, subject to approval by the state board of public defense or their designee, to hire an independent contractor to perform the duties of an assistant public defender.

Sec. 5. Minnesota Statutes 1992, section 611.26, subdivision 6, is amended to read:

Subd. 6. [PERSONS DEFENDED.] The district public defender shall represent, without charge, a defendant charged with a felony ~~or, a gross misdemeanor, or misdemeanor~~ when so directed by the district court. ~~In the second, third, fourth, sixth, and eighth districts only;~~ The district public defender shall also represent a defendant charged with a ~~misdemeanor when so directed by the district court and shall represent a~~ minor in the juvenile court when so directed by the juvenile court.

Sec. 6. Minnesota Statutes 1993 Supplement, section 611.27, subdivision 4, is amended to read:

Subd. 4. [COUNTY PORTION OF COSTS.] That portion of subdivision 1 directing counties to pay the costs of public defense service shall not be in effect between ~~July 1, 1993~~ January 1, 1995, and July 1, 1995. This subdivision only relates to costs associated with felony ~~and, gross misdemeanor public defense services in all judicial districts and to juvenile, and misdemeanor public defense services in the second, third, fourth, sixth, and eighth judicial districts.~~ Notwithstanding the provisions of this subdivision, in the first, fifth, seventh, ninth, and tenth judicial districts, the cost of juvenile and misdemeanor public defense services for cases opened prior to January 1, 1995, shall remain the responsibility of the respective counties in those districts, even though the cost of these services may occur after January 1, 1995.

Sec. 7. [EFFECTIVE DATE.]

Sections 1, 2, and 4 are effective July 1, 1994. Sections 3, 5, and 6 are effective January 1, 1995."

Delete the title and insert:

"A bill for an act relating to crime and crime prevention; appropriating money for the attorney general, public defense, courts, corrections, criminal justice, and crime prevention and education programs; increasing penalties for a variety of violent crimes; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; enhancing 911 telephone service; providing a number of new investigative tools for law enforcement agencies; regulating explosives and blasting agents; modifying programs in state and local correctional facilities; increasing crime victim rights and protections; increasing court witness fees; requiring a study of civil commitment laws; completing the state takeover of public defender services; authorizing a variety of crime prevention programs; amending Minnesota Statutes 1992, sections 2.722, subdivision 1; 8.06; 13.99, subdivision 79; 84.9691; 123.3514, subdivision 3; 126.02, subdivision 1; 145A.05, by adding a subdivision; 152.01, by adding a subdivision; 152.021, subdivision 1; 152.024, subdivision 1; 169.89, subdivision 2; 171.18, subdivision 1; 241.26, subdivision 7; 243.05, by adding a subdivision; 243.166, subdivision

5; 243.18, subdivision 1; 243.23, subdivision 2; 243.24, subdivision 1; 244.09, by adding a subdivision; 244.12, subdivisions 1 and 2; 244.15, subdivision 4; 253B.19, subdivision 2; 260.161, by adding a subdivision; 299A.31; 299A.32, subdivision 3; 299A.38, subdivision 3; 299C.065, as amended; 299C.11; 299C.14; 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 299F.71; 299F.72, subdivision 2, and by adding subdivisions; 299F.73; 299F.74; 299F.75; 299F.77; 299F.78, subdivision 1; 299F.79; 299F.80; 299F.82; 299F.83; 352.91, by adding subdivisions; 352.92, subdivision 2; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 403.02, by adding a subdivision; 403.11, subdivisions 1 and 4; 477A.012, by adding a subdivision; 480.09, by adding a subdivision; 485.06; 494.05; 508.11; 600.23, subdivision 1; 609.0331; 609.0332; 609.165, by adding a subdivision; 609.185; 609.2231, subdivision 2; 609.224, by adding a subdivision; 609.245; 609.25, subdivision 2; 609.321, subdivision 12; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 11, 12, and by adding subdivisions; 609.342, subdivision 1; 609.3451, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.497, subdivision 1, and by adding a subdivision; 609.506, by adding a subdivision; 609.5315, subdivision 3; 609.5316, subdivision 1; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1, 1b, 1c, and by adding a subdivision; 609.713, subdivision 3; 609.72, subdivision 1; 609.855; 609.87, by adding a subdivision; 609.88, subdivision 1; 609.89, subdivision 1; 611.21; 611.26, subdivisions 4 and 6; 611A.036; 611A.045, subdivision 3; 611A.19; 611A.53, subdivision 2; 617.23; 624.714, subdivision 3; 626.556, subdivision 3a; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; and 631.425, subdivision 6; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 144.651, subdivisions 2, 21, and 26; 152.022, subdivision 1; 152.023, subdivision 2; 171.24; 242.51; 243.166, subdivisions 1, 2, 3, 4, 6, and 9; 243.18, subdivision 2; 244.05, subdivisions 4 and 5; 244.14, subdivision 3; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; 299C.10, subdivision 1; 299C.65, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 462A.202, by adding a subdivision; 473.407, subdivision 1; 480.30; 518B.01, subdivisions 6 and 14; 593.48; 609.11, subdivisions 4, 5, 8, and by adding a subdivision; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.531, subdivision 1; 609.5315, subdivisions 1 and 2; 609.66, subdivision 1a; 609.685, subdivision 3; 609.713, subdivision 1; 609.748, subdivision 5; 609.902, subdivision 4; 611.17; 611.20, subdivision 2; 611.27, subdivision 4; 611A.04, subdivision 1; 611A.06, subdivision 1; 611A.52, subdivision 8; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 1; 624.7132, subdivisions 1 and 12; 624.7181; and 626.556, subdivision 2; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 116J; 126; 144; 241; 245; 253B; 268; 299C; 299F; 403; 609; 611A; 626; and 629; repealing Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815, as amended; 609.0332, subdivision 2; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; and 299F.811."

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

The report was adopted.

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

H. F. No. 2400, A bill for an act relating to agricultural economy; increasing extent of authorized state participation in rural finance authority loan restructuring program; repealing authorization for the commissioner of finance to issue obligations to assist agricultural-industrial facilities in Detroit Lakes; amending Minnesota Statutes 1992, section 41B.04, subdivision 8; repealing Laws 1992, chapter 543.

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

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

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

The report was adopted.

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

H. F. No. 2520, A bill for an act relating to the environment; authorizing a person who wishes to construct or expand an air emission facility to reimburse certain costs of the pollution control agency; amending Minnesota Statutes 1992, section 116.07, subdivision 4d.

Reported the same back with the following amendments:

Page 4, after line 8, insert:

"Sec. 2. [REPORT.]

By June 1, 1995, the commissioner of the pollution control agency shall submit to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate a report detailing the agency's experience under section 1, paragraph (f), including:

- (1) the number of requests for expedited permit review;
- (2) the number of staff hours used for each expedited review;
- (3) the amount of reimbursements received by the agency from each person who requested expedited review;
- (4) an indication of whether expedited review results in a sufficiently thorough examination of all aspects of a project or operation; and
- (5) an analysis of the effect of expedited review on routine review of permit requests for other businesses or individuals."

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "requiring a report to the legislature;"

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

The report was adopted.

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

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

Reported the same back with the following amendments:

Page 1, line 13, delete "worker" and insert "contractor"

Page 1, line 17, delete "WORKERS" and insert "CONTRACTORS"

Page 1, line 18, delete "workers" and insert "contractors"

Page 4, line 9, delete "WORKERS" and insert "CONTRACTORS"

Page 4, lines 10 and 16, delete "workers" and insert "contractors"

Page 4, line 28, delete "worker" and insert "contractor"

Page 4, after line 29, insert:

"Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective August 1, 1995."

Amend the title as follows:

Page 1, line 3, delete "workers" and insert "contractors"

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

The report was adopted.

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

H. F. No. 2825, A bill for an act relating to game and fish; authorizing nonresident multiple zone antlerless deer licenses; exemptions from pest control licensing; trapping hours; exemptions from fur buying and selling licensure; purchase of archery deer licenses after the firearms season opens; taking big game by handgun in a shotgun deer zone; possession of firearms in muzzle-loader only deer zones; amending Minnesota Statutes 1992, sections 97A.475, subdivision 3; 97A.485, subdivision 9; 97B.031, subdivision 2; 97B.051; 97B.211, subdivision 2; 97B.301, by adding a subdivision; 97B.905, subdivision 1; and 97B.931; Minnesota Statutes 1993 Supplement, sections 18B.32, subdivision 1; and 97B.041.

Reported the same back with the following amendments:

Page 5, after line 18, insert:

"Sec. 11. Minnesota Statutes 1992, section 97C.321, subdivision 2, is amended to read:

Subd. 2. [ICE FISHING.] A person may use an unattended line to take fish through the ice if:

- (1) the person is within sight of the line; or
- (2) a tip-up is attached to the line and the person is within 80 feet of the tip-up.

For the purposes of this subdivision, "tip-up" includes a nonmotorized device with a recoil mechanism."

Amend the title as follows:

Page 1, line 13, delete "and" and after "97B.931;" insert "and 97C.321, subdivision 2;"

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

The report was adopted.

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

H. F. No. 2885, A bill for an act relating to agriculture; changing the law limiting corporate farming; establishing a corporate farming law task force; appropriating money; amending Minnesota Statutes 1992, section 500.24, subdivisions 2 and 3.

Reported the same back with the following amendments:

Pages 10 to 12, delete section 3

Amend the title as follows:

Page 1, line 3, delete everything after the semicolon

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

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

The report was adopted.

Rest from the Committee on Taxes to which was referred:

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

Reported the same back with the following amendments:

Page 1, lines 11, 16, and 22, delete "this act" and insert "sections 1 to 19"

Page 4, line 10, delete "this act" and insert "sections 1 to 19"

Page 4, line 22, delete "this act becomes" and insert "sections 1 to 19 become"

Page 6, line 11, delete "this act" and insert "sections 1 to 19"

Page 9, line 35, delete "this act" and insert "sections 1 to 19"

Page 14, lines 1 and 36, delete "this act" and insert "sections 1 to 19"

Page 16, lines 5 and 17, delete "this act" and insert "sections 1 to 19"

Page 22, line 35, delete "this act" and insert "sections 1 to 19"

Page 23, line 32, delete "this act" and insert "sections 1 to 19"

Page 25, lines 13, 32, 34, and 35, delete "this act" and insert "sections 1 to 19"

Page 26, after line 1, insert:

"Sec. 20. Laws 1993, chapter 55, section 1, is amended to read:

Section 1. [TEMPORARY RESOLUTION, EXTENSION.]

In addition to the periods allowed by Minnesota Statutes, section 394.34, the Pine county board of commissioners may by resolution extend a prior resolution on the subdivision of land by plat and by exemption certificate that was originally adopted by the board on March 13, 1991, for a one-year period, and extended on March 11, 1992. The resolution adopted under this section may extend the prior resolution for an additional period ending not later than ~~March 13, 1994~~ April 1, 1995."

Page 26, line 2, delete "20" and insert "21"

Page 26, lines 3 and 6, delete "This act is" and insert "Sections 1 to 19 are"

Page 26, after line 9, insert:

"Subd. 3. Section 20 is effective on the day following final enactment."

Amend the title as follows:

Page 1, line 6, before the period, insert "; amending Laws 1993, chapter 55, section 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 3179, A bill for an act relating to waters; preservation of wetlands; drainage and filling for public roads; defining terms; board action on local government plans; action on approval of replacement plans; computation of value; appropriating money; amending Minnesota Statutes 1992, sections 103G.2242, subdivisions 1, 5, 6, 7, and 8; and 103G.237, subdivision 4; Minnesota Statutes 1993 Supplement, sections 103G.222; and 103G.2241.

Reported the same back with the following amendments:

Page 12, delete lines 4 to 26

Page 12, line 30, delete "Sections 10 to 12 are" and insert "Section 10 is"

Renumber sections in sequence

Amend the title as follows:

Page 1, line 6, delete "appropriating money;"

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 1758, A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive aid to families with dependent children (AFDC); providing an exception to the AFDC overpayment statute; allowing start work offset to AFDC recipients in the first month of work; broadening the scope of the employment and training statute by requiring more AFDC recipients to participate in job search; allowing vendor emergency assistance payments for damage deposit; providing required workers' compensation insurance for community work experience program workers; expanding cost-neutral fraud prevention programs; allowing emergency assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness lump-sum criteria the same as the AFDC lump-sum criteria, with some exceptions; requiring a study to expand the parent's fair share pilot project statewide; requiring the departments of human services and revenue to design and implement a plan which supports working families; directing the commissioner of human services to seek several waivers from the federal government which support and promote moving off welfare and becoming self-sufficient; expanding the parent's fair share pilot project into Ramsey county; expanding state support for basic sliding fee day care program; appropriating money; amending

Minnesota Statutes 1992, sections 256.73, by adding subdivisions; 256.737, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.05, subdivision 6; 256D.09, by adding a subdivision; 256H.05, subdivision 1b; and 268.672, subdivision 6; Minnesota Statutes 1993 Supplement, sections 256.031, subdivision 3; 256.73, subdivision 8; and 256.736, subdivisions 10 and 14; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1993 Supplement, section 256.734.

Reported the same back with the following amendments to the unofficial engrossment:

Page 38, line 25, delete "\$5,792,000" and insert "\$5,726,000"

Page 39, line 22, delete "8" and insert "6"

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 1806, A bill for an act relating to nursing; allowing certified clinical specialists in psychiatric or mental health nursing to prescribe and administer drugs; appropriating money; amending Minnesota Statutes 1992, section 148.235, by adding subdivisions; Minnesota Statutes 1993 Supplement, section 148.235, subdivision 2.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1316, 2054, 2120, 2234, 2436 and 3051 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 584, 862, 1694, 1740, 1741, 2551, 1758 and 1806 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Rest, for the Committee on Taxes, introduced:

H. F. No. 3209, A bill for an act relating to the financing and operation of state and local government; conforming with changes in the federal income tax law; changing tax brackets, rates, bases, exemptions, withholding, payments, and refunds; allowing tax credits; providing aids to local governments; changing the calculation of property tax refunds; modifying property tax provisions relating to petitions, procedures, valuation, levies, classifications, homesteads, credits, and exemptions; abolishing limited market value; changing certain tax return or report requirements; changing operation of the local government trust fund; authorizing special assessments; authorizing local taxes; enacting provisions relating to certain cities, counties, special taxing districts, and towns; changing certain redemption provisions; reforming state budget procedures; changing the deposit of certain revenues; changing certain bonding provisions and authorizing bonding; modifying tax increment financing requirements; requiring certain permits and permit fees; requiring certain disclosures; requiring studies; transferring and appropriating money and

limiting appropriations; amending Minnesota Statutes 1992, sections 16A.711, subdivisions 4 and 5; 60A.15, by adding a subdivision; 124.196; 271.06, subdivision 7; 272.121, subdivision 1; 273.111, subdivision 11; 273.1398, by adding a subdivision; 273.1399, by adding a subdivision; 273.165, subdivision 1; 278.05, subdivision 6; 289A.02, by adding a subdivision; 289A.25, subdivision 5; 290.01, subdivision 19d, and by adding a subdivision; 290.05, subdivision 3; 290.06, subdivisions 2c and 2d; 290.067, subdivision 1; 290.068, subdivision 2; 290.0802, subdivisions 1 and 2; 290.0921, subdivision 2; 290.35, by adding a subdivision; 290A.04, subdivisions 2 and 2a; 296.16, subdivision 1; 297.01, by adding a subdivision; 297A.01, by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.021, by adding a subdivision; 297A.135, subdivision 1; 297A.15, subdivision 5; 297A.25, subdivision 9, and by adding subdivisions; 297A.256; 297A.44, subdivision 4; 297C.03, subdivision 6; 297C.13, subdivision 1; 298.017, subdivision 2; 298.26; 340A.311; 360.036, subdivisions 2 and 3; 360.037, subdivision 2; 360.042, subdivision 10; 469.004, subdivision 1a; 469.175, subdivisions 3, 4, and by adding a subdivision; 469.1761, subdivisions 1, 2, and 3; 469.177, subdivision 1a; 473.341; 473H.05, by adding a subdivision; 473H.18; and 580.23, as amended; Minnesota Statutes 1993 Supplement, sections 16A.712; 84.794, subdivision 1; 84.803, subdivision 1; 270.78; 273.11, subdivisions 5, 16, and by adding a subdivision; 273.121; 273.124, subdivision 1; 273.13, subdivisions 23 and 24; 275.065, subdivision 3; 276.04, subdivision 2; 278.01, subdivision 1; 289A.11, subdivision 1; 289A.26, subdivision 7; 289A.60, subdivision 21; 290.01, subdivision 19; 290.091, subdivision 2; 290A.03, subdivision 3; 290A.04, subdivisions 2h, as amended, and 6; 290A.23, subdivision 1; 296.02, subdivision 1a; 296.025, subdivision 1a; 297A.01, subdivision 16; 297B.03; and 469.176, subdivisions 1b and 4c; Laws 1969, chapter 499, section 2; Laws 1993, chapter 375, article 9, section 51; proposing coding for new law in Minnesota Statutes, chapters 16A; 275; 296; 297A; 297B; 462C; 469; and 473; repealing Minnesota Statutes 1992, section 290.067, subdivision 6; Minnesota Statutes 1993 Supplement, sections 82.19, subdivision 9; 273.11, subdivision 1a; and 289A.25, subdivision 5a.

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

Greenfield and Simoneau, for the Committee on Health and Human Services/Human Services Finance Division, introduced:

H. F. No. 3210, A bill for an act relating to human services; appropriating money for the departments of human services and health, and the ombudsman for mental health and mental retardation; modifying certain provisions relating to health and human services programs and activities; amending Minnesota Statutes 1992, sections 62A.046; 62A.048; 62A.27; 62A.31, by adding a subdivision; 144.0721, by adding a subdivision; 144A.073, subdivisions 1, 3a, 4, 8, and by adding a subdivision; 245A.14, subdivision 7; 246.50, subdivision 5; 246.53, subdivision 1; 246.57, subdivision 1; 252.025, subdivision 1, and by adding a subdivision; 252.275, subdivisions 3, 4, and by adding a subdivision; 256.015, subdivisions 2 and 7; 256.045, subdivisions 3, 4, and 5; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.969, subdivisions 10 and 16; 256B.042, subdivision 2; 256B.056, by adding a subdivision; 256B.059, subdivision 1; 256B.06, subdivision 4; 256B.0625, subdivisions 8, 8a, 25, and by adding subdivisions; 256B.0641, subdivision 1; 256B.0913, subdivision 8, and by adding a subdivision; 256B.0915, subdivision 5; 256B.0917, subdivisions 6 and 8; 256B.15, subdivision 1a; 256B.431, subdivisions 3c and 17; 256B.432, subdivisions 1, 3, and 6; 256B.49, subdivision 4; 256B.501, subdivisions 1, 3, 3c, and by adding a subdivision; 256B.69, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3a and 3b; 256D.05, subdivisions 3 and 3a; 256D.16; 256D.425, by adding a subdivision; 256H.05, subdivision 6; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 261.04, subdivision 2; 518.171, subdivision 5; 518.613, subdivision 7; 524.3-803; 524.3-1201; 528.08; and 626.556, subdivisions 4, 10e, and by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 62A.045; 144.551, subdivision 1; 144A.071, subdivisions 3 and 4a; 144A.073, subdivisions 2 and 3; 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; 245.97, subdivision 6; 252.46, by adding a subdivision; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, and 6; 256.9362, subdivision 6; 256.9657, subdivisions 2 and 3; 256.9685, subdivision 1; 256.969, subdivision 1; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 19a, 20, and 37; 256B.0626; 256B.0911, subdivisions 2, 4, and 7; 256B.0913, subdivisions 5 and 12; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivisions 1, 2, and 5; 256B.15, subdivision 2; 256B.431, subdivisions 2b, 15, and 24; 256B.432, subdivision 5; 256B.501, subdivisions 3g, 5a, and 8; 256D.03, subdivisions 3 and 4; 256I.04, subdivision 3; 256I.06, subdivision 1; 257.55, subdivision 1; 257.57, subdivision 2; 514.981, subdivisions 2 and 5; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; 518.615, subdivision 3; and 626.556, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 137; 245; 246; 252; 253; and 256; repealing Minnesota Statutes 1992, sections 14.38; 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 252.275, subdivisions 4a and 10; and 256B.501;

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

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. 2967, A bill for an act relating to local government; giving the Minneapolis school district and the municipal building commission the same authority as the city of Minneapolis to negotiate certain trade and craft contracts; amending Laws 1988, chapter 471, sections 1 and 2.

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. 2634, A bill for an act relating to transportation; requiring understandable notice of requirements for appealing town road damage awards; amending Minnesota Statutes 1992, section 164.07, subdivision 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lourey moved that the House concur in the Senate amendments to H. F. No. 2634 and that the bill be repassed as amended by the Senate. The motion prevailed.

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

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

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

Those who voted in the affirmative were:

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

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. 2373, A bill for an act relating to agriculture; modifying certain provisions relating to wheat and barley promotion orders and the payment and refund of checkoff fees; amending Minnesota Statutes 1992, sections 17.53, subdivisions 2, 8, and 13; 17.59, subdivision 2; and 17.63.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Olson, E., moved that the House concur in the Senate amendments to H. F. No. 2373 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2373, A bill for an act relating to agriculture; modifying certain provisions relating to wheat and barley promotion orders and the payment and refund of checkoff fees; amending Minnesota Statutes 1992, sections 17.53, subdivisions 2, 8, and 13; and 17.63.

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

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

Those who voted in the affirmative were:

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

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. 2772, A bill for an act relating to state government; public employment; establishing a pilot project in certain agencies; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orenstein moved that the House concur in the Senate amendments to H. F. No. 2772 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2772, A bill for an act relating to state government; public employment; establishing a pilot project in certain agencies; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Carlson moved that the House refuse to concur in the Senate amendments to H. F. No. 2362, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1898, A bill for an act relating to insurance; health; requiring coverage for equipment and supplies for the management and treatment of diabetes; proposing coding for new law in Minnesota Statutes, chapter 62A.

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

Mses. Wiener, Piper and Mr. Frederickson.

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

Pugh 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. 1898. The motion prevailed.

Mr. Speaker:

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

S. F. No. 2246, A bill for an act relating to natural resources; authorizing the exchange of certain state lands in Wabasha and Fillmore counties under certain conditions.

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

Messrs. Murphy, Morse and Dille.

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

Waltman 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. 2246. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1744, A bill for an act relating to the city of Lakefield; allowing the city of Lakefield to expand its public utilities commission to five members.

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

Messrs. Vickerman, Murphy and Chmielewski.

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

Olson, K., 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. 1744. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1912, A bill for an act relating to insurance; accident and health; permitting short-term coverage; amending Minnesota Statutes 1993 Supplement, section 62A.65, by adding a subdivision.

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

Messrs. Vickerman, Larson and Chandler.

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

Cooper 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. 1912. The motion prevailed.

Mr. Speaker:

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

S. F. No. 2900.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2900, A bill for an act relating to education; appropriating money for education and related purposes to the state board of technical colleges, higher education board, state university board, and board of regents of the University of Minnesota, with certain conditions; modifying the award of grants for faculty exchange and temporary assignment programs; designating community colleges; establishing the mission of Fond du Lac campus; changing certain financial aid grants; modifying the child care grant program; clarifying an exemption to private, business, trade, and correspondence school licensing; providing for appointments; permitting rulemaking; adopting a post-secondary funding formula; permitting the higher education board to establish tuition rates for the 1995-1996 academic year; postponing mandated planning; amending Minnesota Statutes 1992, sections 135A.01; 135A.03, subdivisions 1a, and by adding subdivisions; 135A.04; 136.60, subdivisions 1 and 3; 136A.101, subdivision 5; 136A.121, subdivisions 5, 17, and by adding subdivisions; 136A.125, subdivisions 2, 4, and by adding a subdivision; 136A.15, subdivision 6; and 141.35; Minnesota Statutes 1993 Supplement, sections 125.138, subdivisions 1, 6, and 8; and 135A.05; 136A.121, subdivision 6; Laws 1993, First Special Session chapter 2, article 5, section 2; proposing coding for new law in Minnesota Statutes, chapters 135A; and 136; repealing Minnesota Statutes 1992, sections 135A.02; 135A.03, subdivisions 1, 2, 3, 4, 5, and 6; 136.60, subdivision 4; and 136C.36.

The bill was read for the first time.

Pelowski moved that S. F. No. 2900 and H. F. No. 3178, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

CONSENT CALENDAR

S. F. No. 2303 was reported to the House.

Upon objection of ten members, S. F. No. 2303 was stricken from the Consent Calendar and placed on General Orders.

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

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 936

A bill for an act relating to the department of jobs and training; changing its name to the department of economic security.

March 25, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 936, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments.

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

House Conferees: BARB VICKERMAN, PAT BEARD AND BRIAN BERGSON.

Senate Conferees: DENNIS R. FREDERICKSON, JANET B. JOHNSON AND JAMES P. METZEN.

Vickerman moved that the report of the Conference Committee on H. F. No. 936 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 936, A bill for an act relating to the department of jobs and training; changing its name to the department of economic security.

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

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Asch	Brown, C.	Knight	McCollum	Olson, K.	Waltman
------	-----------	--------	----------	-----------	---------

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. Nos. 2175, 2433 and 2189.

H. F. No. 2175, A bill for an act relating to the city of Saint Paul; authorizing a program for the replacement of lead pipes and the charging or assessment of costs for the program and the issuance of general or special obligations to pay the costs of the program.

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

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Dauids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler

Delmont	Haukoos	Kinkel	Mahon	Onnen	Rice	Trimble
Dempsey	Hausman	Klinzing	Mariani	Opatz	Rodosovich	Tunheim
Dorn	Holsten	Krickerbocker	McCollum	Orenstein	Rukavina	Van Dellen
Erhardt	Hugoson	Knight	McGuire	Orfield	Sarna	Van Engen
Evans	Huntley	Koppendrayner	Milbert	Osthoff	Seagren	Vellenga
Farrell	Jacobs	Krueger	Molnau	Ostrom	Sekhon	Vickerman
Finseth	Jaros	Lasley	Morrison	Ozment	Simoneau	Wagenius
Frerichs	Jefferson	Leppik	Mosel	Pauly	Skoglund	Waltman
Garcia	Jennings	Lieder	Munger	Pawlenty	Smith	Weaver
Girard	Johnson, A.	Limmer	Murphy	Pelowski	Solberg	Wejcman
Goodno	Johnson, R.	Lindner	Neary	Perlt	Stanis	Wenzel
Greenfield	Johnson, V.	Long	Nelson	Peterson	Steensma	Winter
Greiling	Kahn	Lourey	Ness	Pugh	Sviggum	Wolf
Gruenes	Kalis	Luther	Olson, E.	Reding	Swenson	Worke
Gutknecht	Kelley	Lynch	Olson, K.	Rest	Tomassoni	Workman
Hasskamp	Kelso	Macklin	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.

Those who voted in the negative were:

Krinkie

The bill was passed and its title agreed to.

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

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 27 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Huntley	Krueger	Munger	Perlt	Steensma
Anderson, R.	Dawkins	Jacobs	Lasley	Murphy	Peterson	Sviggum
Asch	Delmont	Jaros	Lieder	Neary	Pugh	Swenson
Battaglia	Dempsey	Jefferson	Limmer	Nelson	Reding	Tomassoni
Bauerly	Dorn	Jennings	Long	Ness	Rest	Trimble
Beard	Erhardt	Johnson, A.	Lourey	Olson, E.	Rhodes	Tunheim
Bergson	Evans	Johnson, R.	Luther	Olson, K.	Rice	Van Dellen
Bertram	Farrell	Johnson, V.	Lynch	Onnen	Rodosovich	Vellenga
Bishop	Finseth	Kahn	Macklin	Opatz	Rukavina	Wagenius
Brown, C.	Garcia	Kalis	Mahon	Orenstein	Sarna	Weaver
Brown, K.	Greenfield	Kelley	Mariani	Orfield	Seagren	Wejcman
Carlson	Greiling	Kelso	McCollum	Osthoff	Sekhon	Winter
Carruthers	Gruenes	Kinkel	McGuire	Ostrom	Simoneau	Worke
Clark	Hasskamp	Klinzing	Milbert	Pauly	Skoglund	Workman
Cooper	Hausman	Krickerbocker	Mosel	Pelowski	Solberg	Spk. Anderson, I.

Those who voted in the negative were:

Bettermann	Frerichs	Haukoos	Krinkie	Olson, M.	Stanis	Waltman
Commers	Girard	Holsten	Lindner	Ozment	Tompkins	Wolf
Davids	Goodno	Hugoson	Molnau	Pawlenty	Van Engen	Workman
Dehler	Gutknecht	Knight	Morrison	Smith	Vickerman	

The bill was passed and its title agreed to.

H. F. No. 2189 was reported to the House.

Vellenga moved to amend H. F. No. 2189, the third engrossment, as follows:

Page 143, after line 4, insert:

"Sec. 2. [121.025.] [DESEGREGATION/INTEGRATION OFFICE.]

Subdivision 1. [ESTABLISHMENT.] An office of desegregation/integration is established in the department of education to coordinate and administer activities in the seven county metropolitan area to help school districts implement approved school desegregation/integration plans. Office activities include coordinating and administering teacher exchanges, assisting districts with intradistrict and interdistrict student transfers, and student recruitment, counseling, placement and transportation, coordinating and disseminating information about schools and programs, collecting data to show nondiscriminatory treatment, the efficacy of district efforts and the areas for special intervention or additional resources, assisting districts with new magnet schools and programs, and consulting with the metropolitan council under section 473.1455 to integrate school desegregation/integration efforts with the educational, physical, social, economic and infrastructure needs of the metropolitan area. Upon the request of a district with an approved desegregation/integration plan, the office shall assist in providing staff development and in-service training.

Subd. 2. [COORDINATION.] The commissioner shall coordinate the office activities under subdivision 1 with new or existing department efforts to accomplish school desegregation/integration."

Page 143, line 14, after "students" insert "and racial balance as defined by the state board"

Page 144, delete lines 6 to 36

Page 145, delete lines 1 to 36

Page 146, delete lines 1 to 36

Page 147, delete line 1

Page 158, line 23, delete "voluntary"

Page 158, line 24, delete "interdistrict coordinating" and insert "desegregation/integration" and delete "(VICO)" and delete "121.951" and insert "121.025"

Page 158, line 31, delete "charges to" and insert "duties of" and delete "VICO" and insert "desegregation/integration office"

Page 161, delete line 18

Page 161, line 19, delete "office advisory board and to"

Page 161, line 22, delete everything after the period

Page 161, delete line 23

Page 161, line 26, delete "voluntary interdistrict coordinating" and insert "desegregation/integration"

Page 161, line 27, delete "121.951, in consultation with its"

Page 161, line 28, delete "advisory board" and insert "121.025"

Page 161, line 31, delete "The proposal shall"

Page 161, delete lines 32 to 36

Page 162, delete lines 1 to 6

Page 162, line 9, delete "voluntary interdistrict coordinating" and insert "desegregation/integration"

Page 162, line 10, delete "121.951" and insert "121.025"

Page 162, line 17, delete "voluntary interdistrict coordinating" and insert "desegregation/integration"

Page 162, line 18, after "section", delete "121.951" and insert "121.025"

Page 164, line 17, delete "voluntary interdistrict coordinating" and insert "desegregation/integration"

Page 164, line 24, delete everything after the word "department"

Page 164, line 25, delete everything through the comma

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Jacobs and Vellenga moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 127, line 4, after the period, insert "Any individual employed by a school district for purposes of public school on-site testing and assessment must be a person who holds a license under section 125.05, subdivision 1."

The motion prevailed and the amendment was adopted.

Brown, C., moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 122, after line 31, insert a section to read:

"Sec. 34. Laws 1992, chapter 499, article 6, section 34, is amended to read:

Sec. 34. COOPERATION REVENUE.

Subdivision 1. Notwithstanding any other law to the contrary, if the members of a joint school district that received a cooperative secondary facilities grant under section 124.494 on or before May 1, 1991, meet the requirements of Minnesota Statutes 1990, sections 122.241 to 122.246, they shall be eligible for revenue under Minnesota Statutes, section 124.2725.

Subd. 2. The authority in subdivision 1 expires if the members of the joint school district have not combined according to Minnesota Statutes 1990, section 122.244, by July 1996 1997."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Lasley moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 7, after line 34, insert:

"Sec. 8. Minnesota Statutes 1992, section 124A.02, is amended by adding a subdivision to read:

Subd. 25. [EQUALIZATION AIDS ADJUSTED TAX CAPACITY.] "Equalization aids adjusted tax capacity" means a district's total market value of all taxable property located within the district times a class rate of one percent less the sum of the portion of market value attributable to:

(1) the district's commercial-industrial property, consisting of class 3a and 3b property as defined under section 273.13, subdivision 24;

(2) the district's class 5 property as defined under section 273.13, subdivision 31; and

(3) the district's class 2a property as defined under section 273.13, subdivision 23 except the house, garage and one acre; all adjusted by the sales ratio for that year according to section 124.2131."

Page 9, after line 12, insert:

"Sec. 11. Minnesota Statutes 1993 Supplement, section 124A.03, subdivision 1g, is amended to read:

Subd. 1g. [REFERENDUM EQUALIZATION LEVY.] A district's referendum equalization levy equals the district's referendum equalization revenue times the lesser of one or the ratio of the district's equalization aids adjusted net tax capacity per actual pupil unit to 100 percent of the equalizing factor as defined in section 124A.02, subdivision 8."

Page 9, line 28, after "market value" insert "or equalization aids adjusted tax capacity"

Page 12, after line 16, insert:

"Sec. 13. Minnesota Statutes 1992, section 124A.03, is amended by adding a subdivision to read:

Subd. 2c. [SCHOOL REFERENDUM LEVY: EQUALIZATION AIDS TAX CAPACITY.] A school board may, by board resolution, convert its referendum levy and have its levy spread against the equalization aids tax capacity. Notwithstanding subdivisions 2 or 2a, a school board may choose to have any new referendum levy authorized and levied against the equalization aids tax capacity of all taxable property as defined in section 124A.02, subdivision 25. Any referendum levy amount subject to the requirements of this subdivision shall be separately certified to the county auditor under section 275.07.

All other provisions of subdivision 2 that do not conflict with this subdivision shall apply to referendum levies under this subdivision."

Page 13, after line 35, insert "A school district may, by board resolution, expire all of its existing referendum revenue."

Page 15, after line 25, insert:

"Sec. 15. Minnesota Statutes 1992, section 124A.22, subdivision 1, is amended to read:

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

Page 21, after line 6, insert:

"Sec. 21. Minnesota Statutes 1992, section 124A.22, is amended by adding a subdivision to read:

Subd. 10. [REFERENDUM CONVERSION REVENUE.] Beginning in fiscal year 1995, a school district's referendum conversion revenue equals the product of:

(1) the district's actual pupil units for that year, and

(2) the greater of zero, or \$300 minus the ratio of the district's referendum revenue to its actual pupil units for that year. Referendum conversion revenue is funded through the school aids reserve account."

Page 21, after line 13, insert:

"Sec. 22. [124D.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For the purposes of this chapter, the following terms have the meaning given them.

Subd. 2. [COMMERCIAL-INDUSTRIAL PROPERTY.] "Commercial-industrial property" means the following categories of property as defined in section 273.13:

(1) class 3a and 3b property as defined in section 273.13, subdivision 24; and

(2) class 5 property as defined in section 273.13, subdivision 31.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of revenue.

Subd. 4. [EQUALIZATION AID ACCOUNT.] "Equalization aid account" means the account established in the general fund to pay education equalization aids to school districts. All revenue received from the education equalization commercial-industrial property tax must be deposited in this account.

For fiscal year 1996, "equalization aid" means debt service equalization aid. For fiscal years 1997 and later, "equalization aid" means debt service equalization aid and referendum equalization aid.

Subd. 5. [FARM PROPERTY.] "Farm property" means class 2a property, except the house, garage, and one acre, as defined in section 273.13, subdivision 23.

Sec. 23. [124D.02] [EDUCATION EQUALIZATION TAX.]

Subdivision 1. [EDUCATION EQUALIZATION TAX BASE.] The net tax capacity of commercial-industrial property and farm property is the education equalization tax base and is subject to the education equalization tax rate as determined in subdivision 3.

Subd. 2. [EDUCATION EQUALIZATION LEVY.] On or before October 1 of each year, the commissioner shall determine the total amount of the education equalization tax base within the state for the previous assessment year. The commissioner of education shall calculate and report to the commissioner of revenue the amount of revenue necessary to provide state aid to fund the equalization aids specified in section 124D.01, subdivision 4, for the following fiscal year. The commissioner shall determine each county's equalized education equalization tax base by dividing the education equalization tax base, excluding public utility property, but including railroad property, by its most recently available countywide aggregate commercial-industrial sales ratio determined under section 124.2131, and then adding that product to each county's public utility part of the education equalization tax base. Each county's education equalization levy equals the statewide education equalization levy determined in this subdivision multiplied by the ratio of each county's equalized education equalization tax base determined in this subdivision to the total equalized education equalization tax base for all counties.

Subd. 3. [EDUCATION EQUALIZATION TAX RATE.] Before December 2 of each year, the commissioner shall notify each county auditor of the amount of education equalization tax to be levied on commercial-industrial property and farm property located in the county for taxes payable in the following year. The county auditor shall compute the education equalization tax rate for the county by dividing the county's education equalization levy, as certified by the commissioner, by the total education equalization tax base within the county determined under subdivision 1.

Sec. 24. [124D.03] [PAYMENT.]

The amount of education equalization tax due on each parcel of commercial-industrial property and farm property must be listed separately on the property tax statement under section 276.04, subdivision 2. Payment of the education equalization tax must be made at the same time and in the same manner as all other property taxes levied by all units of local government. The county treasurer shall pay the amounts collected from the education equalization tax to the state treasurer. Settlement between the county treasurer and the state treasurer must be made at the same time that distributions are made to local governmental units in accordance with sections 276.09 to 276.111. The funds payable to the state treasurer must be deposited in the equalization aid account in the general fund, and must be used only to pay education equalization aids to school districts."

Page 22, after line 35, insert:

"Sec. 27. [SCHOOL AIDS RESERVE ACCOUNT.]

Subdivision 1. [ESTABLISHMENT.] There is established a school aids reserve account in the general fund of the state treasury for the deposit of funds to insure adequate funding for aids to school districts for the biennium beginning July 1, 1995.

Subd. 2. [INITIAL TRANSFER.] The commissioner of finance shall transfer \$89,500,000 to the school aids reserve account on July 1, 1994."

Page 24, line 18, delete "124,000,000" and insert "\$34,500,000"

Page 24, delete lines 19 to 31

Page 25, after line 4, insert:

"(c) chapter 124D is effective July 1, of the year following the first school year where more than 50 percent of the state's pupil units reside in districts that do not have any referendum authority levied against net tax capacity or market value."

The question was taken on the Lasley amendment and the roll was called. There were 35 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Gutknecht	Klinzing	Mosel	Ostrom	Swenson
Bauerly	Dempsey	Hugoson	Krueger	Nelson	Ozment	Vickerman
Bertram	Dorn	Jacobs	Lasley	Olson, K.	Peterson	Waltman
Brown, K.	Girard	Jennings	Lourey	Opatz	Steensma	Weaver
Cooper	Gruenes	Kalis	Lynch	Orenstein	Sviggum	Worke

Those who voted in the negative were:

Abrams	Dehler	Jaros	Lieder	Ness	Rodosovich	Van Dellen
Asch	Delmont	Jefferson	Limmer	Olson, E.	Rukavina	Van Engen
Battaglia	Erhardt	Johnson, A.	Lindner	Olson, M.	Sarna	Vellenga
Beard	Evans	Johnson, R.	Luther	Onnen	Seagren	Wagenius
Bergson	Finseth	Johnson, V.	Macklin	Orfield	Sekhon	Wejcman
Bettermann	Frerichs	Kahn	Mahon	Pauly	Simoneau	Wenzel
Bishop	Garcia	Kelley	Mariani	Pawlenty	Skoglund	Winter
Brown, C.	Goodno	Kelso	McCollum	Pelowski	Smith	Wolf
Carlson	Greenfield	Kinkel	McGuire	Perl	Solberg	Workman
Carruthers	Greiling	Knickerbocker	Milbert	Pugh	Stanis	Spk. Anderson, I.
Clark	Haukoos	Knight	Molnau	Reding	Tomassoni	
Commers	Hausman	Koppendraye	Morrison	Rest	Tompkins	
Dauids	Holsten	Krinkie	Murphy	Rhodes	Trimble	
Dawkins	Huntley	Leppik	Neary	Rice	Tunheim	

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

Vellenga moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 2, after line 4 of the first Vellenga amendment, insert:

"Subd. 3. [ADVISORY BOARD.] The commissioner shall establish an advisory board composed of:

(1) eight superintendents, each of whom shall be selected by the superintendents of the school districts located in whole or in part within each of the eight metropolitan districts established under section 473.123, subdivision 3c; and

(2) one person each selected by the American Indian affairs council, the Asian-Pacific Minnesotans council, the Black Minnesotans council, and the Spanish-speaking council.

The advisory board shall advise the office on complying with the requirements under subdivision 1. The advisory board may solicit comments from teachers, parents, and interested community organizations."

The motion prevailed and the amendment was adopted.

Swenson, McCollum and Carlson moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 190, line 21, after the period, insert "The commissioner also shall contact and request records from the local welfare agency in any county where the applicant formerly resided or was employed if the commissioner knows which counties to contact, based on information contained in the application or obtained from another source."

The motion prevailed and the amendment was adopted.

Ozment moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 125, after line 11, insert:

"Sec. 41. [STATE BOARD.]

Notwithstanding any law to the contrary, the state board of education is abolished. All duties and powers of the state board are transferred to the department of education."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Ozment amendment and the roll was called. There were 53 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Jaros	Limmer	Ness	Smith	Vickerman
Beard	Frerichs	Johnson, V.	Lindner	Olson, M.	Stanius	Waltman
Bettermann	Girard	Kahn	Lynch	Onnen	Steensma	Wenzel
Commers	Goodno	Knickerbocker	Macklin	Osthoff	Sviggum	Wolf
Davids	Gruenes	Knight	Molnau	Ozment	Swenson	Workman
Dehler	Gutknecht	Koppendrayner	Morrison	Pauly	Tomassoni	
Dempsey	Holsten	Krinkie	Mosel	Pawlenty	Van Dellen	
Erhardt	Hugoson	Leppik	Nelson	Pelowski	Van Engen	

Those who voted in the negative were:

Anderson, R.	Cooper	Hausman	Lasley	Neary	Rhodes	Vellenga
Asch	Dauner	Huntley	Lieder	Olson, E.	Rodosovich	Wagenius
Battaglia	Dawkins	Jacobs	Long	Olson, K.	Rukavina	Weaver
Bauerly	Delmont	Jefferson	Lourey	Opatz	Sarna	Wejzman
Bergson	Dorn	Jennings	Luther	Orenstein	Seagren	Winter
Bertram	Evans	Johnson, A.	Mahon	Orfield	Sekhon	Worke
Bishop	Farrell	Johnson, R.	Mariani	Ostrom	Simoneau	Spk. Anderson, I.
Brown, C.	Garcia	Kalis	McCollum	Perl	Skoglund	
Brown, K.	Greenfield	Kelso	McGuire	Peterson	Solberg	
Carlson	Greiling	Kinkel	Milbert	Pugh	Tompkins	
Carruthers	Hasskamp	Klinzing	Munger	Reding	Trimble	
Clark	Haukoos	Krueger	Murphy	Rest	Tunheim	

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

Cooper moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 105, line 22, delete "(4)" and insert "(5)"

Page 117, delete lines 30 to 36

Delete page 118

Delete page 119, and insert:

"Sec. 22. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6a, is amended to read:

Subd. 6a. [DISTRICT COOPERATION REVENUE.] ~~A district's~~ (a) For fiscal year 1995, for a district that is not a member of an intermediate district under chapter 136D, district cooperation revenue is equal to the greater greatest of \$50 times the actual pupil units, the sum of the amounts in paragraph (d), clauses (1) to (6) times the actual fiscal year 1994 pupil units, or \$25,000.

(b) For fiscal year 1995, for a district that is a member of an intermediate district under chapter 136D, district cooperation revenue is equal to the sum of the amounts in paragraph (d), clauses (1) and (6) times the fiscal year 1994 pupil units.

(c) For fiscal year 1996 and thereafter, district cooperation revenue is equal to the greatest of \$25,000, the sum of paragraph (d), clauses (1) to (7) times the fiscal year 1994 pupil units, or:

(1) \$55 times the actual pupil units for fiscal year 1996;

(2) \$59 times the actual pupil units for fiscal year 1997;

(3) \$63 times the actual pupil units for fiscal year 1998;

(4) \$67 times the actual pupil units for fiscal year 1999 and thereafter.

(d) District cooperation revenue components include:

(1) the average per pupil allocation of the regional reporting subsidy grant under Minnesota Statutes 1992, section 121.935, subdivision 5, received in fiscal year 1994 by the regional management information center to which the district belonged in fiscal year 1994;

(2) the average per pupil allocation of the amount of education district revenue certified to the department of education under Minnesota Statutes 1992, section 124.2721, subdivision 2, for fiscal year 1994 by the education district to which the district belonged in fiscal year 1994;

(3) \$20 per pupil for a district that belonged to a secondary vocational cooperative in fiscal year 1994 that received revenue under Minnesota Statutes 1992, section 124.575, in fiscal year 1994;

(4) the per pupil interdistrict cooperation revenue the district received under Minnesota Statutes 1992, section 124.912, subdivision 4, in fiscal year 1994;

(5) \$50 per pupil for a district that received special cooperation revenue under Minnesota Statutes 1992, section 124.912, subdivision 5, in fiscal year 1994;

(6) the average per pupil allocation of state aid according to Laws 1993, chapter 224, article 6, section 30, subdivision 3, received by the ECSU in which the district was a full member in fiscal year 1994; and

(7) the average per pupil allocation of the intermediate district levy certified in 1992 for taxes payable in 1993 under Minnesota Statutes 1992, section 124.2727, subdivision 6, by the intermediate district to which the district belonged in fiscal year 1994.

Sec. 23. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6d, is amended to read:

Subd. 6d. [REVENUE USES.] (a) A district must place its district cooperation revenue in a reserved account and may only use the revenue to purchase goods and services from entities formed for cooperative purposes or to otherwise provide educational services in a cooperative manner.

(b) In addition to the requirements of paragraph (a), a district that is a member of an intermediate school district organized pursuant to under chapter 136D may not access revenue under this section. on July 1, 1994, must reserve 5/11 of a specified amount of its district cooperation revenue for special education and 6/11 of a specified amount of district cooperation revenue for secondary vocational education. The specified amount is equal the district's per pupil allocation of the levy certified in 1992 for taxes payable in 1993 under Minnesota Statutes 1992, section 124.2727, subdivision 6, by the intermediate district to which the district belonged in fiscal year 1994 times the fiscal year 1994 pupil units in the school district.

(c) If a district withdraws from an intermediate district effective June 30, 1995 or thereafter, the district must provide students with secondary vocational and special education courses and services that are available to students in the intermediate school district from which the district withdrew."

Page 120, delete lines 29 to 36

Delete page 121

Page 122, delete lines 1 to 31 and insert:

"Sec. 24. Minnesota Statutes 1992, section 136D.281, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1995.

Sec. 25. Minnesota Statutes 1992, section 136D.741, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1995.

Sec. 26. Minnesota Statutes 1992, section 136D.88, is amended by adding a subdivision to read:

Subd. 8. [EXPIRATION.] The intermediate school board may not issue bonds under this section after July 1, 1995."

Page 124, delete lines 25 to 36

Page 125, delete line 1

Page 125, line 35, delete "(a)"

Page 126, line 4, delete "subdivision 8" and insert "subdivisions 6 and 8; 136D.22, subdivision 3; 136D.27; 136D.73, subdivision 3; 136D.74, subdivisions 2a and 2b; 136D.87;"

Page 126, delete lines 7 to 9

Page 126, line 11, delete "(a)"

Page 126, delete lines 13 and 14

Renumber the sections in sequences

Correct internal cross references

A roll call was requested and properly seconded.

The question was taken on the Cooper amendment and the roll was called. There were 66 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bettermann	Clark	Davids	Dorn	Frerichs	Greenfield
Bauerly	Brown, C.	Cooper	Dawkins	Farrell	Girard	Greiling
Bertram	Brown, K.	Dauner	Dehler	Finseth	Goodno	Gruenes

Gutknecht	Kalis	Mariani	Olson, K.	Pelowski	Sviggum	Weaver
Hasskamp	Kelso	McGuire	Onnen	Peterson	Trimble	Winter
Haukoos	Koppendrayner	Molnau	Opatz	Rodosovich	Van Engen	Worke
Hausman	Krueger	Mosel	Orenstein	Sekhon	Vellenga	
Hugoson	Lasley	Munger	Orfield	Skoglund	Vickerman	
Johnson, V.	Lieder	Nelson	Osthoff	Smith	Wagenius	
Kahn	Lourey	Olson, E.	Ostrom	Steensma	Waltman	

Those who voted in the negative were:

Abrams	Dempsey	Johnson, A.	Lindner	Neary	Rice	Tunheim
Asch	Erhardt	Johnson, R.	Long	Ness	Rukavina	Van Dellen
Battaglia	Evans	Kelley	Luther	Olson, M.	Sarna	Wejcman
Beard	Garcia	Kinkel	Lynch	Ozment	Seagren	Wenzel
Bergson	Holsten	Klinzing	Macklin	Pauly	Simoneau	Wolf
Bishop	Huntley	Knickerbocker	Mahon	Pawlenty	Solberg	Workman
Carlson	Jacobs	Knight	McCollum	Perlt	Stanis	Spk. Anderson, I.
Carruthers	Jaros	Krinkie	Milbert	Pugh	Swenson	
Commers	Jefferson	Leppik	Morrison	Rest	Tomassoni	
Delmont	Jennings	Limmer	Murphy	Rhodes	Tompkins	

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

Dehler moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 163, after line 35, insert:

"Subd. 5. [HOLDINGFORD.] Notwithstanding Minnesota Statutes, sections 121.912; 121.9121; and 475.61, subdivision 4, or any other law to the contrary, on June 30, 1994, independent school district No. 738, Holdingford, may permanently transfer up to \$105,000 from its debt redemption fund to its general fund."

The motion prevailed and the amendment was adopted.

Seagren and Leppik moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 143, line 21, delete "after it presents the rule to the education"

Page 143, line 22, delete everything before the period and insert "specifically authorized in law to do so"

A roll call was requested and properly seconded.

The question was taken on the Seagren and Leppik amendment and the roll was called. There were 51 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Hugoson	Lindner	Onnen	Sviggum	Wolf
Bettermann	Frerichs	Johnson, V.	Lynch	Ozment	Swenson	Worke
Bishop	Girard	Knickerbocker	Macklin	Pauly	Tompkins	Workman
Commers	Goodno	Knight	Mahon	Pawlenty	Van Dellen	
Dauids	Gruenes	Koppendrayner	Molnau	Rhodes	Van Engen	
Dehler	Gutknecht	Krinkie	Morrison	Seagren	Vickerman	
Dempsey	Haukoos	Leppik	Ness	Smith	Waltman	
Erhardt	Holsten	Limmer	Olson, M.	Stanis	Weaver	

Those who voted in the negative were:

Anderson, R.	Beard	Brown, K.	Cooper	Dorn	Greenfield	Jacobs
Asch	Bergson	Carlson	Dauner	Evans	Greiling	Jaros
Battaglia	Bertram	Carruthers	Dawkins	Farrell	Hausman	Jefferson
Bauerly	Brown, C.	Clark	Delmont	Garcia	Huntley	Jennings

Johnson, R.	Lasley	Milbert	Opatz	Pugh	Simoneau	Wagenius
Kahn	Lieder	Mosel	Orenstein	Reding	Skoglund	Wejcman
Kalis	Long	Munger	Orfield	Rest	Solberg	Wenzel
Kelley	Lourey	Murphy	Osthoff	Rice	Steensma	Winter
Kelso	Luther	Neary	Ostrom	Rodosovich	Tomassoni	Spk. Anderson, I.
Kinkel	Mariani	Nelson	Pelowski	Rukavina	Trimble	
Klinzing	McCollum	Olson, E.	Perlt	Sarna	Tunheim	
Krueger	McGuire	Olson, K.	Peterson	Sekhon	Vellenga	

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

Sviggun moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 126, after line 35, insert "(b) The content of the graduation rule must require students to attain clearly defined, objective, measurable outcomes in the subject areas of reading, writing, mathematics, science, social studies, and geography consistent with paragraph (e)."

Page 126, line 36, delete "(b)" and insert "(c)"

Page 127, line 5, delete "(c)" and insert "(d)"

Page 127, line 18, delete "(d)" and insert "(e)"

Page 127, line 25, delete "and" and insert a comma and after "(c)" insert "and (d)"

Page 127, line 36, delete "(e)" and insert "(f)"

A roll call was requested and properly seconded.

Peterson moved to amend the Sviggun amendment to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 6 of the Sviggun amendment, after "studies," insert "arts,"

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 87 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Davids	Jaros	Long	Nelson	Pugh	Tomassoni
Asch	Dawkins	Jefferson	Lourey	Olson, E.	Reding	Trimble
Battaglia	Dehler	Jennings	Luther	Olson, K.	Rhodes	Tunheim
Bauerly	Delmont	Johnson, A.	Mahon	Opatz	Rodosovich	Vellenga
Beard	Dorn	Johnson, R.	Mariani	Orenstein	Rukavina	Wagenius
Bergson	Evans	Kahn	McCollum	Orfield	Sarna	Wejcman
Bertram	Farnell	Kelley	McGuire	Osthoff	Seagren	Wenzel
Brown, C.	Garcia	Kelso	Milbert	Ostrom	Sekhon	Winter
Brown, K.	Greenfield	Kinkel	Morrison	Ozment	Simoneau	Spk. Anderson, I.
Carlson	Greiling	Klinzing	Mosel	Pauly	Skoglund	
Carruthers	Hausman	Krueger	Munger	Pelowski	Smith	
Clark	Huntley	Lasley	Murphy	Perlt	Solberg	
Cooper	Jacobs	Lieder	Neary	Peterson	Steensma	

Those who voted in the negative were:

Abrams	Commers	Erhardt	Girard	Gutknecht	Hugoson	Knickerbocker
Bettermann	Dauner	Finseth	Goodno	Haukoos	Johnson, V.	Knight
Bishop	Dempsey	Frerichs	Gruenes	Holsten	Kalis	Koppendrayner

Krinkie	Lynch	Olson, M.	Stanius	Tompkins	Vickerman	Wolf
Leppik	Macklin	Onnen	Sviggum	Van Dellen	Waltman	Worke
Limmer	Molnau	Pawlenty	Swenson	Van Engen	Weaver	Workman
Lindner	Ness					

The motion prevailed and the amendment to the amendment was adopted.

Osthoff moved to amend the Sviggum amendment, as amended, to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 6 of the Sviggum amendment, after "mathematics," insert "cultural diversity."

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 81 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Asch	Cooper	Jacobs	Krueger	Neary	Rhodes	Tomassoni
Battaglia	Dawkins	Jaros	Lieder	Nelson	Rice	Trimble
Bauerly	Delmont	Jefferson	Long	Olson, E.	Rodosovich	Tunheim
Beard	Evans	Jennings	Lourey	Olson, K.	Rukavina	Vellenga
Bergson	Farrell	Johnson, A.	Luther	Opatz	Sarna	Wagenius
Bertram	Garcia	Johnson, R.	Mahon	Orenstein	Seagren	Wejzman
Bishop	Goodno	Kahn	Mariani	Orfield	Sekhon	Wenzel
Brown, C.	Greenfield	Kalis	McCollum	Osthoff	Simoneau	Winter
Brown, K.	Greiling	Kelley	McGuire	Perlt	Skoglund	Spk. Anderson, I.
Carlson	Haukoos	Kelso	Milbert	Peterson	Smith	
Carruthers	Hausman	Kinkel	Munger	Pugh	Solberg	
Clark	Huntley	Klinzing	Murphy	Rest	Steensma	

Those who voted in the negative were:

Abrams	Dorn	Holsten	Leppik	Ness	Stanius	Weaver
Anderson, R.	Erhardt	Hugoson	Limmer	Olson, M.	Sviggum	Wolf
Bettermann	Finseth	Johnson, V.	Lindner	Onnen	Swenson	Worke
Commers	Frerichs	Knickerbocker	Lynch	Ostrom	Tompkins	Workman
Dauner	Girard	Knight	Macklin	Ozment	Van Dellen	
Dauids	Gruenes	Koppendrayner	Molnau	Pauly	Van Engen	
Dehler	Gutknecht	Krinkie	Morrison	Pawlenty	Vickerman	
Dempsey	Hasskamp	Lasley	Mosel	Pelowski	Waltman	

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Smith moved to amend the Sviggum amendment, as amended, to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 6 of the Sviggum amendment, as amended by the Osthoff amendment, after "diversity" insert "including United States of America culture"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carruthers	Cooper	Dawkins
Anderson, R.	Bauerly	Bertram	Brown, K.	Clark	Dauner	Dehler
Asch	Beard	Bettermann	Carlson	Commers	Dauids	Delmont

Dempsey	Hausman	Klinzing	Mahon	Opatz	Rodosovich	Tunheim
Dorn	Holsten	Knickerbocker	Mariani	Orenstein	Rukavina	Van Dellen
Erhardt	Hugoson	Knight	McGuire	Orfield	Sarna	Van Engen
Evans	Huntley	Koppendraye	Milbert	Osthoff	Seagren	Vellenga
Farrell	Jacobs	Krinkie	Molnau	Ostrom	Sekhon	Vickerman
Finseth	Jaros	Krueger	Morrison	Ozment	Simoneau	Wagenius
Frerichs	Jefferson	Lasley	Mosel	Pauly	Skoglund	Waltman
Garcia	Jennings	Leppik	Munger	Pawlenty	Smith	Weaver
Girard	Johnson, A.	Lieder	Murphy	Pelowski	Solberg	Wejcman
Goodno	Johnson, R.	Limmer	Neary	Perlt	Stanis	Wenzel
Greenfield	Johnson, V.	Lindner	Nelson	Peterson	Steensma	Winter
Greiling	Kahn	Long	Ness	Pugh	Svigum	Wolf
Gruenes	Kalis	Lourey	Olson, E.	Reding	Swenson	Worke
Gutknecht	Kelley	Luther	Olson, K.	Rest	Tomassoni	Workman
Hasskamp	Kelso	Lynch	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.
Haukoos	Kinkel	Macklin	Onnen	Rice	Trimble	

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Svigum requested that his amendment, as amended, be withdrawn. The House by vote approved the request and the Svigum amendment, as amended, was withdrawn.

MOTION FOR RECONSIDERATION

Long moved that the vote whereby the Cooper amendment to H. F. No. 2189, the third engrossment, as amended, was not adopted earlier be now reconsidered. The motion did not prevail.

Evans moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 143, after line 25, insert:

"(d) In making or amending an inclusive education rule, the state board shall ensure that districts provide equal educational opportunities for all students by effectively accommodating students' interests and abilities. The state board shall require districts to implement and annually update a plan to ensure that districts' educational activities are inclusive, and consistent with the requirements for education in chapter 363. It shall require districts to submit their plans for inclusive education by October 1 of each fiscal year to the commissioner for approval or disapproval within 120 days."

A roll call was requested and properly seconded.

The question was taken on the Evans amendment and the roll was called. There were 40 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Carlson	Farrell	Jaros	Lourey	Orenstein	Sekhon	Vellenga
Carruthers	Garcia	Jefferson	Luther	Osthoff	Simoneau	Wagenius
Clark	Greenfield	Johnson, A.	Mariani	Perlt	Skoglund	Wejcman
Dawkins	Greiling	Kahn	McCollum	Reding	Solberg	Spk. Anderson, I.
Delmont	Hausman	Kelley	McGuire	Rest	Tomassoni	
Evans	Huntley	Long	Neary	Rukavina	Trimble	

Those who voted in the negative were:

Abrams	Bauerly	Bettermann	Cooper	Dempsey	Frerichs	Gutknecht
Anderson, R.	Beard	Bishop	Dauner	Dorn	Girard	Hasskamp
Asch	Bergson	Brown, K.	Davids	Erhardt	Goodno	Haukoos
Battaglia	Bertram	Commers	Dehler	Finseth	Gruenes	Holsten

Hugoson	Knickerbocker	Lindner	Nelson	Pawlenty	Steensma	Weaver
Jacobs	Knight	Lynch	Ness	Pelowski	Sviggum	Wenzel
Jennings	Koppendrayer	Macklin	Olson, E.	Peterson	Swenson	Winter
Johnson, R.	Krinkie	Mahon	Olson, M.	Rhodes	Tompkins	Wolf
Johnson, V.	Krueger	Milbert	Onnen	Rodosovich	Tunheim	Worke
Kalis	Lasley	Molnau	Opatz	Sarna	Van Dellen	Workman
Kelso	Leppik	Morrison	Ostrom	Seagren	Van Engen	
Kinkel	Lieder	Mosel	Ozment	Smith	Vickerman	
Klinzing	Limmer	Munger	Pauly	Stanis	Waltman	

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

Long, Jacobs, Asch and Hausman moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 6 of the Jacobs and Vellenga amendment, before the period, insert ", or 148.91"

The motion prevailed and the amendment was adopted.

Gruenes, Wenzel, Steensma, Osthoff and Gutknecht moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 148, line 9, delete "public"

Page 148, line 11, delete "32" and insert "33"

Page 148, line 18, delete "32" and insert "33"

The motion prevailed and the amendment was adopted.

The Speaker called Kahn to the Chair.

Sviggum offered an amendment to H. F. No. 2189, the third engrossment, as amended.

POINT OF ORDER

Bauerly raised a point of order pursuant to rule 3.09 that the Sviggum amendment was not in order. Speaker pro tempore Kahn ruled the point of order well taken and the amendment out of order.

Sviggum 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 Speaker pro tempore Kahn stand as the judgment of the House?" and the roll was called. There were 83 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Beard	Brown, K.	Cooper	Dorn	Greenfield	Huntley
Asch	Bergson	Carlson	Dauner	Evans	Greiling	Jacobs
Battaglia	Bertram	Carruthers	Dawkins	Farrell	Hasskamp	Jaros
Bauerly	Brown, C.	Clark	Delmont	Garcia	Hausman	Jefferson

Jennings	Klinzing	Mariani	Nelson	Perlt	Sarna	Tunheim
Johnson, A.	Krueger	McCollum	Olson, E.	Peterson	Sekhon	Vellenga
Johnson, R.	Lasley	McGuire	Olson, K.	Pugh	Simoneau	Wagenius
Kahn	Lieder	Milbert	Opatz	Reding	Skoglund	Wejman
Kalis	Long	Mosel	Orenstein	Rest	Solberg	Wenzel
Kelley	Lourey	Munger	Orfield	Rice	Steensma	Winter
Kelso	Luther	Murphy	Ostrom	Rodosovich	Tomassoni	Spk. Anderson, I.
Kinkel	Mahon	Neary	Pelowski	Rukavina	Trimble	

Those who voted in the negative were:

Abrams	Finseth	Hugoson	Lindner	Osthoff	Sviggum	Wolf
Bettermann	Frerichs	Johnson, V.	Lynch	Ozment	Swenson	Worke
Bishop	Girard	Knickerbocker	Macklin	Pauly	Tompkins	Workman
Commers	Goodno	Knight	Molnau	Pawlenty	Van Dellen	
Davids	Gruenes	Koppendrayner	Morrison	Rhodes	Van Engen	
Dehler	Gutknecht	Krinkie	Ness	Seagren	Vickerman	
Dempsey	Haukoos	Leppik	Olson, M.	Smith	Waltman	
Erhardt	Holsten	Limmer	Onnen	Stanis	Weaver	

So it was the judgment of the House that the decision of Speaker pro tempore Kahn should stand.

Rukavina, Kelso and Battaglia moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 168, after line 26, insert:

"Sec. 6. [TOIVOLA-MEADOWLANDS TRANSPORTATION.]

Notwithstanding Minnesota Statutes, section 120.064, subdivision 15, independent school district No. 2142, St. Louis county, must transport resident pupils enrolled in outcome-based school No. 4002, Toivola-Meadowlands, only if the resident pupils live within the boundaries of the Meadowlands school attendance area as defined in the year before the outcome-based school opened."

The motion prevailed and the amendment was adopted.

Cooper moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 124, line 23, delete "and"

Page 124, line 24, after the comma insert "No. 341, Atwater, No. 461, Cosmos, and No. 464, Grove City,"

The motion prevailed and the amendment was adopted.

Olson, M., moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 126, after line 16, insert:

"Section 1. Minnesota Statutes 1992, section 120.101, is amended by adding a subdivision to read:

Subd. 8a. [ASSESSMENT OF PERFORMANCE IN PUBLIC SCHOOLS.] (a) Public schools shall annually assess the performance of every child enrolled in public school using a nationally norm-referenced standardized achievement examination. The local school board shall annually select the examination for each grade level. The board must notify the parent or guardian of every child of the name and date of the test at least 14 calendar days before the test is given. Parents who object to the test must notify the school of their objection in writing and name an alternative nationally norm-referenced standardized achievement examination for their child to take. The school must give the child the

alternative examination within a reasonable period of time of when the test selected by the board is given. School officials shall make available children's test results to parents and teachers. Only results aggregated by grade and by school district may be given to superintendents and principals.

(b) Each local school board shall establish a written policy indicating what assistance the school district will make available to children and their parents when a child's total battery score on an achievement examination is at or below the 30th percentile.

(c) No state or local unit of government may enter into any agreement with a testing company for the purpose of assessing a child's performance."

Page 126, lines 17 to 36, delete the new language and strike the old language

Page 127, delete lines 1 to 36

Page 128, delete lines 1 to 4

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olson, M., amendment and the roll was called. There were 18 yeas and 113 nays as follows:

Those who voted in the affirmative were:

Davids	Gruenes	Johnson, V.	Limmer	Olson, M.	Van Engen
Dehler	Gutknecht	Knight	Lindner	Onnen	Waltman
Frerichs	Haukoos	Koppendraye	Luther	Smith	Workman

Those who voted in the negative were:

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

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

Pauly was excused for the remainder of today's session.

Tompkins; Perl; Nelson; Sviggum; Smith; Dauner; Steensma; Lindner; Lieder; Kalis; Delmont; Pauly; Wenzel; Finseth; Bettermann; Seagren; Frerichs; Gutknecht; Van Engen; Lynch; Holsten; Girard; Bishop; Molnau; Vickerman; Van Dellen; Dempsey; Haukoos; Knight; Olson, E.; Olson, M.; Ozment; Waltman; Davids; Johnson, V.; Hasskamp; Worke; Onnen; Commers; Workman; Koppendrayner and Reding moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 128, after line 4, insert:

"Sec. 2. [121.889.] [VOLUNTARY PARTICIPATION IN PRAYER.]

It shall be lawful for any teacher in any of the schools of the state which are supported, in whole or in part, by the public funds of the state, to permit the voluntary participation by students or others in prayer. Nothing contained in this section shall authorize any teacher or other school authority to prescribe the form or content of any prayer."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Vellenga moved to amend the Tompkins et al amendment to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 8 of the Tompkins et al amendment, after "prayer" insert "or other religious observation"

The motion prevailed and the amendment to the amendment was adopted.

Vellenga moved to amend the Tompkins et al amendment, as amended, to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 8 of the Tompkins et al amendment, as amended, before "prayer" insert "silent"

Page 1, line 10 of the Tompkins et al amendment, as amended, before "prayer" insert "silent"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 86 yeas and 40 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Garcia	Jennings	Krueger	Macklin	Olson, K.
Anderson, R.	Carruthers	Goodno	Johnson, A.	Lasley	Mahon	Opatz
Battaglia	Clark	Greenfield	Johnson, R.	Leppik	McCollum	Orenstein
Bauerly	Cooper	Greiling	Kahn	Lieder	McGuire	Osthoff
Beard	Dauner	Hasskamp	Kelley	Limmer	Mosel	Ostrom
Bergson	Delmont	Hausman	Kelso	Long	Munger	Pelowski
Bishop	Dorn	Holsten	Kinkel	Lourey	Murphy	Perl
Brown, C.	Erhardt	Jaros	Klinzing	Luther	Neary	Peterson
Brown, K.	Farrell	Jefferson	Krinkie	Lynch	Olson, E.	Pugh

Reding	Rodosovich	Sekhon	Solberg	Trimble	Van Engen	Weaver
Rest	Rukavina	Simoneau	Swenson	Tunheim	Vellenga	Wejcman
Rhodes	Sarna	Skoglund	Tomassoni	Van Dellen	Wagenius	Winter
Rice	Seagren					

Those who voted in the negative were:

Bertram	Evans	Haukoos	Knickerbocker	Ness	Stanius	Wenzel
Bettermann	Finseth	Hugoson	Knight	Olson, M.	Steensma	Wolf
Commers	Frerichs	Huntley	Koppendrayer	Ornen	Sviggum	Worke
Davids	Girard	Jacobs	Lindner	Ozment	Tompkins	Workman
Dehler	Gruenes	Johnson, V.	Milbert	Pawlenty	Vickerman	
Dempsey	Gutknecht	Kalis	Molnau	Smith	Waltman	

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Bishop moved to amend the Tompkins et al amendment, as amended, to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 9 of the Tompkins et al amendment, as amended, after "authority" insert "in a public school"

The motion prevailed and the amendment was adopted.

The question recurred on the Tompkins et al amendment, as amended, and the roll was called. There were 70 yeas and 59 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dehler	Holsten	Knickerbocker	Milbert	Pawlenty	Tompkins
Bauerly	Dempsey	Hugoson	Knight	Molnau	Pelowski	Van Dellen
Beard	Finseth	Jacobs	Koppendrayer	Morrison	Perlt	Van Engen
Bergson	Frerichs	Jennings	Krinkie	Mosel	Reding	Vickerman
Bertram	Girard	Johnson, R.	Krueger	Nelson	Sarna	Waltman
Bettermann	Goodno	Johnson, V.	Limmer	Ness	Seagren	Weaver
Bishop	Gruenes	Kalis	Lindner	Olson, M.	Smith	Wenzel
Carruthers	Gutknecht	Kelso	Luther	Ornen	Stanius	Wolf
Commers	Hasskamp	Kinkel	Lynch	Opatz	Steensma	Worke
Davids	Haukoos	Klinzing	Macklin	Ozment	Sviggum	Workman

Those who voted in the negative were:

Abrams	Delmont	Huntley	Lourey	Orenstein	Rodosovich	Tunheim
Asch	Dorn	Jaros	Mahon	Orfield	Rukavina	Vellenga
Battaglia	Erhardt	Jefferson	Mariani	Osthoff	Sekhon	Wagenius
Brown, C.	Evans	Johnson, A.	McCollum	Ostrom	Simoneau	Wejcman
Brown, K.	Farrell	Kahn	McGuire	Peterson	Skoglund	Winter
Carlson	Garcia	Kelley	Munger	Pugh	Solberg	
Clark	Greenfield	Lasley	Murphy	Rest	Swenson	
Cooper	Leppik	Leppik	Neary	Rhodes	Tomassoni	
Dawkins	Hausman	Long	Olson, K.	Rice	Trimble	

The motion prevailed and the amendment, as amended, was adopted.

Rest was excused for the remainder of today's session.

Waltman, Sviggum, Steensma and Gutknecht moved to amend H. F. No. 2189, the third engrossment, as amended, as follows:

Page 156, after line 27, insert:

"Sec. 20. [126.116] [PROHIBITION AGAINST PROGRAMS OR ACTIVITIES SUPPORTING HOMOSEXUALITY.]

A public elementary, middle, or secondary school shall not implement or carry out a program, activity, or curriculum that has the purpose of encouraging or supporting homosexuality as a positive lifestyle alternative. For the purposes of this section, "program or activity" means the distribution of instructional materials, instruction, counseling, or other services on school grounds, or referral of a pupil to an organization that affirms a homosexual lifestyle."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Trimble raised a point of order pursuant to rule 3.09 that the Waltman et al amendment was not in order. Speaker pro tempore Kahn ruled the point of order not well taken and the amendment in order.

Dawkins moved to amend the Waltman et al amendment to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 5, delete "HOMOSEXUALITY" and insert "SEXUALITY"

Page 1, line 8, delete "homosexuality" and insert "sexuality"

Page 1, line 9, delete "alternative"

Page 1, line 13, delete "homosexual" and insert "sexual"

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 66 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Asch	Clark	Huntley	Lasley	Olson, E.	Reding	Trimble
Battaglia	Dawkins	Jaros	Long	Olson, K.	Rice	Tunheim
Bauerly	Delmont	Jefferson	Lourey	Opatz	Rodosovich	Vellenga
Beard	Dorn	Jennings	Luther	Orenstein	Rukavina	Wagenius
Bergson	Evans	Johnson, A.	Mahon	Orfield	Sarna	Wejzman
Bishop	Farrell	Johnson, R.	Mariani	Osthoff	Sekhon	Spk. Anderson, I.
Brown, C.	Garcia	Kahn	McCollum	Ostrom	Simoneau	
Brown, K.	Greenfield	Kelley	McGuire	Pelowski	Skoglund	
Carlson	Greiling	Kelso	Munger	Perlt	Solberg	
Carruthers	Hausman	Kinkel	Neary	Pugh	Tomassoni	

Those who voted in the negative were:

Abrams	Bettermann	Dauner	Dempsey	Frerichs	Gruenes	Haukoos
Anderson, R.	Commers	Davids	Erhardt	Girard	Gutknecht	Holsten
Bertram	Cooper	Dehler	Finseth	Goodno	Hasskamp	Hugoson

Jacobs	Krinkie	Macklin	Ness	Seagren	Van Dellen	Wolf
Johnson, V.	Krueger	Milbert	Olson, M.	Smith	Van Engen	Worke
Kalis	Leppik	Molnau	Onnen	Stanis	Vickerman	Workman
Klinzing	Lieder	Morrison	Ozment	Steensma	Waltman	
Knickerbocker	Limmer	Mosel	Pawlenty	Sviggum	Weaver	
Knight	Lindner	Murphy	Peterson	Swenson	Wenzel	
Koppendraye	Lynch	Nelson	Rhodes	Tompkins	Winter	

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

Skoglund moved to amend the Waltman et al amendment to H. F. No. 2189, the third engrossment, as amended, as follows:

Page 1, line 5, delete "HOMOSEXUALITY" and insert "SEXUAL ACTIVITIES BY MINORS"

Page 1, line 8, delete everything after "encouraging" and insert "sexual activity by minors"

Page 1, delete lines 9 through 12

Page 1, line 13, delete everything before the period

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 79 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clark	Hausman	Leppik	Neary	Reding	Trimble
Asch	Cooper	Huntley	Lieder	Nelson	Rhodes	Tunheim
Battaglia	Dauner	Jaros	Long	Olson, K.	Rice	Vellenga
Bauerly	Dawkins	Jefferson	Lourey	Opatz	Rodosovich	Wagenius
Beard	Delmont	Jennings	Luther	Orenstein	Rukavina	Wejzman
Bergson	Dorn	Johnson, A.	Mahon	Orfield	Sarna	Winter
Bertram	Erhardt	Johnson, R.	Mariani	Osthoff	Sekhon	Spk. Anderson, I.
Bishop	Evans	Kahn	McCollum	Ostrom	Simoneau	
Brown, C.	Farrell	Kelley	McGuire	Pelowski	Skoglund	
Brown, K.	Garcia	Kelso	Milbert	Perlt	Solberg	
Carlson	Greenfield	Krueger	Munger	Peterson	Steensma	
Carruthers	Greiling	Lasley	Murphy	Pugh	Tomassoni	

Those who voted in the negative were:

Abrams	Girard	Jacobs	Limmer	Olson, M.	Swenson	Wolf
Bettermann	Goodno	Johnson, V.	Lindner	Onnen	Tompkins	Worke
Commers	Gruenes	Kalis	Lynch	Ozment	Van Dellen	Workman
Dauids	Gutknecht	Klinzing	Macklin	Pawlenty	Van Engen	
Dehler	Hasskamp	Knickerbocker	Molnau	Seagren	Vickerman	
Dempsey	Haukoos	Knight	Morrison	Smith	Waltman	
Finseth	Holsten	Koppendraye	Mosel	Stanis	Weaver	
Frerichs	Hugoson	Krinkie	Ness	Sviggum	Wenzel	

The motion prevailed and the amendment to the amendment was adopted.

Sviggum offered an amendment to the Waltman et al amendment, as amended, to H. F. No. 2189, the third engrossment, as amended.

POINT OF ORDER

Osthoff raised a point of order pursuant to section 421 of "Mason's Manual of Legislative Procedure" relating to equivalent amendments. Speaker pro tempore Kahn ruled the point of order well taken and the Sviggum amendment to the Waltman et al amendment, as amended, out of order.

Sviggum appealed the decision of the Chair.

A roll call was requested and properly seconded.

The Speaker resumed the Chair.

The vote was taken on the question "Shall the decision of Speaker pro tempore Kahn stand as the judgment of the House?" and the roll was called. There were 80 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Jacobs	Krueger	Munger	Perlt	Tomassoni
Asch	Dauner	Jaros	Lasley	Murphy	Peterson	Trimble
Battaglia	Dawkins	Jefferson	Lieder	Neary	Pugh	Tunheim
Bauerly	Delmont	Jennings	Long	Nelson	Reding	Vellenga
Beard	Dorn	Johnson, A.	Lourey	Olson, E.	Rice	Wagenius
Bergson	Evans	Johnson, R.	Luther	Olson, K.	Rodosovich	Wejzman
Bertram	Farrell	Kahn	Mahon	Opatz	Rukavina	Winter
Brown, C.	Garcia	Kalis	Mariani	Orenstein	Sarna	Spk. Anderson, I.
Brown, K.	Greenfield	Kelley	McCollum	Orfield	Sekhon	
Carlson	Greiling	Kelso	McGuire	Osthoff	Simoneau	
Carruthers	Hausman	Kinkel	Milbert	Ostrom	Skoglund	
Clark	Huntley	Klinzing	Mosel	Pelowski	Solberg	

Those who voted in the negative were:

Abrams	Finseth	Holsten	Leppik	Ness	Smith	Vickerman
Bettermann	Frerichs	Hugoson	Linmer	Olson, M.	Stanius	Waltman
Commers	Girard	Johnson, V.	Lindner	Onnen	Sviggum	Weaver
Dauids	Goodno	Knickerbocker	Lynch	Ozment	Swenson	Wolf
Dehler	Gruenes	Knight	Macklin	Pawlenty	Tompkins	Worke
Dempsey	Gutknecht	Koppendrayner	Molnau	Rhodes	Van Dellen	Workman
Erhardt	Haukoos	Krinkie	Morrison	Seagren	Van Engen	

So it was the judgment of the House that the decision of Speaker pro tempore Kahn should stand.

Olson, M., offered an amendment to the Waltman et al amendment, as amended, to H. F. No. 2189, the third engrossment, as amended.

POINT OF ORDER

Skoglund raised a point of order pursuant to section 421 of "Mason's Manual of Legislative Procedure" relating to equivalent amendments. The Speaker ruled the point of order well taken and the Olson, M., amendment to the Waltman et al amendment, as amended, out of order.

The question recurred on the Waltman et al amendment, as amended, and the roll was called. There were 124 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Dauids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dehler
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Delmont

Dempsey	Hugoson	Knight	Mariani	Opatz	Rukavina	Tunheim
Dorn	Huntley	Koppendrayner	McCollum	Orenstein	Sarna	Van Dellen
Erhardt	Jacobs	Krinkie	McGuire	Orfield	Seagren	Van Engen
Evans	Jaros	Krueger	Milbert	Osthoff	Sekhon	Vickerman
Farrell	Jefferson	Lasley	Molnau	Ostrom	Simoneau	Wagenius
Finseth	Jennings	Leppik	Morrison	Ozment	Skoglund	Waltman
Frerichs	Johnson, A.	Lieder	Mosel	Pawlenty	Smith	Weaver
Garcia	Johnson, R.	Limmer	Munger	Pelowski	Solberg	Wenzel
Girard	Johnson, V.	Lindner	Murphy	Perlt	Stanisus	Winter
Goodno	Kalis	Long	Neary	Peterson	Steensma	Wolf
Greiling	Kelley	Lourey	Nelson	Pugh	Sviggum	Worke
Gruenes	Kelso	Luther	Ness	Reding	Swenson	Workman
Gutknecht	Kinkel	Lynch	Olson, E.	Rhodes	Tomassoni	Spk. Anderson, I.
Haukoos	Klinzing	Macklin	Olson, M.	Rice	Tompkins	
Holsten	Knickerbocker	Mahon	Onnen	Rodosovich	Trimble	

Those who voted in the negative were:

Dawkins	Greenfield	Hausman	Kahn	Olson, K.	Vellenga	Wejcman
---------	------------	---------	------	-----------	----------	---------

The motion prevailed and the amendment, as amended, was adopted.

H. F. No. 2189, as amended, was read for the third time.

Sviggum moved that H. F. No. 2189, as amended, be re-referred to the Committee on Ways and Means.

A roll call was requested and properly seconded.

The question was taken on the Sviggum motion and the roll was called. There were 45 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Holsten	Leppik	Olson, M.	Swenson	Wolf
Bettermann	Frerichs	Hugoson	Limmer	Onnen	Tompkins	Worke
Commers	Girard	Johnson, V.	Lindner	Ozment	Van Dellen	Workman
Davids	Goodno	Knickerbocker	Lynch	Pawlenty	Van Engen	
Dehler	Gruenes	Knight	Macklin	Seagren	Vickerman	
Dempsey	Gutknecht	Koppendrayner	Molnau	Stanisus	Waltman	
Erhardt	Haukoos	Krinkie	Morrison	Sviggum	Weaver	

Those who voted in the negative were:

Anderson, R.	Dauner	Jaros	Lieder	Nelson	Reding	Trimble
Asch	Dawkins	Jefferson	Long	Ness	Rhodes	Tunheim
Battaglia	Delmont	Jennings	Lourey	Olson, E.	Rice	Vellenga
Bauerly	Dorn	Johnson, A.	Luther	Olson, K.	Rodosovich	Wagenius
Beard	Evans	Johnson, R.	Mahon	Opatz	Rukavina	Wejcman
Bergson	Farrell	Kahn	Mariani	Orenstein	Sarna	Wenzel
Bertram	Garcia	Kalis	McCollum	Orfield	Sekhon	Winter
Brown, C.	Greenfield	Kelley	McGuire	Osthoff	Simoneau	Spk. Anderson, I.
Brown, K.	Greiling	Kelso	Milbert	Ostrom	Skoglund	
Carlson	Hasskamp	Kinkel	Mosel	Pelowski	Smith	
Carruthers	Hausman	Klinzing	Munger	Perlt	Solberg	
Clark	Huntley	Krueger	Murphy	Peterson	Steensma	
Cooper	Jacobs	Lasley	Neary	Pugh	Tomassoni	

The motion did not prevail.

H. F. No. 2189, A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 475.61, subdivision 4; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, articles 6, section 34; and 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 126; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030.

The bill, as amended, was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, C.	Delmont	Goodno	Jaros	Kinkel	Long
Anderson, R.	Brown, K.	Dempsey	Greenfield	Jefferson	Klinzing	Lourey
Asch	Carlson	Dorn	Greiling	Jennings	Knickerbocker	Luther
Battaglia	Carruthers	Erhardt	Gruenes	Johnson, A.	Koppendrayner	Lynch
Bauerly	Clark	Evans	Hasskamp	Johnson, R.	Krinkie	Macklin
Beard	Cooper	Farrell	Hausman	Johnson, V.	Krueger	Mahon
Bergson	Dauner	Finseth	Holsten	Kahn	Leppik	Mariani
Bertram	Dauids	Frerichs	Hugoson	Kalis	Lieder	McCollum
Bettermann	Dawkins	Garcia	Huntley	Kelley	Limner	McGuire
Bishop	Dehler	Girard	Jacobs	Kelso	Lindner	Milbert

Molnau	Olson, E.	Ostrom	Rice	Smith	Trimble	Wejcman
Morrison	Olson, K.	Pawlenty	Rodosovich	Solberg	Tunheim	Wenzel
Mosel	Olson, M.	Pelowski	Rukavina	Stanis	Van Dellen	Winter
Munger	Onnen	Perlt	Sarna	Steensma	Van Engen	Wolf
Murphy	Opatz	Peterson	Seagren	Sviggum	Vellenga	Worke
Neary	Orenstein	Pugh	Sekhon	Swenson	Vickerman	Workman
Nelson	Orfield	Reding	Simoneau	Tomassoni	Wagenius	Spk. Anderson, I.
Ness	Osthoff	Rhodes	Skoglund	Tompkins	Weaver	

Those who voted in the negative were:

Conners	Gutknecht	Haukoos	Knight	Lasley	Ozment	Waltman
---------	-----------	---------	--------	--------	--------	---------

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

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

H. F. No. 1363, A bill for an act relating to 911 emergency telephone service; authorizing a fee to fund enhanced 911 service; amending Minnesota Statutes 1992, sections 403.02, by adding a subdivision; and 403.11, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 403.

Reported the same back with the following amendments:

Page 3, line 5, delete ", excluding cellular or other"

Page 3, line 6, delete "nonwire service."

Page 4, line 12, delete "twice"

Page 4, line 13, delete everything after the period, and insert "A"

Page 4, line 14, after "is" insert "not"

Page 4, line 16, after "has" insert "not"

Page 4, line 17, before the period, insert "before December 31, 1998"

Page 5, line 19, delete "July 1, 1995" and insert "January 1, 1996"

Page 5, line 22, delete "July 1, 1994" and insert "January 1, 1995"

Page 5, line 24, delete "September 1, 1994" and insert "March 1, 1995"

Page 5, line 26, delete "July 1, 1995" and insert "January 1, 1996"

Page 5, after line 27, insert:

"Sec. 6. [APPROPRIATION.]

\$1,500,000 is appropriated to the commissioner of administration in fiscal year 1995 from the special revenue fund for purposes of implementing enhanced 911 telephone service as required in this act."

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "appropriating money;"

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 1911, A bill for an act relating to criminal procedure; proposing an amendment to the Minnesota Constitution, article I, section 7, to permit courts to deny a defendant's release on bail when necessary to protect the safety of any individual or the public or to ensure the defendant's appearance at court proceedings; enacting the Minnesota bail reform act; providing procedures governing pretrial and postconviction release and detention decisions; providing for appellate review of release and detention orders; imposing penalties for failure to appear in court as required and for commission of a crime while on release; amending Minnesota Statutes 1992, sections 589.16; 629.53; and 629.63; Minnesota Statutes 1993 Supplement, section 629.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 629A; repealing Minnesota Statutes 1992, sections 609.49; 629.44; 629.45; 629.47; 629.48; 629.49; 629.54; 629.55; 629.58; 629.59; 629.60; 629.61; 629.62; and 629.64.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

CONSTITUTIONAL AMENDMENT

Section 1. [PROPOSED AMENDMENT.]

The following amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, article I, section 7, of the Minnesota Constitution will read as follows:

Sec. 7. No person shall be held to answer for a criminal offense without due process of law, and no person shall be put twice in jeopardy of punishment for the same offense, nor be compelled in any criminal case to be a witness against himself, nor be deprived of life, liberty or property without due process of law. All persons before conviction shall be bailable by sufficient sureties, except for capital offenses that in the following cases when the proof is evident or the presumption great, the court has the discretion to deny or revoke bail: (a) when necessary to protect the orderly processes of the criminal justice system; or (b) when a person is charged with a violent felony and either the person has engaged in a pattern of violent crime or the person was previously convicted of a violent felony within the ten-year period preceding the alleged offense. The privilege of the writ of habeas corpus shall not be suspended unless the public safety requires it in case of rebellion or invasion.

Sec. 2. [SUBMISSION TO VOTERS.]

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

"Shall the Minnesota Constitution be amended to permit courts to deny bail and detain a criminal defendant before trial when necessary to protect the orderly processes of the criminal justice system or when the person is accused of a violent crime and has engaged in a pattern of violent crime or has been convicted of a violent crime in the previous ten years?"

Yes
No"

ARTICLE 2

MINNESOTA BAIL REFORM ACT

Section 1. [629A.01] [CITATION.]

This chapter may be cited as the "Minnesota bail reform act."

Sec. 2. [629A.02] [RELEASE OR DETENTION OF A DEFENDANT PENDING TRIAL; CONSIDERATIONS AND CONDITIONS.]

Subdivision 1. [IN GENERAL.] Upon the appearance of a person charged with a criminal offense before a judge of district court, or before a judicial officer designated by the court to perform the function of pretrial release or detention, the judge or judicial officer shall issue an order that, pending trial, the person be released or detained according to subdivision 2, 3, or 4.

Subd. 2. [RELEASE.] The judge or judicial officer shall order the pretrial release of the defendant on an appearance bond in an amount set by the court with sufficient solvent sureties, on money bail, or, when appropriate, on the defendant's personal recognizance or upon execution of an unsecured appearance bond in an amount named by the court, subject to the condition that the defendant not commit a criminal act during the period of release, unless the judge or judicial officer determines that release under these conditions will not reasonably assure the appearance of the defendant as required or will endanger the safety of the defendant, any other person, or the community. If the judge or judicial officer deems it appropriate, the judge or judicial officer also may impose one or more of the following conditions on the defendant's release:

(1) the defendant must remain in the custody of a designated person who agrees to supervise the defendant and report any violation of the release order to the court, if the designated person is able reasonably to assure the judge or judicial officer that the defendant will appear as required and will not pose a danger to the safety of the defendant, any other person, or the community;

(2) the defendant must maintain employment, or, if unemployed, actively seek employment;

(3) the defendant must maintain or begin an educational program;

(4) the defendant must abide by named restrictions on the defendant's personal associations, place of abode, or travel;

(5) the defendant must avoid all contact with an alleged victim of the crime and with any potential witness who may testify concerning the alleged crime;

(6) the defendant must report on a regular basis to a designated law enforcement or court services agency;

(7) the defendant must comply with a named curfew;

(8) the defendant must refrain from possessing a firearm, destructive device, or other dangerous weapon;

(9) the defendant must refrain from excessive use of alcohol, or any use of a controlled substance, as defined in section 152.01, without a prescription by a licensed medical professional;

(10) the defendant must undergo available medical or psychiatric treatment, including treatment for chemical dependency, and remain in a named institution if required for that purpose;

(11) the defendant must execute an agreement to forfeit upon failing to appear as required, such designated property, including money, as is reasonably necessary to assure the appearance of the defendant as required and must post with the court the indicia of property ownership or percentage of money named by the court;

(12) the defendant must return to custody for named hours following release for employment, schooling, or other limited purposes; and

(13) the defendant must satisfy any other condition that is reasonably necessary to assure the appearance of the defendant as required and to assure the safety of the defendant, any other person and the community.

The judge or judicial officer may at any time amend the release order to impose additional or different conditions of release.

Subd. 3. [TEMPORARY DETENTION TO PERMIT REVOCATION OF CONDITIONAL RELEASE.] Except as otherwise provided in sections 629.01 to 629.291, if the judge or judicial officer determines that:

(1) the defendant is, and was when the alleged crime was committed; (i) on conditional release pending trial on any local, state, or federal charge; (ii) on conditional release pending imposition or execution of sentence, appeal of sentence or conviction, or completion of sentence for any local, state, or federal offense; or (iii) on probation, parole, or supervised release for any local, state, or federal offense; and

(2) the defendant may flee or pose a danger to the defendant, any other person, or the community;

the judge or judicial officer may order the defendant detained for a period of not more than five days, excluding weekends and holidays. Upon issuing a temporary detention order under this subdivision, the court shall direct the prosecuting attorney to notify the appropriate federal, state, or local court or government agency. If the court or agency notified fails or declines to take the defendant into custody during this time period, the judge or judicial officer shall release or detain the defendant as provided in this subdivision or subdivision 2 or 4.

Subd. 4. [DETENTION PENDING TRIAL.] If, after a hearing conducted under section 629A.03, the judge or judicial officer finds that no condition or combination of conditions will reasonably assure the appearance of the defendant as required and the safety of the defendant, any other person, and the community, the judge or judicial officer may order the detention of the defendant before trial. Subject to the provisions of section 629A.03, the judge or judicial officer may order pretrial detention of the defendant in exceptional cases when necessary to protect the orderly processes of the criminal justice system.

Sec. 3. [629A.03] [PRETRIAL DETENTION HEARING.]

Subdivision 1. [WHEN HELD.] The judge or judicial officer shall hold a pretrial detention hearing in the following cases to determine whether any condition or combination of conditions set forth in section 629A.02, subdivision 2, will reasonably assure the appearance of the defendant as required and the safety of the defendant, any other person, and the community:

(1) upon motion by the prosecuting attorney in the following cases when the proof is evident or the presumption great: the defendant is charged with a violent crime and either: (i) the defendant has engaged in a pattern of violent crime; or (ii) the defendant was previously convicted of a violent crime within the ten-year period preceding the alleged offense; or

(2) upon motion by the prosecuting attorney or by the court on its own motion, in any case involving a serious risk that the defendant will flee, or a serious risk that the defendant will obstruct or attempt to obstruct justice, or threaten, injure, or intimidate, or attempt to threaten, injure, or intimidate a prospective witness or juror.

As used in this subdivision, "violent crime" means a violation of any of the following laws or a similar law of the United States or another state: section 609.185; 609.19; 609.195; 609.20; 609.205; 609.21; 609.221; 609.222; 609.223; 609.228; 609.235; 609.24; 609.245; 609.25; 609.2661; 609.2662; 609.2663; 609.2664; 609.2665; 609.267; 609.2671; 609.268; 609.342; 609.343; 609.344; 609.345; 609.498, subdivision 1; 609.561; 609.562; 609.582, subdivision 1; or 609.687.

The detention hearing must be held immediately upon the defendant's first appearance before the judge or judicial officer, unless the defendant or the prosecuting attorney seeks a continuance. Except for good cause, a continuance on motion of the defendant may not exceed five days, and a continuance on motion of the prosecuting attorney may not exceed three days. During a continuance, the defendant must be detained. Upon motion by the prosecuting attorney or on the court's own motion, the judge or judicial officer may order that a defendant who appears to be a narcotics addict receive a medical examination while in custody to determine whether the defendant is addicted.

Subd. 2. [RIGHTS AND PROCEDURES.] (a) The rights and procedures described in this subdivision apply to the pretrial detention hearing.

(b) The defendant has the right to be represented by counsel. If the defendant is financially unable to obtain adequate counsel, the court shall appoint counsel at public expense to represent the defendant.

(c) The prosecuting attorney has the burden of going forward, by offer of proof or otherwise, and the burden of proving by clear and convincing evidence that pretrial detention is necessary under the standard contained in section 629A.02, subdivision 4.

(d) The evidence shall be presented in open court and any party has the right to testify, present witnesses, cross-examine witnesses who appear at the hearing, and present information by offer of proof or otherwise.

(e) The defendant may be detained pending completion of the hearing.

(f) Any testimony given by the defendant during the pretrial detention hearing is not admissible in any other proceeding, including future proceedings relating to the current charge, except that the testimony shall be admissible for impeachment purposes as to a material issue and shall be admissible in a perjury proceeding.

Sec. 4. [629A.04] [FACTORS TO BE CONSIDERED IN ORDERING RELEASE OR DETENTION.]

In determining whether there are conditions of release that will reasonably assure the appearance of the defendant as required and the safety of the defendant, any other person and the community, the judge or judicial officer shall take into account available information concerning:

(1) the nature and circumstances of the offense charged and whether a weapon was used or the threat of a weapon was involved in the alleged offense;

(2) the weight of the evidence against the defendant;

(3) the history and characteristics of the defendant, including:

(i) the length of the defendant's residency in Minnesota, the defendant's living situation, including whether the defendant lives alone or with any other person, the defendant's employment, income, age, prior criminal record, and history of prior failures to appear for court proceedings; and

(ii) whether, when the current offense or arrest occurred, the defendant was on probation, parole, or other release pending trial, sentencing, appeal, or completion of sentence for an offense under federal, state, or local law; and

(4) the nature and seriousness of the danger to the defendant, any other person, or the community that would be posed by the defendant's release.

In considering the financial conditions of release described in section 629A.02, subdivision 2, the court may, on its own motion, or shall upon the motion of the prosecuting attorney, conduct an inquiry into the source of the property to be designated for possible forfeiture or offered as collateral to secure a bond, and shall decline to accept the designation or the use as collateral of property that, because of its source, will not reasonably assure the defendant's appearance as required.

Sec. 5. [629A.05] [CONTENTS OF RELEASE ORDER.]

In a release order issued under section 629A.02, subdivision 2, the judge or judicial officer shall include the following:

(1) a written statement that sets forth all the conditions to which the release is subject, in a manner sufficiently clear and specific to serve as a guide for the defendant's conduct; and

(2) an advisory to the defendant concerning:

(i) the penalties for violating a condition of release, including the penalties for committing an offense while on pretrial release;

(ii) the consequences for violating a condition of release, including the immediate issuance of a warrant for the defendant's arrest; and

(iii) the provisions and penalties of sections 609.498 and 609.50.

Sec. 6. [629A.06] [CONTENTS OF DETENTION ORDER.]

Subdivision 1. [CONTENTS.] In a detention order issued under section 629A.02, subdivision 4, the judge or judicial officer shall include the following:

(1) written findings of fact and a written statement of the reasons for detention. If the defendant has agreed to abide by conditions of release that are reasonably available, the judge or judicial officer must state in writing or on the record why release on such conditions was not ordered;

(2) an order that the defendant be confined in a correctional facility separate, to the extent possible, from persons awaiting or serving sentences or being held in custody pending appeal;

(3) an order that the defendant be given reasonable opportunity to consult privately with counsel; and

(4) an order that, upon court order or the request of a prosecuting attorney, the person in charge of the facility deliver the defendant to appear in court.

Subd. 2. [TEMPORARY RELEASE.] The judge or judicial officer may, by later order, permit the temporary release of the defendant in the custody of an appropriate person to the extent that the judge or judicial officer determines release to be necessary for preparation of the defendant's defense or for another compelling reason.

Sec. 7. [629A.07] [PRESUMPTION OF INNOCENCE.]

Nothing in sections 629A.02 to 629A.06 may be construed as changing or limiting the presumption of innocence.

Sec. 8. [629.08] [RELEASE OR DETENTION OF A DEFENDANT PENDING SENTENCE OR APPEAL.]

Subdivision 1. [PENDING SENTENCING.] The judge or judicial officer shall order that a person who has been found guilty of an offense and who is awaiting imposition or execution of sentence be detained, unless the judge or judicial officer finds by clear and convincing evidence that the person is not likely to flee or pose a danger to the safety of the person, any other person, or the community if released under section 629A.02, subdivision 2. Upon making that finding, the judge or judicial officer shall order the release of the person in accordance with the provisions of section 629A.02, subdivision 2.

Subd. 2. [RELEASE OR DETENTION PENDING APPEAL BY DEFENDANT.] The judge or judicial officer shall order that a person who has been found guilty of an offense and sentenced to a term of imprisonment and who has filed an appeal or a writ of certiorari, be detained, unless the judge or judicial officer finds:

(1) by clear and convincing evidence that the person is not likely to flee or pose a danger to the safety of the person, any other person, or the community if released under section 629A.02, subdivision 2; and

(2) that the appeal is not for purpose of delay and raises a substantial question of law or fact likely to result in reversal or an order for a new trial.

Upon making those findings, the judge or judicial officer shall order the release of the person in accordance with the provisions of section 629A.02, subdivision 2.

Subd. 3. [RELEASE OR DETENTION PENDING APPEAL BY PROSECUTING ATTORNEY.] Unless the defendant is otherwise subject to a release or detention order, the judge or judicial officer shall treat a defendant in accordance with the provisions of sections 629A.02 to 629A.06 when an appeal is taken by a prosecuting attorney from a pretrial order under rule 28.04 of the Rules of Criminal Procedure.

Sec. 9. [629A.09] [RELEASE OR DETENTION OF A MATERIAL WITNESS.]

If it appears from an affidavit filed by a party that the testimony of a person is material in a criminal proceeding, and if it is shown that it may become impracticable to secure the presence of the person by subpoena, a judge or judicial officer may order the arrest of the person and treat the person in accordance with the provisions of sections 629A.02 to 629A.06. No material witness may be detained because of an inability to comply with a condition of release if the testimony of the witness can adequately be secured by deposition and if further detention is not necessary to prevent a failure of justice. Release of a material witness may be delayed for a reasonable period until the deposition of the witness can be taken.

Sec. 10. [629A.10] [REVIEW AND APPEAL OF A RELEASE OR DETENTION ORDER.]

Subdivision 1. [REVIEW OF RELEASE ORDER ISSUED BY JUDICIAL OFFICER.] If a defendant is ordered released by a judicial officer other than a judge, the prosecuting attorney may file with the judge having jurisdiction over the case, a motion for revocation of the order or amendment of the conditions of release, and a defendant may file a motion with the judge for amendment of the conditions of release. The motion or motions must be heard and determined promptly by the judge.

Subd. 2. [REVIEW OF A DETENTION ORDER ISSUED BY JUDICIAL OFFICER.] If a defendant is ordered detained by a judicial officer other than a judge, the defendant may file a motion with the judge having jurisdiction over the case for revocation or amendment of the order. The motion must be heard and determined promptly by the judge.

Subd. 3. [APPEAL FROM RELEASE OR DETENTION ORDER.] An appeal to the court of appeals may be taken by the defendant or the prosecuting attorney from a release or detention order, or from a decision denying revocation or amendment of an order. The appeal must be heard and determined promptly.

Sec. 11. [629A.11] [SANCTIONS FOR VIOLATION OF RELEASE CONDITION.]

Subdivision 1. [AVAILABLE SANCTIONS.] A person who has been released under section 629A.02 and who has violated a condition of the release is subject to revocation of release, an order of detention, and prosecution for contempt of court.

Subd. 2. [REVOCATION OF RELEASE.] The prosecuting attorney may begin a proceeding for revocation of an order for release by filing a motion with the trial court. A judge or judicial officer may issue a warrant for the arrest of a person charged with violating a condition of release, and the person must be brought before a judge or judicial officer in the district in which the arrest was ordered for a proceeding in accordance with this section. To the extent practicable, a person charged with violating the condition of release that the person not commit any criminal act during the period of release must be brought before the judge or judicial officer who ordered the release and whose order is alleged to have been violated.

The judge or judicial officer shall enter an order of revocation and detention if, after a hearing, the judge or judicial officer finds the following:

(1)(i) probable cause to believe that the person has committed a federal, state, or local crime while on release, or (ii) clear and convincing evidence that the person has violated any other condition of release; and

(2)(i) based on the factors set forth in section 629A.04, there is no condition or combination of conditions of release that will assure that the person will not flee or pose a danger to the safety of the person, any other person, or the community, or (ii) the person is unlikely to abide by any condition or combination of conditions of release.

If there is probable cause to believe that, while on release, the person committed a criminal act, a rebuttable presumption arises that no condition or combination of conditions will assure that the person will not pose a danger to the safety of the person, any other person, or the community. If the judge or judicial officer finds that there are conditions of release that will assure that the person will not flee or pose a danger to the safety of the person, any other person, or the community, and that the person will abide by these conditions, the judge or judicial officer shall treat the person in accordance with the provisions of sections 629A.02 to 629A.06 and may amend the conditions or release accordingly.

Subd. 3. [PROSECUTION OF CONTEMPT.] If the person has violated a condition of release, the judge or judicial officer may begin a contempt proceeding in accordance with the provisions of chapter 588.

Sec. 12. [629A.12] [CONSTRUCTION.]

Nothing in this chapter or in Rule 6 of the Rules of Criminal Procedure shall be construed to limit the inherent power of the courts to deny or revoke bail in exceptional cases when necessary to protect the orderly processes of the criminal justice system.

ARTICLE 3

MISCELLANEOUS AND TECHNICAL PROVISIONS

Section 1. Minnesota Statutes 1993 Supplement, section 480.30, is amended to read:

480.30 [~~JUDICIAL TRAINING ON DOMESTIC ABUSE, HARASSMENT, AND STALKING.~~]

The supreme court's judicial education program must include ongoing training for district court judges on domestic abuse, harassment, and stalking laws and related civil and criminal court issues. The program must include education on the causes of family violence and culturally responsive approaches to serving victims. The program must emphasize the need for the coordination of court and legal victim advocacy services and include education on domestic abuse programs and policies within law enforcement agencies and prosecuting authorities as well as the court system. The program also must include training for judges, judicial officers, and court services personnel on how to assure that their bail evaluations and decisions are racially and culturally neutral.

Sec. 2. Minnesota Statutes 1992, section 589.16, is amended to read:

589.16 [~~WHEN BAIL~~ RELEASE OR REMAND OR DISCHARGE ALLOWED.]

If the petitioner has been legally committed for a criminal offense, or if upon hearing it appears by the testimony offered with the return that the petitioner is guilty of the offense, although the commitment is irregular, the judge before whom the petitioner is brought shall ~~allow release on bail, if good bail is offered, or, if not, the judge shall immediately send that petitioner back to the detaining authority~~ proceed under the applicable provisions of chapter 629A. In other cases the petitioner must be placed in the custody of the person legally entitled to custody, or, if no one is so entitled, the petitioner must be discharged.

Sec. 3. [609.492] [RELEASE; FAILURE TO APPEAR.]

Subdivision 1. [CRIME.] Whoever knowingly fails to appear before a court as required by the conditions of release imposed under chapter 629A, or knowingly fails to surrender for service of sentence under a court order, is guilty of a crime and may be sentenced as provided in subdivision 2.

Subd. 2. [PENALTIES.] A person who is convicted of violating subdivision 1 may be sentenced as follows:

(1) if the person was released in connection with a charge of, or while awaiting sentence, surrender for service of sentence, or appeal following conviction for a crime punishable by life imprisonment or by a term of imprisonment of 20 years or more, to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both;

(2) if the person was released in connection with a charge of, or while awaiting sentence, surrender for service of sentence, or appeal following conviction for a crime punishable by a maximum term of imprisonment of at least ten years but less than 20 years, to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both;

(3) if the person was released in connection with a charge of, or while awaiting sentence, surrender for service of sentence, or appeal following conviction for any other felony, to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both; and

(4) if the person was released in connection with a charge of, or while awaiting sentence, surrender for service of sentence, or appeal following conviction for a misdemeanor or gross misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

Subd. 3. [AFFIRMATIVE DEFENSE.] If proven by a preponderance of the evidence, it is an affirmative defense to a prosecution under this section that:

(1) uncontrollable circumstances prevented the person from appearing or surrendering;

(2) the person did not contribute to the creation of these circumstances in reckless disregard to the requirement to appear or surrender; and

(3) the person appeared or surrendered as soon as these circumstances ceased to exist.

Sec. 4. [609.4921] [OFFENSE COMMITTED WHILE ON RELEASE; ADDITIONAL PENALTY.]

Notwithstanding section 609.035 to the contrary, whoever commits a crime while on release under chapter 629A must, upon conviction, be sentenced as follows in addition to the penalty prescribed for the crime:

(1) if the crime committed while on release is a felony, to imprisonment for not more than three years or to payment of a fine of not more than \$5,000, or both; or

(2) if the crime committed while on release is a misdemeanor or gross misdemeanor, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both.

The court shall provide that the sentence imposed under this section shall run consecutively to any sentence imposed for the underlying crime.

Sec. 5. Minnesota Statutes 1992, section 629.53, is amended to read:

629.53 [PROVIDING RELEASE ON BAIL; COMMITMENT.]

A person charged with a criminal offense may be released with or without bail in accordance with ~~rule 6.02 of the rules of criminal procedure~~ the provisions of chapter 629A. Money bail is the property of the accused, whether deposited by that person or by a third person on the accused's behalf. When money bail is accepted by a judge, that judge shall order it to be deposited with the court administrator. The court administrator shall retain it until the final disposition of the case and the final order of the court disposing of the case. Upon release, the amount released must be paid to the accused personally or upon that person's written order. In case of conviction, the judge may order the money bail deposit to be applied to any fine or restitution imposed on the defendant by the court and, if the fine or restitution is less than the deposit, order the balance to be paid to the defendant. Money bail deposited with the court or any officer of it is exempt from garnishment or levy under attachment or execution.

Sec. 6. Minnesota Statutes 1992, section 629.63, is amended to read:

629.63 [CONDITIONS UNDER WHICH SURETY MAY ARREST DEFENDANT.]

If a surety believes that a defendant for whom the surety is acting as bonding agent is (1) about to flee, (2) will not appear as required by the defendant's recognizance, or (3) will otherwise not perform the conditions of the recognizance, the surety may arrest or have another person or the sheriff arrest the defendant.

If the surety or another person at the surety's direction arrests the defendant, the surety or the other person shall take the defendant before the judge before whom the defendant was required to appear and surrender the defendant to that judge.

If the surety wants the sheriff to arrest the defendant, the surety shall deliver a certified copy of the recognizance under which the defendant is held to the sheriff, with a direction endorsed on the recognizance requiring the sheriff to arrest the defendant and bring the defendant before the appropriate judge.

Upon receiving a certified copy of the recognizance and payment of the sheriff's fees, the sheriff shall arrest the defendant and bring the defendant before the judge.

Before a surety who has arrested a defendant who has violated the conditions of release may personally surrender the defendant to the appropriate judge, the surety shall notify the sheriff. ~~If the defendant at the hearing before the judge is unable to post increased bail or meet alternative conditions of release in accordance with Rule 6.03 of the rules of criminal procedure, the sheriff or a deputy shall take the defendant into custody. The judge before whom the defendant is brought by the surety or the sheriff shall proceed under the provisions of chapter 629A.~~

Sec. 7. Minnesota Statutes 1993 Supplement, section 629.72, subdivision 2, is amended to read:

Subd. 2. [JUDICIAL REVIEW; RELEASE; BAIL.] (a) The judge before whom the arrested person is brought shall review the facts surrounding the arrest and detention and either release or detain the defendant pending trial in accordance with the provisions of chapter 629A. The arrested person must be ordered released pending trial or hearing on the person's personal recognizance or on an order to appear or upon the execution of an unsecured bond in a specified amount unless the judge determines that release (1) will be inimical to public safety, (2) will create a threat of bodily harm to the arrested person, the victim of the alleged harassment or assault, or another, or (3) will not reasonably assure the appearance of the arrested person at subsequent proceedings.

(b) If the judge determines release is not advisable, the judge may impose any conditions of release, including money bail, that will reasonably assure the appearance of the person for subsequent proceedings, or will protect the victim of the alleged harassment or assault, or ~~may fix the amount of money bail without other conditions upon which the arrested person may obtain release~~ may issue a detention order as provided in chapter 629A. If conditions of release are imposed, the judge shall issue a written order for conditional release. The court administrator shall immediately distribute a copy of the order for conditional release to the agency having custody of the arrested person and shall provide the agency having custody of the arrested person with any available information on the location of the victim in a manner that protects the victim's safety. Either the court or its designee or the agency having custody of the arrested person shall serve upon the defendant a copy of the order. Failure to serve the arrested person with a copy of the order for conditional release does not invalidate the conditions of release.

(c) If the judge imposes as a condition of release a requirement that the person have no contact with the victim of the alleged harassment or assault, the judge may also, on its own motion or that of the prosecutor or on request of the victim, issue an ex parte temporary restraining order under section 609.748, subdivision 4, or an ex parte temporary order for protection under section 518B.01, subdivision 7. Notwithstanding section 518B.01, subdivision 7, paragraph (b), or 609.748, subdivision 4, paragraph (c), the temporary order is effective until the defendant is convicted or acquitted, or the charge is dismissed, provided that upon request the defendant is entitled to a full hearing on the restraining order under section 609.748, subdivision 5, or on the order for protection under section 518B.01. The hearing must be held within seven days of the defendant's request.

Sec. 8. [PROSECUTOR TRAINING.]

The county attorneys' association, in conjunction with the attorney general's office, shall prepare and conduct a training course for prosecutors on how to assure that their bail recommendations are racially and culturally neutral. The course may be combined with other training conducted by the county attorneys' association or other groups.

Sec. 9. [EFFECT OF STATUTE ON CRIMINAL RULES.]

Rules 6.02, 6.03, 19.05, 27.01, 28.02, 28.04, and 29.04 of the Rules of Criminal Procedure are superseded to the extent of their conflict with this article and article 2.

Sec. 10. [REPEALER.]

Minnesota Statutes 1992, sections 609.49; 629.44; 629.45; 629.47; 629.48; 629.49; 629.54; 629.55; 629.58; 629.59; 629.60; 629.61; 629.62; and 629.64, are repealed.

Sec. 11. [EFFECTIVE DATE.]

Except as otherwise provided in this section, articles 2 and 3 shall become effective only upon ratification of the amendment proposed in article 1 as provided in the Minnesota Constitution. If the constitutional amendment proposed by article 1 is adopted by the people, articles 2 and 3, sections 2 to 7, 9, and 10 are effective January 1, 1995, and apply to crimes committed on or after that date. Article 3, sections 1 and 8 are effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to criminal procedure; proposing an amendment to the Minnesota Constitution, article I, section 7, to permit courts to deny a defendant's release on bail when necessary to protect the orderly processes of the criminal justice system or when the defendant is accused of a violent crime and has engaged in a pattern or history of violent crime; enacting the Minnesota bail reform act; providing procedures governing pretrial and postconviction release and detention decisions; providing for appellate review of release and detention orders; imposing penalties for failure to appear in court as required and for commission of a crime while on release; providing for training of judges and prosecutors to ensure they make racially and culturally neutral bail recommendations and decisions; amending Minnesota Statutes 1992, sections 589.16; 629.53; and 629.63; Minnesota Statutes 1993 Supplement, sections 480.30; and 629.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 629A; repealing Minnesota Statutes 1992, sections 609.49; 629.44; 629.45; 629.47; 629.48; 629.49; 629.54; 629.55; 629.58; 629.59; 629.60; 629.61; 629.62; and 629.64."

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

The report was adopted.

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

H. F. No. 2048, A bill for an act relating to health; requiring the legislative auditor to study the administrative costs of providing health care services.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [SINGLE PAYER STUDY.]

The legislative auditor shall study the administrative cost of paying Minnesota health care providers through the multiple payers that currently reimburse the providers. The legislative auditor shall also analyze the administrative cost of paying Minnesota health care providers through one state government agency and, alternatively, through one private sector health carrier. "Administrative cost" includes: (1) the difference between all revenues received and all claims paid out by all publicly financed health programs and all private sector health carriers; and (2) billing costs for Minnesota health care providers. The commissioner shall also study the different types of administrative expenses, including costs that relate to the enhancement of quality of care. The report must, to the extent possible, rely solely on data collected from Minnesota health care providers, health carriers, and other group purchasers. The legislative auditor shall report findings of this study to the legislature by January 15, 1995.

Sec. 2. [APPROPRIATION.]

\$70,000 is appropriated from the general fund to the office of the legislative auditor for the fiscal year ending June 30, 1995, for the purposes of the study in section 1."

Amend the title as follows:

Page 1, line 4, before the period, insert "; appropriating money"

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 2310, A bill for an act relating to state and local government; providing for the collection of debts owed the state or for whom the state acts as a fiduciary; authorizing governmental agencies and subdivisions to obtain copyright, trademark, trade secret, or patent protection for intellectual property; imposing fees; appropriating money; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 168A.05, subdivisions 2, 7, and by adding a subdivision; 270A.03, subdivision 2; 272.488, subdivision 1, and by adding subdivisions; 508.25; 542.07; 570.01; 570.02, subdivision 1; and 570.025, subdivision 2; Minnesota Statutes 1993 Supplement, sections 168A.05, subdivision 3; and 336.9-407; proposing coding for new law in Minnesota Statutes, chapter 16B; proposing coding for new law as Minnesota Statutes, chapter 16C; repealing Minnesota Statutes 1992, sections 10.11, subdivision 1; 10.12; 10.14; 10.15; and 272.488, subdivision 2.

Reported the same back with the following amendments:

Page 1, delete lines 29 to 33, and insert:

"Prior to executing any contract or license agreement involving intellectual property developed or acquired by the state, a state agency must obtain the approval of the attorney general as to the terms and conditions of the contract or agreement."

Page 2, delete lines 1 to 30

Page 2, line 31, delete "POLICY" and insert "CITATION"

Page 6, line 10, delete everything after "to" and insert "332.35, 332.37, subdivisions 4, 6, 9, 10, and 12, or 332.38 to"

Page 6, line 11, delete everything before "332.45"

Page 7, line 5, after "(b)" insert "if notice has been given pursuant to this subdivision"

Page 7, line 31, after the period, insert "The centralized state collection entity has the authority to waive the administrative fee in appropriate circumstances."

Page 9, line 15, after the period, insert "If an administrative fee is not added to the debt, the costs of collection equal to the administrative fee established by the department of finance may be deducted from the money collected prior to deposit to the fund of obligation."

Page 9, line 25, delete "that will serve to locate" and insert "related to the location of"

Page 9, line 26, delete everything after the period

Page 9, delete lines 27 and 28

Page 10, line 13, after "debtors" insert ", amount of debt, date of debt, and agency to whom debt is owed"

Page 11, line 7, after the period, insert "If the debtor, within 20 days of the receipt of service, requests in writing that the court change venue to the county of either the debtor's residence or the county where the cause of action arose, that request shall be granted." and after "fees" insert ", docketing fees, or release of judgment fees"

Page 11, after line 24, insert:

"(g) The entity may utilize any statutory authority granted to a referring agency for purposes of collecting debt owed to that referring agency."

Page 12, line 2, before "property" insert "personal" and delete ", real and personal"

Page 12, lines 4 and 7, before "property" insert "personal"

Page 12, line 22, delete "good faith mortgagee,"

Page 12, line 24, delete "or duly-perfected mechanic's lien"

Page 12, line 30, delete "takes" and insert "has"

Page 12, line 32, delete "and section 507.34"

Page 14, line 31, delete "government" and insert "tax"

Page 15, delete lines 17 to 36

Page 16, delete lines 1 and 2

Page 16, line 3, delete "5" and insert "4"

Page 16, line 7, delete "6" and insert "5"

Page 16, line 9, delete "STATE"

Page 16, line 17, delete "state"

Page 16, line 18, after "all" insert "nonexempt personal" and after "to" insert "nonexempt personal"

Page 16, line 19, before "property" insert "nonexempt personal"

Page 16, line 27, delete "state"

Page 17, delete lines 29 to 35

Page 17, line 36, delete "8" and insert "7"

Page 18, line 7, delete "9" and insert "8"

Page 18, line 21, delete ", in the case of personal property,"

Page 18, line 22, delete everything after "seized" and insert a period

Page 18, delete line 23

Page 18, line 29, delete "In the case of personal property,"

Page 18, line 30, delete everything after the period

Page 18, delete lines 31 and 32

Page 18, line 34, delete everything after the period

Page 18, line 35, delete everything before "notice"

Page 19, delete lines 2 to 4

Page 21, line 23, delete "state"

Page 22, line 22, before the colon, insert "within 45 days of the determination"

Page 22, line 23, delete ", at any time"

Page 22, line 25, delete everything after "upon"

Page 22, line 26, delete everything before the semicolon

Page 22, line 28, delete everything after "property" and insert a period

Page 22, delete line 29 and insert "Any person wishing to challenge a levy as wrongful must make a claim to the entity no later than one year following the date of the sale."

Page 23, delete lines 2 to 16

Page 23, line 17, delete "3" and insert "2" and delete "lands sold are" and insert "property is"

Page 23, line 26, delete everything after the period

Page 23, delete lines 27 to 33

Page 24, delete lines 28 to 33

Page 24, line 34, delete "(f)" and insert "(e)" and delete "or real"

Page 24, line 35, delete the first "property"

Page 24, line 36, delete "state"

Page 25, line 5, delete "and redemptions of real property"

Page 25, line 14, delete "If a judgment lien"

Page 25, delete line 15

Page 25, line 16, delete everything before "within"

Page 25, line 17, after the comma, insert "the centralized state collection entity may"

Page 27, line 22, delete "If a judgment lien has been"

Page 27, delete line 23, and insert "The"

Page 27, line 34, after "continuous" insert "with respect to a payment as defined in subdivision 4"

Page 28, after line 3, insert:

"Subd. 2a. [RELEASE WHEN NO ASSETS FOUND.] If, upon receipt of the notice of levy and upon diligent search for amounts due the debtor or for assets of the debtor, no amounts due or assets are found, the recipient of the notice shall report that fact in writing within ten days to the entity and shall be released from the levy at the time of the report."

Page 29, line 17, delete "in" and insert "on"

Page 32, line 10, delete "debt or"

Page 32, line 17, after the comma, insert "when title is applied for"

Page 32, line 18, delete everything after "title"

Page 32, line 19, delete everything before "in"

Pages 35 and 36, delete section 34

Page 38, line 32, delete "\$....." and insert "\$161,000"

Page 38, after line 33, insert:

"\$..... is appropriated to the county of Ramsey from the general fund to provide the services required in section 12, subdivision 2, paragraph (c)."

Page 38, line 35, after "to" insert "13 and 15 to"

Page 39, after line 1, insert:

"The provisions of section 14 are effective on July 1, 1995."

Amend the title as follows:

Page 1, line 12, delete "508.25;"

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

The report was adopted.

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

H. F. No. 2525, A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring

administrative rulemaking; setting timelines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; establishing and regulating health care cooperatives; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.15, subdivision 1; 62A.303; 62A.48, subdivision 1; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 16, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.08, subdivisions 2, 5, 6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 65B.49, subdivision 2; 79.36; 256.9657, by adding a subdivision; 295.50, by adding subdivisions; and 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivision 2; 62J.32, subdivision 4; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, subdivision 11, and by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 19, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 144.1464; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9356, subdivision 3; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, and 12b; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; proposing coding for new law in Minnesota Statutes, chapters 43A; 62A; 62E; 62J; 62N; 62P; 144; and 317A; proposing coding for new law as Minnesota Statutes, chapters 62Q; and 308B; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMUNITY INTEGRATED SERVICE NETWORKS

Section 1. [62J.016] [GOALS OF RESTRUCTURING.]

The state seeks to bring about changes in the health care delivery and financing system that will assure quality, affordable, and accessible health care for all Minnesotans. This goal will be accomplished by restructuring the delivery system, the financial incentives, and the regulatory environment in a way that will make health care providers and health plan companies more accountable to consumers, group purchasers, and communities for their costs and quality, their effectiveness in meeting the health care needs of all of their patients and enrollees, and their contributions to improving the health of the greater community.

Sec. 2. [62J.017] [IMPLEMENTATION TIMETABLE.]

The state seeks to complete the restructuring of the health care delivery and financing system by July 1, 1997. The restructured system will have two options: (1) integrated service networks, which will be accountable for meeting state cost containment, quality, and access standards; or (2) a uniform set of price and utilization controls for all health care services for Minnesota residents not provided through an integrated service network. Both systems will operate under the state's limits on cost increases and will be structured to promote competition in the health care marketplace.

Beginning July 1, 1994, measures will be taken to increase the public accountability of existing health plan companies, to promote the development of small, community-based integrated service networks, and to reduce administrative costs by standardizing third-party billing forms and procedures and utilization review requirements. Voluntary formation of other integrated service networks will begin January 1, 1996. Statutes for the entire restructured health care financing and delivery system must be enacted by January 1, 1996, and a phase-in of the all-payer reimbursement system must begin on that date. By July 1, 1997, all health coverage must be regulated under integrated service network or community integrated service network law pursuant to chapter 62N or all-payer law pursuant to chapter 62P.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62N.02, is amended by adding a subdivision to read:

Subd. 4a. [COMMUNITY INTEGRATED SERVICE NETWORK.] "Community integrated service network" or "community network" means a formal arrangement licensed by the commissioner under section 62N.25 for providing prepaid health services to enrolled populations of 50,000 or fewer enrollees.

Sec. 4. Minnesota Statutes 1993 Supplement, section 62N.02, subdivision 8, is amended to read:

Subd. 8. [INTEGRATED SERVICE NETWORK.] "Integrated service network" means a formal arrangement permitted by this chapter and licensed by the commissioner for providing health services under this chapter to enrollees for a fixed payment per time period. Integrated service network does not include a community integrated service network.

Sec. 5. [62N.25] [COMMUNITY INTEGRATED SERVICE NETWORKS.]

Subdivision 1. [SCOPE OF LICENSURE.] Beginning July 1, 1994, the commissioner shall accept applications for licensure as a community integrated service network under this section. Licensed community integrated service networks may begin providing health coverage to enrollees no earlier than January 1, 1995, and may begin marketing coverage to prospective enrollees upon licensure.

Subd. 2. [LICENSURE REQUIREMENTS GENERALLY.] To be licensed and to operate as a community integrated service network, an applicant must satisfy the requirements of chapter 62D, and all other legal requirements that apply to entities licensed under chapter 62D, except as exempted or modified in this section. Community networks must, as a condition of licensure, comply with rules adopted under section 256B.0644 that apply to entities governed by chapter 62D.

Subd. 3. [REGULATION; APPLICABLE LAW.] Community integrated service networks are regulated and licensed by the commissioner under the same authority that applies to entities licensed under chapter 62D, except as exempted or modified under this section. All statutes or rules that apply to health maintenance organizations apply to community networks, unless otherwise specified. A cooperative organized under chapter 308A may establish a community integrated service network.

Subd. 4. [GOVERNING BODY.] Notwithstanding section 62D.06, at least 51 percent of the members of the governing body of the community integrated service network must be residents of the community integrated service network's service area. Service area, for purposes of this subdivision, may include contiguous geographic areas outside the state of Minnesota.

Subd. 5. [BENEFITS.] Community integrated service networks must offer the health maintenance organization benefit set, as defined in chapter 62D, and other laws applicable to entities regulated under chapter 62D, except that the community integrated service network may impose a deductible, not to exceed \$1,000 per person per year, provided that out-of-pocket expenses on covered services do not exceed \$3,000 per person or \$5,000 per family per year. The deductible must not apply to preventive health services as described in Minnesota Rules, part 4685.0801, subpart 8.

Subd. 6. [SOLVENCY.] A community integrated service network is exempt from the deposit, reserve, and solvency requirements specified in sections 62D.041, 62D.042, 62D.043, and 62D.044 and shall comply instead with sections 62N.27 to 62N.32.

Subd. 7. [EXEMPTIONS FROM EXISTING REQUIREMENTS.] Community integrated service networks are exempt from the following requirements applicable to health maintenance organizations:

- (1) conducting focused studies under Minnesota Rules, part 4685.1125;
- (2) preparing and filing, as a condition of licensure, a written quality assurance plan, and annually filing such a plan and a work plan, under Minnesota Rules, parts 4685.1110 and 4685.1130;
- (3) maintaining statistics under Minnesota Rules, part 4685.1200;
- (4) filing provider contract forms under sections 62D.03, subdivision 4, and 62D.08, subdivision 1;

(5) reporting any changes in the address of a network provider or length of a provider contract or additions to the provider network to the commissioner within ten days under section 62D.08, subdivision 5. Community networks must report such information to the commissioner on a quarterly basis. Community networks that fail to make the required quarterly filing are subject to the penalties set forth in section 62D.08, subdivision 5; and

(6) preparing and filing, as a condition of licensure, a marketing plan, and annually filing a marketing plan, under sections 62D.03, subdivision 4, paragraph (1), and 62D.08, subdivision 1.

Subd. 8. [PROVIDER CONTRACTS.] The provisions of section 62D.123 are implied in every provider contract or agreement between a community integrated service network and a provider, regardless of whether those provisions are expressly included in the contract. No participating provider, agent, trustee, or assignee of a participating provider has or may maintain any cause of action against a subscriber or enrollee to collect sums owed by the community network.

Subd. 9. [EXCEPTIONS TO ENROLLMENT LIMIT.] A community integrated service network may enroll enrollees in excess of 50,000 if necessary to comply with guaranteed issue or guaranteed renewal requirements of chapter 62L or section 62A.65.

Sec. 6. [62N.255] [EXPANDED PROVIDER NETWORKS.]

Subdivision 1. [PROVIDER ACCEPTANCE REQUIRED.] Every community network shall establish an expanded network of allied independent health providers, in addition to a preferred network. A community network shall accept as a provider in the expanded network any allied independent health provider who: (1) meets the community network's credentialing standards; (2) agrees to the terms of the community network's provider contract; and (3) agrees to comply with all managed care protocols of the community network.

Subd. 2. [MANAGED CARE.] The managed care protocols used by the community network may include: (1) a requirement that an enrollee obtain a referral from the community network before obtaining services from an allied independent health provider in the expanded network; (2) limits on the number and length of visits to allied independent health providers in the expanded network allowed by each referral, as long as the number and length of visits allowed is not less than the number and length allowed for comparable referrals to allied independent health providers in the preferred network; and (3) ongoing management and review by the community network of the care provided by an allied independent health provider in the expanded network after a referral is made.

Subd. 3. [MANDATORY OFFERING TO ENROLLEES.] Each community network may offer to enrollees the option of receiving covered services through the expanded network of allied independent health providers established under subdivisions 1 and 2. The network may establish separate premium rates and cost-sharing requirements for this expanded network plan, as long as these premium rates and cost-sharing requirements are actuarially justified and approved by the commissioner.

Subd. 4. [PROVIDER REIMBURSEMENT.] A community network shall pay each allied independent health provider in the expanded network the same rate per unit of service as paid to allied independent health providers in the preferred network.

Subd. 5. [EXEMPTION.] A community network is exempt from the requirements of this section, to the extent that it operates as a staff model health plan company, as defined in section 295.50, subdivision 12b, by employing allied independent health care providers to deliver health care services to enrollees.

Subd. 6. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Allied independent health provider" means an independently enrolled audiologist, chiropractor, dietician, home health care provider, marriage and family therapist, nurse practitioner or advanced practice nurse, occupational therapist, optometrist, optician, outpatient chemical dependency counselor, pharmacist who is not employed by and based on the premises of a community network, physical therapist, podiatrist, licensed consulting psychologist, psychological practitioner, licensed social worker, or speech therapist.

(c) "Home health care provider" means a personal care assistant, home health aide, or a provider of homemaker, respite care, adult day care, or home health nursing services.

(d) "Independently enrolled" means that a provider can bill, and receive direct payment for services from, a third-party payer or patient.

Sec. 7. [62N.26] [SHARED SERVICES COOPERATIVE.]

The commissioner of health shall establish, or assist in establishing, a shared services cooperative organized under chapter 308A to make available administrative and legal services, technical assistance, provider contracting and billing services, and other services to those community integrated service networks and integrated service networks that choose to participate in the cooperative. The commissioner shall provide, to the extent funds are appropriated, start-up loans sufficient to maintain the shared services cooperative until its operations can be maintained by fees and contributions. The cooperative must not be staffed, administered, or supervised by the commissioner of health. The cooperative shall make use of existing resources that are already available in the community, to the extent possible.

Sec. 8. [62N.27] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 62N.27 to 62N.32, the terms defined in this section have the meanings given. Other terms used in those sections have the meanings given in sections 62D.041, 62D.042, 62D.043, and 62D.044.

Subd. 2. [NET WORTH.] "Net worth" means admitted assets, as defined in subdivision 3, minus liabilities. Liabilities do not include those obligations that are subordinated in the same manner as preferred ownership claims under section 60B.44, subdivision 10. For purposes of this subdivision, preferred ownership claims under section 60B.44, subdivision 10, include promissory notes subordinated to all other liabilities of the community network.

Subd. 3. [ADMITTED ASSETS.] "Admitted assets" means admitted assets as defined in section 62D.044, except that real estate investments allowed by section 62D.045 are not admitted assets. Admitted assets include the deposit required under section 62N.32.

Subd. 4. [ACCREDITED CAPITATED PROVIDER.] "Accredited capitated provider" means a health care providing entity that:

(1) receives capitated payments from a community network under a contract to provide health services to the community network's enrollees. For purposes of this section, a health care providing entity is "capitated" when its compensation arrangement with a community network involves the provider's acceptance of material financial risk for the delivery of a predetermined set of services for a specified period of time;

(2) is licensed to provide and provides the contracted services, either directly or through an affiliate. For purposes of this section, an "affiliate" is any person that directly or indirectly controls, or is controlled by, or is under common control with, the health care providing entity, and "control" exists when any person, directly or indirectly, owns, controls, or holds the power to vote, or holds proxies representing, no less than 80 percent of the voting securities or governance rights of any other person;

(3) agrees to serve as an accredited capitated provider of a community network for the purpose of reducing the community network's net worth and deposit requirements under section 62N.28; and

(4) is approved by the commissioner as an accredited capitated provider for a community network in accordance with section 62N.31.

Subd. 5. [PERCENTAGE OF RISK CEDED.] "Percentage of risk ceded" means the ratio, expressed as a percentage, between capitated payments made, or, in the case of a new entity, expected to be made, by a community network to all accredited capitated providers during any contract year and the total premium revenue, adjusted to eliminate expected administrative costs, received for the same time period by the community network.

Subd. 6. [PROVIDER AMOUNT AT RISK.] "Provider amount at risk" means a dollar amount certified by a qualified actuary to represent the expected direct costs to an accredited capitated provider for providing the contracted, covered health care services to the enrollees of the community network to which it is accredited for a period of six months.

Sec. 9. [62N.28] [NET WORTH REQUIREMENT.]

Subdivision 1. [REQUIREMENT.] Except as otherwise permitted by this chapter, each community network must maintain a minimum net worth equal to the greater of:

(1) \$1,000,000;

(2) two percent of the first \$150,000,000 of annual premium revenue plus one percent of annual premium revenue in excess of \$150,000,000;

(3) eight percent of the annual health services costs, except those paid on a capitated or managed hospital payment basis, plus four percent of the annual capitation and managed hospital payment costs; or

(4) four months uncovered health services costs.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given:

(1) "capitated basis" means fixed per member per month payment or percentage of premium paid to a provider that assumes the full risk of the cost of contracted services without regard to the type, value, or frequency of services provided. For purposes of this definition, capitated basis includes the cost associated with operating staff model facilities;

(2) "managed hospital payment basis" means agreements in which the financial risk is primarily related to the degree of utilization rather than to the cost of services; and

(3) "uncovered health services costs" means the cost to the community network of health services covered by the community network for which the enrollee would also be liable in the event of the community network's insolvency, and that are not guaranteed, insured, or assumed by a person other than the community network.

Subd. 3. [REINSURANCE CREDIT.] A community network may use the subtraction for premiums paid for insurance permitted under section 62D.042, subdivision 4.

Subd. 4. [PHASE-IN FOR NET WORTH REQUIREMENT.] (a) A community network may choose to comply with the net worth requirement on a phase-in basis according to the following schedule:

(1) 50 percent of the amount required under subdivisions 1 to 3 at the time that the community network begins enrolling enrollees;

(2) 75 percent of the amount required under subdivisions 1 to 3 at the end of the first full calendar year of operation;

(3) 87.5 percent of the amount required under subdivisions 1 to 3 at the end of the second full calendar year of operation; and

(4) 100 percent of the amount required under subdivisions 1 to 3 at the end of the third full calendar year of operation.

(b) A community network that elects to use the phase-in schedule provided in this subdivision cannot also use the real estate provision of section 62N.30 or the accredited capitated provider provision of section 62N.31.

Subd. 5. [NET WORTH CORRIDOR.] A community network shall not maintain net worth that exceeds two and one-half times the amount required of the community network under subdivision 1. Subdivision 4 is not relevant for purposes of this subdivision.

Subd. 6. [NET WORTH REDUCTION.] If a community network has contracts with accredited capitated providers, and only for so long as those contracts or successor contracts remain in force, the net worth requirement of subdivision 1 shall be reduced by the percentage of risk ceded, but in no event shall the net worth requirements be reduced by this subdivision to less than \$1,000,000. The phase-in requirements of subdivision 4 shall not be affected by this reduction.

Sec. 10. [62N.29] [GUARANTEEING ORGANIZATION.]

A community network may satisfy its net worth and deposit requirements, in whole or in part, through the use of one or more guaranteeing organizations, with the approval of the commissioner, under the conditions permitted in chapter 62D. Governmental entities, such as counties, may serve as guaranteeing organizations subject to the requirements of chapter 62D.

Sec. 11. [62N.30] [REAL ESTATE AS NET WORTH.]

(a) The commissioner may, at the request of a community network, allow the community network a credit of up to 20 percent of the community network's net worth requirement for the community network's ownership of real estate of which the community network makes significant use in delivering care to enrollees. The credit must reflect reduced expenses and risk to the community network. In determining whether to allow the credit, the commissioner shall review operating expenses, debt service, and other costs connected with the real estate, as well as the use of the property by the community network in delivering care to enrollees, in order to ascertain whether ownership of the asset significantly reduces the community network's expenses and risk.

(b) A community network that uses this section to satisfy part of its net worth requirement may not use accredited capitated providers under section 62N.31 for that purpose.

Sec. 12. [62N.31] [ACCREDITED CAPITATED PROVIDERS.]

Subdivision 1. [GENERAL.] Each health care providing entity seeking initial accreditation as an accredited capitated provider shall submit to the commissioner of health sufficient information to establish that the applicant has operational capacity, facilities, personnel, and financial capability to provide the contracted covered services to the enrollees of the community network for which it seeks accreditation (a) on an ongoing basis, and (b) for a period of six months following the insolvency of the network without receiving payment from the network. Accreditation shall continue until abandoned by the accredited capitated provider or revoked by the commissioner in accordance with subdivision 7. The applicant may provide evidence of financial capability by demonstrating that the provider amount at risk can be covered by or through any of allocated or restricted funds; a letter of credit; the taxing authority of the applicant or governmental sponsor of the applicant; a debt rating in the highest two categories for investment grade debt; an unrestricted fund balance at least two times the provider amount at risk; reinsurance, either purchased directly by the applicant or by the community network to which it will be accredited; or any other method accepted by the commissioner.

An accredited capitated provider that provides services to its enrollees without compensation due to insolvency of the community network has no claim against the enrollees for payment. Accreditation of a health care providing entity shall not in itself limit the right of the accredited capitated provider to seek payment of unpaid capitated amounts from a community network, whether the community network is solvent or insolvent; provided that, if the community network is subject to any liquidation, rehabilitation, or conservation proceedings, the accredited capitated provider shall have the status accorded creditors under chapter 60B.44, subdivision 10.

Subd. 2. [APPROVAL BY COMMISSIONER.] Before a provider may be used as an accredited capitated provider, the commissioner must determine whether the provider is sufficiently solvent to carry out its obligation without risk of bankruptcy. In making that determination, the commissioner may consider the provider's assets, liabilities, cash flow, operational and financial history, tax return information, expected cost of providing care to the community network's enrollees, expected revenues from other sources, fixed costs, and any information provided under subdivision 1.

Subd. 3. [ADDITIONAL SAFEGUARDS.] The commissioner may condition accredited status upon secured or unsecured personal guarantees by individual providers, security agreements and mortgages of assets owned by the provider, or other means of securing performance of the accredited capitated provider and preventing the provider from using bankruptcy to avoid its obligations to the community network and its enrollees. The state has an interest in performance of the obligations of accredited capitated providers, and the commissioner has standing to and may intervene in any insolvency proceeding involving an accredited capitated provider as the debtor, for the purpose of asserting the interests of the state and of the community network.

Subd. 4. [DATA SUBMISSIONS.] Each accredited capitated provider, as a condition of being granted accreditation, must submit to the commissioner annually, no later than April 15, an opinion by a qualified actuary regarding its ongoing ability to accept the loss of compensation under this section. The provider must also submit an annual data filing to the commissioner, including but not limited to:

(1) the expected direct costs to an accredited capitated provider for providing the contracted services to the enrollees of the community network to which it is accredited for a period of not less than six months;

(2) the number of enrollees served under the accredited capitated provider arrangement for the community network, both for the prior year and estimated for the current year;

(3) an audited financial statement, including an independent auditor's report, balance sheet, statement of support, revenue and expenses, statement of changes in capital balance, and statement of cash flow;

(4) any material change in the operational capacity of the accredited capitated provider since the last report to the commissioner;

(5) any material change in an accredited capitated provider's financial capacity to provide the contracted services; and

(6) any other information that the commissioner deems appropriate.

Subd. 5. [CONTRACT TERMINATION.] An accredited capitated provider may terminate its contract with a community network subject to the approval of the commissioner and under the conditions of this subdivision. An accredited capitated provider seeking to terminate its contract with a community network, whether by nonrenewal, cancellation, revocation, rescission, or otherwise, must give the commissioner and the community network six months' written notice of the termination. If the community network is notified of the termination and has sufficient net worth to be in compliance with its net worth requirement or has obtained alternative credit against the requirement, to the satisfaction of the commissioner, the notice requirement can be reduced to the greater of 90 days or the time required to secure the alternative credit.

Subd. 6. [NET WORTH AND WORKING CAPITAL.] (a) An accredited capitated provider must have an initial and continuing net worth of at least \$250,000. An accredited capitated provider must also have an initial working capital of at least \$250,000 and after that must maintain a positive working capital balance at all times.

(b) The commissioner may require an accredited capitated provider to maintain additional net worth requirements based on the type, nature, or volume of health services customarily rendered by the particular accredited capitated provider.

Subd. 7. [FAILURE TO COMPLY.] (a) If an accredited capitated provider fails to comply with the net worth, working capital, and other requirements of this section, the commissioner may take appropriate action, including increased monitoring of the financial and operational capacity of both the accredited capitated provider and the community network, administrative supervision of the accredited capitated provider or of the community network under chapter 60G, or suspension or revocation of an accredited capitated provider's accreditation.

(b) If an accredited capitated provider loses its accreditation, the accredited capitated provider is precluded from reapplying for accreditation for a period of one year from the date of the loss of accreditation.

Sec. 13. [62N.32] [DEPOSIT REQUIREMENT.]

A community network must satisfy the deposit requirement provided in section 62D.041. The deposit counts as an admitted asset and as part of the required net worth. The deposit requirement cannot be reduced by the alternative means that may be used to reduce the net worth requirement, other than through the use of a guaranteeing organization.

Sec. 14. [62N.33] [COVERAGE FOR ENROLLEES OF INSOLVENT NETWORKS.]

In the event of a community network insolvency, the commissioner shall determine whether one or more community networks are willing and able to provide replacement coverage to all of the failed community network's enrollees, and if so, the commissioner shall facilitate the provision of the replacement coverage. If such replacement coverage is not available, the commissioner shall randomly assign enrollees of the insolvent community network to other community networks and health carriers in the service area, in proportion to their market share, for the remaining terms of the enrollees' contracts with the insolvent network. The other community networks and health carriers must accept the allocated enrollees under their policy or contract most similar to the enrollees' contracts with the insolvent community network. The allocation must keep groups together. Enrollees with special continuity of care needs may, in the commissioner's discretion, be given a choice of replacement coverage rather than random assignment. Individuals and groups that are assigned randomly may choose a different community network or health carrier when their contracts expire, on the same basis as any other individual or group. The replacement carrier must comply with any guaranteed renewal or other renewal provisions of the prior coverage, including but not limited to, provisions regarding preexisting conditions and health conditions that developed during prior coverage.

Sec. 15. [62N.34] [INSOLVENCY FUNDING.]

(a) In the event of an insolvency of a community network, all other community networks and health carriers shall be assessed a surcharge, if necessary to pay expenses and claims set forth in paragraph (b), in proportion to their gross premium revenues.

(b) Money raised by the assessment shall be used to pay for the following, to the extent that they exceed the community network's deposit and other remaining assets:

(1) expenses in connection with the insolvency and transfer of enrollees;

(2) outstanding fee-for-service claims from nonparticipating providers, discounted by 25 percent of the claim amount. Claims incurred after the implementation of the fee schedules provided under chapter 62P will be reimbursed at the fee schedule amount discounted by 25 percent. Providers may not seek to recover the unpaid portion of their claim from enrollees; and

(3) premiums to community networks and health carriers that take enrollees of the insolvent community network, prorated to account for premiums already paid to the insolvent community network on behalf of those enrollees, to purchase coverage for time periods for which the insolvent community network can no longer provide coverage.

(c) In any year in which an assessment is made, the commissioner, in consultation with community networks and other health carriers, shall report to the legislature and governor on the continuing viability of the assessment approach and on the merits of potential alternative funding sources.

Sec. 16. [62N.35] [BORDER ISSUES.]

To the extent feasible and appropriate, community networks that also operate under the health maintenance organization or similar prepaid health care law of another state must be licensed and regulated by this state in a manner that avoids unnecessary duplication and expense for the community network. The commissioner shall communicate with regulatory authorities in neighboring states to explore the feasibility of cooperative approaches to streamline regulation of border community networks, such as joint financial audits, and shall report to the legislature on any changes to Minnesota law that may be needed to implement appropriate collaborative approaches to regulation.

Sec. 17. [62N.36] [NOTIFICATION OF PROVIDER NETWORK OPENING.]

A community integrated service network or integrated service network shall publish a notice of any health care provider network opening, vacancy, or contract in appropriate regional newspapers. This notice must be published at least 14 days before the closing date for applications for the open or vacant position. The requirement for notification shall not apply if the community integrated service network or integrated service network is replacing a network provider, and any delay in filling a vacancy causes an impairment to delivery of health care services.

Sec. 18. [STUDY OF SOLVENCY REGULATION OF INTEGRATED SERVICE NETWORKS.]

The commissioners of health and commerce shall develop the solvency standards for the integrated service networks created by chapter 62N. The solvency standards for integrated service networks must be effective no later than January 1, 1996.

The standards may use a risk-based capital standard as an integral tool to assess solvency of the integrated service networks. The standards may require that integrated service networks file the risk based capital calculation as part of the annual financial statement. The risk-based capital standard for integrated service networks may be based upon the national association of insurance commissioners health organization risk based capital standards currently under development, with any necessary modifications to reflect the unique risk characteristics of integrated service networks. Those modifications must be based upon an actuarial analysis of the effect on risk.

Sec. 19. [MONITORING OF REINSURANCE ACCESSIBILITY FOR COMMUNITY NETWORKS.]

The commissioners of commerce and health shall monitor the private sector market for reinsurance, in order to determine whether community integrated service networks are able to purchase reinsurance at competitive rates. If the commissioners find that the private market for reinsurance is not accessible or not affordable to community

integrated service networks, the commissioners shall recommend to the legislature a voluntary or mandatory reinsurance purchasing pool for community integrated service networks. The commissioners' recommendations shall address the conditions under which community networks would be permitted or required to participate in the pool and the role of the state in overseeing or administering the pool.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective July 1, 1994.

ARTICLE 2

REQUIREMENTS FOR ALL HEALTH PLAN COMPANIES

Section 1. Minnesota Statutes 1993 Supplement, section 62J.33, is amended by adding a subdivision to read:

Subd. 3. [OFFICE OF CONSUMER INFORMATION.] The commissioner shall create an office of consumer information to assist health plan company enrollees and to serve as a resource center for enrollees. The office shall operate within the information clearinghouse. The functions of the office are:

(1) to assist enrollees in understanding their rights;

(2) to explain and assist in the use of all available complaint systems, including internal complaint systems within health carriers, community integrated service networks, integrated service networks, and the departments of health and commerce;

(3) to provide information on coverage options in each regional coordinating board region of the state;

(4) to provide information on the availability of purchasing pools and enrollee subsidies; and

(5) to help consumers use the health care system to obtain coverage.

The office of consumer information shall not provide legal services to consumers and shall not represent a consumer or enrollee. The office of consumer information shall not serve as an advocate for consumers in disputes with health plan companies. Nothing in this subdivision shall interfere with the ombudsman program established under section 256B.031, subdivision 6, or other existing ombudsman programs.

Sec. 2. Minnesota Statutes 1993 Supplement, section 62J.33, is amended by adding a subdivision to read:

Subd. 4. [INFORMATION ON HEALTH PLAN COMPANIES.] The information clearinghouse shall provide information on all health plan companies operating in a specific geographic area to consumers and purchasers who request it.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62J.33, is amended by adding a subdivision to read:

Subd. 5. [DISTRIBUTION OF DATA ON QUALITY.] The commissioner shall make available through the clearinghouse hospital quality data collected under section 62J.45, subdivision 4b, and health plan company quality data collected under section 62J.45, subdivision 4c.

Sec. 4. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4a. [EVALUATION OF CONSUMER SATISFACTION; PROVIDER INFORMATION PILOT STUDY.] (a) The commissioner may make a grant to the data institute to develop and implement a mechanism for collecting comparative data on consumer satisfaction through adoption of a standard consumer satisfaction survey. As a condition of receiving this grant, the data institute shall appoint a consumer advisory group which shall consist of 13 individuals, representing enrollees from public and private health plan companies and programs and two uninsured consumers, to advise the data institute on issues of concern to consumers. The advisory group must have at least one member from each regional coordinating board region of the state. The advisory group expires June 30, 1997. No more than seven members may be of the same gender. This survey shall include enrollees in community integrated service networks, integrated service networks, health maintenance organizations, preferred provider organizations, indemnity insurance plans, public programs, and other health plan companies. The data institute shall

determine a mechanism for the inclusion of the uninsured. Health plan companies and group purchasers shall provide enrollment information, including the names, addresses, and telephone numbers of enrollees and former enrollees and other data necessary for the completion of this study to the data institute. This enrollment information provided by the health plan companies and group purchasers is classified as private data on individuals, as defined in section 13.02, subdivision 12. The data institute shall provide raw unaggregated data to the data analysis unit. The data institute may analyze and prepare findings from the raw, unaggregated data, and the findings from this survey may be included in the health plan company report cards, and in other reports developed by the data analysis unit, in consultation with the data institute, to be disseminated by the information clearinghouse. The raw unaggregated data is classified as private data on individuals as defined in section 13.02, subdivision 12. The survey may include information on the following subjects:

- (1) enrollees' overall satisfaction with their health care plan;
- (2) consumers' perception of access to emergency, urgent, routine, and preventive care, including locations, hours, waiting times, and access to care when needed;
- (3) premiums and costs;
- (4) technical competence of providers;
- (5) communication, courtesy, respect, reassurance, and support;
- (6) choice and continuity of providers;
- (7) continuity of care;
- (8) outcomes of care;
- (9) services offered by the plan, including range of services, coverage for preventive and routine services, and coverage for illness and hospitalization;
- (10) availability of information; and
- (11) paperwork.

(b) The commissioner, in consultation with the data institute, shall develop a pilot study to collect comparative data from health care providers on opportunities and barriers to the provision of quality, cost-effective health care. The provider information pilot study shall include providers in community integrated service networks, integrated service networks, health maintenance organizations, preferred provider organizations, indemnity insurance plans, public programs, and other health plan companies. Health plan companies and group purchasers shall provide to the commissioner providers' names, health plan assignment, and other appropriate data necessary for the commissioner to conduct the study. The provider information pilot study shall examine factors that increase and hinder access to the provision of quality, cost-effective health care. The study may examine:

- (1) administrative barriers and facilitators;
- (2) time spent obtaining permission for appropriate and necessary treatments;
- (3) latitude to order appropriate and necessary tests, pharmaceuticals, and referrals to specialty providers;
- (4) assistance available for decreasing administrative and other routine paperwork activities;
- (5) continuing education opportunities provided;
- (6) access to readily available information on diagnoses, diseases, outcomes, and new technologies;
- (7) continuous quality improvement activities;
- (8) inclusion in administrative decision-making;

(9) access to social services and other services that facilitate continuity of care;

(10) economic incentives and disincentives;

(11) peer review procedures; and

(12) the prerogative to address public health needs.

In selecting additional data for collection, the commissioner shall consider the: (1) statistical validity of the indicator; (2) public need for the information; (3) estimated expense of collecting and reporting the indicator; and (4) usefulness of the indicator to identify barriers and opportunities to improve quality care provision within health plan companies.

Sec. 5. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4b. [HOSPITAL QUALITY INDICATORS.] The commissioner, in consultation with the data institute, shall develop a system for collecting data on hospital quality. The commissioner shall require a licensed hospital to collect and report data as needed for the system. Data to be collected shall include structural characteristics including staff-mix and nurse-patient ratios. In selecting additional data for collection, the commissioner shall consider: (1) feasibility and statistical validity of the indicator; (2) purchaser and public demand for the indicator; (3) estimated expense of collecting and reporting the indicator; and (4) usefulness of the indicator for internal improvement purposes.

Sec. 6. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4c. [QUALITY REPORT CARDS.] Each health plan company shall report annually by April 1 to the commissioner specific quality indicators, in the form specified by the commissioner in consultation with the data institute. The quality indicators must be reported using standard definitions and measurement processes as specified by the commissioner. Wherever possible, the commissioner's specifications must be consistent with those outlined in the health plan employer data and information set (HEDIS 2.0). The commissioner, in consultation with the data institute, may modify the quality indicators to be reported to incorporate improvements in quality measurement tools. When HEDIS 2.0 indicators or health care financing administration approved quality indicators for medical assistance and Medicare are used, the commissioner is exempt from rulemaking. For additions or modifications to the HEDIS indicators or if other quality indicators are added, the commissioner shall proceed through rulemaking pursuant to chapter 14. The data analysis unit shall develop quality report cards, and these report cards shall be disseminated through the information clearinghouse. Data shall be collected and reported by county and high-risk and special needs populations as well as by health plans, except when this would allow individuals to be identified.

Sec. 7. Minnesota Statutes 1992, section 62M.02, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATION.] "Certification" means a determination by a utilization review organization that an admission, extension of stay, or other health care service has been reviewed and that it, based on the information provided, meets the utilization review requirements of the applicable health plan and the health carrier will then pay for the covered benefit, provided the preexisting limitation provisions, the general exclusion provisions, and any deductible, copayment, coinsurance, or other policy requirements have been met.

Sec. 8. Minnesota Statutes 1992, section 62M.02, subdivision 21, is amended to read:

Subd. 21. [UTILIZATION REVIEW ORGANIZATION.] "Utilization review organization" means an entity including but not limited to an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network or an integrated service network licensed under chapter 62N; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended; a third party administrator licensed under section 60A.23, subdivision 8, which conducts utilization review and determines certification of an admission, extension of stay, or other health care services for a Minnesota resident; or any entity performing utilization review that is affiliated with, under contract with, or conducting utilization review on behalf of, a business entity in this state.

Sec. 9. Minnesota Statutes 1992, section 62M.03, subdivision 1, is amended to read:

Subdivision 1. [LICENSED UTILIZATION REVIEW ORGANIZATION.] Beginning January 1, 1993, any organization that is licensed in this state and that meets the definition of utilization review organization in section 62M.02, subdivision 21, must be licensed under chapter 60A, 62C, 62D, 62N, or 64B, or registered under this chapter and must comply with sections 62M.01 to 62M.16 and section 72A.201, subdivisions 8 and 8a. Each licensed community integrated service network, integrated service network, or health maintenance organization that has an employed staff model of providing health care services shall comply with sections 62M.01 to 62M.16 and section 72A.201, subdivisions 8 and 8a, for any services provided by providers under contract.

Sec. 10. Minnesota Statutes 1992, section 62M.03, subdivision 2, is amended to read:

Subd. 2. [NONLICENSED UTILIZATION REVIEW ORGANIZATION.] An organization that meets the definition of a utilization review organization under section 62M.02, subdivision 21, that is not licensed in this state that performs utilization review services for Minnesota residents must register with the commissioner of commerce and must certify compliance with sections 62M.01 to 62M.16.

Initial registration must occur no later than January 1, 1993. The registration is effective for two years and may be renewed for another two years by written request. Each utilization review organization registered under this chapter shall notify the commissioner of commerce within 30 days of any change in the name, address, or ownership of the organization.

Sec. 11. Minnesota Statutes 1992, section 62M.03, subdivision 3, is amended to read:

Subd. 3. [PENALTIES AND ENFORCEMENTS.] If a nonlicensed utilization review organization fails to comply with sections 62M.01 to 62M.16, the organization may not provide utilization review services for any Minnesota resident. The commissioner of commerce may issue a cease and desist order under section 45.027, subdivision 5, to enforce this provision. The cease and desist order is subject to appeal under chapter 14. A nonlicensed utilization review organization that fails to comply with the provisions of sections 62M.01 to 62M.16 is subject to all applicable penalty and enforcement provisions of section 72A.201. Each utilization review organization licensed under chapter 60A, 62C, 62D, 62N, or 64B shall comply with sections 62M.01 to 62M.16 as a condition of licensure.

Sec. 12. Minnesota Statutes 1992, section 62M.05, subdivision 3, is amended to read:

Subd. 3. [NOTIFICATION OF DETERMINATIONS.] A utilization review organization must have written procedures for providing notification of its determinations on all certifications in accordance with the following:

(a) When an initial determination is made to certify, notification must be provided promptly by telephone to the provider. The utilization review organization shall send written notification to the hospital, attending physician, or applicable service provider within ten business days of the determination in accordance with section 72A.20, subdivision 4a, or shall maintain an audit trail of the determination and telephone notification. For purposes of this subdivision, "audit trail" includes documentation of the telephone notification, including the date; the name of the person spoken to, the enrollee or patient; the service, procedure, or admission certified; and the date of the service, procedure, or admission. If the utilization review organization indicates certification by use of a number, the number must be called the "certification number."

(b) When a determination is made not to certify a hospital or surgical facility admission or extension of a hospital stay, or other service requiring review determination, within one working day after making the decision the attending physician and hospital must be notified by telephone and a written notification must be sent to the hospital, attending physician, and enrollee or patient. The written notification must include the principal reason or reasons for the determination and the process for initiating an appeal of the determination. Upon request, the utilization review organization shall provide the attending physician or provider with the criteria used to determine the necessity, appropriateness, and efficacy of the health care service and identify the database, professional treatment parameter, or other basis for the criteria. Reasons for a determination not to certify may include, among other things, the lack of adequate information to certify after a reasonable attempt has been made to contact the attending physician.

Sec. 13. Minnesota Statutes 1992, section 62M.06, subdivision 3, is amended to read:

Subd. 3. [STANDARD APPEAL.] The utilization review organization must establish procedures for appeals to be made either in writing or by telephone.

(a) Each utilization review organization shall notify in writing the enrollee or patient, attending physician, and claims administrator of its determination on the appeal as soon as practical, but in no case later than 45 days after receiving the required documentation on the appeal.

(b) The documentation required by the utilization review organization may include copies of part or all of the medical record and a written statement from the health care provider.

(c) Prior to upholding the original decision not to certify for clinical reasons, the utilization review organization shall conduct a review of the documentation by a physician who did not make the original determination not to certify.

(d) The process established by a utilization review organization may include defining a period within which an appeal must be filed to be considered. The time period must be communicated to the patient, enrollee, or attending physician when the initial determination is made.

(e) An attending physician who has been unsuccessful in an attempt to reverse a determination not to certify shall, consistent with section 72A.285, be provided the following:

- (1) a complete summary of the review findings;
- (2) qualifications of the reviewers, including any license, certification, or specialty designation; and
- (3) the relationship between the enrollee's diagnosis and the review criteria used as the basis for the decision, including the specific rationale for the reviewer's decision.

(f) In cases ~~where an~~ of appeal to reverse a determination not to certify for clinical reasons ~~is unsuccessful~~, the utilization review organization must, upon request of the attending physician, ensure that a physician of the utilization review organization's choice in the same or a similar general specialty as typically manages the medical condition, procedure, or treatment under discussion is reasonably available to review the case.

Sec. 14. Minnesota Statutes 1992, section 62M.09, subdivision 5, is amended to read:

Subd. 5. [WRITTEN CLINICAL CRITERIA.] A utilization review organization's decisions must be supported by written clinical criteria and review procedures. Clinical criteria and review procedures must be established with appropriate involvement from physicians, in accordance with acceptable and prevailing medical practice in Minnesota, and based upon data that is valid for Minnesota residents. A utilization review organization must use written clinical criteria, as required, for determining the appropriateness of the certification request. The utilization review organization must have a procedure for ensuring the periodic evaluation and updating of the written criteria.

Sec. 15. [62Q.01] [DEFINITIONS.]

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

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [HEALTH PLAN.] "Health plan" means a health plan as defined in section 62A.011 or a policy, contract, or certificate issued by a community integrated service network; an integrated service network; or an all-payer insurer as defined in section 62P.02.

Subd. 4. [HEALTH PLAN COMPANY.] "Health plan company" means:

- (1) a health carrier as defined under section 62A.011, subdivision 2;
- (2) an integrated service network as defined under section 62N.02, subdivision 8;
- (3) an all-payer insurer as defined under section 62P.02; or
- (4) a community integrated service network as defined under section 62N.02, subdivision 4a.

Sec. 16. [62Q.03] [PROCESS FOR DEFINING, DEVELOPING, AND IMPLEMENTING A RISK ADJUSTMENT SYSTEM.]

Subdivision 1. [PURPOSE.] Risk adjustment is a vital element of the state's strategy for achieving a more equitable, efficient system of health care delivery and financing for all state residents. Risk adjustment is needed to: remove current disincentives in the health care system to insure and serve high risk and special needs populations; promote fair competition among health plan companies on the basis of their ability to efficiently and effectively provide services rather than on the health status of those in a given insurance pool; and help assure the viability of all health plan companies, including community integrated service networks. It is the commitment of the state to develop and implement a risk adjustment system by July 1, 1997, and to continue to improve and refine risk adjustment over time. The process for designing and implementing risk adjustment shall be open, explicit, utilize resources and expertise from both the private and public sectors, and include at least the representation described in subdivision 4. The process shall take into account the formative nature of risk adjustment as an emerging science, and shall develop and implement risk adjustment to allow continual modifications, expansions, and refinements over time. The process shall have at least two stages, as described in subdivision 2 and 3.

Subd. 2. [FIRST STAGE OF RISK ADJUSTMENT DEVELOPMENT PROCESS.] The objective of the first stage is to report to the legislature by January 15, 1995, with recommendations on the process, organization, resource needs, and specific work plan to define, develop, and implement a risk adjustment mechanism by July 1, 1997, and to continually improve risk adjustment over time. The report shall address the specific issues listed in subdivision 5, and shall also identify any additional policy issues, questions and concerns that must be addressed to facilitate development and implementation of risk adjustment.

Subd. 3. [SECOND STAGE OF THE RISK ADJUSTMENT DEVELOPMENT PROCESS.] The second stage of the process, following review and any modification by the legislature of the January 15, 1995 report, shall be to carry out the work plan to develop and implement a risk adjustment mechanism by July 1, 1997, and to continue to improve and refine a risk adjustment over time. The second stage of the process shall be carried out by the association created in subdivision 6.

Subd. 4. [EXPERT PANEL.] The commissioners of health and commerce shall convene an expert advisory panel comprised of, but not limited to, the board members of the Minnesota risk adjustment association, as described in subdivision 8, and experts from the fields of epidemiology, health services research, and health economics. The commissioners may also convene technical work groups that may include members of the expert advisory panel and other persons, all selected in the sole discretion of the commissioners. The expert advisory panel and the workgroups shall assist and advise the commissioners of health and commerce in preparing the implementation report described in subdivision 5.

Subd. 5. [IMPLEMENTATION REPORT TO THE LEGISLATURE.] The commissioners of health and commerce shall submit a report to the legislature by January 15, 1995, with recommendations on the process, organization, resource needs, and specific work plan to define, develop, and implement a risk adjustment system by July 1, 1997, and to continually improve risk adjustment over time. In developing the January 15, 1995 report, the commissioners of commerce and health must consider and describe the following:

- (1) the relationship of risk adjustment to the implementation of universal coverage and community rating;
- (2) the role of reinsurance in the risk adjustment system, as a short-term alternative in the absence of a risk adjustment methodology;
- (3) the relationship of the risk adjustment system to the implementation of reforms in underwriting and rating requirements;
- (4) the potential role of the health coverage reinsurance association in the risk adjustment system;
- (5) the need for mandatory participation of all health plan companies in the risk adjustment system;
- (6) current and emerging applications of risk adjustment methodologies used for reimbursement purposes at the state and national level and the reliability and validity of current risk assessment and risk adjustment methodologies;
- (7) the levels and types of risk to be distributed through the risk adjustment system;

(8) the extent to which prepaid contracting by public programs needs to be addressed by the risk adjustment methodology;

(9) a plan for testing of the risk adjustment options being proposed, including simulations using existing health plan data, and development and testing of models on simulated data to assess the feasibility and efficacy of specific methodologies;

(10) the appropriate role of the state in the supervision of the risk adjustment association created pursuant to subdivision 6;

(11) risk adjustment methodologies that take into account differences among health plan companies due to their relative efficiencies, characteristics, and relative to existing insured contracts, new business, underwriting, or rating restrictions required or permitted by law; and

(12) methods to encourage health plan companies to enroll higher risk populations.

To the extent possible, the implementation report shall identify a specific methodology or methodologies that may serve as a starting point for risk adjustment, explain the advantages and disadvantages of each such methodology, and provide a specific workplan for implementing the methodology.

Subd. 6. [CREATION OF RISK ADJUSTMENT ASSOCIATION.] The Minnesota risk adjustment association is created on July 1, 1994, and may operate as a nonprofit unincorporated association.

Subd. 7. [PURPOSE OF ASSOCIATION.] The association is established to carry out the purposes of subdivision 1, as further elaborated on by the implementation report described in subdivision 5 and by legislation enacted in 1995 or subsequently.

Subd. 8. [GOVERNANCE.] (a) The association shall be governed by an interim 19-member board as follows: one provider member appointed by the Minnesota Hospital Association; one provider member appointed by the Minnesota Medical Association; one provider member appointed by the governor; three members appointed by the Minnesota Council of HMOs to include an HMO with at least 50 percent of total membership enrolled through a public program; three members appointed by Blue Cross and Blue Shield of Minnesota, to include a member from a Blue Cross and Blue Shield of Minnesota affiliated health plan with fewer than 50,000 enrollees and located outside the Minneapolis-St. Paul metropolitan area; two members appointed by the Insurance Federation of Minnesota; one member appointed by the Minnesota Association of Counties; and three public members appointed by the governor, to include at least one representative of a public program. The commissioners of health, commerce, human services, and employee relations shall be nonvoting ex-officio members.

(b) The board may elect officers and establish committees as necessary.

(c) A majority of the members of the board constitutes a quorum for the transaction of business.

(d) Approval by a majority of the board members present is required for any action of the board.

(e) Interim board members shall be appointed by July 1, 1994, and shall serve until a new board is elected according to the plan developed by the association.

(f) A member may designate a representative to act as a member of the interim board in the member's absence.

Subd. 9. [DATA COLLECTION.] The board of the association shall consider antitrust implications and establish procedures to assure that pricing and other competitive information is appropriately shared among competitors in the health care market or members of the board. Any information shared shall be distributed only for the purposes of administering or developing any of the tasks identified in subdivisions 2 and 4. In developing these procedures, the board of the association may consider the identification of a state agency or other appropriate third party to receive information of a confidential or competitive nature.

Subd. 10. [SUPERVISION.] The association's activities shall be supervised by the commissioners of health and commerce.

Subd. 11. [REPORTING.] The board of the association shall provide a status report on its activities to the health care commission on a quarterly basis.

Sec. 17. [62Q.05] [DATA.]

Health plan companies are subject to the data reporting requirements of the 1992 and 1993 MinnesotaCare acts, as amended.

Sec. 18. [62Q.07] [ACTION PLANS.]

Subdivision 1. [ACTION PLANS REQUIRED.] (a) To increase public awareness and accountability of health plan companies, all health plan companies must annually file with the applicable commissioner an action plan that satisfies the requirements of this section beginning July 1, 1994, as a condition of doing business in Minnesota. Each health plan company must also file its action plan with the information clearinghouse. Action plans are required solely to provide information to consumers, purchasers, and the larger community as a first step toward greater accountability of health plan companies. The sole function of the commissioner in relation to the action plans is to ensure that each health plan company files a complete action plan, that the action plan is truthful and not misleading, and that the action plan is reviewed by appropriate community agencies.

(b) If a commissioner responsible for regulating a health plan company required to file an action plan under this section has reason to believe an action plan is false or misleading, the commissioner may conduct an investigation to determine whether the action plan is truthful and not misleading, and may require the health plan company to submit any information that the commissioner reasonably deems necessary to complete the investigation. If the commissioner determines that an action plan is false or misleading, the commissioner may require the health plan company to file an amended plan or may take any action authorized under chapter 72A.

Subd. 2. [CONTENTS OF ACTION PLANS.] (a) An action plan must include a detailed description of all of the health plan company's methods and procedures, standards, qualifications, criteria, and credentialing requirements for designating the providers who are eligible to participate in the health plan company's provider network, including any limitations on the numbers of providers to be included in the network. This description must be updated by the health plan company and filed with the applicable agency on a quarterly basis.

(b) An action plan must include the number of full-time equivalent physicians, by specialty, nonphysician providers, and allied health providers used to provide services. The action plan must also describe how the health plan company intends to encourage the use of nonphysician providers, midlevel practitioners, and allied health professionals, through at least consumer education, physician education, and referral and advisement systems. The annual action plan must also include data that is broken down by type of provider, reflecting actual utilization of midlevel practitioners and allied professionals by enrollees of the health plan company during the previous year. Until July 1, 1995, a health plan company may use estimates if actual data is not available. For purposes of this paragraph, "provider" has the meaning given in section 62J.03, subdivision 8.

(c) An action plan must include a description of the health plan company's policy on determining the number and the type of providers that are necessary to deliver cost-effective health care to its enrollees. The action plan must also include the health plan company's strategy, including provider recruitment and retention activities, for ensuring that sufficient providers are available to its enrollees.

(d) An action plan must include a description of actions taken or planned by the health plan company to ensure that information from report cards, outcome studies, and complaints is used internally to improve quality of the services provided by the health plan company.

(e) An action plan must include a detailed description of the health plan company's policies and procedures for enrolling and serving high risk and special needs populations. This description must also include the barriers that are present for the high risk and special needs population and how the health plan company is addressing these barriers in order to provide greater access to these populations. "High risk and special needs populations" includes, but is not limited to, recipients of medical assistance, general assistance medical care, and MinnesotaCare; persons with chronic conditions or disabilities; individuals within certain racial, cultural, and ethnic communities; individuals and families with low income; adolescents; the elderly; individuals with limited or no English language proficiency; persons with high-cost preexisting conditions; chemically dependent persons; and persons who are at high-risk of requiring treatment. The action plan must also reflect actual utilization of providers by enrollees defined by this section as high risk or special needs populations during the previous year. For purposes of this paragraph, "provider" has the meaning given in section 62J.03, subdivision 8.

(f) An action plan must include a general description of any action the health plan company has taken and those it intends to take to offer health coverage options to rural communities and other communities not currently served by the health plan company.

(g) A health plan company may satisfy any of the requirements of the action plan in paragraphs (a) to (f) by stating that it has no policies, procedures, practices, or requirements, either written or unwritten, or formal or informal, and has undertaken no activities or plans on the issues required to be addressed in the action plan, provided that the statement is truthful and not misleading.

Sec. 19. [62Q.11] [DISPUTE RESOLUTION.]

Subdivision 1. [ESTABLISHED.] The commissioners of health and commerce shall make dispute resolution processes available to encourage early settlement of disputes in order to avoid the time and cost associated with litigation and other formal adversarial hearings. For purposes of this section, "dispute resolution" means the use of negotiation, mediation, arbitration, mediation-arbitration, neutral fact finding, and minitrials. These processes shall be nonbinding unless otherwise agreed to by all parties to the dispute.

Subd. 2. [REQUIREMENTS.] (a) If an enrollee of a health plan company chooses to use a dispute resolution process prior to the filing of a formal claim or of a lawsuit, the health plan company must participate.

(b) If an enrollee chooses to use a dispute resolution process after the filing of a lawsuit, the health plan company must participate in dispute resolution, including, but not limited to, alternative dispute resolution under Rule 114 of the Minnesota general rules of practice.

(c) The commissioners of health and commerce shall inform and educate health plan companies' enrollees about dispute resolution and its benefits.

(d) A health plan company may encourage but not require an enrollee to submit a complaint to alternative dispute resolution.

Sec. 20. [62Q.13] [LIMITATION ON EXCLUSIVE CONTRACTS.]

A contract requirement between a health care provider and health plan company that obligates the health care provider to provide health care services exclusively to enrollees or insureds of the health plan company applies only if the health plan company maintains the same licensure status that it did at the time the contract was entered into. If the health plan company changes its licensure status, a contract for the exclusive provision of services is not valid and is not enforceable. For purposes of this section, the provision of health care services through a preferred provider organization is considered a form of licensure status. This section does not apply to health care providers employed by a health plan company.

Sec. 21. [62Q.14] [FREEDOM OF CHOICE.]

No health plan company may restrict the choice of an enrollee as to where the enrollee receives the services defined under United States Code, title 42, section 1396d(a)(4)(c), or receives services for the treatment of sexually transmitted diseases.

Sec. 22. [62Q.16] [STANDARD POLICY TERMS.]

The termination of any health plan as defined in section 62A.011, subdivision 3, with the exception of individual health plans, issued or renewed after January 1, 1995, must provide coverage until the end of the month in which coverage was terminated.

Sec. 23. Minnesota Statutes 1992, section 79.36, is amended to read:

79.36 [ADDITIONAL POWERS.]

In addition to the powers granted in section 79.35, the reinsurance association may do the following:

(a) Sue and be sued. A judgment against the reinsurance association shall not create any direct liability against the individual members of the reinsurance association. The reinsurance association shall provide in the plan of

operation for the indemnification, to the extent provided in the plan of operation, of the members, members of the board of directors of the reinsurance association, and officers, employees and other persons lawfully acting on behalf of the reinsurance association;

(b) Reinsure all or any portion of its potential liability, including potential liability in excess of the prefunded limit, with reinsurers licensed to transact insurance in this state or otherwise approved by the commissioner of labor and industry;

(c) Provide for appropriate housing, equipment, and personnel as may be necessary to assure the efficient operation of the reinsurance association;

(d) Contract for goods and services, including but not limited to independent claims management, actuarial, investment, and legal services from others within or without this state to assure the efficient operation of the reinsurance association;

(e) Adopt operating rules, consistent with the plan of operation, for the administration of the reinsurance association, enforce those operating rules, and delegate authority as necessary to assure the proper administration and operation of the reinsurance association;

(f) Intervene in or prosecute at any time, including but not limited to intervention or prosecution as subrogee to the member's rights in a third party action, any proceeding under this chapter or chapter 176 in which liability of the reinsurance association may, in the opinion of the board of directors of the reinsurance association or its designee, be established, or the reinsurance association affected in any other way;

(g) The net proceeds derived from intervention or prosecution of any subrogation interest, or other recovery, shall first be used to reimburse the reinsurance association for amounts paid or payable pursuant to this chapter, together with any expenses of recovery, including attorney's fees, and any excess shall be paid to the member or other person entitled thereto, as determined by the board of directors of the reinsurance association, unless otherwise ordered by a court.

(h) Hear and determine complaints of a company or other interested party concerning the operation of the reinsurance association; and

(i) Perform other acts not specifically enumerated in this section which are necessary or proper to accomplish the purposes of the reinsurance association and which are not inconsistent with sections 79.34 to 79.40 or the plan of operation; and

(j) Manage, administer, and operate the reinsurance and risk adjustment association, if selected by the commissioner of commerce under section 62Q.03, subdivision 6.

Sec. 24. [UTILIZATION REVIEW STUDY.]

The commissioners of health and commerce shall study means of funding the registration required by Minnesota Statutes, section 62M.03, and of monitoring and enforcing the requirements of Minnesota Statutes, chapter 62M. They shall jointly report their recommendations to the legislature by January 15, 1995.

Sec. 25. [ALTERNATIVE DISPUTE RESOLUTION PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health, in consultation with the commissioner of commerce, the Minnesota health care commission, and the state office of dispute resolution at the bureau of mediation services, shall establish an alternative dispute resolution pilot project. The project shall be administered by the commissioner of health. For purposes of this section, "dispute resolution" means the use of negotiation, mediation, mediation-arbitration, neutral fact finding, and minitrials.

Subd. 2. [REQUIREMENTS.] The pilot project may be used by health care providers and their patients to attempt to resolve disputes before litigation is commenced in any court. The pilot project requires the use of negotiation, mediation, arbitration, mediation-arbitration, neutral fact finding, and minitrials prior to the filing of a lawsuit. These processes shall be nonbinding unless otherwise agreed to by all parties to the dispute.

Subd. 3. [REPORT.] The commissioner of health shall report to the legislature by January 1, 1995, on the results of the pilot project and on any recommended legislative changes.

Sec. 26. [EXEMPTION.]

The commissioner of health shall apply to the health care financing administration for an exemption to the requirement that physicians report settlements of \$10,000 or less to the National Practitioners Data Bank under Code of Federal Regulations, title 45, part 60.

Sec. 27. [EFFECTIVE DATE.]

Sections 15 to 17 and 24 are effective the day following final enactment. Sections 1 to 6 and 18 are effective July 1, 1994. Sections 7 to 14, 19, and 21 are effective January 1, 1995.

ARTICLE 3

THE REGULATED ALL-PAYER OPTION

Section 1. Minnesota Statutes 1993 Supplement, section 62P.01, is amended to read:

62P.01 [REGULATED ALL-PAYER SYSTEM OPTION.]

The regulated all-payer system established under this chapter governs all health care services that are provided outside of an integrated service network. The regulated all-payer system is designed to control costs, prices, and utilization of all health care services not provided through an integrated service network while maintaining or improving the quality of services. The commissioner of health shall adopt rules establishing controls within the system to ensure that the rate of growth in spending in the system, after adjustments for population size and risk, remains within the limits set by the commissioner under section 62J.04. All providers that serve Minnesota residents and all health carriers that cover Minnesota residents shall comply with the requirements and rules established under this chapter for all health care services or coverage provided to Minnesota residents. The purpose of the regulated all-payer option is to provide an alternative to integrated service networks for those consumers, providers, third-party payers, and group purchasers who prefer to participate in a fee-for-service system. The initial goal of the all-payer option is to reduce administrative costs and burdens by including the all-payer option in a uniform, standardized system of billing forms and procedures and utilization review. The longer-term goal of the all-payer option is to establish a uniform reimbursement system, reimbursement and utilization controls, and quality standards and monitoring; to ensure that the annual growth in the costs for all services not provided through integrated service networks will remain within the growth limits established under section 62J.04; and to ensure that quality for these services is maintained or improved.

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

(a) For purposes of this chapter, the following definitions apply:

(b) "All-payer insurer" means a health carrier as defined in section 62A.011, subdivision 2. The term does not include community integrated service networks or integrated service networks licensed under chapter 62N.

(c) "All-payer reimbursement level" means the reimbursement amount specified by the all-payer reimbursement system.

(d) "All-payer reimbursement system" means the Minnesota-specific fee schedule, the Minnesota-specific diagnosis related groups system, and other provider payment methods established under this chapter or rules adopted under this chapter.

(e) "Commissioner" means the commissioner of health.

(f) "Health care provider" has the meaning given in section 62J.03, subdivision 8.

(g) "Cosmetic medical or cosmetic dental procedures" means elective medical or dental procedures not part of the universal standard benefits set which are primarily performed to improve physical appearance.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62P.03, is amended to read:

62P.03 [IMPLEMENTATION.]

~~(a) By January 1, 1994, the commissioner of health, in consultation with the Minnesota health care commission, shall report to the legislature recommendations for the design and implementation of the all-payer system. The commissioner may use a consultant or other technical assistance to develop a design for the all-payer system. The commissioner's recommendations shall include the following:~~

~~(1) methods for controlling payments to providers such as uniform fee schedules or rate limits to be applied to all health plans and health care providers with independent billing rights;~~

~~(2) methods for controlling utilization of services such as the application of standardized utilization review criteria, incentives based on setting and achieving volume targets, recovery of excess spending due to overutilization, or required use of practice parameters;~~

~~(3) methods for monitoring quality of care and mechanisms to enforce the quality of care standards;~~

~~(4) requirements for maintaining and reporting data on costs, prices, revenues, expenditures, utilization, quality of services, and outcomes;~~

~~(5) measures to prevent or discourage adverse risk selection between the regulated all-payer system and integrated service networks;~~

~~(6) measures to coordinate the regulated all-payer system with integrated service networks to minimize or eliminate barriers to access to health care services that might otherwise result;~~

~~(7) an appeals process;~~

~~(8) measures to encourage and facilitate appropriate use of midlevel practitioners and eliminate undesirable barriers to their participation in providing services;~~

~~(9) measures to assure appropriate use of technology and to manage introduction of new technology;~~

~~(10) consequences to be imposed on providers whose expenditures have exceeded the limits established by the commissioner; and~~

~~(11) restrictions on provider conflicts of interest.~~

~~(b) On July 1, 1994, the regulated all-payer system option shall begin to be phased in with full implementation of the all-payer reimbursement system by July 1, 1996 1997. During the transition period, expenditure limits for health carriers shall be established in accordance with section 62P.04 and health care provider revenue limits shall be established in accordance with section 62P.05.~~

Sec. 4. Minnesota Statutes 1993 Supplement, section 62P.04, is amended to read:

62P.04 [EXPENDITURE LIMITS FOR HEALTH PLAN COMPANY.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Health carrier plan company" has the definition provided in section ~~62A.011~~ 62Q.01.

(c) ~~"Total expenditures" mean incurred claims or expenditures on health care services, administrative expenses, charitable contributions, and all other payments made by health carriers out of premium revenues, except taxes and assessments, and payments or allocations made to establish or maintain reserves. Total expenditures are equivalent to the amount of total revenues minus taxes and assessments. Taxes and assessments~~ "Exempted taxes and assessments" means direct payments for taxes to government agencies, contributions to the Minnesota comprehensive health association, the medical assistance provider's surcharge under section 256.9657, the MinnesotaCare provider tax under section 295.52, assessments by the health coverage reinsurance association, assessments by the Minnesota life and health insurance guaranty association, assessments by the Minnesota reinsurance and risk adjustment association, and any new assessments imposed by federal or state law.

(d) "Consumer cost-sharing" means enrollee coinsurance, copayment, and deductible requirements.

(e) "Total expenditures" means incurred claims or expenditures on health care services, administrative expenses, charitable contributions, and all other payments made by health plan companies out of premium revenues, except taxes and assessments, and payments of allocations made to establish or maintain reserves. Total expenditures are equivalent to the amount of total revenue minus taxes and assessments.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish limits on the increase in total expenditures by each health carrier plan company for calendar years 1994 and, 1995, 1996, and 1997. The limits must be the same as the annual rate of growth in health care spending established under section 62J.04, subdivision 1, paragraph (b). Health carriers plan companies that are affiliates may elect to meet one combined expenditure limit.

Subd. 3. [DETERMINATION OF EXPENDITURES.] Health carriers plan companies shall submit to the commissioner of health, by April 1, 1994, for calendar year 1993, ~~and by April 1, 1995, for calendar year 1994;~~ April 1, 1996, for calendar year 1995; April 1, 1997, for calendar year 1996; and April 1, 1998, for calendar year 1997 all information the commissioner determines to be necessary to implement and enforce this section. The information must be submitted in the form specified by the commissioner. The information must include, but is not limited to, expenditures per member per month or cost per employee per month, and detailed information on revenues and reserves. The commissioner, to the extent possible, shall coordinate the submittal of the information required under this section with the submittal of the financial data required under chapter 62J, to minimize the administrative burden on health carriers plan companies. The commissioner may adjust final expenditure figures for demographic changes, risk selection, changes in basic benefits, and legislative initiatives that materially change health care costs, as long as these adjustments are consistent with the methodology submitted by the health carrier plan company to the commissioner, and approved by the commissioner as actuarially justified. The methodology to be used for adjustments and the election to meet one expenditure limit for affiliated health carriers plan companies must be submitted to the commissioner by ~~September 1, 1993~~ June 1, 1994. Community integrated service networks may submit the information with their application for licensure. The commissioner shall also accept changes to methodologies already submitted. The adjustment methodology submitted and approved by the commissioner must apply to all periods of the interim limits.

Subd. 4. [MONITORING OF RESERVES.] (a) ~~The commissioner~~ commissioners of health and commerce shall monitor health carrier plan company reserves and net worth as established under chapters 60A, 62C, 62D, 62H, and 64B with respect to the health plan companies that each commissioner respectively regulates, to ensure that savings resulting from the establishment of expenditure health care provider revenue limits are passed on to consumers in the form of lower premium rates.

(b) Health carriers plan companies shall fully reflect in the premium rates the savings generated by the expenditure limits and the health care provider revenue limits. No premium rate increase may be approved for those health carriers plan companies unless the health carrier plan company establishes to the satisfaction of the commissioner of commerce or the commissioner of health, as appropriate, that the proposed new rate would comply with this paragraph.

Subd. 5. [NOTICE.] The commissioner of health shall publish in the State Register and make available to the public by July 1, 1995, a list of all health carriers plan companies that exceeded their expenditure target for the 1994 calendar year. The commissioner shall publish in the State Register and make available to the public by July 1, 1996, a list of all health carriers plan companies that exceeded their combined expenditure limit for calendar years 1994 and 1995. The commissioner shall notify each health carrier plan company that the commissioner has determined that the carrier health plan company exceeded its expenditure limit, at least 30 days before publishing the list, and shall provide each carrier health plan company with ten days to provide an explanation for exceeding the expenditure target. The commissioner shall review the explanation and may change a determination if the commissioner determines the explanation to be valid.

Subd. 6. [ASSISTANCE BY THE COMMISSIONER OF COMMERCE.] The commissioner of commerce shall provide assistance to the commissioner of health in monitoring health carriers plan companies regulated by the commissioner of commerce. The commissioner of commerce, in consultation with the commissioner of health, shall enforce compliance by those health carriers plan companies.

Subd. 7. [ENFORCEMENT.] The commissioners of health and commerce shall enforce the reserve limits referenced in subdivision 4, with respect to the health carriers plan companies that each commissioner respectively regulates. Each commissioner shall require health carriers plan companies under the commissioner's jurisdiction to submit plans

of corrective action when the reserve requirement is not met. Each commissioner may adopt rules necessary to enforce this section. Carriers Health plan companies that exceed the expenditure limits based on two-year average expenditure data (1994 and 1995, 1996 and 1997) or whose reserves exceed the limits referenced in subdivision 4 shall be required by the appropriate commissioner to pay back the amount overspent through an assessment on the carrier health plan company. A health plan company may appeal the commissioner's order to pay back the amount overspent by mailing to the commissioner a written notice of appeal within 30 days from the date the commissioner's order was mailed. The contested case and judicial review provisions of chapter 14 apply to the appeal. The health plan company shall pay the amount specified by the commissioner either to the commissioner or into an escrow account until final resolution of the appeal. Notwithstanding sections 3.762 to 3.765, each party is responsible for its own fees and expenses, including attorneys fees, for the appeal. Any amount required to be paid back under this section shall be deposited in the general fund. The appropriate commissioner may approve a different repayment method to take into account the carrier's health plan company's financial condition. Health plan companies shall comply with the limits but shall also guarantee that their contractual obligations are met. Health plan companies are prohibited from meeting spending obligations by increasing subscriber liability, including copayments and deductibles.

Sec. 5. Minnesota Statutes 1993 Supplement, section 62P.05, is amended to read:

62P.05 [HEALTH CARE PROVIDER REVENUE LIMITS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "health care provider" has the definition given in section 62J.03, subdivision 8.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish limits on the increase in revenue for each health care provider, for calendar years 1994 and, 1995, 1996, and 1997. The limits must be the same as the annual rate of growth in health care spending established under section 62J.04, subdivision 1, paragraph (b). The commissioner may adjust final revenue figures for case mix complexity, inpatient to outpatient conversion, payer mix, out-of-period settlements, certain taxes and assessments including the MinnesotaCare provider tax and provider surcharge, any new assessments imposed by federal or state law, research and education costs, donations, grants, and legislative initiatives that materially change health care costs revenues, as long as these adjustments are consistent with the methodology submitted by the health care provider to the commissioner, and approved by the commissioner as actuarially justified. The methodology to be used for adjustments must be submitted to the commissioner by September 1, 1993 June 1, 1994. The commissioner shall also accept changes to methodologies already submitted. The adjustment methodology submitted and approved by the commissioner must apply to all periods of the interim limits. A health care provider's revenues for purposes of these growth limits are net of the contributions, surcharges, taxes, and assessments listed in section 62P.04, subdivision 1, that the health care provider pays.

Subd. 3. [MONITORING OF REVENUE.] The commissioner of health shall monitor health care provider revenue, to ensure that savings resulting from the establishment of revenue limits are passed on to consumers in the form of lower charges. The commissioner shall monitor hospital revenue by examining net patient inpatient revenue per adjusted admission and net outpatient revenue per outpatient visit. The commissioner shall monitor the revenue of physicians and other health care providers by examining revenue per patient per year or revenue per encounter. If this information is not available, the commissioner may enforce an annual limit on the rate of growth of the provider's current fees based on the limits on the rate of growth established for calendar years 1994 and 1995.

Subd. 4. [MONITORING AND ENFORCEMENT.] Health care providers shall submit to the commissioner of health, in the form and at the times required by the commissioner, all information the commissioner determines to be necessary to implement and enforce this section. Health care providers shall submit to audits conducted by the commissioner. The commissioner shall enforce limits based on survey data supplied to the commissioner by April 1 for the previous calendar year's revenue and spending data. Providers that do not submit survey data to the commissioner are required to meet the growth limits and may be subject to random audits. The commissioner shall regularly audit all health clinics employing or contracting with over 100 physicians. The commissioner shall also audit, at times and in a manner that does not interfere with delivery of patient care, a sample of smaller clinics, hospitals, and other health care providers. Providers that exceed revenue limits based on two-year average revenue data shall be required by the commissioner to pay back the amount overspent during the following calendar year.

The commissioner shall monitor providers meeting the growth limits based on their current fees on an annual basis. The fee charged for each service must be averaged across 12 months and compared to the previous 12-month period. The percentage increase in the average fee from 1993 to 1994, from 1994 to 1995, from 1995 to 1996, and from 1996 to 1997 is subject to the growth limits established under section 62J.04, subdivision 1, paragraph (b). The audit process must include a review of the provider's monthly fee schedule, and a random claims analysis for the provider during

different parts of the year to monitor variations in fees. The commissioner shall require providers that exceed growth limits, based on annual fees, to pay back during the following calendar year the amount overspent.

The commissioner shall notify each provider that has exceeded its revenue limit, at least 30 days before taking action, and shall provide each provider with ten days to provide an explanation for exceeding the revenue target. The commissioner shall review the explanation and may change a determination if the commissioner determines the explanation to be valid.

The commissioner may approve a different repayment schedule for a health care provider that takes into account the provider's financial condition. For those providers subject to fee limits established by the commissioner, Based on claims data submitted under section 62J.38, the commissioner may adjust the percentage increase in the fee schedule to account for changes in utilization. The commissioner may adopt rules in order to enforce this section.

A provider may appeal the commissioner's order to pay back the amount overspent by mailing a written notice of appeal to the commissioner within 30 days after the commissioner's order was mailed. The contested case and judicial review provisions of chapter 14 apply to the appeal. The provider shall pay the amount specified by the commissioner either to the commissioner or into an escrow account until final resolution of the appeal. Notwithstanding sections 3.762 to 3.765, each party is responsible for its own fees and expenses, including attorneys fees, for the appeal. Any amount required to be paid back under this section shall be deposited in the general fund.

Sec. 6. [62P.07] [SCOPE.]

Subdivision 1. [GENERAL APPLICABILITY.] (a) Minnesota health care providers shall comply with the requirements and rules established under this chapter for: (1) all health care services provided to Minnesota residents who are not enrolled in a community integrated service network or an integrated service network; (2) all out-of-network services provided to enrollees of community integrated service networks and integrated service networks; and (3) all health care services provided to persons covered by an all-payer insurer.

(b) All-payer insurers shall comply with the requirements and rules established under this chapter for all coverage provided.

(c) Community integrated service networks and integrated service networks shall comply with the requirements and rules established under this chapter when reimbursing health care providers for out-of-network services.

(d) The rules and requirements of this chapter do not apply to cosmetic medical or cosmetic dental procedures performed by a physician or dentist.

Subd. 2. [PROGRAMS EXCLUDED.] This chapter does not apply to services reimbursed under Medicare, medical assistance, general assistance medical care, the MinnesotaCare program, or worker's compensation programs.

Subd. 3. [PAYMENT REQUIRED AT ALL-PAYER LEVEL.] (a) All reimbursements to Minnesota health care providers from all-payer insurers, for services provided to covered persons, shall be at the all-payer reimbursement level.

(b) All-payer insurers shall reimburse out-of-state health care providers for nonemergency services provided to covered persons at the all-payer reimbursement level. For purposes of this paragraph, "nonemergency services" means services that do not meet the definition of "emergency care" under Minnesota Rules, part 4685.0100, subpart 5.

(c) Community integrated service networks and integrated service networks shall reimburse Minnesota health care providers for out-of-network services at the all-payer reimbursement level.

(d) Community integrated service networks and integrated service networks shall reimburse out-of-network health care providers located out-of-state for nonemergency out-of-network services at the all-payer reimbursement level. For purposes of this paragraph, "nonemergency out-of-network services" means out-of-network services that do not meet the definition of "emergency care" under Minnesota Rules, part 4685.0100, subpart 5.

Subd. 4. [BALANCE BILLING PROHIBITED.] Minnesota health care providers shall accept reimbursement at the all-payer reimbursement level, including applicable copayments, deductibles, and coinsurance, as payment in full for services provided to Minnesota residents and persons covered by all-payer insurers, and for out-of-network services provided to enrollees of community integrated service networks and integrated service networks.

Sec. 7. [62P.09] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [GENERAL DUTIES.] The commissioner of health is responsible for developing and administering the all-payer option. The commissioner shall:

- (1) develop, implement, and administer fee schedules for physicians and providers with independent billing rights;
- (2) develop, implement, and administer a reimbursement system for hospitals and other institutional providers, but excluding intermediate care facilities for the mentally retarded, nursing homes, state-operated community service sites operated by the commissioner of human services, regional treatment centers, and child care facilities;
- (3) modify and adjust all-payer reimbursement levels so that health care spending under the all-payer option does not exceed the growth limits on health care spending established under section 62J.04;
- (4) collect data from all-payer insurers, health care providers, and patients to monitor spending and quality of care;
- (5) provide incentives for the appropriate utilization of services and the appropriate use and distribution of technology;
- (6) coordinate the development and administration of the all-payer option with the development and administration of the integrated service network system; and
- (7) develop and implement a fair and efficient system for resolving appeals by providers and insurers.

Subd. 2. [COORDINATION.] The commissioner shall regularly consult with the commissioner of commerce in developing and administering the all-payer option and in applying the all-payer reimbursement system to health carriers regulated by the commissioner of commerce.

Subd. 3. [TIMELINES FOR IMPLEMENTATION.] In developing and implementing the all-payer option, the commissioner shall comply with the following implementation schedule:

- (a) The phase-in of standardized billing requirements must be completed following the timetable set forth in article 9.
- (b) The phase-in of the all-payer reimbursement system must begin January 1, 1996.
- (c) The all-payer reimbursement system must be fully implemented by July 1, 1997.

Subd. 4. [IMPLEMENTATION PLAN.] The commissioner, as part of the implementation plan due January 1, 1995, shall present recommendations and draft legislation to the legislature to:

- (1) establish reimbursement methods for the all-payer option reimbursement system;
- (2) provide an implementation schedule to phase-in the all-payer reimbursement system, beginning January 1, 1996; and
- (3) establish mechanisms to ensure compliance by all-payer insurers, health care providers, and patients with the all-payer option reimbursement system and all-payer option reimbursement limits established under section 62J.04.

Sec. 8. [62P.11] [PAYMENT TO PHYSICIANS AND INDEPENDENT PROVIDERS.]

Subdivision 1. [FEE SCHEDULE.] The commissioner shall adopt a Minnesota-specific fee schedule, based upon the Medicare resource based relative value scale, to reimburse physicians and other independent providers. The fee schedule must assign each service a relative value unit that measures the relative resources required to provide the service. Payment levels for each service must be determined by multiplying relative value units by a conversion factor that converts relative value units into monetary payment. The conversion factor used to derive the fee schedule must be set at a level that is consistent with current relevant health care spending, subject to the state's target for spending growth. The conversion factor must be set at a level that equalizes total aggregate expenditures for a given period before and after implementation of the all-payer option.

Subd. 2. [DEVELOPMENT AND MODIFICATION OF RELATIVE VALUE UNITS.] (a) When appropriate, the relative value unit for each service shall be the Medicare value adjusted to reflect Minnesota health care costs. The commissioner may assign a different relative value to a service if, in the judgment of the commissioner, the Medicare relative value unit is not accurate. The commissioner may also develop or adopt relative value units for services not covered under the Medicare resource based relative value scale. Except as provided in paragraph (b), modifications or additions to relative value units are subject to the rulemaking requirements of chapter 14.

(b) The commissioner may modify the relative value units used in the Minnesota-specific fee schedule, or increase the number of services assigned relative value units, to reflect changes and improvements in the Medicare resource based relative value scale. When adopting these federal changes, the commissioner is exempt from the rulemaking requirements of chapter 14, but shall publish a notice of modifications and additions to relative value units in the State Register 30 days before they take effect.

Subd. 3. [DEVELOPMENT OF THE CONVERSION FACTOR.] The commissioner shall develop a conversion factor using actual Minnesota claims data available to the commissioner.

Sec. 9. [62P.13] [VOLUME PERFORMANCE STANDARD FOR PHYSICIAN AND OUTPATIENT SERVICES.]

Subdivision 1. [DEVELOPMENT.] The commissioner shall establish an annual, statewide volume performance standard for physician and outpatient services. The volume performance standard shall serve as an expenditure target and must be set at a level that is consistent with achieving the limits on health care spending growth pursuant to section 62J.04. The volume performance standard must combine expenditures for all services provided by physicians and other independent providers and all ambulatory care services that are not provided through an integrated service network. The statewide volume performance standard must be developed from aggregated and encounter level data reported to the state, including the claims database established under section 62I.38, when it becomes operational.

Subd. 2. [APPLICATION.] The commissioner shall compare actual expenditures for physician and outpatient services with the volume performance standard in order to keep all-payer option expenditures within the statewide growth limits. If total expenditures during a particular year exceed the expenditure target for that year, the commissioner shall update the fee schedule rates for the second year following the year in which the target was exceeded, by adjusting the conversion factor, in order to offset this increase.

Sec. 10. [62P.15] [REIMBURSEMENT.]

The commissioner, as part of the implementation report due January 1, 1995, shall recommend to the legislature and the governor which health care professionals should be paid at the full fee schedule rate and which at a partial rate, for services covered in the fee schedule.

Sec. 11. [62P.17] [PAYMENT FOR SERVICES NOT IN THE FEE SCHEDULE.]

The commissioner shall examine options for paying for services not covered in the fee schedule and shall present recommendations to the legislature and the governor as part of the implementation report due January 1, 1995. The options examined by the commissioner must include, but are not limited to, updates and modifications to the Medicare resource based relative value scale; development of additional relative value units; development of a fee schedule based on a percentage of usual, customary, and reasonable charges; and use of rate of increase controls.

Sec. 12. [62P.19] [PAYMENT FOR URBAN AND SELECTED RURAL HOSPITALS.]

Subdivision 1. [ESTABLISHMENT OF RATE.] The commissioner shall develop a Minnesota-specific diagnosis related groups system to pay for inpatient services in those acute-care general hospitals not qualifying for reimbursement under section 62P.25. In developing this system, the commissioner shall consider the all-patient refined diagnosis related groups system and other diagnosis related groups systems. Payment rates must be standardized on a statewide basis based on hospital cost data for operating and capital expenses, adjusted for area wage rates, and consistent with the overall growth target for health care spending. The commissioner shall consider whether other adjustments are needed, based on studies of the cost of graduate medical education and uncompensated care. The commissioner shall recommend any needed adjustments to the legislature and governor as part of the implementation report due January 1, 1995.

Subd. 2. [SHORT STAY AND LONG STAY OUTLIERS.] The reimbursement system must provide, on a budget neutral basis, lower charges for self-pay patients with short or low cost stays. The commissioner shall phase out this exception once universal coverage is achieved. The commissioner, as part of the implementation report due January 1, 1995, shall recommend to the legislature and the governor whether an outlier payment for long stays is needed.

Sec. 13. [62P.21] [STATEWIDE VOLUME PERFORMANCE STANDARD FOR HOSPITALS.]

Subdivision 1. [DEVELOPMENT.] The commissioner shall establish an annual, statewide volume performance standard for inpatient hospital expenditures. The volume performance standard shall serve as an expenditure target and must be set at a level that is consistent with meeting the limits on health care spending growth.

Subd. 2. [APPLICATION.] The commissioner shall compare actual inpatient hospital expenditures with the volume performance standard in order to keep all-payer option expenditures within the statewide growth limits. If aggregate inpatient hospital expenditures for a particular year exceed the volume performance standard, the commissioner shall adjust the annual increase in payment levels for diagnosis related groups for the following year.

Sec. 14. [62P.23] [FLEXIBILITY IN APPLYING THE VOLUME PERFORMANCE STANDARD; REVIEW.]

Subdivision 1. [REALLOCATION.] The commissioner may reallocate spending limits between the inpatient hospital services volume performance standard and the physician and outpatient services volume performance standard, if this promotes the efficient use of health care services and does not cause total health care spending in the all-payer option to exceed the level allowed by the growth limits on health care spending.

Subd. 2. [REVIEW.] The commissioner shall review the effectiveness of the volume performance standard after the first three years of operation and shall recommend any necessary changes to the legislature and the governor.

Sec. 15. [62P.25] [REIMBURSEMENT FOR SMALL RURAL HOSPITALS.]

All-payer insurers shall pay small rural hospitals on the basis of reasonable charges, subject to a rate of increase control. For purposes of this requirement, a "small rural hospital" means a hospital with 40 or fewer licensed beds that is located at least 25 miles from any other hospital. The commissioner shall recommend to the legislature and the governor a methodology for determining reasonable charges as part of the implementation report due January 1, 1995.

Sec. 16. [62P.27] [PAYMENT FOR OUTPATIENT SERVICES.]

Outpatient services provided in acute-care general hospitals and freestanding ambulatory surgery centers shall be paid on the basis of approved charges, subject to rate of increase controls. The rate of increase allowed must be consistent with the volume performance standard for physician and outpatient services.

Sec. 17. [62P.29] [OTHER INSTITUTIONAL PROVIDERS.]

Subdivision 1. [SPECIALTY HOSPITALS AND HOSPITAL UNITS.] The commissioner shall develop payment mechanisms for specialty hospitals providing pediatric and psychiatric care and distinct psychiatric and rehabilitation units in hospitals. The commissioner shall present these recommendations to the legislature and governor as part of the implementation report due January 1, 1995.

Subd. 2. [OTHER PROVIDERS.] The commissioner shall apply rate of increase limits on charges or fees to other nonhospital institutional providers. These providers include, but are not limited to, home health agencies, substance abuse treatment centers, and nursing homes, to the extent their services are included in the all-payer option.

Sec. 18. [62P.31] [LIMITATIONS ON ALL-PAYER OPTION.]

Beginning July 1, 1997, all-payer insurers shall not employ or contract with health care providers, establish a network of exclusive or preferred providers, or negotiate provider payments that differ from the all-payer fee schedule, except that all-payer insurers may establish and maintain preferred provider networks solely for utilization control and quality management and not for negotiation of provider payments. Preferred provider organizations may continue to provide care to their existing enrollees, without becoming licensed as an integrated service network or otherwise becoming subject to this section, through December 31, 1997.

Sec. 19. [62P.33] [RECOMMENDATIONS FOR A USER FEE.]

The commissioner of health shall present to the legislature, as part of the implementation plan due January 1, 1996, recommendations for establishing and collecting a user fee from all-payer insurers. The user fee must be set at a level that reflects the state's investment in fee schedules, standard utilization reviews, quality monitoring, and other regulatory and administrative functions provided for the regulated all-payer option. The commissioner may consult

actuaries in developing recommendations for and setting the level of the user fee. The commissioner may also present recommendations to establish additional fees and assessments if the commissioner determines they are needed to assure equal levels of accountability between the integrated service network system and the regulated all-payer option in terms of public health goals, serving high-risk and special needs populations, and other obligations imposed on the integrated service network system.

Sec. 20. [STUDY OF STANDARD UTILIZATION REVIEW CRITERIA FOR SERVICES.]

The commissioner of health, after consulting with providers, utilization review organizations, the practice parameters advisory committee, and the health technology advisory committee, shall report to the legislature by July 1, 1995, and recommend clinical criteria for determining the necessity, appropriateness, and efficacy of five frequently used health care services for which standard criteria for utilization review would decrease providers' administrative costs.

Sec. 21. [INSTRUCTION TO THE REVISOR.]

The revisor, in the next edition of Minnesota Statutes, shall replace the term "regulated all-payer system" and similar terms with "regulated all-payer option" and similar terms in sections 62J.04, 62J.09, 62J.152, 62P.01, and 62P.03.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 21 are effective the day following final enactment, except that section 6 is effective January 1, 1996, and section 18 is effective July 1, 1997.

ARTICLE 4

FUTURE REQUIREMENTS FOR HEALTH PLAN COMPANIES

Section 1. [62J.48] [CRITERIA FOR REIMBURSEMENT.]

All ambulance services licensed under section 144.802 are eligible for reimbursement under the integrated service network system and the regulated all-payer option. The commissioner shall require community integrated service networks, integrated service networks, and all-payer insurers to adopt the following reimbursement policies.

(1) All emergency calls must be reimbursed without prior approval. Reimbursement must not be denied through retroactive review.

(2) All scheduled or prearranged air and ground ambulance transports must be reimbursed if requested by an attending physician or nurse, or if approved by a designated representative of an integrated service network who is immediately available on a 24-hour basis.

(3) Reimbursement must be provided for all emergency ambulance calls in which a patient is transported or medical treatment rendered.

(4) Special transportation services must not be billed or reimbursed if the patient needs medical attention immediately before transportation.

Sec. 2. Minnesota Statutes 1993 Supplement, section 62N.06, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED ENTITIES.] (a) An integrated service network may be organized as a separate nonprofit corporation under chapter 317A or, as a cooperative under chapter 308A, or as an insurance company licensed under chapter 60A.

(b) A ~~nonprofit~~ health carrier, as defined in section 62A.011, may establish and operate one or more integrated service networks without forming a separate corporation or cooperative, but only if all of the following conditions are met:

(i) a an existing contract between the health carrier and a health care provider, for a term of less than seven years, that was executed before June 1, 1993, that does not explicitly mention the provider's relationship within an integrated service network, or a future integrated service network, does not bind the health carrier or provider as applied to integrated service network services, except with the mutual consent of the health carrier and provider entered into on or after June 1, 1993. This clause does not apply to contracts between a health carrier and its salaried employees;

(ii) the health carrier shall not apply toward the net worth, working capital, or deposit requirements of this chapter any assets used to satisfy net worth, working capital, deposit, or other financial requirements under any other chapter of Minnesota law;

(iii) the health carrier shall not include in its premiums for health coverage provided under any other chapter of Minnesota law, an assessment or surcharge relating to net worth, working capital, or deposit requirements imposed upon the integrated service network under this chapter; and

(iv) the health carrier shall not include in its premiums for integrated service network coverage under this chapter an assessment or surcharge relating to net worth working capital or deposit requirements imposed upon health coverage offered under any other chapter of Minnesota law.

Sec. 3. [62N.14] [OFFICE OF CONSUMER AFFAIRS.]

Subdivision 1. [DUTIES.] Every integrated service network must have an office of consumer affairs which will be responsible for dealing with all enrollee complaints and inquiries. The integrated service network, through its office of consumer affairs, will be responsible for:

- (1) soliciting consumer comment on the quality and accessibility of services available;
- (2) disseminating information to consumers on the integrated service network's enrollee complaint resolutions system;
- (3) receiving unsolicited comments on and complaints about services;
- (4) taking prompt action upon consumer complaints; and
- (5) providing for and participating in alternative dispute resolution processes.

Subd. 2. [CONTACT WITH COMMISSIONER.] Each integrated service network shall designate a contact person for direct communication with the commissioner. Integrated service network complaint files must be maintained by the integrated service network for seven years and must be made available upon the request of the commissioner. The health department may at any time inspect the integrated service network's office of consumer affairs complaint files.

Subd. 3. [ENROLLEE MEMBERSHIP CARDS.] Integrated service networks shall issue enrollee membership cards to each enrollee of the integrated service network. The enrollee card shall contain, at minimum, the following information:

- (1) the telephone number of the integrated service network's office of consumer affairs;
- (2) the telephone number of the state's office of consumer information; and
- (3) the telephone number of the department of health.

The membership cards shall also conform to the requirements set forth in section 62J.60.

Subd. 4. [ENROLLEE DOCUMENTS.] Each integrated service network, through its office of consumer affairs, is responsible for providing enrollees, upon request, with any reasonable information desired by an enrollee. This information may include duplicate copies of the evidence of coverage form required under section 62N.11; an annually updated list of addresses and telephone numbers of available integrated service network providers, including midlevel practitioners and allied professionals; and information on the enrollee complaint system of the integrated service network.

Sec. 4. [62N.38] [FEDERAL AGENCY PARTICIPATION.]

Subdivision 1. [PARTICIPATION.] An integrated service network may be organized by a department, agency, or instrumentality of the United States government.

Subd. 2. [ENROLLEES.] An integrated service network organized under subdivision 1 may limit its enrollment to those persons entitled to care under the federal program responsible for the integrated service network.

Subd. 3. [PARTICIPATION IN STATE PROGRAMS.] An integrated service network organized under subdivision 1 may request that the commissioner of health waive the requirement of section 62N.10, subdivision 4 with regard to some or all of the programs listed in that provision. The commissioner shall grant the waiver unless the commissioner determines that the applicant does not plan to provide care to low-income persons who are otherwise eligible for enrollment in the integrated service network. The integrated service network may withdraw its waiver with respect to some or all of the programs listed in section 62N.10, subdivision 4 at any time, as long as it is willing and able to enroll in the programs previously waived on the same basis as other integrated service networks.

Subd. 4. [SOLVENCY.] The commissioner shall consult with federal officials to develop procedures to allow integrated service networks organized under subdivision 1 to use the United States government as a guaranteeing organization.

Subd. 5. [VETERANS.] In developing and implementing initiatives to expand access to health care, the commissioner shall recognize the unique problems of veterans and consider methods to reach underserved portions of the veteran population.

Sec. 5. [62N.381] [AMBULANCE SERVICE RATE NEGOTIATION.]

Subdivision 1. [APPLICABILITY.] This section applies to all reimbursement rate negotiations between ambulance services and community integrated service networks or integrated service networks.

Subd. 2. [RANGE OF RATES.] The reimbursement rate negotiated for a new contract period must not be lower than the rate for the current contract period, and must not be greater than the current rate plus the rate of growth allowed under section 62J.04, subdivision 1, unless the ambulance service proposes a lower rate or can justify a higher rate. If the network and ambulance service cannot agree on a rate, each party shall submit their rate proposal along with supportive data to the advisory committee established by the commissioner under subdivision 3.

Subd. 3. [ADVISORY COMMITTEE ON AMBULANCE RATES.] The commissioner shall establish an advisory committee on ambulance rates, by September 1, 1994. Membership of the committee shall consist of: three representatives of integrated service networks, three representatives of the ambulance industry chosen by the Minnesota Ambulance Association, and one representative selected by the commissioner who has expertise in business or finance and is not a state employee. Each member shall designate an alternate, who shall have full voting rights. The committee is governed by section 15.0575.

Subd. 4. [DEVELOPMENT OF CRITERIA.] The commissioner, in consultation with the advisory committee, shall develop criteria for the committee to use in reviewing rate proposals, and criteria for the commissioner to use in making a final determination.

Subd. 5. [REVIEW OF RATE PROPOSALS.] The committee, using the criteria developed under subdivision 4, shall review the rate proposals by ambulance services and integrated service networks, and shall: (1) endorse the network rate proposal; (2) endorse the ambulance service proposal; or (3) develop and recommend its own proposal. The committee shall forward its decision to the commissioner. The commissioner, using the criteria developed under subdivision 4 and after considering the committee's decision, shall make a final rate determination and require the network and the ambulance service to adhere to this reimbursement rate.

Sec. 6. [62Q.19] [ESSENTIAL COMMUNITY PROVIDERS.]

Subdivision 1. [DESIGNATION.] The commissioner shall designate essential community providers. The criteria for essential community provider designation shall be the following:

(1) a demonstrated ability to integrate applicable supportive and stabilizing services with medical care for uninsured persons and high-risk and special needs populations as defined in section 62Q.07, subdivision 2, paragraph (e), underserved, and other special needs populations; and

(2) a commitment to serve low-income and underserved populations by meeting the following requirements:

(i) has nonprofit status in accordance with chapter 317A;

(ii) has tax exempt status in accordance with the Internal Revenue Service Code, section 501(c)(3);

(iii) charges for services on a sliding fee schedule based on current poverty income guidelines; and

(iv) does not restrict access or services because of a client's financial limitation; or

(3) status as a community health board as defined in chapter 145A.

The commissioner may designate an eligible provider as an essential community provider for all the services offered by that provider or for specific services designated by the commissioner.

For the purpose of this subdivision, supportive and stabilizing services include at a minimum, transportation, child care, cultural, and linguistic services where appropriate.

Subd. 2. [APPLICATION.] Any provider may apply to the commissioner for designation as an essential community provider within two years after the effective date of the rules adopted by the commissioner to implement this section.

Subd. 3. [HEALTH PLAN COMPANY AFFILIATION.] A health plan company must offer a provider contract to any designated essential community provider located within the area served by the health plan company. A health plan company shall not unduly restrict enrollee access to the essential community provider for the population that the essential community provider is certified to serve. A health plan company may also make other providers available to this same population. A health plan company may require an essential community provider to meet all data requirements, utilization review, and quality assurance requirements on the same basis as other health plan providers.

Subd. 4. [ESSENTIAL COMMUNITY PROVIDER RESPONSIBILITIES.] Essential community providers must agree to serve enrollees of all health plan companies operating in the area that the essential community provider is certified to serve.

Subd. 5. [CONTRACT PAYMENT RATES.] An essential community provider and a health plan company may negotiate the payment rate for covered services provided by the essential community provider. This rate must be competitive with rates paid to other health plan providers for the same or similar services.

Subd. 6. [TERMINATION.] The designation as an essential community provider is terminated five years after it is granted, and the former essential community provider has no rights or privileges beyond those of any other health care provider.

Subd. 7. [RECOMMENDATIONS ON ESSENTIAL COMMUNITY PROVIDERS.] As part of the implementation plan due January 1, 1995, the commissioner shall present recommendations and draft legislation for defining essential community providers, using the criteria established under subdivision 1, and defining the relationship between essential community providers and health plan companies.

Sec. 7. [62Q.21] [UNIVERSAL STANDARD BENEFITS SET.]

Subdivision 1. [MANDATORY OFFERING.] Effective January 1, 1996, each health plan company shall offer the universal standard benefits set to its enrollees.

Subd. 2. [STANDARD BENEFIT SET.] Effective July 1, 1997, health plan companies shall offer, sell, issue, or renew only the universal standard benefits set and the cost-sharing and supplemental coverage options allowed under sections 62Q.25 and 62Q.27.

Subd. 3. [GENERAL DESCRIPTION.] The universal standard benefits set must contain all appropriate and necessary health care services. Benefits necessary to meet public health goals, adequately serve high risk and special needs populations, facilitate the utilization of cost-effective alternatives to traditional inpatient acute and extended health care delivery, or meet other objectives of health care reform shall be considered by the commissioner for inclusion in the universal standard benefits set. Appropriate and necessary dental services must be included.

Subd. 4. [BENEFIT SET RECOMMENDATIONS.] The commissioner, in consultation with the Minnesota health care commission and the commissioners of commerce and human services, shall develop the universal standard benefits set and report these recommendations to the legislature by January 1, 1995. The commissioner shall include in this report a definition for "appropriate and necessary." In developing this definition, the commissioner shall consider that a benefit set that excludes genuinely appropriate and necessary services will not reduce or contain costs, but will only transfer those costs onto individuals and the public sector. Therefore, the definition of appropriate and necessary must be sufficiently broad to address the type, frequency, level, setting, and duration of services that

address an individual's mental or physical condition, the needs of those with chronic conditions or disabilities, including those who need health services to improve their functioning, those for whom maintenance of health may not be possible, and those for whom preventing deterioration in their health conditions might not be achievable, and meet other health care reform objectives. In developing the universal standard benefits set, the commissioner shall take into account factors including, but not limited to:

- (1) information regarding the benefits, risks, and cost-effectiveness of health care interventions;
- (2) development of practice parameters;
- (3) technology assessments;
- (4) medical innovations;
- (5) health status assessments;
- (6) identification of unmet needs or particular barriers to access;
- (7) public health goals;
- (8) expenditure limits available funding; and
- (9) cost-efficient and effective alternatives to inpatient health care services for acute or extended health care needs, such as home health care services; and
- (10) cost savings resulting from the inclusion of a health care service that will decrease the utilization of other health care services in the benefit set.

Subd. 5. [ADVISORY COMMITTEE ON THE UNIVERSAL BENEFITS SET.] The commissioner shall appoint an advisory committee to develop recommendations regarding nondental health care services to be included in the universal benefits set. The committee must include representatives of health care providers, consumers, health plan companies, and counties. No more than half plus one of the members may be of the same gender. Recommendations of the committee must be provided to the Minnesota health care commission by October 1, 1994. The advisory committee expires January 1, 1995.

Subd. 6. [ADVISORY COMMITTEE ON DENTAL SERVICES.] The commissioner shall appoint an advisory committee to develop recommendations regarding the level of appropriate and necessary dental services to be included in the universal standard benefits set. No more than half plus one of the members may be of the same gender. The committee shall also develop recommendations on an appropriate system to deliver dental services. In its analysis, the committee shall study the quality and cost-effectiveness of dental services delivered through capitated dental networks, discounted dental preferred provider organizations, and independent practice dentistry. The committee shall report these recommendations to the Minnesota health care commission by October 1, 1994. The advisory committee expires January 1, 1995.

Subd. 7. [CHEMICAL DEPENDENCY SERVICES.] If chemical dependency services are included in the universal standard benefits set, the commissioner shall consider the cost-effectiveness of requiring health plan companies and chemical dependency facilities to use the assessment criteria in Minnesota Rules, parts 9530.6600 to 9530.6660.

Sec. 8. [62Q.22] [CHEMICAL DEPENDENCY SERVICES.]

In developing benefit set recommendations the commissioner shall develop criteria to ensure that chemically dependent individuals have access to cost-effective treatment options that address the specific needs of individuals. These include, but are not limited to, the need for: treatment that takes into account severity of illness and comorbidities; provision of a continuum of care from primary inpatient to outpatient care, aftercare, and long-term care; the safety of the individual's domestic and community environment; gender appropriate and culturally appropriate programs; and access to appropriate social services.

Sec. 9. [62Q.23] [GENERAL SERVICES.]

(a) Health plan companies shall comply with all continuation and conversion of coverage requirements applicable to health maintenance organizations under state or federal law.

(b) Health plan companies shall comply with sections 62A.047, 62A.27, and any other coverage required under chapter 62A of newborn infants, dependent children who do not reside with a covered person, handicapped children and dependents, and adopted children. A health plan company providing dependent coverage shall comply with section 62A.302.

(c) Health plan companies shall comply with the equal access requirements of section 62A.15, subdivision 2.

Sec. 10. [62Q.25] [SUPPLEMENTAL COVERAGE.]

Health plan companies may choose to offer separate supplemental coverage for services not covered under the universal benefits set. Health plan companies may offer any Medicare supplement, Medicare select, or other Medicare-related product otherwise permitted for any type of health plan company in this state. Each Medicare-related product may be offered only in full compliance with the requirements in chapters 62A, 62D, and 62E that apply to that category of product.

Sec. 11. [62Q.27] [ENROLLEE COST-SHARING.]

(a) The commissioner, as part of the implementation plan due January 1, 1995, shall present to the legislature recommendations and draft legislation to establish up to five standardized benefit plans which may be offered by each health plan company. The plans must vary only on the basis of enrollee cost sharing and encompass a range of cost-sharing options from (1) lower premium costs combined with higher enrollee cost-sharing, to (2) higher premium costs combined with lower enrollee cost-sharing. Each plan offered may include out-of-network coverage options.

(b) For purposes of this section, "enrollee cost-sharing" or "cost-sharing" means copayments, deductibles, coinsurance, and other out-of-pocket expenses paid by the individual consumer of health care services.

(c) The following principles must apply to cost-sharing:

(1) enrollees must have a choice of cost-sharing arrangements;

(2) enrollee cost-sharing must be administratively feasible and consistent with efforts to reduce the overall administrative burden on the health care system;

(3) cost-sharing for recipients of medical assistance, general assistance medical care, or the MinnesotaCare program must be determined by applicable law and rules governing these programs;

(4) cost-sharing must be capped at an annual limit determined by the commissioner to protect individuals and families from financial catastrophe and to protect individuals with substantial health care needs;

(5) child health supervision services, immunizations, prenatal care, and other preventive services must not be subjected to cost-sharing;

(6) the impact of enrollee cost-sharing requirements on appropriate utilization must be considered when cost-sharing requirements are developed;

(7) additional requirements may be established to assist enrollees for whom an inducement in addition to the elimination of cost-sharing is necessary in order to encourage them to use cost-effective preventive services. These requirements may include the provision of educational information, assistance or guidance, and opportunities for responsible decision making by enrollees that minimize potential out-of-pocket costs;

(8) a copayment may be no greater than 25 percent of the paid charges for the service or product;

(9) cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services; and

(10) cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) The commissioner shall consider whether a health plan company may return all or part of an enrollee's cost-sharing to the enrollee as an incentive for completing preventive care, participating in health education, improving health, or reducing health risks.

Sec. 12. [62Q.29] [STATE-ADMINISTERED PUBLIC PROGRAMS.]

Public agencies, on behalf of eligible recipients enrolled in public programs such as medical assistance, general assistance medical care, and MinnesotaCare, may contract with health plan companies to provide services included in these programs, but not included in the universal standard benefits set.

Sec. 13. [62Q.30] [EXPEDITED FACT FINDING AND DISPUTE RESOLUTION PROCESS.]

The commissioner shall establish an expedited fact finding and dispute resolution process to assist enrollees of integrated service networks and all-payer insurers with contested treatment, coverage, and service issues to be in effect July 1, 1997. The commissioner may order an integrated service network or an all-payer insurer to provide or pay for a service that is within the universal standard benefits set. If the disputed issue relates to whether a service is appropriate and necessary, the commissioner may issue an order only after consulting with appropriate experts, reviewing pertinent literature, and considering the availability of satisfactory alternatives. The commissioner may fine or revoke the license of an integrated service network or an all-payer insurer that is the subject of repeated orders by the commissioner that suggests a pattern of inappropriate underutilization.

Sec. 14. [EFFECTIVE DATE.]

Sections 2, 3, 6, 7, and 11 to 13 are effective the day following final enactment, except that sections 9 and 10 are effective July 1, 1997.

ARTICLE 5

IMPLEMENTATION AND TRANSITION PLANS

Section 1. [62Q.41] [ANNUAL IMPLEMENTATION PLAN.]

The commissioner of health, in consultation with the Minnesota health care commission, shall develop an annual implementation plan to be submitted to the legislature each year beginning January 1, 1995, describing the progress and status of rule development and implementation of the integrated service network system and the regulated all-payer option, and providing recommendations for legislative changes that the commissioner determines may be needed.

Sec. 2. [TRANSITION PLAN.]

The commissioner of health, in consultation with the Minnesota health care commission, shall develop a plan to facilitate the transition from the existing health care delivery and financing system to the integrated service network system and the regulated all-payer option. The plan may include recommendations for integrated service network requirements or other requirements that should become applicable to some or all health plan companies prior to July 1, 1997, and recommendations for requirements that should be modified or waived during a transition period after July 1, 1997, as health plan companies convert to integrated service networks or to the regulated all-payer option. The transition plan must be submitted to the legislature by January 1, 1995.

Sec. 3. [STATE ADMINISTERED HEALTH PROGRAM PHASE-IN.]

(a) The commissioner of human services shall present to the legislature and the governor, as part of the implementation plan due January 1, 1996, a plan to incorporate state administered health programs, into the all-payer option and the integrated service network system. The plan must identify the federal waivers and approvals required. The plan must also provide a schedule for phasing in the state administered health programs beginning July 1, 1997, and for increasing reimbursement levels in stages over the phase-in period. For purposes of this section, "state administered health programs" means the medical assistance, general assistance medical care, and MinnesotaCare programs.

(b) The commissioner shall include with the plan required under paragraph (a) recommendations, including proposed legislation, for a coordinated program for receiving bids from managed care plans to serve enrollees of the state health plan and recipients of state administered health programs, to be phased in beginning July 1, 1997.

(c) The recommendations shall include a requirement that managed care plans interested in contracting to serve enrollees or recipients of any program listed in paragraph (b) submit a bid to provide services to all enrollees and recipients of those programs residing within the plan's service area.

(d) The commissioner must convene an advisory task force to assist with the preparation of plans, recommendations, and legislation required by this section. The task force must include representatives of recipients of state administered health programs, providers with substantial experience in providing services to recipients of these programs, the department of human services, county human services representatives, and other affected persons. No more than one-half plus one of the members may be of the same gender.

Sec. 4. [RECODIFICATION AND HEALTH PLAN COMPANY REGULATORY REFORM.]

Subdivision 1. [PROPOSED LEGISLATION.] The commissioner of health, in consultation with the commissioner of commerce, the Minnesota health care commission, and the legislative commission on health care access, shall draft proposed legislation to recodify, simplify, and standardize all statutes, rules, regulatory requirements, and procedures relating to health plan companies. The recodification and regulatory reform must become effective simultaneously with the full implementation of the integrated service network system and the regulated all-payer option on July 1, 1997. The commissioner of health shall submit to the legislature by January 1, 1996, a report on the recodification and regulatory reform with proposed legislation.

Subd. 2. [ADVISORY TASK FORCE.] The commissioner of health shall convene an advisory task force to advise the commissioner on the recodification and reform of regulatory requirements under this section. The task force must include representatives of health plan companies, consumers, public and private employers, labor unions, providers, and other affected persons. No more than half plus one of the members may be of the same gender.

Sec. 5. [HEALTH REFORM DEMONSTRATION MODELS.]

The commissioner of health, in consultation with appropriate state agencies, is authorized to seek federal and private foundation grants to supplement any funds appropriated under this act in order to conduct demonstration models to develop the implementation strategies for the various components of health care reform. The model projects may include the following:

- (1) risk adjustment formulas;
- (2) integration of special needs populations into integrated service networks;
- (3) organization of health services delivery by post-secondary educational facilities;
- (4) establishment of rural purchasing pools and cooperative service arrangements;
- (5) integration of rural public health nursing agency services with rural community integrated service networks;
- (6) development of appropriate access services which facilitate enrollment of low-income or special needs populations into integrated service networks;
- (7) evaluation methods for the action plans prepared by health plan companies; and
- (8) integration of services provided by licensed school nurses into integrated service networks.

Sec. 6. [AMBULANCE RATE REGULATION STUDY.]

The commissioner, in consultation with the Minnesota Ambulance Association and the regional emergency medical services systems, shall develop an ambulance rate regulation system for ambulance services provided in both the integrated service network and all-payer option sectors. The commissioner shall present recommendations and an implementation plan for this rate regulation system to the legislature by January 1, 1996.

Sec. 7. [PREPAID MEDICAL ASSISTANCE PLAN STUDY.]

The commissioners of health and human services shall study the coordination between health care reform and the prepaid medical assistance plan. The study must also determine whether there have been cost savings, cost increases, or cost shifting under current implementation of the prepaid medical assistance plan. The commissioners shall jointly report their findings to the legislature by January 1, 1995.

Sec. 8. [POOLED PRESCRIPTION DRUG PURCHASING PROGRAM.]

Subdivision 1. [FINDINGS AND PURPOSE.] The legislature finds that increasing costs are threatening the ability of a number of Minnesotans without prescription drug coverage to afford the purchase of prescription drugs. The legislature also finds that innovative private and public arrangements involving pooled prescription drug benefit management have provided many Minnesotans with economical access to prescription drugs. The legislature desires to make available the advantages of similar arrangements to those Minnesotans not currently enjoying such advantages without disrupting existing and future private and public arrangements in which other Minnesotans participate.

Subd. 2. [PROPOSED LEGISLATION.] By January 15, 1995, the commissioner of health shall provide the legislature with proposed legislation containing the commissioner's recommendations for creation of a pooled prescription drug purchasing program. The program to be created by the proposed legislation shall:

(1) make available the cost savings associated with pooled prescription drug purchasing to those Minnesotans lacking private or public prescription drug coverage who are not eligible to participate in other private or public pooled prescription drug benefit management programs;

(2) not disrupt, displace or otherwise affect existing private and public arrangements for management of prescription drug benefits;

(3) provide that the program may be administered by a private vendor supervised by the state and selected on the basis of competitive bidding; and

(4) take into account the effect of ongoing changes in state and federal health care policy.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 6

UNIVERSAL COVERAGE

Section 1. [62Q.16] [UNIVERSAL COVERAGE.]

It is the commitment of the state to achieve universal health coverage for all Minnesotans by July 1, 1997. In order to achieve this commitment, the following goals must be met:

(1) every Minnesotan shall have health coverage and shall contribute to the costs of coverage based on ability to pay;

(2) no Minnesotan shall be denied coverage or forced to pay more because of health status;

(3) quality health care services must be accessible to all Minnesotans;

(4) all health care purchasers must be placed on an equal footing in the health care marketplace; and

(5) a comprehensive and affordable health plan must be available to all Minnesotans.

Sec. 2. [62Q.17] [VOLUNTARY PURCHASING POOLS.]

Subdivision 1. [PERMISSION TO FORM.] Notwithstanding section 62A.10, employers, groups, and individuals may voluntarily form purchasing pools, for the purpose of negotiating and purchasing health plan coverage from health plan companies for members of the pool.

Subd. 2. [COMMON FACTORS.] All participants in a purchasing pool must live within a common geographic region, be employed in a similar occupation, or share some common factor as approved by the commissioner.

Subd. 3. [GOVERNING STRUCTURE.] Each pool must have a governing structure controlled by its members. The governing structure of the pool is responsible for administration of the pool. The governing structure shall review and evaluate all bids for coverage from health plan companies, shall determine criteria for joining and leaving the pool, and may design incentives for healthy lifestyles and health promotion programs. The governing structure may design uniform entrance standards for all employers, except small employers as defined under section 62L.02. Small employers must be permitted to enter any pool if the small employer meets the pool's membership requirements. Pools must provide as much choice in health plans to members as is financially possible. The governing structure may charge all members a fee for administrative purposes.

Subd. 4. [ENROLLMENT.] Pools must have an annual open enrollment period of not less than 15 days, during which all individuals or groups that qualify for membership may enter the pool without any preexisting condition limitations or exclusions or exclusionary riders, except those permitted under chapter 62L for groups or section 62A.65 for individuals. Pools must reach and maintain an enrolled population of at least 1,000 members within six months of formation. If a pool fails to reach or maintain the minimum enrollment, all coverage subsequently purchased through the purchasing pool must be regulated through existing applicable laws and forego all advantages under this section.

Subd. 5. [MEMBERS.] The governing structure of the pool shall set a minimum time period for membership. Members must stay in the purchasing pool for the entire minimum period to avoid paying a penalty. Penalties for early withdrawal from the purchasing pool shall be established by the governing structure.

Subd. 6. [EMPLOYER-BASED PURCHASING POOLS.] Employer-based purchasing pools must, with respect to small employers as defined in section 62L.02, meet all the requirements of chapter 62L. The experience of the pool must be pooled and the rates blended across all groups. Pools may decide to create tiers within the pool, based on experience of group members. These tiers must be designed within the requirements of section 62L.08. The governing structure may establish criteria limiting movement between tiers. Tiers must be phased out within two years of the pool's creation.

Subd. 7. [INDIVIDUAL MEMBERS.] Purchasing pools that contain individual members must meet all of the underwriting and rate restrictions found in the individual health plan market.

Subd. 8. [REPORTS.] Prior to the initial effective date of coverage, and annually thereafter, each pool shall file a report with the information clearinghouse. The information clearinghouse must use the report to promote the purchasing pools. The annual report must contain the following information:

- (1) the number of lives in the pool;
- (2) the geographic area the pool intends to cover;
- (3) the number of health plans offered;
- (4) a description of the benefits under each plan;
- (5) a description of the premium structure, including any copayments or deductibles, of each plan offered;
- (6) evidence of compliance with chapter 62L;
- (7) a sample of marketing information, including a phone number where the pool may be contacted; and
- (8) a list of all administrative fees charged.

Sec. 3. [62Q.18] [UNIVERSAL COVERAGE; INSURANCE REFORMS.]

Subdivision 1. [DEFINITION.] For purposes of this section,

- (1) "continuous coverage" has the meaning given in section 62L.02;
- (2) "guaranteed issue" means:

(i) for individual health plans, that a health plan company shall not decline an application by an individual for any individual health plan offered by that health plan company, including coverage for a dependent of the individual to whom the health plan has been or would be issued; and

(ii) for group health plans, that a health plan company shall not decline an application by a group for any group health plan offered by that health plan company and shall not decline to cover under the group health plan any person eligible for coverage under the group's eligibility requirements, including persons who become eligible after initial issuance of the group health plan;

(3) "qualifying coverage" has the meaning given in section 62L.02; and

(4) "underwriting restrictions" has the meaning given in section 62L.03, subdivision 4.

Subd. 2. [INDIVIDUAL MANDATE.] Effective July 1, 1997, each Minnesota resident shall obtain and maintain qualifying coverage.

Subd. 3. [GUARANTEED ISSUE.] (a) Effective July 1, 1997, each health plan company shall offer, sell, issue, or renew each of its individual health plan forms on a guaranteed issue basis to any Minnesota resident.

(b) Effective July 1, 1997, each health plan company shall offer, sell, issue, or renew each of its group health plan forms to any employer that has its principal place of business in this state on a guaranteed issue basis, provided that the guaranteed issue requirement does not apply to employees, dependents, or other persons to be covered, who are not residents of this state.

(c) Effective July 1, 1997, each health plan company that issues a group health plan to an employer that does not have its principal place of business in this state, where the health plan covers or is intended to cover 20 or more residents of this state, must cover residents of this state on a guaranteed issue basis.

Subd. 4. [UNDERWRITING RESTRICTIONS LIMITED.] Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew a health plan that has underwriting restrictions that apply to a Minnesota resident, except as expressly permitted under this section.

Subd. 5. [PREEXISTING CONDITION LIMITATIONS.] Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew a health plan that contains a preexisting condition limitation or exclusion or exclusionary rider that applies to a Minnesota resident, except a limitation which is no longer than 12 months and applies only to a person who has not maintained continuous coverage. An unexpired preexisting condition limitation from previous qualifying coverage may be carried over to new coverage under a health plan, if the unexpired condition is one permitted under this section. A Minnesota resident who has not maintained continuous coverage may be subjected to a new 12-month preexisting condition limitation after each break in continuous coverage.

Subd. 6. [LIMITS ON PREMIUM RATE VARIATIONS.] (a) Effective July 1, 1995, the premium rate variations permitted under sections 62A.65 and 62L.08 become:

(1) for factors other than age and geography, 12.5 percent of the index rate; and

(2) for age, 25 percent of the index rate.

(b) Effective July 1, 1996, the premium variations permitted under sections 62A.65 and 62L.08 become:

(1) for factors other than age and geography, 7.5 percent of the index rate; and

(2) for age, 15 percent of the index rate.

(c) Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew a health plan, that is subject to section 62A.65 or 62L.08, for which the premium rate varies between covered persons on the basis of any factor other than:

(1) for individual health plans, differences in benefits or benefit design, and for group health plans, actuarially valid differences in benefits or benefit design;

(2) the number of persons to be covered by the health plan;

(3) actuarially valid differences in expected costs between adults and children;

(4) healthy lifestyle discounts authorized by statute; and

(5) for individual health plans, geographic variations permitted under section 62A.65, and for group health plans, geographic variations permitted under section 62L.08.

(d) All premium rate variations permitted under paragraph (c) are subject to the approval of the commissioner.

Subd. 7. [PORTABILITY OF COVERAGE.] (a) Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew any group or individual health plan that does not provide for guaranteed issue, with full credit for previous qualifying coverage against any preexisting condition limitation that would otherwise apply under subdivision 5. No health plan shall be subject to any other type of underwriting restriction.

(b) Effective July 1, 1994, no health plan company shall offer, sell, issue, or renew any group or individual health plan that does not, with respect to individuals who maintain continuous coverage and whose immediately preceding qualifying coverage is a health plan issued by the same health plan company, medical assistance under chapter 256B, general assistance medical care under chapter 256D, or the MinnesotaCare plan established under section 256.9352,

(1) make coverage available on a guaranteed issue basis; and

(2) give full credit for previous continuous coverage against any applicable preexisting condition limitation or exclusion.

(c) Paragraph (b) applies to individuals whose immediately preceding qualifying coverage is medical assistance under chapter 256B, general assistance medical care under chapter 256D, or the MinnesotaCare plan established under section 256.9352, only if the individual has disenrolled from the public program or will disenroll upon issuance of the new coverage. Paragraph (b) does not apply if the public program uses or will use public funds to pay the premiums for an individual who remains or will remain enrolled in the public program. This paragraph does not prohibit public payment of premiums to continue private sector coverage originally obtained prior to enrollment in the public program, where otherwise permitted by state or federal law.

(d) Effective July 1, 1994, no health plan company shall offer, sell, issue, or renew any group health plan that does not, with respect to individuals who maintain continuous coverage:

(1) make coverage available on a guaranteed issue basis; and

(2) give full credit for previous continuous coverage against any applicable preexisting condition limitation or exclusion.

To the extent that this paragraph conflicts with chapter 62L, with respect to small employers as defined in section 62L.02, chapter 62L governs.

Subd. 8. [COMPREHENSIVE HEALTH ASSOCIATION.] Effective July 1, 1997, the comprehensive health association created in section 62E.10 shall not accept new applicants for enrollment, except for medicare-related coverage described in section 62E.12 and for coverage described in section 62E.18.

Subd. 9. [CONTINGENCY; FUTURE LEGISLATION.] This section, except for subdivision 6, paragraphs (a) and (b), and subdivision 7, paragraphs (b), (c), and (d), is not intended to be implemented prior to legislation enacted to achieve the objectives of sections 1, 5, 6, and 7.

Sec. 4. [MARKET REFORM STRATEGIES STUDY.]

The health care commission shall study and recommend to the legislature by January 1, 1995, insurance market reforms designed to promote the formation of large purchasing pools to be available to individuals and small employers by July 1, 1997. The health care commission shall study:

(1) whether mergers between or among health care providers and group purchasers that expand market share beyond a specified percentage should be regulated or prohibited, in order to preserve competition on price and quality;

(2) integrating public and private sector financing mechanisms to extend MinnesotaCare subsidies to employees and dependents who are eligible for employer-based coverage without eroding existing coverage;

(3) requiring purchasing pools to make available to consumers all plans that submit bids to the pool;

(4) whether some or all purchasers should be required to obtain coverage through a public or private pool;

(5) the impact and effectiveness of the Minnesota employees insurance program under section 43A.317 and the public employees insurance plan under section 43A.316; and

(6) how statewide or regional purchasing pools could be developed for all individuals and small groups that do not have access to a private purchasing pool, and for the MinnesotaCare program and other state-subsidized health care programs, by expanding the Minnesota employees insurance program currently operated by the department of employee relations or by other means.

Sec. 5. [SURVEY OF THE UNINSURED AND EVALUATION OF EXISTING REFORMS.]

Subdivision 1. [SURVEY.] The Minnesota health care commission shall authorize a survey of Minnesota households and employers to provide current data on the uninsured population and assess the effectiveness of the existing health care reforms. As part of this survey, the commissioner of human services shall conduct a survey of the MinnesotaCare population to determine the effects of existing health care reforms on this population. Results of this survey shall be presented to the legislature by January 15, 1995.

Subd. 2. [EVALUATION.] The commissioner of health, in consultation with the health care commission and the commissioners of human services and commerce, shall evaluate the effect of existing reforms and the effect of the MinnesotaCare program on the uninsured population. Based on this evaluation, the commissioners of health, commerce, and human services shall recommend modifications to existing reforms as necessary to continue to make progress toward universal coverage by 1997 and report these modifications to the legislature by January 15, 1996.

Sec. 6. [HEALTH CARE AFFORDABILITY STUDY.]

(a) The commissioner of health, in consultation with the commissioners of human services, commerce, and revenue, shall study and report to the Minnesota health care commission by October 1, 1994, the various factors that affect health care affordability, including out-of-pocket spending, insurance premiums, and taxes.

(b) Based on the study in paragraph (a), the Minnesota health care commission shall recommend to the legislature by January 15, 1995, a specific percentage of income that overall health care costs to a family or individual should not exceed.

(c) The recommendations in paragraph (b) must be used by the commissioners of health and human services to develop an appropriate premium subsidy and sliding fee scale for a permanent health care subsidy program.

Sec. 7. [FINANCING STUDY.]

The Minnesota health care commission, in consultation with the commissioners of health, commerce, human services, and revenue, and representatives of county government shall study state health care financing and tax systems and report to the legislature by January 1, 1995, specific recommendations for a stable, long-term funding system for all government health programs. The report must include recommendations for overhauling the current system, specific financing methods, and detailed cost estimates for an expanded, fully-funded subsidy program to guarantee universal coverage to all Minnesota residents. The report must include an inventory and analysis of the existing system of government financing of health care. It must include recommendations for capturing savings that will accrue under health care reform and reallocating them to offset additional costs of universal coverage. The commission may contract for actuarial, finance, and taxation expertise.

The study must take into account the following goals and guiding principles:

(a) To the extent possible, universal coverage should be achieved without a net increase in total health spending, taxes, or government spending by recapturing savings and reallocating resources within the system.

(b) To the extent that universal coverage will require additional financing mechanisms, revenues should be raised by taxing items that are considered to be health risks and contribute to preventable illness and injury. If additional revenues are needed, revenues should be raised by implementing broad-based taxes with appropriate offsets for low-income individuals.

(c) Financing reform should ensure adequate and equitable financing of all necessary components of the health system.

(d) Activities that benefit the entire community, such as core public health activities, including collection of data on health status and community health needs, and medical education should be financed by broad-based funding sources. Funding mechanisms should promote collaboration between the public and private sectors.

(e) Personal health care services for individuals who are enrolled in a health plan should be provided or paid for by the health plan.

(f) Government subsidy programs for low-income Minnesotans should be financed by broad-based funding sources.

(g) Funding mechanisms that are inequitable or create undesirable incentives, such as the Minnesota comprehensive health association assessment, should be restructured.

Sec. 8. [PREEXISTING CONDITIONS STUDY.]

The health care commission shall study the feasibility and impact of the following:

(1) eliminating preexisting condition limitations in steps;

(2) standardizing preexisting condition limitations;

(3) narrowing the preexisting condition limitation period from 12 months to six months; and

(4) requiring limited coverage of services for preexisting conditions.

The health care commission shall provide a written report to the legislature on or before December 15, 1994.

Sec. 9. [REQUIRED OFFER OF INDIVIDUAL HEALTH PLANS.]

The health care commission shall study the effects and desirability of the requirement that all health plan companies offer individual health plans, as provided in section 62Q.18, subdivision 9. The health care commission shall provide a written report to the legislature on or before December 15, 1994.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 4 to 9 are effective the day following final enactment. Sections 2 and 3 are effective July 1, 1994.

ARTICLE 7

PUBLIC HEALTH

Section 1. [62Q.075] [LOCAL PUBLIC ACCOUNTABILITY AND COLLABORATION PLAN.]

Subdivision 1. [DEFINITION.] For purposes of this section, "managed care organization" means a health maintenance organization, community integrated service network, or integrated service network.

Subd. 2. [REQUIREMENT.] Beginning July 1, 1995, all managed care organizations shall annually file with the action plans required under section 62Q.07 a plan describing the actions the managed care organization has taken and those it intends to take to contribute to achieving public health goals for each service area in which an enrollee of the managed care organization resides. This plan must be jointly developed in collaboration with the local public health units, appropriate regional coordinating boards, and other community organizations providing health services within the same service area as the managed care organization. Local government units with responsibilities and authority defined under chapters 145A and 256E may designate individuals to participate in the collaborative planning with the managed care organization to provide expertise and represent community needs and goals as identified under chapters 145A and 256E.

Subd. 3. [CONTENTS.] The plan must address the following:

(a) specific measurement strategies and a description of any activities which contribute to public health goals and needs of high risk and special needs populations as defined and developed under chapters 145A and 256E;

(b) description of the process by which the managed care organization will coordinate its activities with the community health boards, regional coordinating boards, and other relevant community organizations servicing the same area;

(c) documentation indicating that local public health units and local government unit designees were involved in the development of the plan;

(d) documentation of compliance with the plan filed the previous year, including data on the previously identified progress measures.

Subd. 4. [REVIEW.] Upon receipt of the plan, the appropriate commissioner shall provide a copy to the regional coordinating boards, local community health boards, and other relevant community organizations within the managed care organization's service area. After reviewing the plan, these community groups may submit written comments on the plan to either the commissioner of health or commerce, as applicable, and may advise the commissioner of the managed care organization's effectiveness in assisting to achieve regional public health goals. The plan may be reviewed by the county boards, or city councils acting as a local board of health in accordance with chapter 145A, within the managed care organization's service area to determine whether the plan is consistent with the goals and objectives of the plans required under chapters 145A and 256E and whether the plan meets the needs of the community. The county board, or applicable city council, may also review and make recommendations on the availability and accessibility of services provided by the managed care organization. The county board, or applicable city council, may submit written comments to the appropriate commissioner, and may advise the commissioner of the managed care organization's effectiveness in assisting to meet the needs and goals as defined under the responsibilities of chapters 145A and 256E. Copies of these written comments must be provided to the managed care organization. The plan and any comments submitted must be filed with the information clearinghouse to be distributed to the public.

Sec. 2. [62Q.32] [LOCAL OMBUDSPERSON.]

Community health service agencies may establish an office of ombudsperson to provide a system of consumer advocacy for persons receiving health care services through an integrated service network system or through the regulated all-payer option. The ombudsperson's functions may include but are not limited to:

(a) mediation or advocacy on behalf of a person who is having difficulty accessing health care services through either an integrated service network or through the regulated all-payer option; and

(b) investigation of the quality of services provided to a person and determine the extent to which quality assurance mechanisms are needed or any other system change may be needed.

Sec. 3. [62Q.33] [LOCAL GOVERNMENT PUBLIC HEALTH FUNCTIONS.]

Subdivision 1. [FINDINGS.] The legislature finds that the local government public health functions of community assessment, policy development, and assurance of service delivery are essential elements in consumer protection and in achieving the objectives of health care reform in Minnesota. The legislature further finds that the site-based and population-based services provided by state and local health departments are a critical strategy for the long-term containment of health care costs. The legislature further finds that without adequate resources, the local government public health system will lack the capacity to fulfill these functions in a manner consistent with the needs of a reformed health care delivery system.

Subd. 2. [REPORT ON SYSTEM DEVELOPMENT.] The commissioner of health, in consultation with the state community health services advisory committee and the commissioner of human services, and representatives of local health departments, county government, a municipal government acting as a local board of health, the Minnesota health care commission, area Indian health services, health care providers, and citizens concerned about public health, shall coordinate the process for defining implementation and financing responsibilities of the local government core public health functions. The commissioner shall submit recommendations and an initial and final report on local government core public health functions according to the timeline established in subdivision 5.

Subd. 3. [CORE PUBLIC HEALTH FUNCTIONS.] (a) The report required by subdivision 2 must describe the local government core public health functions of: assessment of community health needs; goal-determination, public policy, and program development for addressing these needs; and assurance of service availability and accessibility to meet

community health goals and needs. The report must further describe activities for implementation of these functions that are the continuing responsibility of the local government public health system, taking into account the ongoing reform of the health care delivery system.

(b) The activities to be defined in terms of the local government core public health functions include, but are not limited to:

- (1) consumer protection and advocacy;
- (2) targeted outreach and linkage to personal services;
- (3) health status monitoring and disease surveillance;
- (4) investigation and control of diseases and injuries;
- (5) protection of the environment, work places, housing, food, and water;
- (6) laboratory services to support disease control and environmental protection;
- (7) health education and information;
- (8) community mobilization for health-related issues;
- (9) training and education of public health professionals;
- (10) public health leadership and administration;
- (11) emergency medical services;
- (12) violence prevention; and
- (13) other activities that have the potential to improve the health of the population or special needs populations and reduce the need for or cost of health care services.

Subd. 4. [CAPACITY BUILDING, ACCOUNTABILITY AND FUNDING.] The recommendations required by subdivision 2 shall include:

- (1) a definition of minimum outcomes for implementing core public health functions, including a local ombudsperson under the assurance of services function;
- (2) the identification of counties and applicable cities with public health programs that need additional assistance to meet the minimum outcomes;
- (3) a budget for supporting all functions needed to achieve the minimum outcomes, including the local ombudsperson assurance of services function;
- (4) an analysis of the costs and benefits expected from achieving the minimum outcomes;
- (5) strategies for improving local government public health functions throughout the state to meet the minimum outcomes including: (i) funding distribution for local government public health functions necessary to meet the minimum outcomes; and (ii) strategies for the financing of personal health care services within the uniform benefits set and identifying appropriate mechanisms for the delivery of these services; and
- (6) a recommended level of dedicated funding for local government public health functions in terms of a percentage of total health service expenditures by the state or in terms of a per capita basis, including methods of allocating the dedicated funds to local government.

Subd. 5. [TIMELINE.] (a) By October 1, 1994, the commissioner shall submit to the legislative commission on health care access the initial report and recommendations required by subdivisions 2 to 4.

(b) By February 15, 1995, the commissioner, in cooperation with the legislative commission on health care access, shall submit a final report to the legislature, with specific recommendations for capacity building and financing to be implemented over the period from January 1, 1996, through December 31, 1997.

(c) By January 1, 1997, and by January 1 of each odd-numbered year thereafter, the commissioner shall present to the legislature an updated report and recommendations.

Sec. 4. [PUBLIC HEALTH GOALS REPORT.]

The commissioner of health shall provide a written report to the legislature by January 1, 1996, of recommendations on how providers and payers participating in the regulated all-payer option shall participate in achieving public health goals.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

ARTICLE 8

CONFORMING AND MISCELLANEOUS CHANGES

Section 1. [43A.312] [LIMITATION ON COMPENSATION.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Administrative employee" means an individual whose primary duty as an employee is the performance of office or nonmanual work directly related to management policies or general business operations.

(b) "Compensation" means the annual value of wages, salary, benefits, deferred compensation, and stock options.

(c) "Executive employee" means an individual whose primary duty as an employee consists of the management of the enterprise in which the individual is employed.

(d) "Health care provider" means a person or organization that provides health care or medical care services within Minnesota for a fee and is eligible for reimbursement under the medical assistance program under chapter 256B. "Health care provider" includes a for-profit affiliate of the health care provider. For purposes of this subdivision, "for a fee" includes traditional fee-for-service arrangements, capitation arrangements, and any other arrangement in which a provider receives compensation for providing health care services or has the authority to directly bill a group purchaser, health plan company, or individual for providing health care services. For purposes of this subdivision, "eligible for reimbursement under the medical assistance program" means that the provider's services would be reimbursed by the medical assistance program if the services were provided to medical assistance enrollees and the provider sought reimbursement, or that the services would be eligible for reimbursement under medical assistance except that those services are characterized as experimental, cosmetic, or voluntary.

(e) "Health plan company" means:

(1) a health carrier as defined under section 62A.011, subdivision 2;

(2) an integrated service network as defined under section 62N.02;

(3) an all-payer insurer regulated under chapter 62P;

(4) a community integrated service network regulated under chapter 62N; or

(5) a for-profit affiliate of an entity listed in this paragraph.

(f) "State health care plan" means the medical assistance program, the general assistance medical care program, the MinnesotaCare program, health insurance plans for state employees established under section 43A.18, the public employees insurance plan under section 43A.316, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota comprehensive health association under sections 62E.01 to 62E.19.

Subd. 2. [SALARY RATIO LIMITATION.] No health care provider or health plan company serving enrollees or clients of a state health care plan, or serving as a contractor or third-party administrator for a state health care plan, may compensate its most highly paid executive or administrative employee an amount exceeding 25 times the compensation paid to its lowest paid employee. For purposes of this requirement, stock options are valued at fair market value at the time they become the property of the employee.

Subd. 3. [REPORTING.] Each health care provider and health plan company subject to the salary ratio limitation in subdivision 2 shall report the compensation received by its most highly paid executive or administrative employee, based upon full-time equivalents, and its lowest paid employee, based upon full-time equivalents, to the commissioner of employee relations. This information shall be provided in the form and at the times specified by the commissioner. This information on compensation is classified as public data under chapter 13. Health plan companies subject to subdivision 2, and state health care programs, shall report the names and business addresses of all health care providers serving as participating providers to the commissioner of employee relations. This information is classified as private data under chapter 13.

Subd. 4. [ENFORCEMENT.] The commissioner of employee relations shall verify that all health care providers and health plan companies subject to subdivision 2 have reported the information required in subdivision 3 and shall verify that all health care providers and health plan companies have complied with the salary ratio limitation. The commissioner shall notify all health care providers and health plan companies in violation of subdivision 2 and shall provide four years for the health care provider or health plan company to comply with the salary ratio limitation. The commissioner shall require health care providers and health plan companies to submit the information necessary to demonstrate compliance. If at the end of four years the health care provider or health plan company has not complied, the commissioner, in conjunction with the appropriate agency commissioner or commissioners, shall prohibit the health care provider or health plan company from serving enrollees or clients of a state health care plan, or from serving as a contractor or third-party administrator for state health care plans. All state agency commissioners shall cooperate with the commissioner of employee relations in administering and enforcing this section.

Sec. 2. Minnesota Statutes 1992, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 1, June 1, and December 1 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies, domestic mutual insurance companies, marine insurance companies, health maintenance organizations, integrated service networks, community integrated service networks, and nonprofit health service plan corporations, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in paragraphs (b) and (e), installments must be based on a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets on December 31, 1989, exceeded \$1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

(1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and

(2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a), (b), or (e) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is \$500 or less.

(e) For health maintenance organizations ~~and~~, nonprofit health services plan corporations, integrated service networks, and community integrated service networks, the installments must be based on an amount equal to one percent of premiums described in paragraph (c) that are paid after December 31, 1995.

(f) Premiums under ~~the children's health plan medical assistance, the health right plan MinnesotaCare program, and the Minnesota comprehensive health insurance plan~~ are not subject to tax under this section.

Sec. 3. Minnesota Statutes 1992, section 62A.48, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract, or other evidence of coverage of nursing home care or other long-term care services shall be offered, issued, delivered, or renewed in this state, whether or not the policy is issued in this state, unless the policy is offered, issued, delivered, or renewed by a qualified insurer and the policy satisfies the requirements of sections 62A.46 to 62A.56. A long-term care policy must cover prescribed long-term care in nursing facilities and at least the prescribed long-term home care services in section 62A.46, subdivision 4, clauses (1) to (5), provided by a home health agency. Coverage under a long-term care policy AA must include: a maximum lifetime benefit limit of at least \$100,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Coverage under a long-term care policy A must include: a maximum lifetime benefit limit of at least \$50,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Prior hospitalization may not be required under a long-term care policy.

Coverage under either policy designation must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage. Coverage under either policy designation may include a waiting period of up to 90 days before benefits are paid, but there must be no more than one waiting period per benefit period; for purposes of this sentence, "days" means calendar days. No policy may exclude coverage for mental or nervous disorders which have a demonstrable organic cause, such as Alzheimer's and related dementias. No policy may require the insured to be homebound or house confined to receive home care services. The policy must include a provision that the plan will not be canceled or renewal refused except on the grounds of nonpayment of the premium, provided that the insurer may change the premium rate on a class basis on any policy anniversary date. A provision that the policyholder may elect to have the premium paid in full at age 65 by payment of a higher premium up to age 65 may be offered. A provision that the premium would be waived during any period in which benefits are being paid to the insured during confinement in a nursing facility must be included. A nongroup policyholder may return a policy within 30 days of its delivery and have the premium refunded in full, less any benefits paid under the policy, if the policyholder is not satisfied for any reason.

No individual long-term care policy shall be offered or delivered in this state until the insurer has received from the insured a written designation of at least one person, in addition to the insured, who is to receive notice of cancellation of the policy for nonpayment of premium. The insured has the right to designate up to a total of three persons who are to receive the notice of cancellation, in addition to the insured. The form used for the written designation must inform the insured that designation of one person is required and that designation of up to two additional persons is optional and must provide space clearly designated for listing between one and three persons. The designation shall include each person's full name, home address, and telephone number. Each time an individual policy is renewed or continued, the insurer shall notify the insured of the right to change this written designation.

The insurer may file a policy form that utilizes a plan of care prepared as provided under section 62A.46, subdivision 5, clause (1) or (2).

Sec. 4. Minnesota Statutes 1993 Supplement, section 61B.20, subdivision 13, is amended to read:

Subd. 13. [MEMBER INSURER.] "Member insurer" means an insurer licensed or holding a certificate of authority to transact in this state any kind of insurance for which coverage is provided under section 61B.19, subdivision 2, and includes an insurer whose license or certificate of authority in this state may have been suspended, revoked, not renewed, or voluntarily withdrawn. The term does not include:

(1) a nonprofit hospital or medical service organization, other than a nonprofit health service plan corporation that operates under chapter 62C;

(2) a health maintenance organization;

(3) a fraternal benefit society;

(4) a mandatory state pooling plan;

(5) a mutual assessment company or an entity that operates on an assessment basis;

(6) an insurance exchange; or

(7) an integrated service network or a community integrated service network; or

(8) an entity similar to those listed in clauses (1) to (6) (7).

Sec. 5. Minnesota Statutes 1992, section 62D.04, is amended by adding a subdivision to read:

Subd. 5. [PARTICIPATION; GOVERNMENT PROGRAMS.] Health maintenance organizations shall, as a condition of receiving and retaining a certificate of authority, participate in the medical assistance, general assistance medical care, and MinnesotaCare programs. The participation required from health maintenance organizations shall be pursuant to rules adopted under section 256B.0644.

Sec. 6. Minnesota Statutes 1992, section 62E.02, subdivision 10, is amended to read:

Subd. 10. [INSURER.] "Insurer" means those companies operating pursuant to chapter 62A or 62C and offering, selling, issuing, or renewing policies or contracts of accident and health insurance. "Insurer" does not include health maintenance organizations, integrated service networks, or community integrated service networks.

Sec. 7. Minnesota Statutes 1992, section 62E.02, subdivision 18, is amended to read:

Subd. 18. [WRITING CARRIER.] "Writing carrier" means the insurer or insurers and, health maintenance organization or organizations, integrated service network or networks, and community integrated service network or networks selected by the association and approved by the commissioner to administer the comprehensive health insurance plan.

Sec. 8. Minnesota Statutes 1992, section 62E.02, subdivision 20, is amended to read:

Subd. 20. [COMPREHENSIVE INSURANCE PLAN OR STATE PLAN.] "Comprehensive health insurance plan" or "state plan" means policies of insurance and contracts of health maintenance organization, integrated service network, or community integrated service network coverage offered by the association through the writing carrier.

Sec. 9. Minnesota Statutes 1992, section 62E.02, subdivision 23, is amended to read:

Subd. 23. [CONTRIBUTING MEMBER.] "Contributing member" means those companies regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance; health maintenance organizations regulated under chapter 62D; nonprofit health service plan corporations regulated under chapter 62C; integrated service network and community integrated service networks regulated under chapter 62N; fraternal benefit societies regulated under chapter 64B; the private employers insurance program established in section 43A.317, effective July 1, 1993; and joint self-insurance plans regulated under chapter 62H. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization, integrated service network, or community integrated service network shall be considered to be accident and health insurance premiums.

Sec. 10. Minnesota Statutes 1992, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers; self-insurers; fraternal; joint self-insurance plans regulated under chapter 62H; the private employers insurance program established in section 43A.317, effective July 1, 1993; and health maintenance organizations; integrated service networks; and community integrated service networks licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 11. Minnesota Statutes 1992, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] The board of directors of the association shall be made up of nine members as follows: five insurer directors selected by participating members, subject to approval by the commissioner; four public directors selected by the commissioner, at least two of whom must be plan enrollees. Public members may include licensed insurance agents. In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, ~~or~~ health maintenance contract

payment, integrated service network, or community integrated service network payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Insurer directors may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 12. Minnesota Statutes 1992, section 62E.10, subdivision 3, is amended to read:

Subd. 3. [MANDATORY MEMBERSHIP.] All members shall maintain their membership in the association as a condition of doing accident and health insurance, self-insurance, or health maintenance organization, integrated service network, or community integrated service network business in this state. The association shall submit its articles, bylaws and operating rules to the commissioner for approval; provided that the adoption and amendment of articles, bylaws and operating rules by the association and the approval by the commissioner thereof shall be exempt from the provisions of sections 14.001 to 14.69.

Sec. 13. Minnesota Statutes 1993 Supplement, section 62J.03, subdivision 6, is amended to read:

Subd. 6. [GROUP PURCHASER.] "Group purchaser" means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage or services is paid for by the purchaser or by the persons receiving coverage or services, as further defined in rules adopted by the commissioner. "Group purchaser" includes, but is not limited to, integrated service networks; community integrated service networks; health insurance companies, health maintenance organizations, nonprofit health service plan corporations, and other health plan companies; employee health plans offered by self-insured employers; trusts established in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq.; the Minnesota comprehensive health association; group health coverage offered by fraternal organizations, professional associations, or other organizations; state and federal health care programs; state and local public employee health plans; workers' compensation plans; and the medical component of automobile insurance coverage.

Sec. 14. Minnesota Statutes 1992, section 62J.03, is amended by adding a subdivision to read:

Subd. 10. [HEALTH PLAN COMPANY.] "Health plan company" means a health plan company as defined in section 62Q.01, subdivision 4.

Sec. 15. Minnesota Statutes 1993 Supplement, section 62J.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS ON THE RATE OF GROWTH.] (a) The commissioner of health shall set annual limits on the rate of growth of public and private spending on health care services for Minnesota residents, as provided in paragraph (b). The limits on growth must be set at levels the commissioner determines to be realistic and achievable but that will reduce the rate of growth in health care spending by at least ten percent per year for the next five years. The commissioner shall set limits on growth based on available data on spending and growth trends, including data from group purchasers, national data on public and private sector health care spending and cost trends, and trend information from other states.

(b) The commissioner shall set the following annual limits on the rate of growth of public and private spending on health care services for Minnesota residents:

(1) for calendar year 1994, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1993 plus 6.5 percentage points;

(2) for calendar year 1995, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1994 plus 5.3 percentage points;

(3) for calendar year 1996, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1995 plus 4.3 percentage points;

(4) for calendar year 1997, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1996 plus 3.4 percentage points; and

(5) for calendar year 1998, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1997 plus 2.6 percentage points.

~~If the health care financing administration forecast for the total growth in national health expenditures for a calendar year is lower than the rate of growth for the calendar year as specified in clauses (1) to (5), the commissioner shall adopt this forecast as the growth limit for that calendar year.~~ The commissioner shall adjust the growth limit set for calendar year 1995 to recover savings in health care spending required for the period July 1, 1993 to December 31, 1993. The commissioner shall publish:

(1) the projected limits in the State Register by April 15 of the year immediately preceding the year in which the limit will be effective except for the year 1993, in which the limit shall be published by July 1, 1993;

(2) the quarterly change in the regional consumer price index for urban consumers; and

(3) the health care financing administration forecast for total growth in the national health care expenditures. In setting an annual limit, the commissioner is exempt from the rulemaking requirements of chapter 14. The commissioner's decision on an annual limit is not appealable.

Sec. 16. Minnesota Statutes 1993 Supplement, section 62J.04, subdivision 1a, is amended to read:

Subd. 1a. [ADJUSTED GROWTH LIMITS AND ENFORCEMENT.] (a) The commissioner shall publish the final adjusted growth limit in the State Register by January 15 ~~31~~ of the year that the expenditure limit is to be in effect. The adjusted limit must reflect the actual regional consumer price index for urban consumers for the previous calendar year, and may deviate from the previously published projected growth limits to reflect differences between the actual regional consumer price index for urban consumers and the projected Consumer Price Index for urban consumers. The commissioner shall report to the legislature by ~~January~~ February 15 of each year on differences between the projected increase in health care expenditures, the implementation of growth limits, and the reduction in the trend in the growth based on the limits imposed the actual expenditures based on data collected, and the impact and validity of growth limits within the overall health care reform strategy.

(b) The commissioner shall enforce limits on growth in spending and revenues for integrated service networks and for the regulated all-payer system. If the commissioner determines that artificial inflation or padding of costs or prices has occurred in anticipation of the implementation of growth limits, the commissioner may adjust the base year spending totals or growth limits or take other action to reverse the effect of the artificial inflation or padding.

(c) The commissioner shall impose and enforce overall limits on growth in revenues and spending for integrated service networks, with adjustments for changes in enrollment, benefits, severity, and risks. If an integrated service network exceeds a spending limit, the commissioner may reduce future limits on growth in aggregate premium revenues for that integrated service network by up to the amount overspent. If the integrated service network system exceeds a systemwide spending limit, the commissioner may reduce future limits on growth in premium revenues for the integrated service network system by up to the amount overspent.

(d) The commissioner shall set prices, utilization controls, and other requirements for the regulated all-payer system to ensure that the overall costs of this system, after adjusting for changes in population, severity, and risk, do not exceed the growth limits. If spending growth limits for a calendar year are exceeded, the commissioner may reduce reimbursement rates or otherwise recoup overspending for all or part of the next calendar year, to recover in savings up to the amount of money overspent. To the extent possible, the commissioner may reduce reimbursement rates or otherwise recoup overspending from individual providers who exceed the spending growth limits.

(e) The commissioner, in consultation with the Minnesota health care commission, shall research and make recommendations to the legislature regarding the implementation of growth limits for integrated service networks and the regulated all-payer option. The commissioner must consider both spending and revenue approaches and will report on the implementation of the interim limits as defined in sections 62P.04 and 62P.05. The commissioner must examine and make recommendations on the use of annual update factors based on volume performance standards as a mechanism for achieving controls on spending in the all-payer option. The commissioner must make recommendations regarding the enforcement mechanism and must consider mechanisms to adjust future growth limits as well as mechanisms to establish financial penalties for noncompliance. The commissioner must also address the feasibility of system-wide limits imposed on all integrated service networks.

Sec. 17. Minnesota Statutes 1993 Supplement, section 62J.09, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) [NUMBER OF MEMBERS.] Each regional coordinating board consists of 17 members as provided in this subdivision. A member may designate a representative to act as a member of the board in the member's absence. The governor shall appoint the chair of each regional board from among its members. The appointing authorities under each paragraph for which there is to be chosen more than one member shall consult prior to appointments being made to ensure that, to the extent possible, the board includes a representative from each county within the region.

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

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

(d) [EMPLOYER REPRESENTATIVES.] Regional boards include three members representing employers in the region. Employer representatives are ~~elected by a vote of the employers who are appointed by the Minnesota chamber of commerce from nominations provided by~~ members of chambers of commerce in the region. At least one member must represent self-insured employers.

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

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

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

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

Sec. 18. Minnesota Statutes 1993 Supplement, section 62J.2916, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES AVAILABLE.] (a) [DECISION ON THE WRITTEN RECORD.] The commissioner may issue a decision based on the application, the comments, and the applicant's responses to the comments, to the extent each is relevant. In making the decision, the commissioner may consult with staff of the department of health and may rely on department of health data.

(b) [LIMITED HEARING.] (1) The commissioner may order a limited hearing. A copy of the order must be mailed to the applicant and to all persons who have submitted comments or requested to be kept informed of the proceedings involving the application. The order must state the date, time, and location of the limited hearing and must identify specific issues to be addressed at the limited hearing. The issues may include the feasibility and desirability of one or more alternatives to the proposed arrangement. The order must require the applicant to submit written evidence, in the form of affidavits and supporting documents, addressing the issues identified, within 20 days after the date of the order. The order shall also state that any person may arrange to receive a copy of the written evidence from the commissioner, at the person's expense, and may provide written comments on the evidence within 40 days after the date of the order. A person providing written comments shall provide a copy of the comments to the applicant.

(2) The limited hearing must be held before the commissioner or department of health staff member or members designated by the commissioner. The commissioner or the commissioner's designee or designees shall question the applicant about the evidence submitted by the applicant. The questions may address relevant issues identified in the

comments submitted in response to the written evidence or identified by department of health staff or brought to light by department of health data. At the conclusion of the applicant's responses to the questions, any person who submitted comments about the applicant's written evidence may make a statement addressing the applicant's responses to the questions. The commissioner or the commissioner's designee or designees may ask questions of any person making a statement. At the conclusion of all statements, the applicant may make a closing statement.

(3) The commissioner's decision after a limited hearing must be based upon the application, the comments, the applicant's response to the comments, the applicant's written evidence, the comments in response to the written evidence, and the information presented at the limited hearing, to the extent each is relevant. In making the decision, the commissioner may consult with staff of the department of health and may rely on department of health data.

(c) [CONTESTED CASE HEARING.] The commissioner may order a contested case hearing. A contested case hearing shall be tried before an administrative law judge who shall issue a written recommendation to the commissioner and shall follow the procedures in sections 14.57 to 14.62. All factual issues relevant to a decision must be presented in the contested case. The attorney general may appear as a party. Additional parties may appear to the extent permitted under sections 14.57 to 14.62. The record in the contested case includes the application, the comments, the applicant's response to the comments, and any other evidence that is part of the record under sections 14.57 to 14.62.

Sec. 19. Minnesota Statutes 1993 Supplement, section 62J.32, subdivision 4, is amended to read:

Subd. 4. [PRACTICE PARAMETER ADVISORY COMMITTEE.] (a) The commissioner shall convene a 15-member practice parameter advisory committee comprised of eight health care professionals, and representatives of the research community and the medical technology industry. One representative of the research community must be an individual with expertise in pharmacology or pharmaceutical economics who is familiar with the results of the pharmaceutical care research project at the University of Minnesota and the potential cost savings that can be achieved through use of a comprehensive pharmaceutical care model. The committee shall present recommendations on the adoption of practice parameters to the commissioner and the Minnesota health care commission and provide technical assistance as needed to the commissioner and the commission. The advisory committee is governed by section 15.059, except that its existence does not terminate and members do not receive per diem compensation.

(b) The commissioner, upon the advice and recommendation of the practice parameter advisory committee, may convene expert review panels to assess practice parameters and outcome research associated with practice parameters.

Sec. 20. Minnesota Statutes 1993 Supplement, section 62J.35, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO PROVIDE DATA.] The intentional failure to provide the data requested under this chapter is grounds for revocation of a license or other disciplinary or regulatory action against a regulated provider or group purchaser. The commissioner may assess a fine against a provider or group purchaser who refuses to provide data required by the commissioner. If a provider or group purchaser refuses to provide the data required, the commissioner may obtain a court order requiring the provider or group purchaser to produce documents and allowing the commissioner to inspect the records of the provider or group purchaser for purposes of obtaining the data required.

Sec. 21. Minnesota Statutes 1993 Supplement, section 62J.35, subdivision 3, is amended to read:

Subd. 3. [DATA PRIVACY.] All data received under this section or under section 62J.04, 62J.37, 62J.38, 62J.41, or 62J.42 is private or nonpublic, as applicable except to the extent that it is given a different classification elsewhere in this chapter. The commissioner shall establish procedures and safeguards to ensure that data released by the commissioner is in a form that does not identify specific patients, providers, employers, purchasers, or other specific individuals and organizations, except with the permission of the affected individual or organization, or as permitted elsewhere in this chapter.

Sec. 22. Minnesota Statutes 1993 Supplement, section 62J.38, is amended to read:

62J.38 [DATA FROM GROUP PURCHASERS.]

(a) The commissioner shall require group purchasers to submit detailed data on total health care spending for calendar years 1990, 1991, and 1992, and for calendar year 1993 and successive calendar years. Group purchasers shall submit data for the 1993 calendar year by ~~February 15~~ April 1, 1994, and each April 1 thereafter shall submit data for the preceding calendar year.

(b) The commissioner shall require each group purchaser to submit data on revenue, expenses, and member months, as applicable. Revenue data must distinguish between premium revenue and revenue from other sources and must also include information on the amount of revenue in reserves and changes in reserves. Expenditure data, including raw data from claims, must be provided separately for the following categories: physician services, dental services, other professional services, inpatient hospital services, outpatient hospital services, emergency and out-of-area care, pharmacy services and prescription drugs, mental health services, chemical dependency services, other expenditures, subscriber liability, and administrative costs.

(c) State agencies and all other group purchasers shall provide the required data using a uniform format and uniform definitions, as prescribed by the commissioner.

Sec. 23. Minnesota Statutes 1993 Supplement, section 62J.41, subdivision 2, is amended to read:

Subd. 2. [ANNUAL MONITORING AND ESTIMATES.] The commissioner shall require health care providers to submit the required data for the period July 1, 1993 to December 31, 1993, by ~~February 15~~ April 1, 1994. Health care providers shall submit data for the 1994 calendar year by ~~February 15~~ April 1, 1995, and each ~~February 15~~ April 1 thereafter shall submit data for the preceding calendar year. The commissioner of revenue may collect health care service revenue data from health care providers, if the commissioner of revenue and the commissioner agree that this is the most efficient method of collecting the data. The commissioner of revenue shall provide any data collected to the commissioner of health.

Sec. 24. Minnesota Statutes 1993 Supplement, section 62J.45, subdivision 11, is amended to read:

Subd. 11. [USE OF DATA.] (a) The board of the data institute, with the advice of the data collection advisory committee and the practice parameter advisory committee through the commissioner, is responsible for establishing the methodology for the collection of the data and is responsible for providing direction on what data would be useful to the plans, providers, consumers, and purchasers.

(b) The health care analysis unit is responsible for the analysis of the data and the development and dissemination of reports.

(c) The commissioner, in consultation with the board, shall determine when and under what conditions data disclosure to group purchasers, health care providers, consumers, researchers, and other appropriate parties may occur to meet the state's goals. The commissioner may require users of data to contribute toward the cost of data collection through the payment of fees. The commissioner shall require users of data to maintain the data according to the data privacy provisions applicable to the data.

(d) The commissioner and the board shall not allow a group purchaser or health care provider to use or have access to data collected by the data institute, unless the group purchaser or health care provider fully cooperates with the data collection efforts of the data institute by submitting all data requested in the form and manner specified by the board. The commissioner and the board shall prohibit group purchasers and health care providers from transferring, providing, or sharing data obtained from the data institute with a group purchaser or health care provider that does not fully cooperate with the data collection efforts of the data institute.

Sec. 25. [62J.65] [EXEMPTION.]

Patient revenues derived from non-Minnesota patients are exempt from the regulated all-payer system and Medicare balance billing prohibition under section 62J.25.

Sec. 26. Minnesota Statutes 1993 Supplement, section 62N.01, is amended to read:

62N.01 [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] ~~Sections 62N.01 to 62N.24~~ This chapter may be cited as the "Minnesota integrated service network act."

Subd. 2. [PURPOSE.] ~~Sections 62N.01 to 62N.24 allow~~ This chapter allows the creation of integrated service networks that will be responsible for arranging for or delivering a full array of health care services, from routine primary and preventive care through acute inpatient hospital care, to a defined population for a fixed price from a purchaser.

Each integrated service network is accountable to keep its total revenues within the limit of growth set by the commissioner of health under section 62N.05, subdivision 2. Integrated service networks can be formed by health care providers, health maintenance organizations, insurance companies, employers, or other organizations. Competition between integrated service networks on the quality and price of health care services is encouraged.

Sec. 27. Minnesota Statutes 1993 Supplement, section 62N.02, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] The definitions in this section apply to sections ~~62J.04, subdivision 8, and 62N.01 to 62N.24~~ this chapter.

Sec. 28. Minnesota Statutes 1993 Supplement, section 62N.065, subdivision 1, is amended to read:

Subdivision 1. [UNREASONABLE EXPENSES.] No integrated service network shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of sections ~~62N.01 to 62N.24~~ this chapter, in order to safeguard the underlying nonprofit status of integrated service networks; and to ensure that payment of integrated service network money to any person or organization results in a corresponding benefit to the integrated service network and its enrollees; when determining whether an integrated service network has incurred an unreasonable expense in relation to payments made to a person or organization, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the integrated service network have acted with good faith and in the best interests of the integrated service network in entering into, and performing under, a contract under which the integrated service network has incurred an expense. In addition to the compliance powers under subdivision 3, the commissioner has standing to sue, on behalf of an integrated service network, officers or trustees of the integrated service network who have breached their fiduciary duty in entering into and performing such contracts.

Sec. 29. Minnesota Statutes 1993 Supplement, section 62N.10, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] All integrated service networks must be licensed by the commissioner. Licensure requirements are:

(1) the ability to be responsible for the full continuum of required health care and related costs for the defined population that the integrated service network will serve;

(2) the ability to satisfy standards for quality of care;

(3) financial solvency; ~~and~~

(4) the ability to develop and complete the action plans required by law; and

(5) the ability to fully comply with this chapter and all other applicable law.

The commissioner may adopt rules to specify licensure requirements for integrated service networks in greater detail, consistent with this subdivision.

Sec. 30. Minnesota Statutes 1993 Supplement, section 62N.10, subdivision 2, is amended to read:

Subd. 2. [FEES.] Licensees shall pay an initial fee and a renewal fee each following year to be established by the commissioner of health. The fee must be imposed at a rate sufficient to cover the cost of regulation.

Sec. 31. Minnesota Statutes 1993 Supplement, section 62N.22, is amended to read:

62N.22 [DISCLOSURE OF COMMISSIONS.]

Before ~~selling, or offering to sell,~~ any coverage or enrollment in a community integrated service network or an integrated service network, a person selling the coverage or enrollment shall disclose in writing to the prospective purchaser the amount of any commission or other compensation the person will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 32. Minnesota Statutes 1993 Supplement, section 62N.23, is amended to read:

62N.23 [TECHNICAL ASSISTANCE; ~~LOANS.~~]

(a) The commissioner shall provide technical assistance to parties interested in establishing or operating a community integrated service network or an integrated service network. This shall be known as the integrated service network technical assistance program (ISNTAP).

The technical assistance program shall offer seminars on the establishment and operation of community integrated service networks or integrated service networks in all regions of Minnesota. The commissioner shall advertise these seminars in local and regional newspapers, and attendance at these seminars shall be free.

The commissioner shall write a guide to establishing and operating a community integrated service network or an integrated service network. The guide must provide basic instructions for parties wishing to establish a community integrated service network or an integrated service network. The guide must be provided free of charge to interested parties. The commissioner shall update this guide when appropriate.

The commissioner shall establish a toll-free telephone line that interested parties may call to obtain assistance in establishing or operating a community integrated service network or an integrated service network.

(b) The commissioner, in consultation with the commission, shall provide recommendations for the creation of a loan program that would provide loans or grants to entities forming community integrated service networks or integrated service networks or to community networks or networks less than one year old. The commissioner shall propose criteria for the loan program.

Sec. 33. Minnesota Statutes 1992, section 65B.49, subdivision 2, is amended to read:

Subd. 2. [BASIC ECONOMIC LOSS.] (a) Each plan of reparation security shall provide for payment of basic economic loss benefits.

(b) A reparation obligor may make available a policy endorsement that provides medical expense benefits under section 65B.44, subdivision 2, solely through managed care plans certified by the commissioner. If made available, the insured may elect this policy endorsement at the time of the policy application or renewal. Once elected, this policy endorsement remains effective for as long as the policy is in effect, or until written revocation of it by the insured is received by the reparation obligor.

In exchange for electing this policy endorsement, the insured shall receive an appropriate premium reduction.

(c) The commissioner shall adopt rules, and may adopt emergency rules, necessary to implement this section including rules specifying the criteria and procedure for certifying a managed care plan, including provisions for emergency care, and regulating the form and content of notices to insureds regarding the precise consequences of electing to obtain medical expense benefits through certified managed care plans.

Sec. 34. Minnesota Statutes 1992, section 144.1485, is amended to read:

144.1485 [DATA BASE ON HEALTH PERSONNEL.]

(a) The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information through the registration and licensure systems of the state health licensing boards.

(b) Health professionals who report their practice/place of employment address to the commissioner of health under section 144.052 may request in writing that their practice/place of employment address be classified as private data on individuals, as defined in section 13.02, subdivision 12. The commissioner shall grant the classification upon receipt of a signed statement by the health professional that the classification is required for the safety of the health professional, if the statement also provides a valid, existing address where the health professional consents to receive service of process. The commissioner shall use the mailing address in place of the practice/place of employment address in all documents available to the general public. The practice/place of employment address and any

information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to other state agencies. The practice/place of employment address may be used to develop summary reports that show in aggregate the distribution of health care providers in Minnesota.

Sec. 35. Minnesota Statutes 1993 Supplement, section 144.1486, is amended to read:

144.1486 [RURAL COMMUNITY HEALTH CENTERS.]

The commissioner of health shall develop and implement a program to establish community health centers in rural areas of Minnesota that are underserved by health care providers. The program shall provide rural communities and community organizations with technical assistance, capital grants for start-up costs, and short-term assistance with operating costs. The technical assistance component of the program must provide assistance in review of practice management, market analysis, practice feasibility analysis, medical records system analysis, and scheduling and patient flow analysis. The program must: (1) include a local match requirement for state dollars received; (2) require local communities, through instrumentalities of the state of Minnesota or nonprofit boards comprised of local residents, to operate and own their community's health care program; (3) encourage the use of midlevel practitioners; and (4) incorporate a quality assurance strategy that provides regular evaluation of clinical performance and allows peer review comparisons for rural practices. The commissioner shall report to the legislature on implementation of the program by February 15, 1994.

Subdivision 1. [COMMUNITY HEALTH CENTER.] "Community health center" means a community owned and operated primary and preventive health care practice that meets the unique, essential health care needs of a specified population.

Subd. 2. [PROGRAM GOALS.] The Minnesota community health center program shall increase health care access for residents of rural Minnesota by creating new community health centers in areas where they are needed and maintaining essential rural health care services. The program is not intended to duplicate the work of current health care providers.

Subd. 3. [GRANTS.] (a) The commissioner shall provide grants to communities for planning and establishing community health centers through the Minnesota community health center program. Grant recipients shall develop and implement a strategy that allows them to become self-sufficient and qualify for other supplemental funding and enhanced reimbursement. The commissioner shall coordinate the grant program with the federal rural health clinic, federally qualified health center, and migrant and community health center programs to encourage federal certification. The commissioner may award planning, project, and initial operating expense grants, as provided in paragraphs (b) to (d).

(b) Planning grants may be awarded to communities to plan and develop state funded community health centers, federally qualified health centers, or migrant and community health centers.

(c) Project grants may be awarded to communities for community health center start-up or expansion, and the conversion of existing practices to community health centers. Start-up grants may be used for facilities, capital equipment, moving expenses, initial staffing, and setup. Communities must provide reasonable assurance of their ability to obtain health care providers and effectively utilize existing health care provider resources. Funded community health center projects must become operational before funding expires. Communities may obtain funding for conversion of existing health care practices to community health centers. Communities with existing community health centers may apply for grants to add sites in underserved areas. Governing boards must include representatives of new service areas.

(d) Centers may apply for grants for up to two years to subsidize initial operating expenses. Applicants for initial operating expense grants must demonstrate that expenses exceed revenues by a minimum of ten percent or demonstrate other extreme need that cannot be met using organizational reserves.

Subd. 4. [ELIGIBILITY REQUIREMENTS.] In order to qualify for community health center program funding, a project must:

(1) be located in a rural shortage area that is a medically underserved, federal health professional shortage, or governor designated shortage area. "Rural" means an area of the state outside the ten-county Twin Cities metropolitan area and outside of the Duluth, St. Cloud, East Grand Forks, Moorhead, Rochester, and LaCrosse census defined urbanized areas;

(2) represent or propose the formation of a nonprofit corporation with local resident governance, or be a governmental entity. Applicants in the process of forming a nonprofit corporation may have a nonprofit coapplicant serve as financial agent through the remainder of the formation period. With the exception of governmental entities, all applicants must submit application for nonprofit incorporation and 501(c)(3) tax-exempt status within six months of accepting community health center grant funds;

(3) result in a locally owned and operated community health center that provides primary and preventive health care services, and incorporates quality assurance, regular reviews of clinical performance, and peer review;

(4) seek to employ midlevel professionals, where appropriate;

(5) demonstrate community and popular support and provide a 20 percent local match of state funding; and

(6) propose to serve an area that is not currently served by a federally certified medical organization.

Subd. 5. [REVIEW PROCESS, RATING CRITERIA AND POINT ALLOCATION.] (a) The commissioner shall establish grant application guidelines and procedures that allow the commissioner to assess relative need and the applicant's ability to plan and manage a health care project. Program documentation must communicate program objectives, philosophy, expectations, and other conditions of funding to potential applicants.

The commissioner shall establish an impartial review process to objectively evaluate grant applications. Proposals must be categorized, ranked, and funded using a 100-point rating scale. Fifty-two points shall be assigned to relative need and 48 points to project merit.

(b) The scoring of relative need must be based on proposed service area factors, including but not limited to:

(1) population below 200 percent of poverty;

(2) geographic barriers based on average travel time and distance to the next nearest source of primary care that is accessible to Medicaid and Medicare recipients and uninsured low-income individuals;

(3) a shortage of primary care health professionals, based on the ratio of the population in the service area to the number of full-time equivalent primary care physicians in the service area; and

(4) other community health issues including a high unemployment rate, high percentage of uninsured population, high growth rate of minority and special populations, high teenage pregnancy rate, high morbidity rates due to specific diseases, late entry into prenatal care, high percentage geriatric population, high infant mortality rate, high percentage of low birth weight, cultural and language barriers, high percentage minority population, excessive average travel time and distance to next nearest source of subsidized primary care.

(c) Project merit shall be determined based on expected benefit from the project, organizational capability to develop and manage the project, and probability of success, including but not limited to the following factors:

(1) proposed scope of health services;

(2) clinical management plan;

(3) governance;

(4) financial and administrative management; and

(5) community support, integration, collaboration, resources, and innovation.

The commissioner may elect not to award any of the community health center grants if applications fail to meet criteria or lack merit. The commissioner's decision on an application is final.

Subd. 6. [ELIGIBLE EXPENDITURES.] Grant recipients may use grant funds for the following types of expenditures:

(1) salaries and benefits for employees, to the extent they are involved in project planning and implementation;

(2) purchase, repair, and maintenance of necessary medical and dental equipment and furnishings;

- (3) purchase of office, medical, and dental supplies;
- (4) in-state travel to obtain training or improve coordination;
- (5) initial operating expenses of community health centers;
- (6) programs or plans to improve the coordination, effectiveness, or efficiency of the primary health care delivery system;
- (7) facilities;
- (8) necessary consultant fees; and
- (9) reimbursement to rural-based primary care practitioners for equipment, supplies, and furnishings that are transferred to community health centers. Up to 65 percent of the grant funds may be used to reimburse owners of rural practices for the reasonable market value of usable facilities, equipment, furnishings, supplies, and other resources that the community health center chooses to purchase.

Grant funds shall not be used to reimburse applicants for preexisting debt amortization, entertainment, and lobbying expenses.

Subd. 7. [SPECIAL CONSIDERATION.] The commissioner, through the office of rural health, shall make special efforts to identify areas of the state where need is the greatest, notify representatives of those areas about grant opportunities, and encourage them to submit applications.

Subd. 8. [REQUIREMENTS.] The commissioner shall develop a list of requirements for community health centers and a tracking and reporting system to assess benefits realized from the program to ensure that projects are on schedule and effectively utilizing state funds.

The commissioner shall require community health centers established through the grant program to:

- (1) abide by all federal and state laws, rules, regulations, and executive orders;
- (2) establish policies, procedures, and services equivalent to those required for federally certified rural health clinics or federally qualified health centers. Written policies are required for description of services, medical management, drugs, biologicals and review of policies;
- (3) become a Minnesota nonprofit corporation and apply for 501(c)(3) tax-exempt status within six months of accepting state funding. Local governmental or tribal entities are exempt from this requirement;
- (4) establish a governing board composed of nine to 25 members who are residents of the area served and representative of the social, economic, linguistic, ethnic, and racial target population. At least 35 percent of the board must represent consumers;
- (5) establish corporate bylaws that reflect all functions and responsibilities of the board;
- (6) develop an appropriate management and organizational structure with clear lines of authority and responsibility to the board;
- (7) provide for adequate patient management and continuity of care on site and from referral sources;
- (8) establish quality assurance and risk management programs, policies, and procedures;
- (9) develop a strategic staffing plan to acquire an appropriate mix of primary care providers and clinical support staff;
- (10) establish billing policies and procedures to maximize patient collections, except where federal regulations or contractual obligations prohibit the use of these measures;
- (11) develop and implement policies and procedures, including a sliding scale fee schedule, that assure that no person will be denied services because of inability to pay;

- (12) establish an accounting and internal control system in accordance with sound financial management principles;
- (13) provide a local match equal to 20 percent of the grant amount;
- (14) work cooperatively with the local community and other health care organizations, other grant recipients, and the office of rural health;
- (15) obtain an independent annual audit and submit audit results to the office of rural health;
- (16) maintain detailed records and, upon request, make these records available to the commissioner for examination; and
- (17) pursue supplemental funding sources, when practical, for implementation and initial operating expenses.

Subd. 9. [PRECAUTIONS.] The commissioner may withhold, delay, or cancel grant funding if a grant recipient does not comply with program requirements and objectives.

Subd. 10. [TECHNICAL ASSISTANCE.] The commissioner may provide, contract for, or provide supplemental funding for technical assistance to community health centers in the areas of clinical operations, medical practice management, community development, and program management.

Sec. 36. [144.1492] [PHYSICIAN SUBSTITUTE DEMONSTRATION PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health, through the office of rural health, shall establish and administer a physician substitute (locum tenens and emergency room coverage) demonstration project at up to four rural demonstration sites within the state. The commissioner shall coordinate the administration of the project with the University of Minnesota health system. The commissioner may contract with a nonprofit rural health policy organization to establish, administer, and evaluate the physician substitute program.

Subd. 2. [PROJECT ACTIVITIES.] The project must:

- (1) encourage physicians to serve as substitute physicians for the demonstration sites;
- (2) provide a central register of physicians interested in serving as physician substitutes at the demonstration sites;
- (3) provide a referral service for requests from demonstration sites for physician substitutes; and
- (4) provide physician substitute services, at rates that reflect the administrative savings resulting from centralized referral and credentialing.

Subd. 3. [UNIVERSITY OF MINNESOTA HEALTH SYSTEM.] The commissioner shall seek the assistance of the University of Minnesota health system in credentialing persons desiring to serve as physician substitutes. The University of Minnesota health system may employ physician substitutes serving in the demonstration project as temporary clinical faculty and may provide physician substitutes with additional opportunities for professional education and interaction.

Subd. 4. [DEMONSTRATION SITES.] The commissioner shall designate up to four rural communities as demonstration sites for the project. The commissioner shall choose sites based on a community's need for physician substitute services and the willingness of the community to work cooperatively with the commissioner and the University of Minnesota health system and participate in the demonstration project evaluation.

Subd. 5. [EVALUATION.] The commissioner shall evaluate the demonstration project and shall present an evaluation report to the legislature by January 15, 1995. The evaluation must identify any modifications necessary to improve the effectiveness of the project. The evaluation must also include a recommendation on whether the demonstration project should be extended to other areas of the state.

Sec. 37. [144.1493] [STATE RURAL HEALTH NETWORK REFORM INITIATIVE.]

Subdivision 1. [PURPOSE AND MATCHING FUNDS.] The commissioner of health shall apply for federal grant funding under the state rural health network reform initiative, a health care financing administration program to provide grant funds to states to encourage innovations in rural health financing and delivery systems. The

commissioner may use state funds appropriated to the department of health for the provision of technical assistance for community integrated service network development as matching funds for the federal grant.

Subd. 2. [USE OF FEDERAL FUNDS.] If the department of health receives federal funding under the state rural health network reform initiative, the department shall use these funds to implement a program to provide technical assistance and grants to rural communities to establish health care networks and to develop and test a rural health network reform model.

Subd. 3. [ELIGIBLE APPLICANTS AND CRITERIA FOR AWARDING OF GRANTS TO RURAL COMMUNITIES.] (a) Funding which the department receives to award grants to rural communities to establish health care networks shall be awarded through a request for proposal process. Planning grant funds may be used for community facilitation and initial network development activities including incorporation as a nonprofit organization or cooperative, assessment of network models, and determination of the best fit for the community. Implementation grant funds can be used to enable incorporated nonprofit organizations and cooperatives to purchase technical services needed for further network development such as legal, actuarial, financial, marketing, and administrative services.

(b) In order to be eligible to apply for a planning or implementation grant under the federally funded health care network reform program, an organization must be located in a rural area of Minnesota excluding the seven-county Twin Cities metropolitan area and the census-defined urbanized areas of Duluth, Rochester, St. Cloud, and Moorhead. The proposed network organization must also meet or plan to meet the criteria for a community integrated service network.

(c) In determining which organizations will receive grants, the commissioner may consider the following factors:

(1) the applicant's description of their plans for health care network development, their need for technical assistance, and other technical assistance resources available to the applicant. The applicant must clearly describe the service area to be served by the network, how the grant funds will be used, what will be accomplished, and the expected results. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations;

(2) the extent of community support for the applicant and the health care network. The applicant should demonstrate support from private and public health care providers in the service area, local community and government leaders, and the regional coordinating board for the area. Evidence of such support may include commitment of financial support, in-kind services or cash, for development of the network;

(3) the size and demographic characteristics of the population in the service area for the proposed network and the distance of the service area from the nearest metropolitan area; and

(4) the technical assistance resources available to the applicant from nonstate sources and the financial ability of the applicant to purchase technical assistance services with nonstate funds.

Sec. 38. Minnesota Statutes 1992, section 144.581, subdivision 2, is amended to read:

Subd. 2. [USE OF HOSPITAL FUNDS FOR CORPORATE PROJECTS.] In the event that the municipality, political subdivision, state agency, or other governmental entity provides direct financial subsidy to the hospital from tax revenue at the time an undertaking authorized under subdivision 1, clauses (a) to (g), is established or funded, the hospital may not contribute funds to the undertaking for more than three years and thereafter all funds must be repaid, with interest in no more than ten years.

Sec. 39. Minnesota Statutes 1992, section 145.64, subdivision 1, is amended to read:

Subdivision 1. [DATA AND INFORMATION.] All data and information acquired by a review organization, in the exercise of its duties and functions, shall be held in confidence, shall not be disclosed to anyone except to the extent necessary to carry out one or more of the purposes of the review organization, and shall not be subject to subpoena or discovery. No person described in section 145.63 shall disclose what transpired at a meeting of a review organization except to the extent necessary to carry out one or more of the purposes of a review organization. The proceedings and records of a review organization shall not be subject to discovery or introduction into evidence in any civil action against a professional arising out of the matter or matters which are the subject of consideration by the review organization. Information, documents or records otherwise available from original sources shall not be immune from discovery or use in any civil action merely because they were presented during proceedings of a review

organization, nor shall any person who testified before a review organization or who is a member of it be prevented from testifying as to matters within the person's knowledge, but a witness cannot be asked about the witness' testimony before a review organization or opinions formed by the witness as a result of its hearings.

The confidentiality protection and protection from discovery or introduction into evidence provided in this subdivision shall also apply to the governing body of the review organization and shall not be waived as a result of referral of a matter from the review organization to the governing body or consideration by the governing body of decisions, recommendations, or documentation of the review organization.

The governing body of a hospital, community integrated service network, or integrated service network, that is owned or operated by a governmental entity, may close a meeting to discuss decisions, recommendations, deliberations, or documentation of the review organization. A meeting may not be closed except by a majority vote of the governing body in a public meeting. The closed meeting must be tape recorded and the tape must be retained by the governing body for five years.

Sec. 40. Minnesota Statutes 1993 Supplement, section 256.9352, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL MANAGEMENT.] (a) The commissioner shall manage spending for the health right plan in a manner that maintains a minimum reserve equal to five percent of the expected cost of state premium subsidies. The commissioner must make a quarterly assessment of the expected expenditures for the covered services for the remainder of the current fiscal year and for the following two fiscal years. The estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access fund. Based on this comparison, and after consulting with the chairs of the house ways and means committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall make adjustments as necessary to ensure that expenditures remain within the limits of available revenues. The adjustments the commissioner may use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the health right plan; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the health right plan. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner may further limit enrollment or decrease premium subsidies.

The reserve referred to in this subdivision is appropriated to the commissioner but may only be used upon approval of the commissioner of finance, if estimated costs will exceed the forecasted amount of available revenues after all adjustments authorized under this subdivision have been made.

By February 1, 1994 1995, the department of human services and the department of health shall develop a plan to adjust benefit levels, eligibility guidelines, or other steps necessary to ensure that expenditures for the MinnesotaCare program are contained within the two percent provider tax and the one percent HMO gross premiums tax ~~for the 1996-1997 biennium fiscal year 1997. Notwithstanding any law to the contrary, no further enrollment in MinnesotaCare, and no additional hiring of staff for the departments shall take place after June 1, 1994, unless a plan to balance the MinnesotaCare budget for the 1996-1997 biennium has been passed by the 1994 legislature.~~

(b) Notwithstanding paragraph (a), the commissioner shall proceed with the enrollment of single adults and households without children who have gross family incomes that are equal to or less than 125 percent of the federal poverty guidelines, even if the expenditures do not remain within the limits of available revenues through fiscal year 1997, in order to allow the department of human services and the department of health to develop the plan required by paragraph (a).

Sec. 41. Minnesota Statutes 1993 Supplement, section 256.9354, subdivision 5, is amended to read:

Subd. 5. [ADDITION OF SINGLE ADULTS AND HOUSEHOLDS WITH NO CHILDREN.] (a) Beginning July October 1, 1994, "eligible persons" ~~means shall include all families and individuals individuals and households with no children who have gross family incomes that are equal to or less than 125 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B.~~

(b) Beginning October 1, 1995, "eligible persons" means all individuals and families who are not eligible for medical assistance under chapter 256B.

~~(c) These persons~~ All eligible persons under paragraphs (a) and (b) are eligible for coverage through the MinnesotaCare plan program but must pay a premium as determined under sections 256.9357 and 256.9358. Individuals and families whose income is greater than the limits established under section 256.9358 may not enroll in the MinnesotaCare plan program.

Sec. 42. Minnesota Statutes 1992, section 256.9358, subdivision 4, is amended to read:

Subd. 4. ~~[INELIGIBILITY.] An individual or family~~ Families with children whose gross monthly income is above the amount specified in subdivision 3 are not eligible for the plan. Beginning October 1, 1994, an individual or households with no children whose gross monthly income is greater than \$767 for a single individual and \$1,025 for a married couple without children are ineligible for the plan. Beginning October 1, 1995, an individual or families whose gross monthly income is above the amount specified in subdivision 3 are not eligible for the plan.

Sec. 43. Minnesota Statutes 1993 Supplement, section 151.21, subdivision 7, is amended to read:

Subd. 7. ~~This section does not apply to prescription drugs dispensed to persons covered by a health plan that covers prescription drugs under a managed care formulary or similar practices. This section does not apply when a pharmacist is dispensing a prescribed drug to persons covered under a managed health care plan that maintains a mandatory or closed drug formulary.~~

Sec. 44. Minnesota Statutes 1993 Supplement, section 151.21, subdivision 8, is amended to read:

Subd. 8. ~~The following drugs are excluded from this section: coumadin, dilantin, lanoxin, premarin, theophylline, synthroid, tegretol, and phenobarbital. The drug formulary committee established under section 256B.0625, subdivision 13, shall establish a list of drug products that are to be excluded from this section. This list shall be updated on an annual basis and shall be provided to the board for dissemination to pharmacists licensed in the state.~~

Sec. 45. Minnesota Statutes 1993 Supplement, section 256.9354, is amended by adding a subdivision to read:

Subd. 7. ~~[GENERAL ASSISTANCE MEDICAL CARE.] A person cannot have coverage under both MinnesotaCare and general assistance medical care in the same month, except that a MinnesotaCare enrollee may be eligible for retroactive general assistance medical care according to section 256D.03, subdivision 3, paragraph (b).~~

Sec. 46. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 6, is amended to read:

Subd. 6. ~~[COPAYMENTS AND BENEFIT LIMITS.] Enrollees are responsible for all copayments in section 256.9353, subdivision 6, and shall pay copayments to the managed care plan or to its participating providers. The enrollee is also responsible for payment of inpatient hospital charges which exceed the MinnesotaCare benefit limit to the managed care plan or its participating providers.~~

Sec. 47. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 7, is amended to read:

Subd. 7. ~~[MANAGED CARE PLAN VENDOR REQUIREMENTS.] The following requirements apply to all counties or vendors who contract with the department of human services to serve MinnesotaCare recipients. Managed care plan contractors:~~

(1) shall authorize and arrange for the provision of the full range of services listed in section 256.9353 in order to ensure appropriate health care is delivered to enrollees;

(2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;

(3) may contract with other health care and social service practitioners to provide services to enrollees;

(4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;

(5) shall retain all revenue from enrollee copayments;

(6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;

(7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D; and

(8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

~~(9) shall submit to the commissioner claims in the format specified by the commissioner of human services for all hospital services provided to enrollees for the purpose of determining whether enrollees meet medical assistance spend-down requirements and shall provide to the enrollee, upon the enrollee's request, information on the cost of services provided to the enrollee by the managed care plan for the purpose of establishing whether the enrollee has met medical assistance spend-down requirements.~~

Sec. 48. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 9, is amended to read:

Subd. 9. [RATE SETTING.] Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

Sec. 49. Minnesota Statutes 1993 Supplement, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH MAINTENANCE ORGANIZATION; INTEGRATED SERVICE NETWORK SURCHARGE.] (a) Effective October 1, 1992, each health maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D and each integrated service network and community integrated service network licensed by the commissioner under ~~sections 62N.01 to 62N.22~~ chapter 62N shall pay to the commissioner of human services a surcharge equal to six-tenths of one percent of the total premium revenues of the health maintenance organization, or integrated service network, or community integrated service network as reported to the commissioner of health according to the schedule in subdivision 4.

(b) For purposes of this subdivision, total premium revenue means:

(1) premium revenue recognized on a prepaid basis from individuals and groups for provision of a specified range of health services over a defined period of time which is normally one month, excluding premiums paid to a health maintenance organization, integrated service network, or community integrated service network from the Federal Employees Health Benefit Program;

(2) premiums from Medicare wrap-around subscribers for health benefits which supplement Medicare coverage;

(3) Medicare revenue, as a result of an arrangement between a health maintenance organization, an integrated service network, or a community integrated service network and the health care financing administration of the federal Department of Health and Human Services, for services to a Medicare beneficiary; and

(4) medical assistance revenue, as a result of an arrangement between a health maintenance organization, integrated service network, or community integrated service network and a Medicaid state agency, for services to a medical assistance beneficiary.

If advance payments are made under clause (1) or (2) to the health maintenance organization, integrated service network, or community integrated service network for more than one reporting period, the portion of the payment that has not yet been earned must be treated as a liability.

Sec. 50. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 4, is amended to read:

Subd. 4. [HEALTH CARE PROVIDER.] (a) "Health care provider" means:

(1) a person furnishing any or all of the following goods or services directly to a patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services, drugs, medical supplies, medical appliances, laboratory, diagnostic or therapeutic services, or any goods and services not listed above that qualifies for reimbursement under the medical assistance program provided under chapter 256B;

- (2) a staff model health ~~carrier plan company~~; or
- (3) a licensed ambulance service.

(b) Health care provider does not include hospitals, nursing homes licensed under chapter 144A, pharmacies, and surgical centers.

Sec. 51. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 12b, is amended to read:

Subd. 12b. [STAFF MODEL HEALTH ~~CARRIER PLAN COMPANY~~.] "Staff model health ~~carrier plan company~~" means a health ~~carrier plan company~~ as defined in section ~~62L.02, subdivision 16~~ 62Q.01, subdivision 4, which employs one or more types of health care provider to deliver health care services to the health ~~carrier's plan company's~~ enrollees.

Sec. 52. [317A.022] [ELECTION BY CERTAIN CHAPTER 318 ASSOCIATIONS.]

Subdivision 1. [GENERAL.] An association described in section 318.02, subdivision 5, may elect to cease to be an association subject to and governed by chapter 318 and to become subject to and governed by this chapter in the same manner and to the extent provided in this chapter as though it were a nonprofit corporation by complying with this section.

Subd. 2. [AMENDED TITLE AND OTHER CONFORMING AMENDMENTS.] The declaration of trust, as defined in section 318.02, subdivision 1, of the association must be amended to identify it as the "articles of an association electing to be treated as a nonprofit corporation." All references in this chapter to "articles" or "articles of incorporation" include the declaration of trust of an electing association. If the declaration of trust includes a provision prohibited by this chapter for inclusion in articles of incorporation, omits a provision required by this chapter to be included in articles of incorporation, or is inconsistent with this chapter, the electing association shall amend its declaration of trust to conform to the requirements of this chapter. The appropriate provisions of the association's declaration of trust or bylaws or chapter 318 control the manner of adoption of the amendments required by this subdivision.

Subd. 3. [METHOD OF ELECTION.] An election by an association under subdivision 2 must be made by resolution approved by the affirmative vote of the trustees of the association and by the affirmative vote of the members or other persons with voting rights in the association. The affirmative vote of both the trustees of the association and of the members or other persons with voting rights, if any, in the association must be of the same proportion that is required for an amendment of the declaration of trust of the association before the election, in each case upon proper notice that a purpose of the meeting is to consider an election by the association to cease to be an association subject to and governed by chapter 318 and to become and be a nonprofit corporation subject to and governed by this chapter. The resolution and the articles of the amendment of the declaration of trust must be filed with the secretary of state and are effective upon filing, or a later date as may be set forth in the filed resolution. Upon the effective date, without any other action or filing by or on behalf of the association, the association automatically is subject to this chapter in the same manner and to the same extent as though it had been formed as a nonprofit corporation pursuant to this chapter. Upon the effective date of the election, the association is not considered to be a new entity, but is considered to be a continuation of the same entity.

Subd. 4. [EFFECTS OF ELECTION.] Upon the effective date of an association's election under subdivision 3, and consistent with the continuation of the association under this chapter:

(1) the organization has the rights, privileges, immunities, powers, and is subject to the duties and liabilities, of a corporation formed under this chapter;

(2) all real or personal property, debts, including debts arising from a subscription for membership and interests belonging to the association, continue to be the real and personal property, and debts of the organization without further action;

(3) an interest in real estate possessed by the association does not revert to the grantor, or otherwise, nor is it in any way impaired by reason of the election, and the personal property of the association does not revert by reason of the election;

(4) except where the will or other instrument provides otherwise, a devise, bequest, gift, or grant contained in a will or other instrument, in a trust or otherwise, made before or after the election has become effective, to or for the association, inures to the organization;

(5) the debts, liabilities, and obligations of the association continue to be the debts, liabilities, and obligations of the organization, just as if the debts, liabilities, and obligations had been incurred or contracted by the organization after the election;

(6) existing claims or a pending action or proceeding by or against the association may be prosecuted to judgment as though the election had not been affected;

(7) the liabilities of the trustees, members, officers, directors, or similar groups or persons, however denominated, of the association, are not affected by the election;

(8) the rights of creditors or liens upon the property of the association are not impaired by the election;

(9) an electing association may merge with one or more nonprofit corporations in accordance with the applicable provisions of this chapter, and either the association or a nonprofit corporation may be the surviving entity in the merger; and

(10) the provisions of the bylaws of the association that are consistent with this chapter remain or become effective and provisions of the bylaws that are inconsistent with this chapter are not effective.

Sec. 53. Minnesota Statutes 1992, section 318.02, is amended by adding a subdivision to read:

Subd. 5. [ELECTION TO BE GOVERNED BY CHAPTER 317A.] An association may cease to be subject to or governed by this chapter by filing an election in the manner described in section 317A.022, to be subject to and governed by chapter 317A in the same manner and to the same extent provided in chapter 317A as though it were a nonprofit corporation if:

(1) it is not formed for a purpose involving pecuniary gain to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government; and

(2) it does not pay dividends or other pecuniary remuneration, directly or indirectly, to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government.

Sec. 54. [APPROPRIATION.]

(a) \$..... is appropriated from the general fund to the commissioner of health for the fiscal year ending June 30, 1995, to establish and implement the physician substitute program under section 34.

(b) \$..... is appropriated from the general fund to the regents of the University of Minnesota for the fiscal year ending June 30, 1995, for costs incurred by the University of Minnesota Health System in credentialing physician substitutes and employing physician substitutes as temporary clinical faculty under section 34.

(c) \$..... is appropriated from the general fund to the commissioner of employee relations for the fiscal year ending June 30, 1995, to administer salary ratio limitations under section 1.

Sec. 55. [REPEALER.]

Minnesota Statutes 1992, section 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16, are repealed.

Sec. 56. [EFFECTIVE DATE.]

Sections 2 to 4, 6 to 18, 21 to 33, 37, 40 to 42, 52, and 53 are effective the day following final enactment. Sections 1, 20, 35, 36, 38, 44, and 54 are effective July 1, 1994. Section 5 is effective January 1, 1995.

ARTICLE 9

ADMINISTRATIVE SIMPLIFICATION

Section 1. [62J.50] [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] Sections 62J.50 to 62J.61 may be cited as the Minnesota health care administrative simplification act of 1994.

Subd. 2. [PURPOSE.] The legislature finds that significant savings throughout the health care industry can be accomplished by implementing a set of administrative standards and simplified procedures and by setting forward a plan toward the use of electronic methods of data interchange. The legislature finds that initial steps have been taken at the national level by the federal health care financing administration in its implementation of nationally accepted electronic transaction sets for its medicare program. The legislature further recognizes the work done by the workgroup for electronic data interchange and the American national standards institute and its accredited standards committee X12, at the national level, and the Minnesota administrative uniformity committee, a statewide, voluntary, public-private group representing payers, hospitals, state programs, physicians, and other health care providers in their work toward administrative simplification in the health care industry.

Sec. 2. [62J.51] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 62J.50 to 62J.61, the following definitions apply.

Subd. 2. [ANSI.] "ANSI" means the American national standards institute.

Subd. 3. [ASCX12] "ASC X12" means the American national standards institute committee X12.

Subd. 4. [CATEGORY I INDUSTRY PARTICIPANTS.] "Category I industry participants" means the following group purchasers, providers, and other health care organizations doing business in Minnesota including public and private payers: hospitals; self-insured plans and employers with more than 100 employees; clinic laboratories; durable medical equipment suppliers with a volume of at least 50,000 claims or encounters per year; and group practices with 20 or more physicians.

Subd. 5. [CATEGORY II INDUSTRY PARTICIPANTS.] "Category II industry participants" means all group purchasers and providers doing business in Minnesota not classified as category I industry participants.

Subd. 6. [CLAIM PAYMENT/ADVICE TRANSACTION SET (ANSI ASC X12 835).] "Claim payment/advice transaction set (ANSI ASC X12 835)" means the electronic transaction format developed and approved for implementation in October 1991, and used for electronic remittance advice and electronic funds transfer.

Subd. 7. [CLAIM SUBMISSION TRANSACTION SET (ANSI ASC X12 837).] "Claim submission transaction set (ANSI ASC X12 837)" means the electronic transaction format developed and approved for implementation in October 1992, and used to submit all health care claims information.

Subd. 8. [EDI.] "EDI" or "electronic data interchange" means the computer application to computer application exchange of information using nationally accepted standard formats.

Subd. 9. [ELIGIBILITY TRANSACTION SET (ANSI ASC X12 270/271).] "Eligibility transaction set (ANSI ASC X12 270/271)" means the transaction format developed and approved for implementation in February 1993, and used by providers to request and receive coverage information on the member or insured.

Subd. 10. [ENROLLMENT TRANSACTION SET (ANSI ASC X12 834).] "Enrollment transaction set (ANSI ASC X12 834)" means the electronic transaction format developed and approved for implementation in February 1992, and used to transmit enrollment and benefit information from the employer to the payer for the purpose of enrolling in a benefit plan.

Subd. 11. [GROUP PURCHASER.] "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

Subd. 12. [ISO.] "ISO" means the international standardization organization.

Subd. 13. [NCPDP.] "NCPDP" means the national council for prescription drug programs, inc.

Subd. 14. [NCPDP TELECOMMUNICATION STANDARD FORMAT 3.2.] "NCPDP telecommunication standard format 3.2" means the recommended transaction sets for claims transactions adopted by the membership of NCPDP in 1992.

Subd. 15. [NCPDP TAPE BILLING AND PAYMENT FORMAT 2.0.] "NCPDP tape billing and payment format 2.0" means the recommended transaction standards for batch processing claims adopted by the membership of the NCPDP in 1993.

Subd. 16. [PROVIDER.] "Provider" or "health care provider" has the meaning given in section 62J.03, subdivision 8.

Subd. 17. [UNIFORM BILLING FORM HCFA 1450.] "Uniform billing form HCFA 1450" means the uniform billing form known as the HCFA 1450 or UB92, developed by the national uniform billing committee in 1992 and approved for implementation in October 1993.

Subd. 18. [UNIFORM BILLING FORM HCFA 1500.] "Uniform billing form HCFA 1500" means the 1990 version of the health insurance claim form, HCFA 1500, developed by the uniform claims form task force of the federal health care financing administration.

Subd. 19. [UNIFORM DENTAL BILLING FORM.] "Uniform dental billing form" means the 1990 uniform dental claim form developed by the American dental association.

Subd. 20. [UNIFORM PHARMACY BILLING FORM.] "Uniform pharmacy billing form" means the national council for prescription drug programs/universal claim form (NCPDP/UCF).

Subd. 21. [WEDI.] "WEDI" means the national workgroup for electronic data interchange report issued in October, 1993.

Sec. 3. [62J.52] [ESTABLISHMENT OF UNIFORM BILLING FORMS.]

Subdivision 1. [UNIFORM BILLING FORM HCFA 1450.] (a) On and after January 1, 1996, all institutional inpatient hospital services, ancillary services, and institutionally owned or operated outpatient services rendered by providers in Minnesota, that are not being billed using an equivalent electronic billing format, must be billed using the uniform billing form HCFA 1450, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1450 shall be in accordance with the uniform billing form manual specified by the commissioner. In promulgating these instructions, the commissioner may utilize the manual developed by the national uniform billing committee, as adopted and finalized by the Minnesota uniform billing committee.

(c) Services to be billed using the uniform billing form HCFA 1450 include: institutional inpatient hospital services and distinct units in the hospital such as psychiatric unit services, physical therapy unit services, swing bed (SNF) services, inpatient state psychiatric hospital services, inpatient skilled nursing facility services, home health services (Medicare part A), and hospice services; ancillary services, where benefits are exhausted or patient has no Medicare part A, from hospitals, state psychiatric hospitals, skilled nursing facilities, and home health (Medicare part B); and institutionally owned or operated outpatient services such as hospital outpatient services, including ambulatory surgical center services, hospital referred laboratory services, hospital-based ambulance services, and other hospital outpatient services, skilled nursing facilities, home health, including infusion therapy, freestanding renal dialysis centers, comprehensive outpatient rehabilitation facilities (CORF), outpatient rehabilitation facilities (ORF), rural health clinics, community mental health centers, and any other health care provider certified by the Medicare program to use this form.

(d) On and after January 1, 1996, a mother and newborn child must be billed separately, and must not be combined on one claim form.

Subd. 2. [UNIFORM BILLING FORM HCFA 1500.] (a) On and after January 1, 1996, all noninstitutional health care services rendered by providers in Minnesota except dental or pharmacy providers, that are not currently being billed using an equivalent electronic billing format, must be billed using the health insurance claim form HCFA 1500, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1500 shall be in accordance with the manual developed by the administrative uniformity committee entitled standards for the use of the HCFA 1500 form, dated February 1994, as further defined by the commissioner.

(c) Services to be billed using the uniform billing form HCFA 1500 include physician services and supplies, durable medical equipment, noninstitutional ambulance services, independent ancillary services including occupational therapy, physical therapy, speech therapy and audiology, podiatry services, optometry services, mental health licensed professional services, substance abuse licensed professional services, nursing practitioner professional services, certified registered nurse anesthetists, chiropractors, physician assistants, laboratories, medical supplies, and other health care providers such as home health intravenous therapy providers, personal care attendants, day activity centers, waived services, hospice, and other home health services, and freestanding ambulatory surgical centers.

Subd. 3. [UNIFORM DENTAL BILLING FORM.] (a) On and after January 1, 1996, all dental services provided by dental care providers in Minnesota, that are not currently being billed using an equivalent electronic billing format, shall be billed using the American dental association uniform dental billing form.

(b) The instructions and definitions for the use of the uniform dental billing form shall be in accordance with the manual developed by the administrative uniformity committee dated February 1994, and as amended or further defined by the commissioner.

Subd. 4. [UNIFORM PHARMACY BILLING FORM.] On and after January 1, 1996, all pharmacy services provided by pharmacists in Minnesota that are not currently being billed using an equivalent electronic billing format shall be billed using the NCPDP/universal claim form, except as provided in subdivision 5.

Subd. 5. [STATE AND FEDERAL HEALTH CARE PROGRAMS.] (a) Skilled nursing facilities and ICF-MR services billed to state and federal health care programs administered by the department of human services shall use the form designated by the department of human services.

(b) On and after July 1, 1996, state and federal health care programs administered by the department of human services shall accept the HCFA 1450 for community mental health center services and shall accept the HCFA 1500 for freestanding ambulatory surgical center services.

(c) State and federal health care programs administered by the department of human services shall be authorized to use the forms designated by the department of human services for pharmacy services and for child and teen checkup services.

(d) State and federal health care programs administered by the department of human services shall accept the form designated by the department of human services, and the HCFA 1500 for supplies, medical supplies or durable medical equipment. Health care providers may choose which form to submit.

Sec. 4. [62J.53] [ACCEPTANCE OF UNIFORM BILLING FORMS BY GROUP PURCHASERS.]

On and after January 1, 1996, all category I and II group purchasers in Minnesota shall accept the uniform billing forms prescribed under section 62J.52 as the only nonelectronic billing forms used for payment processing purposes.

Sec. 5. [62J.54] [IDENTIFICATION AND IMPLEMENTATION OF UNIQUE IDENTIFIERS.]

Subdivision 1. [UNIQUE IDENTIFICATION NUMBER FOR HEALTH CARE PROVIDER ORGANIZATIONS.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify health care provider organizations, except as provided in paragraph (d).

(b) Following the recommendation of the workgroup for electronic data interchange, the federal tax identification number assigned to each health care provider organization by the internal revenue service of the department of the treasury shall be used as the unique identification number for health care provider organizations.

(c) The unique health care provider organization identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the medicaid management information system or the unique physician identification number (UPIN) assigned by the health care financing administration.

Subd. 2. [UNIQUE IDENTIFICATION NUMBER FOR INDIVIDUAL HEALTH CARE PROVIDERS.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify an individual health care provider, except as provided in paragraph (d).

(b) The Unique Identification Number (UPIN) assigned by the health care financing administration shall be used as the unique identification number for individual health care providers. Providers who do not currently have a UPIN number shall request one from the health care financing administration.

(c) The unique individual health care provider identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the medicaid management information system or the unique physician identification number (UPIN) assigned by the health care financing administration.

Subd. 3. [UNIQUE IDENTIFICATION NUMBER FOR GROUP PURCHASERS.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify group purchasers.

(b) The federal tax identification number assigned to each group purchaser by the internal revenue service of the department of the treasury shall be used as the unique identification number for group purchasers. This paragraph applies until the codes described in paragraph (c) are available and feasible to use, as determined by the commissioner.

(c) A two-part code, consisting of 11 characters and modeled after the national association of insurance commissioners company code shall be assigned to each group purchaser and used as the unique identification number for group purchasers. The first six characters, or prefix, shall contain the numeric code, or company code, assigned by the national association of insurance commissioners. The last five characters, or suffix, which is optional, shall contain further codes that will enable group purchasers to further route electronic transaction in their internal systems.

(d) The unique group purchaser identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

Subd. 4. [UNIQUE PATIENT IDENTIFICATION NUMBER.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify each patient who receives health care services in Minnesota, except as provided in paragraph (e).

(b) Following the recommendation of the workgroup for electronic data interchange, the social security number of the patient shall be used as the unique patient identification number.

(c) The unique patient identification number shall be used by group purchasers and health care providers for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The commissioner shall develop an alternate numbering system for patients who do not have or refuse to provide a social security number. This provision does not require that patients provide their social security numbers and does not require group purchasers or providers to demand that patients provide their social security numbers.

(e) The state and federal health care programs administered by the department of human services shall use the unique person master index (PMI) identification number assigned to clients participating in programs administered by the department of human services.

Sec. 6. [62J.55] [PRIVACY OF UNIQUE IDENTIFIERS.]

(a) When the unique identifiers specified in section 62J.54 are used for data collection purposes, the identifiers must be encrypted, as required in section 62J.30, subdivision 6. Encryption must follow encryption standards set by the national bureau of standards and approved by the American national standards institute as ANSI X3.92-1982/R 1987 to protect the confidentiality of the data. Social security numbers must not be maintained in unencrypted form in the database, and the data must never be released in a form that would allow for the identification of individuals. The encryption algorithm and hardware used must not use clipper chip technology.

(b) Providers and group purchasers shall treat the social security number as confidential, private data and shall maintain strict confidentiality of medical records and data files. Social security numbers must not be used to link with non-health-related data under any circumstances.

Sec. 7. [62J.56] [IMPLEMENTATION OF ELECTRONIC DATA INTERCHANGE STANDARDS.]

Subdivision 1. [GENERAL PROVISIONS.] (a) The legislature finds that there is a need to advance the use of electronic methods of data interchange among all health care participants in the state in order to achieve significant administrative cost savings. The legislature also finds that in order to advance the use of health care electronic data interchange in a cost-effective manner, the state needs to implement electronic data interchange standards that are nationally accepted, widely recognized, and available for immediate use. The legislature intends to set forth a plan for a systematic phase-in of uniform health care electronic data interchange standards in all segments of the health care industry.

(b) The commissioner of health, with the advice of the Minnesota health data institute and the Minnesota administrative uniformity committee, shall administer the implementation of and monitor compliance with, electronic data interchange standards of health care participants, according to the plan provided in this section.

(c) The commissioner may grant exemptions to category I and II industry participants from the requirements to implement some or all of the provisions in this section if the commissioner determines that the cost of compliance would place the organization in financial distress, or if the commissioner determines that appropriate technology is not available to the organization.

Subd. 2. [IDENTIFICATION OF CORE TRANSACTION SETS.] (a) All category I and II industry participants in Minnesota shall comply with the standards developed by the ANSI ASC X12 for the following core transaction sets, according to the implementation plan outlined for each transaction set.

(1) ANSI ASC X12 835 health care claim payment/advice transaction set.

(2) ANSI ASC X12 837 health care claim transaction set.

(3) ANSI ASC X12 834 health care enrollment transaction set.

(4) ANSI ASC X12 270/271 health care eligibility transaction set

(b) The commissioner, with the advice of the Minnesota health data institute and the Minnesota administrative uniformity committee, and in coordination with federal efforts, may approve the use of new ASC X12 standards as they become available, or other nationally recognized standards, where appropriate ASC X12 standards are not available for use. These alternative standards may be used during a transition period while ASC X12 standards are developed.

Subd. 3. [IMPLEMENTATION GUIDES.] (a) The commissioner, with the advice of the Minnesota administrative uniformity committee, and the Minnesota Center for Health Care Electronic Data Interchange shall review and recommend the use of guides to implement the core transaction sets. Implementation guides must contain the background and technical information required to allow health care participants to implement the transaction set in the most cost-effective way.

(b) The commissioner shall promote the development of implementation guides among health care participants for those business transaction types for which implementation guides are not available, to allow providers and group purchasers to implement electronic data interchange. In promoting the development of these implementation guides, the commissioner shall review the work done by the American hospital association through the national uniform billing committee and its state representative organization; the american medical association through the uniform claim task force; the american dental association; the national council of prescription drug programs; and the workgroup for electronic data interchange.

Sec. 8. [62J.57] [MINNESOTA CENTER FOR HEALTH CARE ELECTRONIC DATA INTERCHANGE.]

(a) It is the intention of the legislature to support, to the extent of funds appropriated for that purpose, the creation of the Minnesota center for health care electronic data interchange as a broad-based effort of public and private organizations representing group purchasers, health care providers, and government programs to advance the use of health care electronic data interchange in the state. The center shall attempt to obtain private sector funding to supplement legislative appropriations, and shall become self-supporting by the end of the second year.

(b) The Minnesota center for health care electronic data interchange shall facilitate the statewide implementation of electronic data interchange standards in the health care industry by:

(1) Coordinating and ensuring the availability of quality electronic data interchange education and training in the state;

(2) Developing an extensive, cohesive health care electronic data interchange education curriculum;

(3) Developing a communications and marketing plan to publicize electronic data interchange education activities, and the products and services available to support the implementation of electronic data interchange in the state;

(4) Administering a resource center that will serve as a clearinghouse for information relative to electronic data interchange, including the development and maintenance of a health care constituents data base, health care directory and resource library, and a health care communications network through the use of electronic bulletin board services and other network communications applications; and

(5) Providing technical assistance in the development of implementation guides, and in other issues including legislative, legal, and confidentiality requirements.

Sec. 9. [62].58] [IMPLEMENTATION OF STANDARD TRANSACTION SETS.]

Subdivision 1. [CLAIMS PAYMENT.] (a) By July 1, 1995, all category I industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic transfer of payment information.

(b) By July 1, 1996, all category II industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic submission of payment information to health care providers.

Subd. 2. [CLAIMS SUBMISSION.] Beginning July 1, 1995, all category I industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 837 health care claim transaction set (draft standard for trial use version 3030) for the electronic transfer of health care claim information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning July 1, 1996.

Subd. 3. [ENROLLMENT INFORMATION.] Beginning January 1, 1996, all category I industry participants, excluding pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 834 health care enrollment transaction set (draft standard for trial use version 3030) for the electronic transfer of enrollment and health benefit information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.

Subd. 4. [ELIGIBILITY INFORMATION.] By January 1, 1996, all category I industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 270/271 health care eligibility transaction set (draft standard for trial use version 3030) for the electronic transfer of health benefit eligibility information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.

Subd. 5. [APPLICABILITY.] This section does not require a group purchaser, health care provider, or employer to use electronic data interchange or to have the capability to do so. This section applies only to the extent that a group purchaser, health care provider, or employer chooses to use electronic data interchange.

Sec. 10. [62].59] [IMPLEMENTATION OF NCPDP TELECOMMUNICATIONS STANDARD FOR PHARMACY CLAIMS.]

(a) Beginning January 1996, all category I and II pharmacists licensed in this state shall accept the NCPDP telecommunication standard format 3.2 or the NCPDP tape billing and payment format 2.0 for the electronic submission of claims as appropriate.

(b) Beginning January 1996, all category I and category II group purchasers in this state shall use the NCPDP telecommunication standard format 3.2 or NCPDP tape billing and payment format 2.0 for electronic submission of payment information to pharmacists.

Sec. 11. [62J.60] [STANDARDS FOR THE MINNESOTA UNIFORM HEALTH CARE IDENTIFICATION CARD.]

Subdivision 1. [MINNESOTA HEALTH CARE IDENTIFICATION CARD.] All individuals with health care coverage shall be issued health care identification cards by group purchasers as of January 1, 1998. The health care identification cards shall comply with the standards prescribed in this section.

Subd. 2. [GENERAL CHARACTERISTICS.] (a) The Minnesota health care identification card must be a preprinted card constructed of plastic, paper, or any other medium that conforms with ANSI and ISO 7810 physical characteristics standards. The card dimensions must also conform to ANSI and ISO 7810 physical characteristics standard. The use of a signature panel is optional.

(b) The Minnesota health care identification card must have an essential information window in the front side with the following data elements left justified in the following top to bottom sequence: issuer name, issuer number, identification number, identification name. No optional data may be interspersed between these data elements. The window must be left justified.

(c) Standardized labels are required next to human readable data elements. The card issuer may decide the location of the standardized label relative to the data element.

Subd. 3. [HUMAN READABLE DATA ELEMENTS.] (a) The following are the minimum human readable data elements that must be present on the front side of the Minnesota health care identification card:

(1) Issuer name or logo, which is the name or logo that identifies the card issuer. The issuer name or logo may be the card's front background. No standard label is required for this data element;

(2) Issuer number, which is the unique card issuer number consisting of a base number assigned by a registry process followed by a suffix number assigned by the card issuer. The use of this element is mandatory within one year of the establishment of a process for this identifier. The standardized label for this element is "Issuer";

(3) Identification number, which is the unique identification number of the individual card holder established and defined under this section. The standardized label for the data element is "ID";

(4) Identification name, which is the name of the individual card holder. The identification name must be formatted as follows: first name, space, optional middle initial, space, last name, optional space and name suffix. The standardized label for this data element is "Name";

(5) Account number(s), which is any other number, such as a group number, if required for part of the identification or claims process. The standardized label for this data element is "Account";

(6) Care type, which is the description of the group purchaser's plan product under which the beneficiary is covered. The standardized label for this data element is "Care Type";

(7) Service type, which is the description of coverage provided such as hospital, dental, vision, prescription, or mental health. The standard label for this data element is "Svc Type";

(8) Employer name, which is the name of the employer of the primary beneficiary; and

(9) Union local name and number.

(b) The following human readable data elements shall be present on the back side of the Minnesota health identification card. These elements must be left justified, and no optional data elements may be interspersed between them:

(1) Claims submission name(s) and address(es), which are the name(s) and address(es) of the entity or entities to which claims should be submitted. If different destinations are required for different types of claims, this must be labeled;

(2) Telephone number(s) and name(s); which are the telephone number(s) and name(s) of the following contact(s) with a standardized label describing the service function as applicable:

(i) eligibility information;

(ii) utilization review;

(iii) precertification; and

(iv) customer services.

(c) All human readable data elements not required under paragraph (a) or (b) are optional and may be used at the issuer's discretion.

Subd. 4. [MACHINE READABLE DATA CONTENT.] The Minnesota health care identification card may be machine readable or nonmachine readable. If the card is machine readable, the card must contain a magnetic stripe that conforms to ANSI and ISO standards for Tracks 1. The machine readable record format must conform to the following record length and format standards.

Sec. 12. [62J.61] [RULEMAKING; IMPLEMENTATION.]

The commissioner of health is exempt from rulemaking in implementing sections 62J.50 to 62J.54, subdivision 3, and 62J.56 to 62J.59. The commissioner shall publish proposed rules in the State Register. Interested parties have 30 days to comment on the proposed rules. After the commissioner has considered all comments, the commissioner shall publish the final rules in the State Register 30 days before they are to take effect. The commissioner may use emergency and permanent rulemaking to implement the remainder of this article. The commissioner shall not adopt any rules requiring patients to provide their social security numbers unless and until federal laws are modified to allow or require such action, nor shall the commissioner adopt rules which allow medical records, claims, or other treatment or clinical data to be included on the health care identification card, except as specifically provided in this chapter.

Sec. 13. [COMMISSIONER; CONTINUED SIMPLIFICATION.] The commissioner of health shall continue to develop additional standard billing and administrative procedure simplification. These may include reduction or elimination of payer-required attachments to claims, standard formularies, standard format for direct patient billing, and increasing standardization of claims forms and EDI formats.

Sec. 14. [EVALUATIONS.]

Subdivision 1. [UNIQUE EMPLOYER IDENTIFICATION NUMBER.] The commissioner of health shall evaluate the need for the development and implementation of unique employer identification numbers to identify employers or entities that provide health care coverage.

Subd. 2. [UNIQUE "ISSUER" IDENTIFICATION NUMBER.] The commissioner of health shall evaluate the need for the development and implementation of unique identification numbers to identify issuers of health care identification cards.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment.

ARTICLE 10

INSURANCE REFORM

Section 1. Minnesota Statutes 1993 Supplement, section 43A.317, is amended by adding a subdivision to read:

Subd. 12. [STATUS OF AGENTS.] Notwithstanding section 60K.03, subdivision 5, and 72A.07, the program may use, and pay referral fees, commissions, or other compensation to, agents licensed as life and health agents under chapter 60K or licensed under section 62C.17, regardless of whether the agents are appointed to represent the particular health carriers, integrated service networks, or community integrated service networks that provide the coverage available through the program. When acting under this subdivision, an agent is not an agent of the health carrier, integrated service network, or community integrated service network, with respect to that transaction.

Sec. 2. Minnesota Statutes 1993 Supplement, section 60K.14, subdivision 7, is amended to read:

Subd. 7. [DISCLOSURE OF COMMISSIONS.] Before selling, ~~or offering to sell~~, any ~~health insurance or a health plan~~ as defined in section 62A.011, subdivision 3, an agent shall disclose in writing to the prospective purchaser the amount of any commission or other compensation the agent will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62A.011, subdivision 3, is amended to read:

Subd. 3. [HEALTH PLAN.] "Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified. Health plan does not include coverage that is:

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;
- (3) supplemental to liability insurance;
- (4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense-incurred basis;
- (5) credit accident and health insurance as defined in section 62B.02;
- (6) designed solely to provide dental or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident-only coverage;
- (9) a long-term care policy as defined in section 62A.46;
- (10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended ~~through December 31, 1991~~;
- (11) workers' compensation insurance; or
- (12) issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health plan.

Sec. 4. Minnesota Statutes 1992, section 62A.303, is amended to read:

62A.303 [PROHIBITION; SEVERING OF GROUPS.]

Section 62L.12, subdivisions 1, 2, 3, and 4, apply to all employer group health plans, as defined in section 62A.011, regardless of the size of the group.

Sec. 5. [62A.305] [USE OF GENDER PROHIBITED.]

Subdivision 1. [APPLICABILITY.] This section applies to all health plans as defined in section 62A.011 offered, sold, issued, or renewed, by a health carrier on or after January 1, 1995.

Subd. 2. [PROHIBITION ON USE OF GENDER.] No health plan described in subdivision 1 shall determine the premium rate or any other underwriting decision, including initial issuance, through a method that is in any way based upon the gender of any person covered or to be covered under the health plan. This subdivision prohibits use of marital status or generalized differences in expected costs between employees and spouses or between principal insureds and their spouses.

Sec. 6. Minnesota Statutes 1993 Supplement, section 62A.31, subdivision 1h, is amended to read:

Subd. 1h. [LIMITATIONS ON DENIALS, CONDITIONS, AND PRICING OF COVERAGE.] No issuer of Medicare supplement policies, including policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B. This paragraph applies regardless of whether the individual has attained the age of 65 years. If an individual who is enrolled in Medicare Part B due to disability status is involuntarily disenrolled due to loss of disability status, the individual is eligible for the six-month enrollment period provided under this subdivision if the individual later becomes eligible for and enrolls again in Medicare Part B.

Sec. 7. Minnesota Statutes 1993 Supplement, section 62A.36, subdivision 1, is amended to read:

Subdivision 1. [LOSS RATIO STANDARDS.] (a) For purposes of this section, "Medicare supplement policy or certificate" has the meaning given in section 62A.31, subdivision 3, but also includes a policy, contract, or certificate issued under a contract under section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq. A Medicare supplement policy form or certificate form shall not be delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to policyholders and certificate holders in the form of aggregate benefits, not including anticipated refunds or credits, provided under the policy form or certificate form:

(1) at least 75 percent of the aggregate amount of premiums earned in the case of group policies, and

(2) at least 65 percent of the aggregate amount of premiums earned in the case of individual policies, calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. An insurer shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage. The applicable percentage for group policies or contracts shall increase by one percentage point on July 1 of each year, beginning on July 1, 1994, until an 82 percent loss ratio is reached on July 1, 2000. The applicable percentage for individual policies or contracts shall increase by one percentage point on July 1 of each year, beginning on July 1, 1994, until a 72 percent loss ratio is reached on July 1, 2000.

All filings of rates and rating schedules shall demonstrate that expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy or certificate shall equal or exceed the appropriate loss ratio standards.

(b) An issuer shall collect and file with the commissioner by May 31 of each year the data contained in the National Association of Insurance Commissioners Medicare Supplement Refund Calculating form, for each type of Medicare supplement benefit plan.

If, on the basis of the experience as reported, the benchmark ratio since inception (ratio 1) exceeds the adjusted experience ratio since inception (ratio 3), then a refund or credit calculation is required. The refund calculation must be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the secretary of health and human

services, but in no event shall it be less than the average rate of interest for 13-week treasury bills. A refund or credit against premiums due shall be made by September 30 following the experience year on which the refund or credit is based.

(c) An issuer of Medicare supplement policies and certificates in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy or certificate duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three years.

As soon as practicable, but before the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this state shall file with the commissioner, in accordance with the applicable filing procedures of this state:

(1) a premium adjustment that is necessary to produce an expected loss ratio under the policy or certificate that will conform with minimum loss ratio standards for Medicare supplement policies or certificates. No premium adjustment that would modify the loss ratio experience under the policy or certificate other than the adjustments described herein shall be made with respect to a policy or certificate at any time other than on its renewal date or anniversary date;

(2) if an issuer fails to make premium adjustments acceptable to the commissioner, the commissioner may order premium adjustments, refunds, or premium credits considered necessary to achieve the loss ratio required by this section;

(3) any appropriate riders, endorsements, or policy or certificate forms needed to accomplish the Medicare supplement insurance policy or certificate modifications necessary to eliminate benefit duplications with Medicare. The riders, endorsements, or policy or certificate forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.

(d) The commissioner may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form if the experience of the form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of a refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner considered appropriate by the commissioner.

(e) An issuer shall not use or change premium rates for a Medicare supplement policy or certificate unless the rates, rating schedule, and supporting documentation have been filed with, and approved by, the commissioner according to the filing requirements and procedures prescribed by the commissioner.

Sec. 8. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 2, is amended to read:

Subd. 2. [GUARANTEED RENEWAL.] No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier must not refuse to renew an individual health plan may be subject to refusal to renew only under the conditions provided in chapter 62L for health benefit plans prior to enrollment in Medicare Parts A and B, except for nonpayment of premiums, fraud, or misrepresentation.

Sec. 9. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 3, is amended to read:

Subd. 3. [PREMIUM RATE RESTRICTIONS.] No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the ~~rating and premium restrictions provided under chapter 62L, except that the minimum loss ratio applicable to an individual health plan is as provided in section 62A.021. All rating and premium restrictions of chapter 62L apply to the individual market, unless clearly inapplicable to the individual market.~~ following requirements:

(a) Premium rates must be no more than 25 percent above and no more than 25 percent below the index rate charged to individuals for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this paragraph must be based only upon health status, claims experience, and occupation. For purposes of this paragraph, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined by the commissioner to be actuarially valid and have been approved by the commissioner. Variations permitted under this paragraph must not be based upon age or applied differently at different ages. This paragraph does not prohibit use of a constant percentage adjustment for factors permitted to be used under this paragraph.

(b) Premium rates may vary based upon the ages of covered persons only as provided in this paragraph. In addition to the variation permitted under paragraph (a), each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.

(c) A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than 20 percent. Health carriers that do not do business in the Minneapolis/St. Paul metropolitan area may request approval for no more than two geographic regions, and clauses (2) and (3) do not apply to approval of requests made by those health carriers. The commissioner may grant approval if the following conditions are met:

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

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

(3) for each geographic region that is rural, the index rate for that region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area; and

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

(d) Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based upon the number of adults or children covered under the policy and may reflect the availability of medicare coverage. The rates for different rate cells must not in any way reflect generalized differences in expected costs between principal insureds and their spouses.

(e) In developing its index rates and premiums for a health plan, a health carrier shall take into account only the following factors:

(1) actuarially valid differences in rating factors permitted under paragraphs (a) and (b); and

(2) actuarially valid geographic variations if approved by the commissioner as provided in paragraph (c).

(f) All premium variations must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All rate variations are subject to approval by the commissioner.

(g) The loss ratio must comply with the section 62A.021 requirements for individual health plans.

(h) The rates must not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risks associated with the enrollee populations, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549.

Sec. 10. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 4, is amended to read:

Subd. 4. [GENDER RATING PROHIBITED.] No individual health plan offered, sold, issued, or renewed to a Minnesota resident may determine the premium rate or any other underwriting decision, including initial issuance, ~~on~~ through a method that is in any way based upon the gender of any person covered or to be covered under the health plan. This subdivision prohibits the use of marital status or generalized differences in expected costs between principal insureds and their spouses.

Sec. 11. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 5, is amended to read:

Subd. 5. [PORTABILITY OF COVERAGE.] (a) No individual health plan may be offered, sold, issued, or with respect to children age 18 or under renewed, to a Minnesota resident that contains a preexisting condition limitation or exclusion or exclusionary rider, unless the limitation or exclusion ~~would be~~ is permitted under ~~chapter 62L this subdivision~~, provided that, except for children age 18 or under, underwriting restrictions may be retained on individual contracts that are issued without evidence of insurability as a replacement for prior individual coverage that was sold before May 17, 1993. The individual may be ~~treated as a late entrant, as defined in chapter 62L~~ subjected to an 18-month preexisting condition limitation, unless the individual has maintained continuous coverage as defined in ~~chapter 62L~~ section 62L.02. The individual must not be subjected to an exclusionary rider. An individual who has maintained continuous coverage may be subjected to a one-time preexisting condition limitation ~~as permitted under chapter 62L for persons who are not late entrants, of up to 12 months, with credit for time covered under qualifying coverage as defined in section 62L.02, at the time that the individual first is covered under an individual health plan by any health carrier.~~ The individual must not be subjected to an exclusionary rider. Thereafter, the individual must not be subject to any preexisting condition limitation or exclusion or exclusionary rider under an individual health plan by any health carrier, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage.

(b) A health carrier must offer an individual health plan to any individual previously covered under a group health benefit plan issued by that health carrier, regardless of the size of the group, so long as the individual maintained continuous coverage as defined in ~~chapter 62L~~ section 62L.02. The offer must not be subject to underwriting, except as permitted under this paragraph. A health plan issued under this paragraph must be a qualified plan and must not contain any preexisting condition limitation or exclusion or exclusionary rider, except for any unexpired limitation or exclusion under the previous coverage. The individual health plan must cover pregnancy on the same basis as any other covered illness under the individual health plan. The initial premium rate for the individual health plan must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2. In no event shall the premium rate exceed 90 percent of the premium charged for comparable individual coverage by the Minnesota comprehensive health association, and the premium rate must be less than that amount if necessary to otherwise comply with this section. An individual health plan offered under this paragraph to a person satisfies the health carrier's obligation to offer conversion coverage under section 62E.16, with respect to that person. Section 72A.20, subdivision 28, applies to this paragraph.

Sec. 12. Minnesota Statutes 1993 Supplement, section 62A.65, is amended by adding a subdivision to read:

Subd. 7. [SHORT TERM COVERAGE.] (a) For purposes of this section, "short term coverage" means an individual health plan that:

(1) is issued to provide coverage for a period of 185 days or less, except that the health plan may permit coverage to continue until the end of a period of hospitalization for a condition for which the covered person was hospitalized on the day that coverage would otherwise have ended;

(2) is nonrenewable, provided that the health carrier may provide coverage for one or more subsequent periods that satisfy clause (1), if the total of the periods of coverage do not exceed a total of 185 days out of any 365 day period, plus any additional days covered as a result of hospitalization on the day that a period of coverage would otherwise have ended;

(3) does not cover any preexisting conditions, including ones that originated during a previous identical policy or contract with the same health carrier where coverage was continuous between the previous and the current policy or contract; and

(4) is available with an immediate effective date without underwriting upon receipt of a completed application indicating eligibility under the health carrier's eligibility requirements, provided that coverage that includes optional benefits may be offered on a basis that does not meet this requirement.

(b) Short term coverage is not subject to subdivisions 2 and 5. Short term coverage may exclude as a preexisting condition any injury, illness, or condition for which the covered person had medical treatment, symptoms, or any manifestations before the effective date of the coverage, but dependent children born or placed for adoption during the policy period must not be subject to this provision.

(c) Notwithstanding subdivision 3, and section 62A.021, a health carrier may combine short term coverage with its most commonly sold individual qualified plan as defined in section 62E.02, other than short term coverage, for purposes of complying with the loss ratio requirement.

(d) The 185 day coverage limitation provided in paragraph (a), applies to the total number of days of short term coverage that covers a person, regardless of the number of policies, contracts, or health carriers that provide the coverage. A written application for short term coverage must ask the applicant whether the applicant has been covered by short term coverage by any health carrier within the 365 days immediately preceding the effective date of the coverage being applied for. Short term coverage issued in violation of the 185 day limitation is valid until the end of its term, and does not lose its status as short term coverage, in spite of the violation. A health carrier that knowingly issues short term coverage in violation of the 185 day limitation is subject to the administrative penalties otherwise available to the commissioner of commerce or the commissioner of health, as appropriate.

(e) Time spent under short term coverage counts as time spent under a preexisting condition limitation for purposes of group or individual health plans, other than short term coverage, subsequently issued to that person, or to cover that person, by any health carrier, if the person maintains continuous coverage as defined in section 62L.02. Short term coverage is a health plan and is qualifying coverage as defined in section 62L.02. Notwithstanding any other law to the contrary, a health carrier is not required under any circumstances to provide a person covered by short-term coverage the right to obtain coverage on a guaranteed issue basis under another health plan offered by the health carrier, as a result of the person's enrollment in short-term coverage.

Sec. 13. Minnesota Statutes 1993 Supplement, section 62A.65, is amended by adding a subdivision to read:

Subd. 8. [CESSATION OF INDIVIDUAL BUSINESS.] Notwithstanding the provisions of subdivisions 1 to 7, a health carrier may elect to cease doing business in the individual market if it complies with the requirements of this subdivision. A health carrier electing to cease doing business in the individual market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the failure of a health carrier to offer or issue new business in the individual market or continue an existing product line, provided that a health carrier does not terminate, cancel, or fail to renew its current individual business or other product lines. A health carrier electing to cease doing business in the individual market shall provide 120 days' written notice to each policyholder covered by a health benefit plan issued by the health carrier. A health carrier that ceases to write new business in the individual market shall continue to be governed by this section with respect to continuing individual business conducted by the carrier. A health carrier that ceases to do business in the individual market after July 1, 1994, is prohibited from writing new business in the individual market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the individual market in one service area with respect to that service area only. Nothing in this subdivision prohibits an affiliated health maintenance organization from continuing to do business in the individual market in that same service area.

Sec. 14. Minnesota Statutes 1993 Supplement, section 62D.12, subdivision 17, is amended to read:

Subd. 17. [DISCLOSURE OF COMMISSIONS.] Any person receiving commissions for the sale of coverage or enrollment in a health plan, as defined in section 62A.011, offered by a health maintenance organization shall, before selling or offering to sell coverage or enrollment, disclose in writing to the prospective purchaser the amount of any commission or other compensation the person will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 15. Minnesota Statutes 1992, section 62E.141, is amended to read:

62E.141 [INCLUSION IN EMPLOYER-SPONSORED PLAN.]

No employee, or dependent of an employee, of an employer who that offers a health benefit plan, under which the employee or dependent is eligible to enroll under chapter 62L for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation or exclusion or exclusionary rider under the employer's health benefit plan. This section does not apply to persons enrolled in the comprehensive health association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the comprehensive health association as of December 31, 1994.

Sec. 16. Minnesota Statutes 1992, section 62E.16, is amended to read:

62E.16 [POLICY CONVERSION RIGHTS.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group or if an employer member of a group ceases to remit payment so as to terminate coverage for its employees, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group or of the employer member of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group or of the employer member of the group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10. An individual health plan offered under section 62A.65, subdivision 5, paragraph (b), to a person satisfies the health carrier's obligation to offer conversion coverage under this section with respect to that person.

Sec. 17. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 8, is amended to read:

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for health carriers subject to the jurisdiction of the department of commerce or the commissioner of health for health carriers subject to the jurisdiction of the department of health, or the relevant commissioner's designated representative. For purposes of sections 62L.13 to 62L.22, "commissioner" means the commissioner of commerce or that commissioner's designated representative.

Sec. 18. Minnesota Statutes 1992, section 62L.02, subdivision 9, is amended to read:

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

Sec. 19. Minnesota Statutes 1992, section 62L.02, is amended by adding a subdivision to read:

Subd. 9a. [CURRENT EMPLOYEE.] "Current employee" means an employee, as defined in this section, other than a retiree or handicapped former employee.

Sec. 20. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 11, is amended to read:

Subd. 11. [DEPENDENT.] "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, unmarried child under the age of 25 years who is a full-time student as defined in section 62A.301 ~~and financially dependent upon the eligible employee, or,~~ dependent child of any age who is handicapped and who meets the eligibility criteria in section 62A.14, subdivision 2, or any other person whom state or federal law requires to be treated as a dependent for purposes of health plans. For the purpose of this definition, a child may include a child for whom the employee or the employee's spouse has been appointed legal guardian.

Sec. 21. Minnesota Statutes 1992, section 62L.02, subdivision 13, is amended to read:

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

Sec. 22. Minnesota Statutes 1992, section 62L.02, is amended by adding a subdivision to read:

Subd. 13a. [EMPLOYEE.] "Employee" means an individual employed for at least 20 hours per week and includes a sole proprietor or a partner of a partnership, if the sole proprietor or partner is included under a health benefit plan of the employer, but does not include individuals who work on a temporary, seasonal, or substitute basis. "Employee" also includes a retiree or a handicapped former employee required to be covered under sections 62A.147 and 62A.148.

Sec. 23. Minnesota Statutes 1992, section 62L.02, is amended by adding a subdivision to read:

Subd. 14a. [GUARANTEED ISSUE.] "Guaranteed issue" means that a health carrier shall not decline an application by a small employer for any health benefit plan offered by that health carrier and shall not decline to cover under a health benefit plan any eligible employee or eligible dependent, including persons who become eligible employees or eligible dependents after initial issuance of the health benefit plan, subject to the health carrier's right to impose preexisting condition limitations permitted under this chapter.

Sec. 24. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 15, is amended to read:

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

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;
- (3) supplemental to liability insurance;
- (4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense-incurred basis;
- (5) credit accident and health insurance as defined in section 62B.02;
- (6) designed solely to provide dental or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident-only coverage;
- (9) a long-term care policy as defined in section 62A.46;
- (10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended through December 31, 1991;
- (11) workers' compensation insurance; or
- (12) issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health benefit plan.

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

Sec. 25. Minnesota Statutes 1992, section 62L.02, subdivision 16, is amended to read:

Subd. 16. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in United States Code, title 29, section 1002(40), as amended through December 31, 1994. For purposes of sections 62L.01 to 62L.12, but not for purposes of sections 62L.13 to 62L.22, "health carrier" includes a community integrated service network or integrated service network licensed under chapter 62N. Any use of this definition in another chapter by reference does not include a community integrated service network or integrated service network, unless otherwise specified. For the purpose of this chapter, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one health carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota, or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation, or any health maintenance organization that is an affiliate of another health maintenance organization in Minnesota, may treat the health maintenance organization as a separate health carrier.

Sec. 26. Minnesota Statutes 1992, section 62L.02, subdivision 17, is amended to read:

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

~~(1) to a small employer;~~

~~(2) to an employer who does not satisfy the definition of a small employer as defined under subdivision 26; or~~

~~(3) to an individual purchasing an individual or conversion policy of health care coverage issued by a health carrier as defined in section 62A.011 and includes individual and group coverage regardless of the size of the group, unless otherwise specified.~~

Sec. 27. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 19, is amended to read:

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

(1) the individual was covered under qualifying ~~existing~~ coverage at the time the individual was eligible to enroll in the health benefit plan, declined enrollment on that basis, and presents to the health carrier a certificate of termination of the qualifying prior coverage, due to loss of eligibility for that coverage, provided that the individual maintains continuous coverage. For purposes of this clause, eligibility for prior coverage does not include eligibility for an individual is not a late entrant if the individual elects coverage under the health benefit plan rather than accepting continuation coverage required for which the individual is eligible under state or federal law with respect to the individual's previous qualifying coverage;

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

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

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

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

(6) a court has ordered that coverage be provided for a former spouse or dependent child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order.

Sec. 28. Minnesota Statutes 1992, section 62L.02, subdivision 24, is amended to read:

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

- (1) a health plan, as defined in this section;
- (2) Medicare;
- (3) medical assistance under chapter 256B;
- (4) general assistance medical care under chapter 256D;
- (5) MCHA;
- (6) a self-insured health plan;
- (7) the ~~health right~~ MinnesotaCare plan established under section 256.9352, when the plan includes inpatient hospital services as provided in section 256.9353;
- (8) a plan provided under section 43A.316, 43A.317, or 471.617; or
- (9) a plan similar to any of the above plans provided in this state or in another state as determined by the commissioner.

Sec. 29. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 26, is amended to read:

Subd. 26. [SMALL EMPLOYER.] (a) "Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business ~~who, including a political subdivision of the state, that, on at least 50 percent of its working days during the preceding calendar year 12 months, employed no fewer than two nor more than 29 eligible, or after June 30, 1995, more than 49, current employees, the majority of whom were employed in this state. A political subdivision of the state is not a small employer and is not subject to this chapter when it provides health coverage to its employees, officers, and retirees, and their dependents, by participation in group purchasing of health plan coverage by or through an association of political subdivisions or by or through an educational cooperative service unit created under section 123.58 or by participating in a joint self-insurance pool authorized under section 471.617, subdivision 2.~~ If an employer has only two eligible employees and one is the spouse, child, sibling, parent, or grandparent of the other, the employer must be a Minnesota domiciled employer and have paid social security or self-employment tax on behalf of both eligible employees. If an employer has only one eligible employee who has not waived coverage, the sale of a health plan to or for that eligible employee is not a sale to a small employer and is not subject to this chapter and may be treated as the sale of an individual health plan. A small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two current employees. Entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer for purposes of determining the number of eligible current employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

(b) Where an association, described in section 62A.10, subdivision 1, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association shall be considered to be a small employer, with respect to those employers in the association that employ no fewer than two nor more than 29 eligible, or after June 30, 1995, more than 49, current employees, even though the association provides coverage to its members that do not qualify as small employers. An association in existence prior to July 1, 1993, is exempt from this chapter with respect to small employers that are members as of that date. However, in providing coverage to new groups employers after July 1, 1993, the existing association must comply with all requirements of this chapter. Existing associations must register with the commissioner of commerce prior to July 1, 1993. With respect to small employers having not fewer than 30 nor more than 49 current employees, the July 1, 1993 date in this paragraph becomes July 1, 1995, and the reference to "after" that date becomes "on or after."

(c) If an employer has employees covered under a trust established specified in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq., as amended, or employees whose health coverage is determined by a collective bargaining agreement and, as a result of the collective bargaining agreement, is purchased separately from the health plan provided to other employees, those employees are excluded in determining whether the employer qualifies as a small employer. Those employees are considered to be a separate small employer if they constitute a group that would qualify as a small employer in the absence of the employees who are not subject to the collective bargaining agreement.

Sec. 30. Minnesota Statutes 1992, section 62L.03, subdivision 1, is amended to read:

Subdivision 1. [GUARANTEED ISSUE AND REISSUE.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans, on a guaranteed issue basis, to any small employer that meets the participation and contribution requirements of subdivision 3, as provided in this chapter. This requirement does not apply to a health benefit plan designed for a small employer to comply with a collective bargaining agreement, provided that the health benefit plan otherwise complies with this chapter and is not offered to other small employers, except for other small employers that need it for the same reason. Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers. A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

Sec. 31. Minnesota Statutes 1993 Supplement, section 62L.03, subdivision 3, is amended to read:

Subd. 3. [MINIMUM PARTICIPATION AND CONTRIBUTION.] (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan and that contributes at least 50 percent toward the cost of coverage of eligible employees must be guaranteed coverage on a guaranteed issue basis from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier ~~may~~ must not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to: (1) coverage under another group health plan; (2) coverage under Medicare parts A and B; or (3) coverage under MCHA permitted under section 62E.141.

(b) If a small employer does not satisfy the contribution or participation requirements under this subdivision, a health carrier may voluntarily issue or renew individual coverage health plans, or a health benefit plan which, ~~except for guaranteed issue~~, must fully comply with this chapter. A health carrier that provides group coverage a health benefit plan to a small employer that does not meet the contribution or participation requirements of this subdivision must maintain this information in its files for audit by the commissioner. A health carrier may not offer an individual coverage health plan, purchased through an arrangement between the employer and the health carrier, to any employee unless the health carrier also offers coverage the individual health plan, on a guaranteed issue basis, to all other employees of the same employer.

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

Sec. 32. Minnesota Statutes 1993 Supplement, section 62L.03, subdivision 4, is amended to read:

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. For purposes of this subdivision section, "underwriting restrictions" means any refusal of the health carrier to issue or renew coverage, any premium rate higher than the lowest rate charged by the health carrier for the same coverage, or any preexisting condition limitation or exclusion, or any exclusionary rider. Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees, and dependents of employees, of small employers. Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee or dependent, but exclusionary riders must not be used. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying prior coverage, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation

not to exceed 18 months from the effective date of coverage of the late entrant, but must not be subject to any exclusionary rider or exclusion. ~~Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation must not exceed 18 months.~~ A health carrier shall, at the time of first issuance or renewal of a health benefit plan on or after July 1, 1993, credit against any preexisting condition limitation or exclusion permitted under this section, the time period prior to July 1, 1993, during which an eligible employee or dependent was covered by qualifying existing coverage ~~or qualifying prior coverage~~, if the person has maintained continuous coverage.

Sec. 33. Minnesota Statutes 1993 Supplement, section 62L.03, subdivision 5, is amended to read:

Subd. 5. [CANCELLATIONS AND FAILURES TO RENEW.] (a) No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the persons covered or to be covered by the health benefit plan. A health carrier may cancel or fail to renew a health benefit plan:

- (1) for nonpayment of the required premium;
 - (2) for fraud or misrepresentation by the small employer, or, with respect to coverage of an individual eligible employee or dependent, fraud or misrepresentation by the eligible employee or dependent, with respect to eligibility for coverage or any other material fact;
 - (3) if eligible employee participation during the preceding calendar year declines to less than 75 percent, subject to the waiver of coverage provision in subdivision 3;
 - (4) if the employer fails to comply with the minimum contribution percentage legally required by the health carrier under subdivision 3;
 - (5) if the health carrier ceases to do business in the small employer market under section 62L.09; ~~or~~
 - (6) if a failure to renew is based upon the health carrier's decision to discontinue the health benefit plan form previously issued to the small employer, but only if the health carrier permits each small employer covered under the prior form to switch to its choice of any other health benefit plan offered by the health carrier, without any underwriting restrictions that would not have been permitted for renewal purposes; or
 - (7) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including, but not limited to, service area restrictions imposed on health maintenance organizations under section 62D.03, subdivision 4, paragraph (m), to the extent that these grounds are not expressly inconsistent with this chapter.
- (b) A health carrier need not renew a health benefit plan, and shall not renew a small employer plan, if an employer ceases to qualify as a small employer as defined in section 62L.02. If a health benefit plan, other than a small employer plan, provides terms of renewal that do not exclude an employer that is no longer a small employer, the health benefit plan may be renewed according to its own terms. If a health carrier issues or renews a health plan to an employer that is no longer a small employer, without interruption of coverage, the health plan is subject to section 60A.082.

Sec. 34. Minnesota Statutes 1993 Supplement, section 62L.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] (a) Beginning July 1, 1993, health carriers participating in the small employer market must offer and make available on a guaranteed issue basis any health benefit plan that they offer, including both of the small employer plans provided in section 62L.05, to all small employers ~~who that~~ satisfy the small employer participation and contribution requirements specified in this chapter. Compliance with these requirements is required as of the first renewal date of any small employer group occurring after July 1, 1993. For new small employer business, compliance is required as of the first date of offering occurring after July 1, 1993.

(b) Compliance with these requirements is required as of the first renewal date occurring after July 1, 1994, with respect to employees of a small employer who had been issued individual coverage prior to July 1, 1993, administered by the health carrier on a group basis. Notwithstanding any other law to the contrary, the health carrier shall offer to terminate any individual coverage for employees of small employers who satisfy the small employer participation

and contribution requirements specified in section 62L.03 and offer to replace it with a health benefit plan. If the employer elects not to purchase a health benefit plan, the health carrier must offer all covered employees and dependents the option of maintaining their current coverage, administered on an individual basis, or replacement individual coverage. Small employer and replacement individual coverage provided under this subdivision must be without application of underwriting restrictions, provided continuous coverage is maintained.

(c) With respect to small employers having no fewer than 30 nor more than 49 current employees, all dates in this subdivision become July 1, 1995, and any reference to "after" a date becomes "on or after" July 1, 1995.

Sec. 35. Minnesota Statutes 1992, section 62L.05, subdivision 1, is amended to read:

Subdivision 1. [TWO SMALL EMPLOYER PLANS.] Each health carrier in the small employer market must make available, on a guaranteed issue basis, to any small employer that satisfies the contribution and participation requirements of section 62L.03, subdivision 3, both of the small employer plans described in subdivisions 2 and 3. Under subdivisions 2 and 3, coinsurance and deductibles do not apply to child health supervision services and prenatal services, as defined by section 62A.047. The maximum out-of-pocket costs for covered services must be \$3,000 per individual and \$6,000 per family per year. The maximum lifetime benefit must be \$500,000. ~~The out-of-pocket cost limits and the deductible amounts provided in subdivision 2 must be adjusted on July 1 every two years, based upon changes in the consumer price index, as of the end of the previous calendar year, as determined by the commissioner of commerce. Adjustments must be in increments of \$50 and must not be made unless at least that amount of adjustment is required.~~

Sec. 36. Minnesota Statutes 1992, section 62L.05, subdivision 5, is amended to read:

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

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

Sec. 37. Minnesota Statutes 1992, section 62L.05, subdivision 8, is amended to read:

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

Sec. 38. Minnesota Statutes 1992, section 62L.08, subdivision 2, is amended to read:

Subd. 2. [GENERAL PREMIUM VARIATIONS.] Beginning July 1, 1993, each health carrier must offer premium rates to small employers that are no more than 25 percent above and no more than 25 percent below the index rate charged to small employers for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this subdivision must be based only on health status, claims experience, industry of the employer, and duration of coverage from the date of issue. For purposes of this subdivision, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined to be actuarially valid and approved by the commissioner. Variations permitted under this subdivision must not be based upon age or applied differently at different ages. This subdivision does not prohibit use of a constant percentage adjustment for factors permitted to be used under this subdivision.

Sec. 39. Minnesota Statutes 1993 Supplement, section 62L.08, subdivision 4, is amended to read:

Subd. 4. [GEOGRAPHIC PREMIUM VARIATIONS.] A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than 20 percent. Health carriers that do not do business

in the Minneapolis/St. Paul metropolitan area may request approval for no more than two geographic regions, and clauses (2) and (3) do not apply to approval of requests made by those health carriers. A health carrier may also request approval to establish one or more additional geographic regions and a one or more separate index rate rates for premiums for employees working and residing outside of Minnesota, and that index rate must not be more than 30 percent higher than the next highest index rate. The commissioner may grant approval if the following conditions are met:

- (1) the geographic regions must be applied uniformly by the health carrier;
- (2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;
- (3) if one geographic region is rural, the index rate for the rural region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area;
- (4) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

Sec. 40. Minnesota Statutes 1992, section 62L.08, subdivision 5, is amended to read:

Subd. 5. [GENDER-BASED RATES PROHIBITED.] Beginning July 1, 1993, no health carrier may determine premium rates through a method that is in any way based upon the gender of eligible employees or dependents. Rates must not in any way reflect marital status or generalized differences in expected costs between employees and spouses.

Sec. 41. Minnesota Statutes 1992, section 62L.08, subdivision 6, is amended to read:

Subd. 6. [RATE CELLS PERMITTED.] Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based on the number of adults and children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect marital status or differences in expected costs between employees and spouses.

Sec. 42. Minnesota Statutes 1992, section 62L.08, subdivision 7, is amended to read:

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

- (1) actuarially valid differences in benefit designs of health benefit plans;
- (2) actuarially valid differences in the rating factors permitted in subdivisions 2 and 3;
- (3) actuarially valid geographic variations if approved by the commissioner as provided in subdivision 4.

(b) All premium variations permitted under this section must be based upon actuarially valid differences in expected cost to the health carrier of providing coverage. The variation must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All premium variations are subject to approval by the commissioner.

Sec. 43. Minnesota Statutes 1993 Supplement, section 62L.08, subdivision 8, is amended to read:

Subd. 8. [FILING REQUIREMENT.] No later than July 1, 1993, and each year thereafter, a health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner the index rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include the allowable range of rates from the index rates and a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates. The rates shall not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risk associated with the enrollee population, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549. For premium rates proposed to go into effect between July 1, 1993 and December 31, 1993, the pertinent growth rate

is the growth rate applied under section 62J.04, subdivision 1, paragraph (b), to calendar year 1994. ~~As provided in section 62A.65, subdivision 3, this subdivision applies to the individual market, as well as to the small employer market.~~

Sec. 44. Minnesota Statutes 1992, section 62L.12, is amended to read:

62L.12 [PROHIBITED PRACTICES.]

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

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

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

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

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

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

(f) A health carrier may sell, issue, or renew an individual ~~policy, with the prior consent of the commissioner,~~ health plan, if the individual has elected to buy the individual coverage health plan not as part of a general plan to substitute individual coverage health plans for a group coverage health plan nor as a result of any violation of subdivision 3 or 4.

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

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.31 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et. seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

Subd. 3. [AGENT'S LICENSURE.] An agent licensed under chapter ~~60A~~ 60K or section 62C.17 who knowingly and willfully breaks apart a small group for the purpose of selling individual ~~policies~~ health plans to eligible employees and dependents of a small employer that meets the participation and contribution requirements of section 62L.03, subdivision 3, is guilty of an unfair trade practice and subject to disciplinary action, including the revocation or suspension of license, under section ~~60A.17, subdivision 6,~~ 60K.11 or 62C.17. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section ~~60A.17, subdivision 6d~~ 60K.11. The action of the commissioner is subject to judicial review as provided under chapter 14.

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

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

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

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

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

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

Sec. 45. Minnesota Statutes 1992, section 62L.21, subdivision 2, is amended to read:

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

Sec. 46. [REPEALER.]

(a) Minnesota Statutes 1992, sections 62E.51, 62E.52, 62E.53, 62E.531, 62E.54, and 62E.55 are repealed.

(b) Minnesota Statutes 1992, section 62A.02, subdivision 5, is repealed.

Sec. 47. [REVISOR INSTRUCTIONS.]

(a) The revisor of statutes shall change the name of the private employers insurance program established in Minnesota Statutes, section 43A.317 to the Minnesota employees insurance program, and the private employers insurance trust fund to the Minnesota employees insurance trust fund, wherever either term occurs in Minnesota Statutes or Minnesota Rules.

(b) The revisor of statutes shall renumber Minnesota Statutes 1992, section 62L.23, as section 62L.08, subdivision 11 and shall change all references to that section in Minnesota Statutes or Minnesota Rules accordingly.

Sec. 48. [EFFECTIVE DATES.]

Sections 1, 3 to 5, 8, 10, 12, 17 to 28, 30, 31, 33 to 42, and 44 to 47 are effective the day following final enactment. Sections 2 and 14 are effective July 1, 1994. Sections 9, 11, 15, 16, 23, 32, and 43 are effective January 1, 1995.

ARTICLE 11

HEALTH CARE COOPERATIVES

Section 1. Minnesota Statutes 1993 Supplement, section 62N.06, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED ENTITIES.] (a) An integrated service network may be organized as a separate nonprofit corporation under chapter 317A or as a cooperative under chapter 308A or 308B.

(b) A nonprofit health carrier, as defined in section 62A.011, may establish and operate one or more integrated service networks without forming a separate corporation or cooperative, but only if all of the following conditions are met:

(i) a contract between the health carrier and a health care provider, for a term of less than seven years, that was executed before June 1, 1993, does not bind the health carrier or provider as applied to integrated service network services, except with the mutual consent of the health carrier and provider entered into on or after June 1, 1993. This clause does not apply to contracts between a health carrier and its salaried employees;

(ii) the health carrier shall not apply toward the net worth, working capital, or deposit requirements of this chapter any assets used to satisfy net worth, working capital, deposit, or other financial requirements under any other chapter of Minnesota law;

(iii) the health carrier shall not include in its premiums for health coverage provided under any other chapter of Minnesota law, an assessment or surcharge relating to net worth, working capital, or deposit requirements imposed upon the integrated service network under this chapter; and

(iv) the health carrier shall not include in its premiums for integrated service network coverage under this chapter an assessment or surcharge relating to net worth working capital or deposit requirements imposed upon health coverage offered under any other chapter of Minnesota law.

Sec. 2. Minnesota Statutes 1993 Supplement, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any sales, whether or not effected through a broker-dealer, provided that no person shall make more than ten sales of securities of the same issuer pursuant to this exemption during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (1) the seller reasonably believes that all buyers are purchasing for investment, and (2) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2) the issuer or its predecessor has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision, the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) Any sales by an issuer to the number of persons that shall not exceed 25 persons in this state, or 35 persons if the sales are made in compliance with Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.506, (other than those designated in paragraph (a) or (g)), whether or not any of the purchasers is then present in this state, if (1) the issuer reasonably believes that all of the buyers in this state (other than those designated in clause (g)) are purchasing for investment, and (2) no commission

or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in clause (g)), except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter, and (3) the issuer has, ten days prior to any sale pursuant to this paragraph, supplied the commissioner with a statement of issuer on forms prescribed by the commissioner, containing the following information: (i) the name and address of the issuer, and the date and state of its organization; (ii) the number of units, price per unit, and a description of the securities to be sold; (iii) the amount of commissions to be paid and the persons to whom they will be paid; (iv) the names of all officers, directors and persons owning five percent or more of the equity of the issuer; (v) a brief description of the intended use of proceeds; (vi) a description of all sales of securities made by the issuer within the six-month period next preceding the date of filing; and (vii) a copy of the investment letter, if any, intended to be used in connection with any sale. Sales that are made more than six months before the start of an offering made pursuant to this exemption or are made more than six months after completion of an offering made pursuant to this exemption will not be considered part of the offering, so long as during those six-month periods there are no sales of unregistered securities (other than those made pursuant to paragraph (a) or (g)) by or for the issuer that are of the same or similar class as those sold under this exemption. The commissioner may by rule or order as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase the number of offers and sales permitted, or waive the conditions in clause (1), (2), or (3) with or without the substitution of a limitation or remuneration.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) The offer and sale by a cooperative association organized under chapter 308A or 308B, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in such association, or when such securities are issued as patronage dividends.

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

Sec. 3. Minnesota Statutes 1992, section 290.092, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] Corporations subject to tax under sections 290.05, subdivision 3; or 60A.15, subdivision 1, and 290.35; real estate investment trusts; regulated investment companies as defined in section 851(a) of the Internal Revenue Code of 1986 or funds of regulated investment companies as defined in section 851(h) of the Internal

Revenue Code of 1986, as amended through December 31, 1991; cooperatives taxable under subchapter T of the Internal Revenue Code of 1986 or organized under chapter 308A or 308B or a similar law of another state; and entities having a valid election in effect under section 1362 or 860D(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991, are not subject to the tax imposed in subdivision 1 or 5.

Sec. 4. [308B.01] [STATEMENT OF LEGISLATIVE PURPOSE AND INTENT.]

The legislature finds that the goals of containing health care costs, improving the quality of health care, and increasing the access of Minnesota citizens to health care services reflected under chapters 62J and 62N may be further enhanced through the promotion of health care cooperatives. The legislature further finds that locally based and controlled efforts among health care providers, local businesses, units of local government, and health care consumers, can promote the attainment of the legislature's goals of health care reform, and takes notice of the long history of successful operations of cooperative organizations in this state. Therefore, in order to encourage cooperative efforts which are consistent with the goals of health care reform, including efforts among health care providers as sellers of health care services and efforts of consumers as buyers of health care services and health plan coverage, and to encourage the formation of and increase the competition among health plans in Minnesota, the legislature enacts the Minnesota health care cooperative act.

Sec. 5. [308B.02] [CITATION.]

This chapter may be cited as the "Minnesota health care cooperative act."

Sec. 6. [308B.03] [APPLICABILITY OF OTHER LAWS.]

Subdivision 1. [MINNESOTA COOPERATIVE LAW.] A health care cooperative organizing under this chapter is subject to chapter 308A unless otherwise provided in this chapter. After incorporation, a health care cooperative shall enjoy the powers and privileges and shall be subject to the duties and liabilities of other cooperatives organized under chapter 308A, to the extent applicable and except as limited or enlarged by this chapter. If any provision of this chapter conflicts with a provision of chapter 308A, the provision of this chapter takes precedence.

Subd. 2. [HEALTH PLAN LICENSURE AND OPERATION.] A health care network cooperative organized under this chapter must be licensed as a health maintenance organization licensed under chapter 62D, a nonprofit health service plan corporation licensed under chapter 62C, or a community integrated service network or an integrated service network licensed under chapter 62N, at the election of the health care network cooperative. The health care network cooperative shall be subject to the duties and liabilities of health plans licensed pursuant to the chapter under which the cooperative elects to be licensed, to the extent applicable and except as limited or enlarged by this chapter. If any provision of any chapter under which the cooperative elects to be licensed conflicts with the provisions of this chapter, the provisions of this chapter take precedence.

Subd. 3. [HEALTH PROVIDER COOPERATIVES.] A health provider cooperative organized under this chapter shall not be considered a mutual insurance company under chapter 60A, a health maintenance organization under chapter 62D, a nonprofit health services corporation under chapter 62C, or a community integrated service network or an integrated service network under chapter 62N. A health provider network shall not be considered to violate any limitations on the corporate practice of medicine. Health care service contracts under section 308B.06 shall not be considered to violate section 62J.23.

Sec. 7. [308B.04] [DEFINITIONS.]

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

Subd. 2. [HEALTH CARE COOPERATIVE.] "Health care cooperative" means a health care network cooperative or a health provider cooperative.

Subd. 3. [HEALTH CARE NETWORK COOPERATIVE.] "Health care network cooperative" means a corporation organized under this chapter and licensed in accordance with section 308B.03, subdivision 2. A health care network cooperative shall not have more than 50,000 enrollees, unless exceeding the enrollment limit is necessary to comply with guaranteed issue or guaranteed renewal requirements of chapter 62L or section 62A.65.

Subd. 4. [HEALTH PROVIDER COOPERATIVE.] "Health provider cooperative" means a corporation organized under this chapter and operated on a cooperative plan to market health care services to purchasers of those services.

Subd. 5. [MEMBER.] "Member" means:

(1) in the case of a health care network cooperative, the policyholder; if the policyholder is an individual enrollee, the individual enrollee is the member; if the policyholder is an employer or other group type, entity, or association, the group policyholder is the member;

(2) in the case of a health provider cooperative, the licensed health care provider, professional corporation, partnership, hospital, or other licensed institution, as provided in the cooperative's articles or bylaws.

Subd. 6. [COMMISSIONER.] Unless otherwise specified, "commissioner" means the commissioner of health for a health care network cooperative licensed under chapter 62D or 62N and the commissioner of commerce for a health care network cooperative licensed under chapter 62C.

Subd. 7. [HEALTH CARRIER.] "Health carrier" has the meaning provided in section 62A.011.

Subd. 8. [HEALTH CARE PROVIDING ENTITY.] "Health care providing entity" means a participating entity that provides health care to enrollees of a health care cooperative.

Sec. 8. [308B.05] [POWERS.]

In addition to the powers enumerated under section 308A.201, a health care cooperative shall have all of the powers granted a nonprofit corporation under section 317A.161, except to the extent expressly inconsistent with the provisions of chapter 308A.

Sec. 9. [308B.06] [HEALTH CARE SERVICE CONTRACTS.]

Subdivision 1. [PROVIDER CONTRACTS.] A health provider cooperative and its licensed members may execute marketing and service contracts requiring the provider members to provide some or all of their health care services through the provider cooperative to the enrollees, members, subscribers, or insureds, of a health care network cooperative, community integrated service network, integrated service network, nonprofit health service plan, health maintenance organization, accident and health insurance company, or any other purchaser, including the state of Minnesota and its agencies, instruments, or units of local government. Each purchasing entity is authorized to execute contracts for the purchase of health care services from a health provider cooperative in accordance with this section. Any contract between a provider cooperative and a purchaser must provide for payment by the purchaser to the health provider cooperative on a substantially capitated or similar risk-sharing basis. Each contract between a provider cooperative and a purchaser shall be filed by the provider network cooperative with the commissioner of health and is subject to the provisions of section 62D.19.

Subd. 2. [NO NETWORK LIMITATION.] A health care network cooperative may contract with any health provider cooperative and may contract with any other licensed health care provider to provide health care services for its enrollees.

Sec. 10. [308B.07] [AMENDMENT OF ARTICLES.]

The articles of a health care cooperative incorporated under this chapter shall be amended as provided in section 317A.131.

Sec. 11. [308B.08] [AMENDMENT OF BYLAWS.]

The bylaws of a health care cooperative incorporated under this chapter shall be amended as provided in section 317A.181.

Sec. 12. [308B.09] [VOTING.]

Subdivision 1. [ELECTION OF DIRECTORS.] Directors of health care cooperatives shall be elected in the manner provided in section 308A.311 with the exception of subdivision 4 of that section. Any requirements applicable to directors under chapters 60A and 62A, 62C, 62D, or 62N do not apply.

Subd. 2. [VOTE BY MAIL.] (a) A member may vote by mail for a director unless mail voting is prohibited for election of directors by the articles or bylaws.

(b) The ballot must be in a form prescribed by the board.

(c) The member shall mark the ballot for the candidate chosen and mail the ballot to the cooperative in a sealed plain envelope inside another envelope bearing the member's name.

(d) If the ballot of the member is received by the cooperative on or before the date of the regular members' meeting, the ballot must be accepted and counted as the vote of the absent member.

Subd. 3. [VOTING GENERALLY.] The requirements and procedures for membership voting for each health care cooperative shall be as provided in the bylaws.

Sec. 13. [308B.10] [GOVERNMENTAL PARTICIPATION.]

The state of Minnesota, or any agency, instrumentality, or unit of local government, may be a member of a health care cooperative. Any governmental hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, or 471.50, or under any special law authorizing or establishing a hospital or hospital district, may be a member of a health care provider cooperative.

Sec. 14. [308B.11] [RELICENSURE.]

(a) A health care network cooperative licensed under chapter 62C or 62D may relinquish that license and be granted a new license as a community integrated service network or an integrated service network under chapter 62N in accordance with this section, provided that the cooperative meets all requirements for licensure as a network under chapter 62N, to the extent not expressly inconsistent with the provisions of chapters 308A and 308B.

(b) The relicensure shall be effective at the time specified in the plan of relicensure, which must not be earlier than the date upon which the previous license is surrendered.

(c) Upon the relicensure of the cooperative as a community integrated service network or an integrated service network:

(1) all existing group and individual enrollee benefit contracts in force on the effective date of the relicensure shall continue in effect and with the same terms and conditions, notwithstanding the cooperative's new licensure as a network, until the date of each contract's next renewal or amendment, but no later than one year from the date of the relicensure. At this time, each benefit contract then in force must be amended to comply with all statutory and regulatory requirements for network benefit contracts as of that date; and

(2) all contracts between the cooperative and any health care providing entity, including a health care provider cooperative, in force on the effective date of relicensure shall remain in effect under the cooperative's new licensure as a network until the date of the next renewal or amendment of that contract, but no later than one year from the date of relicensure.

(d) Except as otherwise provided in this section, nothing in the relicensure of a health care network cooperative shall in any way affect its corporate existence or any of its contracts, rights, privileges, immunities, powers or franchises, debts, duties or other obligations or liabilities.

ARTICLE 12

RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1993 Supplement, section 62N.23, is amended to read:

62N.23 [TECHNICAL ASSISTANCE; LOANS.]

(a) The commissioner shall provide technical assistance to parties interested in establishing or operating a community integrated service network or an integrated service network. This shall be known as the integrated service network technical assistance program (ISNTAP).

The technical assistance program shall offer seminars on the establishment and operation of integrated service networks in all regions of Minnesota. The commissioner shall advertise these seminars in local and regional newspapers, and attendance at these seminars shall be free.

The commissioner shall write a guide to establishing and operating an integrated service network. The guide must provide basic instructions for parties wishing to establish an integrated service network. The guide must be provided free of charge to interested parties. The commissioner shall update this guide when appropriate.

The commissioner shall establish a toll-free telephone line that interested parties may call to obtain assistance in establishing or operating an integrated service network.

~~(b) The commissioner, in consultation with the commission, shall provide recommendations for the creation of a loan program that would provide loans or grants to entities forming integrated service networks or to networks less than one year old. The commissioner shall propose criteria for the loan program. shall grant loans for organizational and start-up expenses to entities forming community integrated service networks or integrated service networks, or to networks less than one year old, to the extent of any appropriation for that purpose. The commissioner shall allocate the available funds among applicants based upon the following criteria, as evaluated by the commissioner within the commissioner's discretion:~~

(1) the applicant's need for the loan;

(2) the likelihood that the loan will foster the formation or growth of a network; and

(3) the likelihood of repayment.

The commissioner shall determine any necessary application deadlines and forms and is exempt from rulemaking in doing so.

Sec. 2. Minnesota Statutes 1993 Supplement, section 144.1464, is amended to read:

144.1464 [SUMMER HEALTH CARE INTERNS.]

Subdivision 1. [SUMMER INTERNSHIPS.] The commissioner of health, through a contract with a nonprofit organization as required by subdivision 4, shall award grants to hospitals and clinics to establish a secondary and post-secondary summer health care intern program. The purpose of the program is to expose interested high school secondary and post-secondary pupils to various careers within the health care profession.

Subd. 2. [CRITERIA.] (a) The commissioner, through the organization under contract, shall award grants to hospitals and clinics that agree to:

(1) provide secondary and post-secondary summer health care interns with formal exposure to the health care profession;

(2) provide an orientation for the secondary and post-secondary summer health care interns;

(3) pay one-half the costs of employing a the secondary and post-secondary summer health care intern, based on an overall hourly wage that is at least the minimum wage but does not exceed \$6 an hour; and

(4) interview and hire secondary and post-secondary pupils for a minimum of six weeks and a maximum of 12 weeks.

(b) In order to be eligible to be hired as a secondary summer health intern by a hospital or clinic, a pupil must:

(1) intend to complete high school graduation requirements and be between the junior and senior year of high school;

(2) be from a school district in proximity to the facility; and

(3) provide the facility with a letter of recommendation from a health occupations or science educator.

(c) In order to be eligible to be hired as a post-secondary summer health care intern by a hospital or clinic, a pupil must:

(1) intend to complete a two-year or four-year degree program and be planning on enrolling in or be enrolled in that degree program;

(2) be from a school district or attend an educational institution in proximity to the facility; and

(3) provide the facility with a letter of recommendation from a health occupations or science educator.

(d) Hospitals and clinics awarded grants may employ pupils as secondary and post-secondary summer health care interns beginning on or after June 15, 1993, if they agree to pay the intern, during the period before disbursement of state grant money, with money designated as the facility's 50 percent contribution towards internship costs.

Subd. 3. [GRANTS.] The commissioner, through the organization under contract, shall award separate grants to hospitals and clinics meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing a pupil secondary and post-secondary pupils in a hospital or clinic during the course of the program. No more than five pupils may be selected from any one high school secondary or post-secondary institution to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.

Subd. 4. [CONTRACT.] The commissioner shall contract with a statewide, nonprofit organization representing facilities at which secondary and post-secondary summer health care interns will serve, to administer the grant program established by this section. The organization awarded the grant shall provide the commissioner with any information needed by the commissioner to evaluate the program, in the form and at the times specified by the commissioner.

Sec. 3. [144.1471] [EMERGENCY ROOM COVERAGE GRANT PROGRAM.]

Subdivision 1. [GRANT AWARDS.] The commissioner shall establish a grant program to improve access to quality and efficient emergency medical care. The commissioner shall award grants to small, rural hospitals that:

(1) agree to utilize the grant to maintain and keep open an emergency room, 24 hours a day, seven days a week; and

(2) meet the criteria in subdivision 2.

Subd. 2. [CRITERIA.] In order to be eligible for a grant, a hospital must:

(1) be a licensed acute-care hospital operating in the state;

(2) not be financially able to keep its emergency room open 24 hours a day, seven days a week;

(3) have fewer than three medical doctors on staff; and

(4) have fewer than 50 licensed hospital beds.

Sec. 4. [RURAL MEDICAL SCHOOL PLANNING GRANT.]

The higher education coordinating board shall award a planning grant to a post-secondary institution located in St. Louis county to expand its currently existing two-year medical school program to a four-year medical school program. The newly established four-year medical school program must focus on the training of primary care physicians who are likely to practice in rural areas of the state. If the board of regents of the University of Minnesota accepts the funding appropriated for the planning grant, it shall comply with the duties for which the appropriation is made.

Sec. 5. [PHYSICAL THERAPIST DEGREE PROGRAM.]

The higher education coordinating board shall study the need for the expansion of certified physical therapists degree programs at post-secondary institutions located in the northwestern and southwestern parts of the state of Minnesota. The higher education coordinating board shall also explore the option of telecommunications to provide greater access to physical therapist programs. The higher education coordinating board shall present recommendations to the legislature by January 15, 1995.

ARTICLE 13

FINANCING

Section 1. Minnesota Statutes 1993 Supplement, section 256.9352, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL MANAGEMENT.] The commissioner shall manage spending for the ~~health-right plan~~ MinnesotaCare program in a manner that maintains a minimum reserve equal to five percent of the expected cost of state premium subsidies. The commissioner must make a quarterly assessment of the expected expenditures for the covered services for the remainder of the current fiscal year and for the following two fiscal years. The estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access fund. Based on this comparison, and after consulting with the chairs of the house ways and means committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall make adjustments as necessary to ensure that expenditures remain within the limits of available revenues. The adjustments the commissioner may use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the ~~health-right plan~~ MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the ~~health-right plan~~ MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner may further limit enrollment or decrease premium subsidies.

The reserve referred to in this subdivision is appropriated to the commissioner but may only be used upon approval of the commissioner of finance, if estimated costs will exceed the forecasted amount of available revenues after all adjustments authorized under this subdivision have been made.

By February 1, 1994, the department of human services and the department of health shall develop a plan to adjust benefit levels, eligibility guidelines, or other steps necessary to ensure that expenditures for the MinnesotaCare program are contained within the two percent ~~provider tax~~ taxes imposed under section 295.52 and the ~~one percent HMO gross premiums tax imposed under section 60A.15, subdivision 1, paragraph (e),~~ for the 1996-1997 biennium. Notwithstanding any law to the contrary, no further enrollment in MinnesotaCare, and no additional hiring of staff for the departments shall take place after June 1, 1994, unless a plan to balance the MinnesotaCare budget for the 1996-1997 biennium has been passed by the 1994 legislature.

Sec. 2. Minnesota Statutes 1993 Supplement, section 256.9356, subdivision 3, is amended to read:

Subd. 3. [ADMINISTRATION AND COMMISSIONER'S DUTIES.] Premiums are dedicated to the commissioner for MinnesotaCare. The commissioner shall make an annual redetermination of continued eligibility and identify people who may become eligible for medical assistance. The commissioner shall develop and implement procedures to: (1) require enrollees to report changes in income; (2) adjust sliding scale premium payments, based upon changes in enrollee income; and (3) disenroll enrollees from MinnesotaCare for failure to pay required premiums. Premiums are calculated on a calendar month basis and may be paid on a monthly, quarterly, or annual basis, with the first payment due upon notice from the commissioner of the premium amount required. Premium payment is required before enrollment is complete and to maintain eligibility in MinnesotaCare. ~~Nonpayment Payment of the premium later than 30 days after the premium due date will result in disenrollment from the plan within one calendar month after the due date.~~ Persons disenrolled for nonpayment may not reenroll until four calendar months have elapsed.

Sec. 3. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 2a. [DELIVERED OUTSIDE OF MINNESOTA.] "Delivered outside of Minnesota" means property which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not later returned to a point within Minnesota, except in the course of interstate commerce.

Sec. 4. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 3, is amended to read:

Subd. 3. [GROSS REVENUES.] "Gross revenues" are total amounts received in money or otherwise by:

- (1) a resident hospital for patient services;
- (2) a resident surgical center for patient services;
- (3) a nonresident hospital for patient services provided to patients domiciled in Minnesota;
- (4) a nonresident surgical center for patient services provided to patients domiciled in Minnesota;
- (5) a resident health care provider, other than a staff model health carrier, for patient services;
- (6) a nonresident health care provider for patient services provided to an individual domiciled in Minnesota;
- (7) a wholesale drug distributor for sale or distribution of prescription legend drugs that are delivered: (i) to a Minnesota resident by a wholesale drug distributor who is a nonresident pharmacy directly, by common carrier, or by mail; or (ii) in Minnesota by the wholesale drug distributor, by common carrier, or by mail, unless the prescription legend drugs are delivered to another wholesale drug distributor who sells legend drugs exclusively at wholesale. Prescription Legend drugs do not include nutritional products as defined in Minnesota Rules, part 9505.0325;
- (8) a staff model health carrier plan company as gross premiums for enrollees, copayments, deductibles, coinsurance, and fees for patient services covered under its contracts with groups and enrollees;
- (9) a resident pharmacy for medical supplies, appliances, and equipment; and
- (10) a nonresident pharmacy for medical supplies, appliances, and equipment.

Sec. 5. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 6a. [HOSPICE CARE SERVICES.] "Hospice care services" are services:

- (1) as defined in Minnesota Rules, part 9505.0297; and
- (2) provided at a recipient's residence, if the recipient does not live in a hospital, nursing facility as defined in section 62A.46, subdivision 3, or intermediate care facility for persons with mental retardation as defined in section 256B.055, subdivision 12, paragraph (d).

Sec. 6. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 15. [LEGEND DRUG.] "Legend drug" means a legend drug as defined in section 151.01, subdivision 17.

Sec. 7. Minnesota Statutes 1993 Supplement, section 295.52, subdivision 5, is amended to read:

Subd. 5. [VOLUNTEER AMBULANCE SERVICES.] Licensed Volunteer ambulance services for which all the ambulance attendants are "volunteer ambulance attendants" as defined in section 144.8091, subdivision 2, are not subject to the tax under this section. For purposes of this requirement, "volunteer ambulance service" means an ambulance service in which all of the individuals whose primary responsibility is direct patient care meet the

definition of volunteer under section 144.8091, subdivision 2. The ambulance service may employ administrative and support staff, and remain eligible for this exemption, if the primary responsibility of these staff is not direct patient care.

Sec. 8. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTIONS.] The following payments are excluded from the gross revenues subject to the hospital, surgical center, or health care provider taxes under sections 295.50 to 295.57:

(1) payments received for services provided under the Medicare program, including payments received from the government, and organizations governed by sections 1833 and 1876 of title XVIII of the federal Social Security Act, United States Code, title 42, section 1395, and enrollee deductibles, coinsurance, and copayments, whether paid by the individual or by insurer or other third party. Payments for services not covered by Medicare are taxable;

(2) medical assistance payments including payments received directly from the government or from a prepaid plan;

(3) payments received for home health care services;

(4) payments received from hospitals or surgical centers for goods and services on which liability for tax is imposed under section 295.52 or the source of funds for the payment is exempt under clause (1), (2), (7), (8), or (10);

(5) payments received from health care providers for goods and services on which liability for tax is imposed under sections 295.52 to 295.57 or the source of funds for the payment is exempt under clause (1), (2), (7), (8), or (10);

(6) amounts paid for ~~prescription~~ legend drugs, other than nutritional products, to a wholesale drug distributor reduced by reimbursements received for prescription drugs under clauses (1), (2), (7), and (8);

(7) payments received under the general assistance medical care program including payments received directly from the government or from a prepaid plan;

(8) payments received for providing services under the MinnesotaCare program including payments received directly from the government or from a prepaid plan and enrollee deductibles, coinsurance, and copayments;

(9) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for care provided outside Minnesota to a patient who is not domiciled in Minnesota;

(10) payments received from the chemical dependency fund under chapter 254B;

(11) payments received in the nature of charitable donations that are not designated for providing patient services to a specific individual or group;

(12) payments received for providing patient services if the services are incidental to conducting medical research;

(13) payments received from any governmental agency for services benefiting the public, not including payments made by the government in its capacity as an employer or insurer;

(14) payments received for services provided by community residential mental health facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, community support programs and family community support programs approved under Minnesota Rules, parts 9535.1700 to 9535.1760, and community mental health centers as defined in section 245.62, subdivision 2; ~~and~~

(15) government payments received by a regional treatment center;

(16) payments received for hospice care services;

(17) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for medical supplies, appliances and equipment delivered outside of Minnesota; and

(18) payments from student fees received by a university or college student health service.

Sec. 9. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 2, is amended to read:

Subd. 2. [DEDUCTIONS FOR STAFF MODEL HEALTH CARRIERS PLAN COMPANY.] In addition to the exemptions allowed under subdivision 1, a staff model health ~~carrier~~ plan company may deduct from its gross revenues for the year:

(1) amounts paid to hospitals, surgical centers, and health care providers that are not employees of the staff model health ~~carrier~~ plan company for services on which liability for the tax is imposed under section 295.52;

(2) amounts added to reserves, if total reserves do not exceed 200 percent of the statutory net worth requirement; the calculation of which may be determined on a consolidated basis, taking into account the amounts held in reserve by affiliated staff model health ~~carriers~~ plan companies;

(3) assessments for the comprehensive health insurance plan under section 62E.11; and

(4) amounts spent for administration as reported as total administration to the department of health in the statement of revenues, expenses, and net worth pursuant to section 62D.08, subdivision 3, clause (a).

Sec. 10. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 5, is amended to read:

Subd. 5. [DEDUCTIONS FOR PHARMACIES.] (a) Pharmacies may deduct from their gross revenues subject to tax payments for medical supplies, appliances, and devices that are exempt under subdivision 1, except payments under subdivision 1, clauses (3), (6), (9), (11), and (14).

(b) Resident pharmacies may deduct from their gross revenues subject to tax payments received for medical supplies, appliances, and equipment delivered outside of Minnesota.

Sec. 11. Minnesota Statutes 1993 Supplement, section 295.54, is amended to read:

295.54 [CREDIT FOR TAXES PAID TO ANOTHER STATE.]

Subdivision 1. [TAXES PAID TO ANOTHER STATE.] A resident hospital, resident surgical center, pharmacy, or resident health care provider who is liable for taxes payable to another state or province or territory of Canada measured by gross receipts and is subject to tax under section 295.52 is entitled to a credit for the tax paid to another state or province or territory of Canada to the extent of the lesser of (1) the tax actually paid to the other state or province or territory of Canada, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing jurisdictions.

Subd. 2. [PHARMACY CREDIT.] A resident pharmacy may claim a quarterly credit against the total amount of tax the pharmacy owes during that quarter under section 295.52, subdivision 1b, as provided in this subdivision. The credit shall equal two percent of the amount paid by the pharmacy to a wholesale drug distributor subject to tax under section 295.52, subdivision 3, for legend drugs delivered by the pharmacy outside of Minnesota. If the amount of the credit exceeds the tax liability of the pharmacy under section 295.52, subdivision 1b, the commissioner shall provide the pharmacy with a refund equal to the excess amount.

Sec. 12. Minnesota Statutes 1993 Supplement, section 295.58, is amended to read:

295.58 [DEPOSIT OF REVENUES AND PAYMENT OF REFUNDS.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.57 and from the insurance premiums tax on health maintenance organizations, community integrated service networks, integrated service networks, and nonprofit health service plan corporations in the health care access fund in the state treasury. Refunds of overpayments must be paid from the health care access fund in the state treasury. There is annually appropriated from the health care access fund to the commissioner of revenue the amount necessary to make any refunds required under section 295.54.

Sec. 13. Minnesota Statutes 1993 Supplement, section 295.582, is amended to read:

295.582 [AUTHORITY.]

(a) A hospital, surgical center, pharmacy, or health care provider that is subject to a tax under section 295.52, or a pharmacy that has paid additional expense transferred under this section by a wholesale drug distributor, may transfer additional expense generated by section 295.52 obligations on to all third-party contracts for the purchase of health care services on behalf of a patient or consumer. The expense must not exceed two percent of the gross revenues received under the third-party contract, including plus two percent of copayments and deductibles paid by the individual patient or consumer. The expense must not be generated on revenues derived from payments that are excluded from the tax under section 295.53. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapter 60A, 62A, 62C, 62D, 62H, 62N, 64B, or 62H, 65A, 65B, 79, or 79A, or under section 471.61 or 471.617, must pay the transferred expense in addition to any payments due under existing ~~or future~~ contracts with the hospital, surgical center, pharmacy, or health care provider, to the extent allowed under federal law. A third-party purchaser of health care services includes, but is not limited to, a health carrier, integrated service network, or community integrated service network that pays for health care services on behalf of patients or that reimburses, indemnifies, compensates, or otherwise insures patients for health care services. A third-party purchaser shall comply with this section regardless of whether the third-party purchaser is a for-profit, not-for-profit, or nonprofit entity. A wholesale drug distributor may transfer additional expense generated by section 295.52 obligations to entities that purchase from the wholesaler. Nothing in this ~~subdivision~~ section limits the ability of a hospital, surgical center, pharmacy, wholesale drug distributor, or health care provider to recover all or part of the section 295.52 obligation by other methods, including increasing fees or charges.

(b) Each third-party purchaser regulated under any chapter cited in paragraph (a) shall include with its annual renewal for certification of authority or licensure documentation indicating compliance with paragraph (a). If the commissioner responsible for regulating the third-party purchaser finds at any time that the third-party purchaser has not complied with paragraph (a) the commissioner may by order fine or censure the third-party purchaser or revoke or suspend the certificate of authority or license of the third-party purchaser to do business in this state. The third-party purchaser may appeal the commissioner's order through a contested case hearing in accordance with chapter 14.

Sec. 14. [EFFECTIVE DATES.]

Sections 1, 8, and 11 are effective the day following final enactment. Sections 3 to 7, 9, and 10 are effective July 1, 1994.

ARTICLE 14

APPROPRIATIONS

Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this act, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this act and are added to the appropriations for the fiscal years ending June 30, 1994, and June 30, 1995, in Laws 1993, chapter 345, or another named law.

SUMMARY BY FUND

	APPROPRIATIONS	
	1994	1995
HCAF Fund	(\$10,810,000)	(\$18,527,000)
State Government Special Revenue	-0-	1,403,000
Subdivision 1. Department of Human Services		
(a) Rate Reduction - Health Care Access Fund	-0-	(145,000)
This reduction is to the appropriation in Laws 1993, chapter 345, article 14, section 2, due to the imposition of a five percent rate reduction for hospitals not providing preadmission certification of MinnesotaCare enrollees receiving inpatient services.		
(b) Delayed Enrollment of Single Adults Health Care Access Fund	(8,974,000)	(14,576,000)
Subd. 2. Department of Employee Relations		
Health Care Access Fund	(1,854,000)	(6,125,000)
This reduction is to the appropriation in Laws 1993, chapter 345, article 14, section 9, due to a negotiation of a third-party carrier contract for Minnesota employers insurance program.		
Subd. 3. Department of Health		
Health Care Access Fund	-0-	1,740,000
State Government Special Revenue	-0-	1,403,000
Money appropriated before fiscal year 1995 to the commissioner of health for the administrative functions in connection with the data institute may be used by the data institute for the administration of the patient satisfaction survey to the extent that there are matching financial contributions from the private sector.		
Subd. 4. Higher Education Coordinating Board		
Health Care Access Fund	-0-	200,000

Of this appropriation, \$200,000 in fiscal year 1995 is to provide a medical school planning grant and to study physical therapist degree programs, as required under article 12.

	APPROPRIATIONS	
	1994	1995
Subd. 5. Department of Commerce		
Health Care Access Fund	18,000	379,000
Sec. 2. REVENUES		
Health Care Access Fund	-0-	(225,000)
State Government Special Revenue	-0-	167,000
Subdivision 1. Department of Commerce Health Care Access Fund	-0-	175,000
Subd. 2. Department of Revenue		
Health Care Access Fund	-0-	(400,000)
Subd. 3. Department of Health		
Health Care Access Fund	-0-	-0-
State Government Special Revenue Fund	-0-	167,000

Sec. 3. TRANSFERS

The commissioner of finance shall transfer \$3,963,000 in fiscal year 1994 and \$11,101,000 in fiscal year 1995 from the health care access fund to the general fund."

Amend the title accordingly

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2624, A bill for an act relating to employee relations; ratifying labor agreements; making certain positions unclassified; changing duties of the legislative commission on employee relations; revising a salary range for a certain position in the judicial branch; amending Minnesota Statutes 1992, sections 3.855, subdivisions 2, 3, and by adding a subdivision; 15A.081, subdivisions 7 and 7b; 43A.05, subdivision 5; 43A.08, subdivisions 1 and 1a; 43A.18, subdivisions 2, 3, and 5; 179A.18, subdivision 1; and 179A.22, subdivision 4; Minnesota Statutes 1993 Supplement, sections 15A.081, subdivision 1; 15A.083, subdivision 4; and 43A.18, subdivision 4.

Reported the same back with the following amendments:

Page 3, after line 5, insert:

"Subd. 13. [CORRECTIONAL GUARDS.] The arbitration award and memorandum of understanding for unit 8, the correctional guards unit, approved by the legislative commission on employee relations on April 6, 1994, are approved."

Page 17, after line 19, insert:

"Sec. 15. Minnesota Statutes 1992, section 179A.10, subdivision 3, is amended to read:

Subd. 3. [STATE EMPLOYEE SEVERANCE.] Each of the following groups of employees has the right, as specified in this subdivision, to separate from the general professional, health treatment, or general supervisory units provided for in subdivision 2: attorneys, physicians, professional employees of the higher education coordinating board who are compensated under section 43A.18, subdivision 4, state patrol-supervisors, ~~regional enforcement officers~~ supervisors employed by the department of natural resources, and criminal apprehension investigative-supervisors. This right must be exercised by petition during the 60-day period commencing 270 days prior to the termination of a contract covering the units. If one of these groups of employees exercises the right to separate from the units they have no right to meet and negotiate, but retain the right to meet and confer with the commissioner of employee relations and with the appropriate appointing authority on any matter of concern to them. The right to separate must be exercised as follows: An employee organization or group of employees claiming that a majority of any one of these groups of employees on a statewide basis wish to separate from their units may petition the commissioner for an election during the petitioning period. If the petition is supported by a showing of at least 30 percent support for the petitioner from the employees, the commissioner shall hold an election to ascertain the wishes of the majority with respect to the issue of remaining within or severing from the units provided in subdivision 2. This election must be conducted within 30 days of the close of the petition period. If a majority of votes cast endorse severance from the unit in favor of separate meet and confer status for any one of these groups of employees, the commissioner shall certify that result. This election, where not inconsistent with other provisions of this section, is governed by section 179A.12. If a group of employees elects to sever, the group may rejoin that unit by following the same procedures specified above for severance, but may only do so during the periods provided for severance."

Page 19, line 34, delete "17" and insert "18"

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "modifying duties of the commissioner of employee relations;"

Page 1, line 11, after the first semicolon, insert "179A.10, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

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

H. F. No. 2775, A bill for an act relating to motor vehicles; exempting vehicles in the first five years of vehicle life from emissions inspection requirement; requiring a study of motor vehicle registration at emissions inspection stations; authorizing issuance of youth charter carrier permits; appropriating money; amending Minnesota Statutes 1992, sections 116.61, subdivision 2; 221.011, by adding a subdivision; and 221.121, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 221.111.

Reported the same back with the following amendments:

Page 1, delete section 1

Page 4, delete section 6

Page 4, line 14, delete "Section 1 is effective January 1, 1995." and delete "2 to 6" and insert "1 to 4"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete line 3

Page 1, line 4, delete "inspection requirement;"

Page 1, line 7, delete "appropriating money;"

Page 1, line 8, delete "116.61, subdivision 2;"

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

The report was adopted.

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

H. F. No. 2815, A bill for an act relating to transportation; requiring metropolitan council and department of transportation to conduct a study on road pricing finance options; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMUNITY DEVELOPMENT

Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this act, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this act and are added to appropriations for the fiscal years ending June 30, 1994 and June 30, 1995, in Laws 1993, chapter 369, or another named law.

SUMMARY BY FUND

	1994	1995
General Fund	\$ 656,000	\$ 1,752,000
Special Revenue Fund	-0-	4,000
Workers' Compensation Fund	-0-	50,000
TOTAL	\$656,000	\$1,806,000

APPROPRIATIONS
Available for the Year
Ending June 30

	1994	1995
--	------	------

Sec. 2. TRADE AND ECONOMIC DEVELOPMENT	\$ 500,000	\$ 1,164,000
--	------------	--------------

SUMMARY BY FUND

General Fund	\$ 500,000	\$ 1,160,000
--------------	------------	--------------

Special Revenue Fund	-0-	4,000
----------------------	-----	-------

(a) Minnesota Film Board		40,000
--------------------------	--	--------

This appropriation is added to the appropriation in Laws 1993, chapter 369, section 2, subdivision 4, for the Minnesota film board. This appropriation is available only upon receipt by the board of \$1 in matching money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation.

(b) Community Development

The \$6,000,000 to be transferred under the appropriation in Laws 1993, chapter 369, section 2, subdivision 2, in fiscal year 1994 to the regional revolving loan fund account in the special revenue fund is to be transferred instead to the rural rehabilitation account in the special revenue fund.

(c) Job Skills Partnership	500,000	500,000
----------------------------	---------	---------

These appropriations are added to the appropriations made in Laws 1993, chapter 369, section 2, subdivision 5. The additions are to be added to the \$1,088,000 each year for the job skills partnership grants and the purpose for both the original \$1,088,000 each year and the additional \$500,000 each year is for the job skills partnership program under Minnesota Statutes, chapter 116L.

(d) Study of Women-owned Businesses		35,000
-------------------------------------	--	--------

This appropriation is for a study, to be conducted in consultation with the commissioner of commerce, of the status of women-owned business in Minnesota. The commissioner shall:

(1) identify and compile information on trends in women business ownership and trends in the size of women-owned businesses;

(2) identify the distribution of women-owned businesses by industry and the demographic profile of women business owners;

(3) identify the current and prospective needs of women-owned businesses for all types of credit and capital, including start-up capital, expansion capital, and working capital, considering the number and type of women-owned businesses and the rate of formation of women-owned businesses;

(4) identify and document the availability of all types of credit and financing for women-owned businesses;

(5) describe any barriers that exist that limit access to capital and credit by women-owned businesses;

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

(6) examine and document the use of publicly funded capital subsidy programs by women-owned businesses, including business loan and grant programs, interest subsidy programs, and loan insurance and loan guarantee programs;

(7) evaluate the effectiveness of the Community Reinvestment Act in Minnesota as one method of addressing the credit needs of women-owned businesses;

(8) compare the relative access to credit of women-owned businesses in Minnesota and women-owned businesses in other states or regions;

(9) provide recommendations to improve, as necessary, access to credit by, and the availability of credit for, women-owned businesses;

(10) identify the level of participation by women-owned businesses in state procurement programs; and

(11) identify methods of assisting women-owned business in other states.

The commissioner shall use the most current and reliable information available, including information the commissioner obtains through a survey of Minnesota's women-owned corporations, partnerships, limited liability companies, and sole proprietorships. Any state agency with information or expertise required for the study shall cooperate by supplying data or assistance as requested by the commissioner. The commissioner shall prepare a report summarizing the findings and recommendations including preliminary recommendations for addressing the barriers based on the study and the identification of assistance provided in other states and present it to the legislature by January 30, 1995.

(e) North Metro Business Retention
and Development Commission

-0-

50,000

This appropriation is added to the grant authorized in Laws 1993, chapter 369, section 2, subdivision 5, for the North Metro Business Retention and Development Commission, and is for the purpose of including the cities of New Brighton and Mounds View in the pilot project. This grant is available only on a demonstration of a dollar-for-dollar cash match from the commission.

(f) Capital Access Program

-0-

500,000

This appropriation is for use in the department's capital access program. The commissioner shall place this appropriation in a separate account to be known as the agricultural product processing account. The commissioner shall transfer money in this account as needed to fund separate reserve fund accounts established with lenders to cover any losses sustained by those lenders who (1) enroll in the capital access program, and (2) make loans to farmers to

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

finance the purchase of stock in a cooperative that proposes to construct and operate an agricultural product processing facility that is located in Minnesota and costs over \$1,000,000. Money in the agricultural product processing account reverts to the general fund on July 1, 1997, if not needed by the commissioner to fund separate reserve accounts established with lenders.

(g) International Protocol 35,000

This appropriation is for the international protocol function.

Sec. 3. LABOR INTERPRETIVE CENTER 45,000 190,000

These general fund appropriations for operational expenditures are in addition to the appropriations transferred in Laws 1993, chapter 369, section 26.

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

The commissioner of administration shall manage and control the land acquired pursuant to Laws 1987, chapter 400, section 61, until funds are appropriated and construction is authorized by the legislature to begin on the labor interpretive center.

Sec. 4. MINNESOTA TECHNOLOGY INCORPORATED -0- 250,000

This appropriation is added to the appropriation for transfer from the general fund to the Minnesota Technology, Inc. fund in Laws 1993, chapter 369, section 3, and is for state match for the first year of a federal grant for a defense conversion consortium.

Sec. 5. WORLD TRADE CENTER CORPORATION 111,000 -0-

This appropriation is for the purpose of retiring the debt of the world trade center corporation, and is available until spent.

Sec. 6. LABOR AND INDUSTRY -0- 74,000

SUMMARY BY FUND

General Fund \$ -0- \$ 24,000

Workers' Compensation Special fund -0- 50,000

(a) OSHA supplement fund 50,000

This appropriation is from the special compensation fund and is added to the appropriation in Laws 1993, chapter 369, section 9, subdivision 3.

(b) Enforcement of Record Review 24,000

This appropriation is from the general fund, and is for enforcement of employee rights to review personnel records.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Sec. 7. COMMERCE

-0-

8,000

This appropriation is for a study, in consultation with the attorney general, of the pawnbroker industry in Minnesota. The commissioner shall study:

(1) current licensing and regulation of pawnbrokers by political subdivisions, the effectiveness of that licensing, and the need, if any, for licensing and regulation by the state; and

(2) rates of interest or fees charged on pawnbroker loans in Minnesota and other states, and whether the state should establish a maximum rate of interest or fee for such loans.

The commissioner shall report findings, conclusions, and recommendations of the study to the legislature by December 1, 1994.

Sec. 8. PUBLIC SERVICE

-0-

(220,000)

This reduction is to the appropriation in Laws 1993, chapter 369, section 11, subdivision 5, for transfer to the energy and conservation account under Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of jobs and training to improve the energy efficiency of residential LP gas heating equipment in low-income households, and when necessary, to provide weatherization services to the homes.

Sec. 9. MINNESOTA HISTORICAL SOCIETY

-0-

175,000

(a) Archaeology

75,000

This appropriation is for the state archaeology function and purpose.

(b) Museum of the National Guard

25,000

This appropriation is for a contribution from the state to the Museum of the National Guard in Washington D.C.

(c) Grand Meadow Chert Quarry

35,000

This appropriation is for a grant to the Mower county historical society for acquisition of the historic Grand Meadow chert quarry.

(d) Minnesota Transportation Museum

10,000

This appropriation is for restoration of a president's conference committee street car, and must be matched on a one-for-one basis from private sources, including in-kind contributions.

(e) St. Anthony Falls Heritage Board

60,000

Of this appropriation, \$35,000 is for a grant to the St. Anthony Falls heritage board, to be used by the board as a grant to further develop the great river road project in the central Mississippi

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

riverfront park. A grant made by the board from this appropriation is not subject to the matching requirements of Minnesota Statutes, section 138.766. Of this appropriation, \$25,000 is for board operating costs.

(f) Hinckley Fire Museum

10,000

This appropriation is for a grant to the Pine county historical society for renovation of the Hinckley fire museum.

(g) Kee Theatre

10,000

This appropriation is for a grant for the restoration of the Kee theatre in Keister.

(h) Cloquet-Moose Lake Forest Fire Center

(50,000)

The appropriation in Laws 1993, chapter 369, section 12, subdivision 6, paragraph (g), is canceled.

Sec. 10. BOARD OF THE ARTS

-0-

125,000

This appropriation is for a grant to the city of Minneapolis for capital improvements to the Hennepin center for the arts. The city may give this money as a grant to the governing body of the Hennepin center for the arts.

Sec. 11. COUNCIL ON AFFAIRS OF SPANISH
SPEAKING PEOPLE

-0-

10,000

This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.

Sec. 12. COUNCIL ON BLACK MINNESOTANS

-0-

10,000

This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.

Sec. 13. COUNCIL ON ASIAN-PACIFIC MINNESOTANS

-0-

10,000

This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.

Sec. 14. INDIAN AFFAIRS COUNCIL

-0-

10,000

This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.

Sec. 15. [MICRO BUSINESS LOANS.]

The commissioner of trade and economic development shall evaluate ways to encourage micro business loans for small start-up businesses. The commissioner shall report to the legislature as part of the biennial budget process on ways to meet the capital needs of small start-up businesses, including proposed measures of the effectiveness of these loans.

Sec. 16. [REQUIRED ENVIRONMENTAL IMPACT STATEMENT; METAL PROCESSING IN CRITICAL AREA.]

Until completion of an environmental impact statement that is found adequate under Minnesota Statutes, chapter 116D, a state or local agency may not issue a permit for construction or operation of a metal materials processing project that:

(1) would be located in or adjacent to the Mississippi river critical area, as described in Minnesota Statutes 1992, section 116G.15; and

(2) would have a processing capacity in excess of 20,000 tons per month.

The pollution control agency is the responsible government unit for preparation of an environmental impact statement required under this section.

Sec. 17. Minnesota Statutes 1993 Supplement, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

- (1) merchandise for resale at state park refectories or facility operations;
- (2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;
- (3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and
- (4) products and services from the Minnesota correctional facilities.

(b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

- (1) the hospital's governing authority authorizes the arrangement;
- (2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and
- (3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

(d) Supplies, materials, equipment, and utility services to be used or purchased by the iron range resources and rehabilitation board are subject to the competitive bidding requirements of this chapter only as described in section 298.2211, subdivision 3a.

Sec. 18. Minnesota Statutes 1993 Supplement, section 44A.025, is amended to read:

44A.025 [DUTIES.]

The board shall:

- (1) promote and market the Minnesota world trade center corporation;
- (2) sponsor conferences or other promotional events in the conference and service center;

- (3) adopt bylaws governing operation of the corporation by November 1, 1987;
- (4) conduct public relations, marketing, and liaison activities between the corporation, the Minnesota trade office, and the international business community;
- (5) establish and maintain an office in the Minnesota world trade center; ~~and~~
- (6) not duplicate programs or services provided by the ~~commissioner of trade and economic development, the Minnesota trade division, or the commissioner of agriculture; and~~
- (7) enter into administrative, programming, and service partnerships with the commissioner of trade and economic development.

Sec. 19. Minnesota Statutes 1992, section 44A.0311, is amended to read:

44A.0311 [WORLD TRADE CENTER CORPORATION ACCOUNT.]

The world trade center corporation account is in the special revenue fund. All money received by the corporation, including money generated from the use of the conference and service center, ~~except money generated from the use of the center by the Minnesota trade division and by the sale of the assets or ownership of the corporation under section 44A.12,~~ must be deposited in the account. Money in the account including interest earned is appropriated to the board and must be used exclusively for corporation purposes. Any money remaining in the account after sale of the assets or ownership of the corporation under section 44A.12 shall revert to the general fund.

Sec. 20. Minnesota Statutes 1992, section 60A.14, subdivision 1, is amended to read:

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

(a) by township mutual fire insurance companies:

- (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;
- (2) for filing annual statements, \$15;
- (3) for each annual certificate of authority, \$15;
- (4) for filing bylaws \$25 and amendments thereto, \$10.

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

- (1) for filing certified copy of certificate of articles of incorporation, \$100;
- (2) for filing annual statement, \$225;
- (3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
- (4) for filing bylaws, \$75 or amendments thereto, \$75;
- (5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

- (1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;
- (2) for each copy of paper on file in the commissioner's office 50 cents per page, and \$2.50 for certifying the same;
- (3) for license to procure insurance in unadmitted foreign companies, \$575;

~~(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;~~

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

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

~~(7) for issuing an initial license to an individual agent, \$30 per license, for issuing an initial agent's license to a partnership or corporation, \$100, and for issuing an amendment (variable annuity) to a license, \$50, and for renewal of amendment, \$25;~~

~~(8)~~ (6) for each appointment of an agent filed with the commissioner, a domestic insurer shall remit \$5 and all other insurers shall remit \$3;

~~(9) for renewing an individual agent's license, \$30 per year per license, and for renewing a license issued to a corporation or partnership, \$60 per year;~~

~~(10) for issuing and renewing a surplus lines agent's license, \$250;~~

~~(11) for issuing duplicate licenses, \$10;~~

~~(12) for issuing licensing histories, \$20;~~

~~(13)~~ (7) for filing forms and rates, \$50 per filing;

~~(14)~~ (8) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 21. Minnesota Statutes 1992, section 60A.19, subdivision 4, is amended to read:

Subd. 4. [FEES SERVICE OF PROCESS.] ~~The commissioner shall be entitled to charge and receive a fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4), for each notice, proof of loss, summons, or other process served under the provisions of this subdivision and subdivision 3, to be paid by the persons serving the same. The service of process authorized by this section shall be made in compliance with section 45.028, subdivision 2.~~

Sec. 22. Minnesota Statutes 1993 Supplement, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as an 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 an agent's 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 the applicant in the immediately preceding five years; and

(d) agreeing to file with the commissioner of revenue 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;

(e) ~~annually~~ paying a fee as prescribed by section 60A.14 60K.06, subdivision 1 2, paragraph (e) (a), clause (10) (7); and

(f) paying penalties imposed under section 289A.60, subdivision 1, as it relates to withholding and sales or use taxes, if the tax due under clause (d) is not timely paid.

Sec. 23. Minnesota Statutes 1992, section 60A.21, subdivision 2, is amended to read:

Subd. 2. [SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.] (1) Any of the following acts in this state effected by mail or otherwise by an unauthorized foreign or alien insurer: (a) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein; (b) the solicitation of applications for such contracts; (c) the collection of premiums, membership fees, assessments, or other considerations for such contracts; or (d) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the commissioner of commerce and the commissioner's successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

(2) Such service of process shall be made in compliance with section 45.028, subdivision 2 ~~and the payment of a filing fee as prescribed by section 60A.14, subdivision 1, paragraph (e), clause (4).~~

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner provided in clause (2) of this subdivision be valid if served upon any person within this state who, in this state on behalf of such insurer, is: (a) soliciting insurance, or (b) making, issuing, or delivering any contract of insurance, or (c) collecting or receiving any premium, membership fee, assessment, or other consideration for insurance; and if a copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant and the defendant's receipt, or the receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff or complainant shall be entitled to a judgment by default under this subdivision until the expiration of 30 days from the date of the filing of the affidavit of compliance.

(5) Nothing in this subdivision contained shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) The provisions of this section shall not apply to surplus line insurance lawfully effectuated under Minnesota law, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of:

(a) Wet marine and transportation insurance;

(b) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(c) Insurance on property or operations of railroads engaged in interstate commerce; or

(d) Insurance on aircraft or cargo of such aircraft, or against liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the commissioner as its attorney for the acceptance of service of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 24. Minnesota Statutes 1992, section 60K.03, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9) (6), at the time the agent becomes licensed. The application and appointment must be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

Sec. 25. Minnesota Statutes 1992, section 60K.03, subdivision 5, is amended to read:

Subd. 5. [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9) (6). The notice of appointment must be on a form prescribed by the commissioner.

Sec. 26. Minnesota Statutes 1992, section 60K.03, subdivision 6, is amended to read:

Subd. 6. [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section ~~60A.14~~ 60K.06, subdivision 1 2, paragraph (e) (a).

An applicant who surrenders an insurance license pursuant to this subdivision retains licensed status until an amended license is received.

Sec. 27. Minnesota Statutes 1992, section 60K.06, is amended to read:

60K.06 [RENEWAL FEE FEES.]

Subdivision 1. [RENEWAL FEES.] (a) Each agent licensed pursuant to section 60K.03 shall ~~annually~~ pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by ~~section 60A.14, subdivision 1, paragraph (e), clause (10) 2.~~

(b) Every agent, corporation, limited liability company, and partnership renewal license expires on October 31 of the year for which period a license is issued is valid for a period of 24 months. The commissioner may stagger the implementation of the 24-month licensing program so that approximately one-half of the licenses will expire on October 31 of each even-numbered year and the other half on October 31 of each odd-numbered year. Those licensees who will receive a 12-month license on November 1, 1994, because of the staggered implementation schedule, will pay for the license a fee reduced by an amount equal to one-half the fee for renewal of the license.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

~~(d) The commissioner may issue licenses for agents, corporations, or partnerships for a three-year period. If three-year licenses are issued, the fee is three times the annual license fee.~~

Subd. 2. [LICENSING FEES.] (a) In addition to the fees and charges provided for examinations, each agent licensed pursuant to section 60K.03 shall pay to the commissioner:

- (1) a fee of \$60 per license for an initial license issued to an individual agent, and a fee of \$60 for each renewal;
- (2) a fee of \$160 for an initial license issued to a partnership, limited liability company, or corporation, and a fee of \$120 for each renewal;
- (3) a fee of \$75 for an initial amendment (variable annuity) to a license, and a fee of \$50 for each renewal;
- (4) a fee of \$500 for an initial surplus lines agent's license, and a fee of \$500 for each renewal;
- (5) for issuing a duplicate license, \$10; and
- (6) for issuing licensing histories, \$20.

(b) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1 of the renewal year. Applications for renewal of a license are timely filed if received by the commissioner on or before the 15th day preceding the license renewal date of the applicant on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked on or before the 15th day preceding the licensing renewal date of the applicant.

(c) Initial licenses issued under this section must be valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on October 31 of the expiration year assigned by the commissioner.

(d) All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of any fee must be refunded upon proper application.

Subd. 3. [INITIAL LICENSE EXPIRATION; FEE REDUCTION.] If an initial license issued under subdivision 2, paragraph (a), expires less than 12 months after issuance, the license fee must be reduced by an amount equal to one-half the fee for a renewal of the license.

Sec. 28. Minnesota Statutes 1992, section 60K.19, subdivision 8, is amended to read:

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete annually a minimum of 15 30 credit hours of courses accredited by the commissioner during each 24-month licensing period after the expiration of his or her initial licensing period. At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period. Any person whose initial licensing period extends more than six months shall complete 15 hours of courses accredited by the commissioner during the initial license period. 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. No more than 7-1/2 15 credit hours per year licensing period may be credited to a person for courses sponsored by, offered by, or affiliated with an insurance company or its agents. Continuing education must be earned no later than September 30 of the renewal year. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency.

Sec. 29. Minnesota Statutes 1992, section 82.20, subdivision 7, is amended to read:

Subd. 7. [EFFECTIVE DATE OF LICENSE.] Every license issued Licenses renewed pursuant to this chapter shall expire on the June 30 next following the issuance of said license. are valid for a period of 24 months. New licenses issued during a 24-month licensing period will expire on June 30 of the expiration year assigned to the license. Implementation of the 24-month licensing program must be staggered so that approximately one-half of the licenses will expire on June 30 of each even-numbered year and the other one-half on June 30 of each odd-numbered year. Those licensees who will receive a 12-month license on July 1, 1995, because of the staggered implementation schedule will pay for the license a fee reduced by an amount equal to one-half the fee for renewal of the license.

Sec. 30. Minnesota Statutes 1992, section 82.20, subdivision 8, is amended to read:

Subd. 8. [RENEWALS.] (a) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are deemed to have been approved for renewal and may continue to transact business either as a real estate broker, salesperson, or closing agent whether or not the renewed license has been received on or before July 1 of the renewal year. Application for renewal of a license shall be deemed to have been timely filed if received by the commissioner by, or mailed with proper postage and postmarked by, June 15 ~~in each of the renewal~~ year. Applications for renewal shall be deemed properly filed if made upon forms duly executed and sworn to, accompanied by fees prescribed by this chapter and contain any information which the commissioner may require.

(b) Persons who have failed to make a timely application for renewal of a license and who have not received the renewal license as of July 1 of the renewal year, shall be unlicensed until such time as the license has been issued by the commissioner and is received.

Sec. 31. Minnesota Statutes 1993 Supplement, section 82.21, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees shall be paid to the commissioner:

(a) A fee of ~~\$100 per year~~ \$150 for each initial individual broker's license, and a fee of ~~\$50 per year~~ \$100 for each renewal thereof;

(b) A fee of ~~\$50 per year~~ \$70 for each initial salesperson's license, and a fee of ~~\$20 per year~~ \$40 for each renewal thereof;

(c) A fee of ~~\$55 per year~~ \$85 for each initial real estate closing agent license, and a fee of ~~\$30 per year~~ \$60 for each renewal thereof;

(d) A fee of ~~\$100 per year~~ \$150 for each initial corporate, limited liability company, or partnership license, and a fee of ~~\$50 per year~~ \$100 for each renewal thereof;

(e) A fee of ~~\$40 per year~~ for payment to the education, research and recovery fund in accordance with section 82.34;

(f) A fee of \$20 for each transfer;

(g) A fee of \$50 for a corporation, limited liability company, or partnership name change;

(h) A fee of \$10 for an agent name change;

(i) A fee of \$20 for a license history;

(j) A fee of \$10 for a duplicate license;

(k) A fee of \$50 for license reinstatement;

(l) A fee of \$20 for reactivating a corporate, limited liability company, or partnership license without land;

(m) A fee of \$100 for course coordinator approval; and

(n) A fee of \$20 for each hour or fraction of one hour of course approval sought.

Sec. 32. Minnesota Statutes 1992, section 82.21, is amended by adding a subdivision to read:

Subd. 4. [INITIAL LICENSE EXPIRATION; FEE REDUCTION.] If an initial license issued under subdivision 1, paragraph (a), (b), (c), or (d) expires less than 12 months after issuance, the license fee shall be reduced by an amount equal to one-half the fee for a renewal of the license.

Sec. 33. Minnesota Statutes 1993 Supplement, section 82.22, subdivision 6, is amended to read:

Subd. 6. [INSTRUCTION; NEW LICENSES.] (a) Every applicant for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. Every applicant for a salesperson's license

shall be required to successfully complete an additional course of study in the real estate field consisting of 60 hours of instruction approved by the commissioner, of which three hours shall consist of training in state and federal fair housing laws, regulations, and rules, and of which two hours must consist of training in laws and regulations on agency representation and disclosure, before filing an application for the license. Every salesperson shall, within one year of licensure, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(b) The commissioner may approve courses of study in the real estate field offered in educational institutions of higher learning in this state or courses of study in the real estate field developed by and offered under the auspices of the national association of realtors, its affiliates, or private real estate schools. The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company licensed to engage in the real estate business. The commissioner may by rule prescribe the curriculum and qualification of those employed as instructors.

(c) An applicant for a broker's license must successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner, of which three hours shall consist of training in state and federal fair housing laws, regulations, and rules. The course must have been completed within six months prior to the date of application for the broker's license.

(d) An applicant for a real estate closing agent's license must successfully complete a course of study relating to closing services consisting of eight hours of instruction approved by the commissioner.

Sec. 34. Minnesota Statutes 1993 Supplement, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After their first renewal date, all real estate salespersons and all real estate brokers shall be required to successfully complete ~~45~~ 30 hours of real estate continuing education, either as a student or a lecturer, in courses of study approved by the commissioner, ~~each year after their initial annual renewal date or after the expiration of their currently assigned three year continuing education due date~~ during each 24-month license period. At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period. Salespersons and brokers whose initial license period extends more than 12 months are required to complete 15 hours of real estate continuing education during the initial license period. All salespersons and brokers shall report continuing education on an annual basis must be earned no later than May 31 of the renewal year. Hours in excess of 15 earned in any one year may be carried forward to the following year. Those licensees who will receive a 12-month license on July 1, 1995, because of the staggered implementation schedule must complete 15 hours of real estate continuing education as a requirement for renewal on July 1, 1996.

(b) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision.

(c) Any program approved by Minnesota continuing legal education shall be approved by the commissioner of commerce for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate.

(d) As part of the continuing education requirements of this section, the commissioner shall require that all real estate brokers and salespersons receive:

(1) at least two hours of training ~~every year~~ during each license period in courses in laws or regulations on agency representation and disclosure; and

(2) at least two hours of training ~~every even-numbered year~~ during each license period in courses in state and federal fair housing laws, regulations, and rules, or other antidiscrimination laws.

Clause (1) does not apply to real estate salespersons and real estate brokers engaged solely in the commercial real estate business who file with the commissioner a verification of this status ~~on an annual basis no later than May 31 as part of the annual report~~ along with the continuing education report required under paragraph (a).

Sec. 35. Minnesota Statutes 1993 Supplement, section 82.34, subdivision 3, is amended to read:

Subd. 3. [FEE FOR REAL ESTATE FUND.] Each real estate broker, real estate salesperson, and real estate closing agent entitled under this chapter to renew a license shall pay in addition to the appropriate renewal fee a further fee of ~~\$25 per year~~ \$50 per licensing period which shall be credited to the real estate education, research, and recovery

fund. Any person who receives an initial license shall pay ~~the fee of \$50~~, in addition to all other fees payable, a fee of \$75 if the license expires more than 12 months after issuance, \$50 if the license expires less than 12 months after issuance.

Sec. 36. Minnesota Statutes 1992, section 82B.08, subdivision 4, is amended to read:

Subd. 4. [EFFECTIVE DATE OF LICENSE.] ~~A license~~ Initial licenses issued under this chapter ~~expires on the August 31 next following the issuance of the license~~ are valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on August 31 of the expiration year assigned by the commissioner.

Sec. 37. Minnesota Statutes 1992, section 82B.08, subdivision 5, is amended to read:

Subd. 5. [RENEWALS.] (a) Licenses renewed under this chapter are valid for a period of 24 months. Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are considered to have been approved for renewal and may continue to transact business as a real estate appraiser whether or not the renewed license has been received on or before September 1 of the renewal year. Application for renewal of a license is considered to have been timely filed if received by the commissioner by, or mailed with proper postage and postmarked by, August 1 in each of the renewal year. Applications for renewal are considered properly filed if made upon forms duly executed and sworn to, accompanied by fees prescribed by this chapter and containing information the commissioner requires.

(b) Persons who have failed to make a timely application for renewal of a license and who have not received the renewal license as of September 1 of the renewal year are unlicensed until the time the license has been issued by the commissioner and is received.

Sec. 38. Minnesota Statutes 1992, section 82B.09, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees must be paid to the commissioner:

(1) a fee of \$100 for each initial individual real estate appraiser's license: \$150 if the license expires more than 12 months after issuance, \$100 if the license expires less than 12 months after issuance; and a fee of \$50 \$100 for each annual renewal;

(2) a fee of \$10 for a change in personal name or trade name or personal address or business location;

(3) a fee of \$10 for a license history;

(4) a fee of \$25 for a duplicate license;

(5) a fee of \$100 for appraiser course coordinator approval; and

(6) a fee of \$10 for each hour or fraction of one hour of course approval sought.

Sec. 39. Minnesota Statutes 1992, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. [LICENSE RENEWALS.] A licensed real estate appraiser shall present evidence satisfactory to the commissioner of having met the continuing education requirements of this chapter before the commissioner renews a license.

The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least ~~15~~ 30 classroom hours ~~per year~~, of instruction in courses or seminars that have received the approval of the commissioner. If the applicant's immediately preceding term of licensing consisted of 12 or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. If the immediately preceding term of licensing consisted of fewer than 12 months, no continuing education need be reported.

Sec. 40. Minnesota Statutes 1992, section 83.25, is amended to read:

83.25 [LICENSE REQUIRED.]

Subdivision 1. No person shall offer or sell in this state any interest in subdivided lands without having obtained:

(1) a license under chapter 82; and

(2) an additional license to offer or dispose of subdivided lands. This license may be obtained by submitting an application in writing to the commissioner upon forms prepared and furnished by the commissioner. Each application shall be signed and sworn to by the applicant and accompanied by a license fee of \$10 per year. The commissioner may also require an additional examination for this license.

Subd. 2. Every license issued pursuant to this section ~~expires on June 30 following the date of issuance. It may~~ must be renewed, transferred, suspended, revoked or denied in the same manner as provided in chapter 82 for licenses issued pursuant to that chapter.

Subd. 3. This section does not apply to persons offering or disposing of interests in subdivided lands which are registered as securities pursuant to chapter 80A.

Sec. 41. Minnesota Statutes 1993 Supplement, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSABLE COSTS.] (a) The board shall provide partial reimbursement to eligible responsible persons for reimbursable costs incurred after June 4, 1987.

(b) The following costs are reimbursable for purposes of this section:

(1) corrective action costs incurred by the responsible person and documented in a form prescribed by the board, except the costs related to the physical removal of a tank;

(2) costs that the responsible person is legally obligated to pay as damages to third parties for bodily injury or, property damage, or corrective action costs incurred by a third party caused by a release ~~if where~~ the responsible person's liability for the costs has been established by a court order ~~or a~~ consent decree, or a court-approved stipulation of settlement approved before the effective date of this section for which the responsible party has assigned its rights to reimbursement under this section to a third-party claimant; and

(3) up to 180 days worth of interest costs, incurred after May 25, 1991, associated with the financing of corrective action. Interest costs are not eligible for reimbursement to the extent they exceed two percentage points above the adjusted prime rate charged by banks, as defined in section 270.75, subdivision 5, at the time the financing contract was executed.

(c) A cost for liability to a third party is incurred by the responsible person when an order or consent decree establishing the liability is entered. Except as provided in this paragraph, reimbursement may not be made for costs of liability to third parties until all eligible corrective action costs have been reimbursed. If a corrective action is expected to continue in operation for more than one year after it has been fully constructed or installed, the board may estimate the future expense of completing the corrective action and, after subtracting this estimate from the total reimbursement available under subdivision 3, reimburse the costs for liability to third parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

Sec. 42. Minnesota Statutes 1993 Supplement, section 116J.966, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) The commissioner shall promote, develop, and facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in addition to the powers granted by section 116J.035, the commissioner may:

(1) locate, develop, and promote international markets for Minnesota products and services;

(2) arrange and lead trade missions to countries with promising international markets for Minnesota goods, technology, services, and agricultural products;

(3) promote Minnesota products and services at domestic and international trade shows;

(4) organize, promote, and present domestic and international trade shows featuring Minnesota products and services;

(5) host trade delegations and assist foreign traders in contacting appropriate Minnesota businesses and investments;

(6) develop contacts with Minnesota businesses and gather and provide information to assist them in locating and communicating with international trading or joint venture counterparts;

(7) provide information, education, and counseling services to Minnesota businesses regarding the economic, commercial, legal, and cultural contexts of international trade;

(8) provide Minnesota businesses with international trade leads and information about the availability and sources of services relating to international trade, such as export financing, licensing, freight forwarding, international advertising, translation, and custom brokering;

(9) locate, attract, and promote foreign direct investment and business development in Minnesota to enhance employment opportunities in Minnesota;

(10) provide foreign businesses and investors desiring to locate facilities in Minnesota information regarding sources of governmental, legal, real estate, financial, and business services; ~~and~~

(11) enter into contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries, to carry out the purposes of promoting international trade and attracting investment from foreign countries to Minnesota and to carry out this section, without regard to sections 16B.07 and 16B.09;

(12) enter into administrative, programming, and service partnerships with the Minnesota world trade center; and

(13) market trade-related materials to businesses and organizations, and the proceeds of which must be placed in a special revolving account and are appropriated to the commissioner to prepare and distribute trade-related materials.

(b) The programs and activities of the commissioner of trade and economic development and the Minnesota trade division may not duplicate programs and activities of the commissioner of agriculture or the Minnesota world trade center corporation.

(c) The commissioner shall notify the chairs of the senate finance and house appropriations committees of each agreement under this subdivision to establish and maintain an office or other type of representation in a foreign country.

Sec. 43. Minnesota Statutes 1992, section 138.01, subdivision 1, is amended to read:

Subdivision 1. ~~For the purposes of Laws 1925, chapter 426, the Minnesota state historical society shall be construed to be an agency of the state government.~~ All appropriations made to the Minnesota historical society shall be subject to the charter of the Minnesota historical society of 1849 and as amended in 1856.

Sec. 44. Minnesota Statutes 1992, section 138.34, is amended to read:

138.34 [ADMINISTRATION OF THE ACT.]

The ~~Minnesota historical society~~ state archaeologist shall act as the ~~agency agent~~ agent of the state to administer and enforce the provisions of sections 138.31 to 138.42. Some enforcement provisions are shared with the ~~state archaeologist society~~.

Sec. 45. Minnesota Statutes 1992, section 138.35, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The state archaeologist shall be a professional archaeologist who is meets the United States secretary of the interior's professional qualification standards in Code of Federal Regulations, title 36, part 61, appendix A. The state archaeologist shall be paid a salary comparable to salaries paid to state employees in the classified service. The state archaeologist may not be employed by the Minnesota historical society and. The state archaeologist shall be appointed by the board of the Minnesota historical society in consultation with the Indian affairs council for a four-year term.

Sec. 46. Minnesota Statutes 1992, section 138.38, is amended to read:

138.38 [REPORTS OF STATE ARCHAEOLOGIST.]

The state archaeologist shall consult with and keep the Indian affairs council and the director of the historical society informed as to significant field archaeology, projected or in progress, and as to significant discoveries made. Annually, and also upon leaving office, the state archaeologist shall file with the Indian affairs council and the director of the historical society a full report of the office's activities including a summary of the activities of licensees, from the effective date hereof or from the date of the last full report of the state archaeologist.

Sec. 47. Minnesota Statutes 1992, section 138.40, subdivision 3, is amended to read:

Subd. 3. When significant archaeological or historic sites are known or suspected to exist on public lands or waters, the agency or department controlling said lands or waters shall submit construction or development plans to the state archaeologist and the director of the society for review prior to the time bids are advertised. The state archaeologist and the society shall promptly review such plans and make recommendations for the preservation of archaeological or historic sites which may be endangered by construction or development activities. When archaeological or historic sites are related to Indian history or religion, the state archaeologist shall submit the plans to the Indian affairs council ~~must be afforded the opportunity to for the council's~~ review and recommend action.

Sec. 48. Minnesota Statutes 1993 Supplement, section 138.763, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] There is a St. Anthony Falls heritage board consisting of ~~17~~ 19 members with the director of the Minnesota historical society as chair. The members include the mayor, the chair of the Hennepin county board of commissioners or the chair's designee, the president of the Minneapolis park and recreation board or the president's designee, the superintendent of the park board, two members each from the house of representatives appointed by the speaker, the senate appointed by the rules committee, the city council, the Hennepin county board, and the park board, and one each from the preservation commission, the preservation office, Hennepin county historical society, and the society.

Sec. 49. Minnesota Statutes 1992, section 138.94, is amended by adding a subdivision to read:

~~Subd. 3. [CONTRACTUAL SERVICES.] The society may contract with existing state departments and agencies or other entities for materials and services as may be necessary for the history center.~~

Sec. 50. Minnesota Statutes 1992, section 154.11, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION OF NONRESIDENTS.] A person who meets all of the requirements for licensure in this chapter and either has a license, certificate of registration, or an equivalent as a practicing barber or instructor of barbering from another state or country which in the discretion of the board has substantially the same requirements for licensing or registering barbers and instructors of barbering as required by this chapter or can prove by sworn affidavits practice as a barber or instructor of barbering in another state or country for at least five years immediately prior to making application in this state, shall, upon payment of the required fee, be called by the board for issued a certificate of registration without examination to determine fitness to receive a certificate of registration to practice barbering or to instruct in barbering, provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.

Sec. 51. Minnesota Statutes 1992, section 154.12, is amended to read:

154.12 [EXAMINATION OF NONRESIDENT APPRENTICES.]

A person who meets all of the requirements for licensure in this chapter who has a license, a certificate of registration, or their equivalent as an apprentice in a state or country which in the discretion of the board has substantially the same requirements for registration as an apprentice as is provided by this chapter shall, upon payment of the required fee, be called by the board for issued a certificate of registration without examination to determine fitness to receive a certificate of registration as an apprentice. A person failing to pass the required examination must conform to the requirements of section 154.06 before being permitted to take another examination, provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.

Sec. 52. [154.161] [REGISTRATION; ISSUANCE, REVOCATION, SUSPENSION, DENIAL.]

Subdivision 1. [PROCEEDINGS.] If the board, or a complaint committee if authorized by the board, has a reasonable basis for believing that a person has engaged in or is about to engage in a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board or complaint committee may proceed as provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings must be conducted in accordance with the administrative procedure act.

Subd. 2. [LEGAL ACTIONS.] (a) When necessary to prevent an imminent violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board, or a complaint committee if authorized by the board, may bring an action in the name of the state in the district court of Ramsey county in which jurisdiction is proper to enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a showing that a person has engaged in or is about to engage in an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the court shall grant a permanent or temporary injunction, restraining order, or other appropriate relief.

(b) For purposes of injunctive relief under this subdivision, irreparable harm exists when the board shows that a person has engaged in or is about to engage in an act or practice that constitutes violation of a statute, rule or order that the board has adopted or issued or is empowered to enforce.

(c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person from criminal prosecution by a competent authority, or from action by the board under subdivision 3, 4, 5, or 6 with respect to the persons' license, certificate, or application for examination, license, or renewal.

Subd. 3. [CEASE AND DESIST ORDERS.] (a) The board, or compliance committee if authorized by the board, may issue and have served upon an unlicensed person, or a holder of a certificate of registration or a shop registration card, an order requiring the person to cease and desist from an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must (1) give reasonable notice of the rights of the person named in the order to request a hearing, and (2) state the reasons for the entry of the order. No order may be issued under this subdivision until an investigation of the facts has been conducted under section 214.10.

(b) Service of the order under this subdivision is effective when the order is personally served on the person or counsel of record, or served by certified mail to the most recent address provided to the board for the person or counsel of record.

(c) The board must hold a hearing under this subdivision not later than 30 days after the board receives the request for the hearing, unless otherwise agreed between the board, or compliance committee if authorized by the board, and the person requesting the hearing.

(d) Notwithstanding any rule to the contrary, the administrative law judge must issue a report within 30 days of the close of the contested case hearing. Within 30 days after receiving the report and subsequent exceptions and argument, the board shall issue a further order vacating, modifying, or making permanent the cease and desist order. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until modified or vacated by the board.

Subd. 4. [LICENSE ACTIONS.] (a) With respect to a person who is a holder of or applicant for a licensee or shop registration card under this chapter, the board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the application, certificate of registration, or shop registration card, censure or reprimand the person, refuse to permit the person to sit for examination, or refuse to release the person's examination grades, if the board finds that such an order is in the public interest and that, based on a preponderance of the evidence presented, the person has:

(1) violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce;

(2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether or not the conduct or acts relate to the practice of barbering, if the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in the practice of barbering;

(3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate incompetence, or are otherwise in violation of the standards in the rules of the board, where the conduct or acts relate to the practice of barbering;

(4) employed fraud or deception in obtaining a certificate of registration, shop registration card, renewal, or reinstatement, or in passing all or a portion of the examination;

(5) had a certificate of registration or shop registration card, right to examine, or other similar authority revoked in another jurisdiction;

(6) failed to meet any requirement for issuance or renewal of the person's certificate of registration or shop registration card;

(7) practiced as a barber while having an infectious or contagious disease;

(8) advertised by means of false or deceptive statements;

(9) demonstrated intoxication or indulgence in the use of drugs, including but not limited to narcotics as defined in section 152.01 or in United States Code, title 26, section 4731, barbiturates, amphetamines, benzedrine, dexedrine, or other sedatives, depressants, stimulants, or tranquilizers;

(10) demonstrated unprofessional conduct or practice, or conduct or practice that violates any provision of chapter 186;

(11) permitted an employee or other person under the person's supervision or control to practice as a registered barber, registered apprentice, or registered instructor of barbering unless that person has (i) a current certificate of registration as a registered barber, registered apprentice, or registered instructor of barbering, (ii) a temporary apprentice permit, or (iii) a temporary permit as an instructor of barbering;

(12) practices, offered to practice, or attempted to practice by misrepresentation;

(13) failed to display a certificate of registration as required by section 154.14;

(14) used any room or place of barbering that is also used for any other purpose, or used any room or place of barbering that violates the board's rules governing sanitation;

(15) in the case of a barber, apprentice, or other person working in or in charge of any barber shop, or any person in a barber school engaging in the practice of barbering, failed to use separate and clean towels for each customer or patron, or to discard and launder each towel after being used once;

(16) in the case of a barber or other person in charge of any barber shop or barber school, (i) failed to supply in a sanitary manner clean hot and cold water in quantities necessary to conduct the shop or barbering service for the school, (ii) failed to have water and sewer connections from the shop or barber school with municipal water and sewer systems where they are available for use, or (iii) failed or refused to maintain a receptacle for hot water of a capacity of at least five gallons;

(17) failed to respond to a communication from the board or the attorney general on behalf of the board, refused to permit the board to make an inspection permitted or required by this chapter, or failed to provide the board or the attorney general on behalf of the board with any documents or records they request;

(18) failed promptly to renew a certificate of registration or shop registration card when remaining in practice, pay the required fee, or issue a worthless check;

(19) failed to supervise a registered apprentice or temporary apprentice, or permitted the practice of barbering by a person not registered with the board or not holding a temporary permit;

(20) refused to serve a customer because of race, color, creed, religion, disability, national origin, or sex;

(21) failed to comply with a provision of chapter 141 or a provision of another chapter that relates to barber schools;

(22) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that the board, or complaint committee if authorized by the board, has determined may result or may have resulted in an immediate threat to the public; or

(23) used or displayed a barber pole for the purpose of offering barber services to the public without a shop registration card as required by section 154.01, paragraph (c). For purposes of this chapter "barber pole" means a cylinder or pole with alternating stripes of any combination color, including but not limited to red and white or red, white, and blue, that run diagonally along its length.

(b) In lieu of or in addition to any remedy under paragraph (a), the board may as a condition of continued registration, termination of suspension, reinstatement of registration, examination, or release of examination results, require that the person:

(1) submit to a quality review of the person's ability, skills, or quality of work, conducted in a manner and by a person or entity that the board determines; or

(2) complete to the board's satisfaction continuing education as the board requires.

(c) Service of an order under this subdivision is effective if the order is served personally on, or is served by certified mail to the most recent address provided to the board by, the licensee, certificate holder, applicant, or counsel of record. The order must state the reason for the entry of the order.

(d) Except as provided in subdivision 5, paragraph (c), all hearings under this subdivision must be conducted in accordance with the administrative procedure act.

Subd. 5. [TEMPORARY SUSPENSION.] (a) When the board, or complaint committee if authorized by the board, issues a temporary suspension order, the suspension provided for in the order is effective on service of a written copy of the order on the licensee, certificate holder, or counsel of record. The order must specify the statute, rule, or order violated by the licensee or certificate holder. The order remains in effect until the board issues a final order in the matter after a hearing, or on agreement between the board and the licensee or certificate holder.

(b) An order under this subdivision may (1) prohibit the licensee or certificate holder from engaging in the practice of barbering in whole or in part, as the facts require, and (2) condition the termination of the suspension on compliance with a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must state the reasons for entering the order and must set forth the right to a hearing as provided in this subdivision.

(c) Within ten days after service of an order under this subdivision the licensee or certificate holder may request a hearing in writing. The board must hold a hearing before its own members within five working days of the request for a hearing. The sole issue at such a hearing must be whether there is a reasonable basis to continue, modify, or terminate the temporary suspension. The hearing is not subject to the administrative procedure act. Evidence presented to the board or the licensee or certificate holder may be in affidavit form only. The licensee, certificate holder, or counsel of record may appear for oral argument.

(d) Within five working days after the hearing, the board shall issue its order and, if the order continues the suspension, shall schedule a contested case hearing within 30 days of the issuance of the order. Notwithstanding any rule to the contrary, the administrative law judge shall issue a report within 30 days after the closing of the contested case hearing record. The board shall issue a final order within 30 days of receiving the report.

Subd. 6. [VIOLATIONS; PENALTIES; COSTS.] (a) The board may impose a civil penalty of up to \$2,000 per violation on a person who violates a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(b) In addition to any penalty under paragraph (a), the board may impose a fee to reimburse the board for all or part of the cost of (1) the proceedings resulting in disciplinary action authorized under this section, (2) the imposition of a civil penalty under paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a fee under this paragraph when the board shows that the position of the person who has violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce is not substantially justified unless special circumstances make such a fee unjust, notwithstanding any rule to the contrary. Costs under this paragraph include, but are not limited to, the amount paid by the board for services from the office of administrative hearings, attorneys' fees, court reporter costs, witness costs, reproduction of records, board members' compensation, board staff time, and expense incurred by board members and staff.

(c) All hearings under this subdivision must be conducted in accordance with the administrative procedure act.

Subd. 7. [REINSTATEMENT.] The board may reinstate a suspended, revoked, or surrendered certificate of registration or shop registration card, on petition of the former or suspended registrant. The board may in its sole discretion place any conditions on reinstatement of a suspended, revoked, or surrendered certificate of registration or shop registration card that it finds appropriate and necessary to ensure that the purposes of this chapter are met. No certificate of registration or shop registration card may be reinstated until the former registrant has completed at least one-half of the suspension period.

Sec. 53. Minnesota Statutes 1992, section 154.19, is amended to read:

154.19 [VIOLATIONS.]

Subdivision 1. [PROHIBITED ACTS.] Each of the following constitutes a misdemeanor:

- (1) The violation of any of the provisions of section 154.01;
- (2) Permitting any person in one's employ, supervision, or control to practice as a registered barber or registered apprentice unless that person has a certificate of registration as a registered barber or registered apprentice;
- (3) Obtaining or attempting to obtain a certificate of registration for money other than the required fee, or any other thing of value, or by fraudulent misrepresentation;
- (4) Practicing or attempting to practice by fraudulent misrepresentation;
- (5) The willful failure to display a certificate of registration as required by section 154.14;
- (6) The use of any room or place for barbering which is also used for residential or business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles, cigars, tobacco, candies in original package, and such commodities as are used and sold in barber shops, and except that shoe-shining and an agency for the reception and delivery of laundry, or either, may be conducted in a barber shop without the same being construed as a violation of this section, unless a substantial partition of ceiling height separates the portion used for residential or business purposes, and where a barber shop is situated in a residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store, hardware store, or soft drink parlor, there must be an outside entrance leading into the barber shop independent of any entrance leading into such business establishment, except that this provision as to an outside entrance shall not apply to barber shops in operation at the time of the passage of this chapter and except that a barber shop and beauty parlor may be operated in conjunction, without the same being separated by partition of ceiling height;
- (7) The failure or refusal of any barber or other person in charge of any barber shop, or any person in barber schools or colleges doing barber service work, to use separate and clean towels for each customer or patron, or to discard and launder each towel after once being used;
- (8) The failure or refusal by any barber or other person in charge of any barber shop or barber school or barber college to supply clean hot and cold water in such quantities as may be necessary to conduct such shop, or the barbering service of such school or college, in a sanitary manner, or the failure or refusal of any such person to have water and sewer connections from such shop, or barber school or college, with municipal water and sewer systems where the latter are available for use, or the failure or refusal of any such person to maintain a receptacle for hot water of a capacity of not less than five gallons;
- (9) Use or display of a barber pole for the purpose of offering barber services to the public without a shop registration card where such a card is required under section 154.01, paragraph (c).

Subd. 2. [PERSONS RESPONSIBLE; PENALTIES.] For the purposes of this chapter, barbers, students, apprentices, or the proprietor or manager of a barber shop, or barber school or barber college, shall be responsible for all violations of the sanitary provisions of this chapter, ~~and~~. If any barber shop, or barber school or barber college, upon inspection, shall be found to be in an unsanitary condition, the person making such inspection shall immediately issue an order to place the barber shop, or barber school, or barber college, in a sanitary condition, in a manner and within a time satisfactory to the board of barber examiners, ~~and~~. For the failure to comply with such order, the board shall immediately file a complaint for the arrest of the persons upon whom the order was issued, ~~and~~. Any licensed barber who shall fail to comply with the rules adopted by the board of barber examiners, with the approval of the state commissioner of health, or the who commits a violation or commission of any of the offenses described in

section 154.16, clauses (1), (2), (3), (4), (5), (6), (7), (8), (9), and ~~or of clauses (1), (2), (3), (4), (5), (6), (7), (8), and (9) any provision~~ of this section, shall be fined not less than \$10 or imprisoned for ten days and not more than \$100 or imprisoned for 90 days.

Sec. 54. Minnesota Statutes 1992, section 176.102, subdivision 3a, is amended to read:

Subd. 3a. [DISCIPLINARY ACTIONS.] The panel has authority to discipline qualified rehabilitation consultants and vendors and may impose a penalty of up to \$1,000 per violation, payable to the special compensation fund, and may suspend or revoke certification. Complaints against registered qualified rehabilitation consultants and vendors shall be made to the commissioner who shall investigate all complaints. If the investigation indicates a violation of this chapter or rules adopted under this chapter, the commissioner may initiate a contested case proceeding under the provisions of chapter 14. In these cases, the rehabilitation review panel shall make the final decision following receipt of the report of an administrative law judge. The decision of the panel is appealable to the workers' compensation court of appeals in the manner provided by section 176.421. The panel shall continuously study rehabilitation services and delivery, develop and recommend rehabilitation rules to the commissioner, and assist the commissioner in accomplishing public education.

The commissioner may appoint alternates for one-year terms to serve as a member when a member is unavailable. The number of alternates shall not exceed one labor member, one employer or insurer member, and one member representing medicine, chiropractic, or rehabilitation.

Sec. 55. Minnesota Statutes 1992, section 176.102, subdivision 14, is amended to read:

Subd. 14. [FEES.] The commissioner shall impose fees under section ~~16A.128~~ 16A.1285 sufficient to cover the cost of approving and monitoring qualified rehabilitation consultants, consultant firms, and vendors of rehabilitation services. These fees shall be payable to the special compensation fund.

Sec. 56. [181.9641] [ENFORCEMENT.]

The department of labor and industry shall enforce sections 181.960 to 181.964. The department may assess a fine of up to \$5,000 for a violation of sections 181.960 to 181.964.

The fine, together with costs and attorney fees, may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or where the commissioner has an office.

The fine provided by this section is in addition to any other remedy provided by law.

Sec. 57. Minnesota Statutes 1993 Supplement, section 239.785, subdivision 2, is amended to read:

Subd. 2. [DUE DATES FOR FILING OF RETURNS AND PAYMENT.] The fee must be remitted monthly on a form prescribed by the commissioner of revenue for deposit in the ~~general fund liquefied petroleum gas account established in subdivision 6~~. The fee must be paid and the return filed on or before the 23rd day of each month following the month in which the liquefied petroleum gas was delivered or received.

Sec. 58. Minnesota Statutes 1993 Supplement, section 239.785, is amended by adding a subdivision to read:

Subd. 6. [LIQUEFIED PETROLEUM GAS ACCOUNT.] A liquefied petroleum gas account in the special revenue fund is established in the state treasury. Fees and penalties collected under this section must be deposited in the state treasury and credited to the liquefied petroleum gas account. Money in that account, including interest earned, is appropriated to the commissioner of jobs and training for programs to improve the energy efficiency of residential liquefied petroleum gas heating equipment in low-income households, and, when necessary, to provide weatherization services to the homes.

Sec. 59. Minnesota Statutes 1993 Supplement, section 257.0755, is amended to read:

257.0755 [OFFICE OF OMBUDSPERSON; CREATION; QUALIFICATIONS; FUNCTION.]

~~An ombudsperson for families Subdivision 1. [CREATION.] One ombudsperson shall be appointed to operate independently from but under the auspices of in collaboration with each of the following groups: the Indian Affairs Council, the Spanish-Speaking Affairs Council, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans. Each of these groups shall select its own ombudsperson subject to final approval by the advisory board established under section 257.0768.~~

Subd. 2. [SELECTION; QUALIFICATIONS.] The ombudsperson for each community shall be selected by the applicable community-specific board established in section 257.0768. Each ombudsperson shall serve in the unclassified service at the pleasure of the advisory community-specific board, shall be in the unclassified service, shall and may be removed only for just cause. Each ombudsperson must be selected without regard to political affiliation, and shall be a person highly competent and qualified to analyze questions of law, administration, and public policy regarding the protection and placement of children from families of color. In addition, the ombudsperson must be experienced in dealing with communities of color and knowledgeable about the needs of those communities. No individual may serve as ombudsperson while holding any other public office. The ombudsperson shall have the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color.

Subd. 3. [APPROPRIATION.] Money appropriated for each ombudsperson from the general fund or the special fund authorized by section 256.01, subdivision 2, clause (15), is under the control of ~~the office of each~~ ombudsperson for which it is appropriated.

Sec. 60. Minnesota Statutes 1992, section 257.0762, subdivision 2, is amended to read:

Subd. 2. [POWERS.] Each ombudsperson has the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color. In carrying out this authority and the duties in subdivision 1, each ombudsperson has the power to:

- (1) prescribe the methods by which complaints are to be made, reviewed, and acted upon;
- (2) determine the scope and manner of investigations to be made;
- (3) investigate, upon a complaint or upon personal initiative, any action of any agency;
- (4) request and be given access to any information in the possession of any agency deemed necessary for the discharge of responsibilities. The ombudsperson is authorized to set reasonable deadlines within which an agency must respond to requests for information. Data obtained from any agency under this clause shall retain the classification which it had under section 13.02 and shall be maintained and disseminated by the ombudsperson according to chapter 13;
- (5) examine the records and documents of an agency;
- (6) enter and inspect, during normal business hours, premises within the control of an agency; and
- (7) subpoena any agency personnel to appear, testify, or produce documentary or other evidence which the ombudsperson deems relevant to a matter under inquiry, and may petition the appropriate state court to seek enforcement with the subpoena; provided, however, that any witness at a hearing or before an investigation as herein provided, shall possess the same privileges reserved to such a witness in the courts or under the laws of this state. The ombudsperson may compel nonagency individuals to testify or produce evidence according to procedures developed by the advisory board.

Sec. 61. Minnesota Statutes 1992, section 257.0768, is amended to read:

257.0768 [OMBUDSPERSON'S ADVISORY COMMITTEE COMMUNITY-SPECIFIC BOARDS.]

Subdivision 1. [MEMBERSHIP.] The appointment of each ombudsperson is subject to approval by an advisory committee consisting of no more than 17 members. Members of the advisory committee shall be appointed by four community-specific boards are created. Each board consists of five members. The chair of each of the following groups shall appoint the board for the community represented by the group: the Indian Affairs Council; the Spanish-Speaking Affairs Council; the Council on Black Minnesotans; and the Council on Asian-Pacific Minnesotans. The committee shall provide advice and counsel to each ombudsperson. In making appointments, the chair must consult with other members of the council.

Subd. 2. [COMPENSATION; CHAIR.] Members do not receive compensation but are entitled to receive reimbursement for reasonable and necessary expenses incurred. ~~The members shall designate four rotating chairs to serve annually at the pleasure of the members.~~

Subd. 3. [MEETINGS.] ~~The committee~~ Each board shall meet ~~at least four times a year~~ regularly at the request of ~~its the appointing chair or the ombudspersons~~ ombudsperson.

Subd. 4. [DUTIES.] ~~The committee~~ Each board shall appoint the ombudsperson for its community. Each board shall advise and assist the ~~ombudspersons~~ ombudsperson for its community in selecting matters for attention; developing policies, plans, and programs to carry out the ombudspersons' functions and powers; establishing protocols for working with the communities of color; developing procedures for the ombudspersons' use of the subpoena power to compel testimony and evidence from nonagency individuals; and making reports and recommendations for changes designed to improve standards of competence, efficiency, justice, and protection of rights. ~~The committee shall function as an advisory body.~~

Subd. 5. [TERMS, COMPENSATION, REMOVAL, AND EXPIRATION.] The membership terms, compensation, and removal of members of ~~the committee~~ each board and the filling of membership vacancies are governed by section 15.0575.

Subd. 6. [JOINT MEETINGS.] The members of the four community-specific boards shall meet jointly at least four times each year to advise the ombudspersons on overall policies, plans, protocols, and programs for the office.

Sec. 62. Minnesota Statutes 1992, section 298.2211, is amended by adding a subdivision to read:

Subd. 3a. [CONTRACTS AND PURCHASES.] Contracts entered into and purchases made by the board are subject to the competitive bidding requirements of chapter 16B, except that bids must be first advertised within the tax relief areas as defined in section 273.134. If the commissioner finds that an acceptable bidder or contractor cannot be found in the tax relief area, the commissioner may ask the board for permission to advertise for bids as otherwise provided in chapter 16B. This subdivision is effective for contracts entered into and purchases made after the effective date of this subdivision.

Sec. 63. Minnesota Statutes 1992, section 345.47, subdivision 4, is amended to read:

Subd. 4. [TITLE TO PROPERTY.] The purchaser at any sale conducted by the commissioner pursuant to sections 345.31 to 345.60 and the Minnesota historical society under subdivision 5 shall receive title to the property purchased or selected, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The commissioner shall execute all documents necessary to complete the transfer of title.

Sec. 64. [TRANSITION.]

(a) Any member of the advisory committee existing under Minnesota Statutes, section 257.0768, before the effective date of section 61 who attended at least one-half of the committee's meetings during calendar year 1993 must be appointed a member of the applicable community-specific board created under section 61.

(b) The appointing authority for each community-specific board shall designate an initial term length for each appointee, including appointees required under paragraph (a), to achieve staggered terms to the greatest extent possible.

Sec. 65. [REPEALER.]

Minnesota Statutes 1992, sections 154.16 and 154.165, are repealed.

Sec. 66. [EFFECTIVE DATE.]

Section 41 is effective the day following final enactment and applies to claims brought after June 4, 1987. Sections 20 to 28 are effective September 1, 1994, and apply to licenses that become effective on or after November 1, 1994. Sections 29 to 35 are effective May 1, 1995, and apply to licenses that become effective on or after July 1, 1995. Sections 36 to 39 are effective July 1, 1994, and apply to licenses that become effective on or after September 1, 1994. Section 40 is effective May 1, 1995, and applies to licenses that become effective on or after July 1, 1995. Section 16 is effective the day following final enactment and applies to any proposed project for which final permits have not been issued by that date.

Any provisions appropriating money for fiscal year 1994 are effective the day following final enactment.

ARTICLE 2

TRANSPORTATION

Section 1. [APPROPRIATIONS; SUMMARY.]

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

SUMMARY BY FUND

	1994	1995
General Fund	\$ 15,000	\$ 16,453,000
Special Revenue Fund	-0-	5,250,000
Highway User Tax Distribution Fund	-0-	200,000
Trunk Highway Fund	(408,000)	24,025,000
TOTAL	(393,000)	45,928,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994	1995
Sec. 2. TRANSPORTATION	\$ -0- \$ 27,450,000

SUMMARY BY FUND

General Fund	-0-	3,750,000
Trunk Highway Fund	-0-	23,500,000
Highway User Tax Distribution Fund	-0-	200,000
(a) Greater Minnesota Transit		2,970,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 3, clause (a), and is for greater Minnesota transit assistance. Of this appropriation \$970,000 is for grants to transit systems for fleet replacement.

The unspent balance of the appropriation for fiscal year 1994 in Laws 1993, chapter 266, section 2, subdivision 3, paragraph (a), on June 30, 1994, is added to this appropriation.

The appropriation for fiscal year 1995 is not intended to increase the appropriation base for the 1996-1997 biennium.

(b) Transit Administration		100,000
----------------------------	--	---------

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 3, clause (b), and is for transit administration.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

The appropriation for fiscal year 1995 is not intended to increase the appropriation base for the 1996-1997 biennium.

(c) High Speed Rail Corridor Master Plan

630,000

This appropriation is to develop a corridor master plan for high speed rail between Minneapolis-St. Paul and Milwaukee. Expenditure of this appropriation is contingent upon participation by the state of Wisconsin and the United States Department of Transportation.

(d) Rochester Transportation Study

50,000

This appropriation is to provide funds to match, on a dollar-for-dollar basis, local or private funds for the following studies:

(1) A study shall be conducted on the feasibility of developing an integrated manufacturing and just-in-time freight shipping facility at the Rochester airport. The commissioner of transportation shall contract with the city of Rochester to conduct the study. The study must be completed by February 1, 1995. The commissioner shall submit a copy of the study report to the legislature, the metropolitan council, and the metropolitan airports commission.

(2) A study shall be conducted on the economic benefits to Rochester and southeast Minnesota from high-speed rail, in conjunction with phase II of the high-speed rail study. The commissioner shall report to the legislature on the study by February 1, 1995.

(e) State Road Construction

15,000,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 7, clause (a), and is for state road construction. This appropriation is from the trunk highway fund.

(f) Road Operations and Program Delivery

8,500,000

This appropriation is for filling vacant positions in field service maintenance, inspection, support, and project design positions, to maximize project design work by department employees. This appropriation is from the trunk highway fund.

(g) Highway Tax System Study

200,000

This appropriation is for (1) the study of a mileage-based highway user tax system, and (2) the road pricing study, and is available until spent. This appropriation is from the highway user tax distribution fund.

Sec. 3. REGIONAL TRANSIT BOARD

-0-

12,540,000

(a) Regular Route Transit

7,450,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994 1995

Of this appropriation \$6,500,000 is for metropolitan transit commission regular route operations and \$950,000 is for other regular route transit.

(b) Metro Mobility		2,750,000
(c) Community-based, Rural, and Small-urban Transit Systems		1,250,000
(d) Fund Balance		1,090,000

This appropriation is for restoration of the regional transit board fund balance.

The appropriation for fiscal year 1995 is not intended to increase the appropriation base for the 1996-1997 biennium.

Sec. 4. PUBLIC SAFETY	(393,000)	5,938,000
-----------------------	-----------	-----------

SUMMARY BY FUND

General Fund	15,000	163,000
Special Revenue Fund		5,250,000
Trunk Highway Fund	(408,000)	525,000
(a) Emergency Management	15,000	59,000

These appropriations are added to the appropriations in Laws 1993, chapter 266, section 5, subdivision 7, and are to pay 50 percent of the costs of three regional office support positions.

(b) State Patrol	(408,000)	5,775,000
------------------	-----------	-----------

These appropriations are changes to the appropriations in Laws 1993, chapter 266, section 5, subdivision 3. A reduction of \$408,000 the first year is for radio communication consolidation and an increase of \$525,000 the second year is to maintain full staffing at the ten state patrol communication centers. These appropriations are from the trunk highway fund.

Of this appropriation \$5,250,000 is from the state patrol motor vehicle account in the transportation services fund for purchasing motor vehicles used by state troopers.

(c) Driver and Vehicle Services		54,000
---------------------------------	--	--------

This appropriation is a one-time appropriation to implement a title registration fee change.

(d) Parent self-help		50,000
----------------------	--	--------

The commissioner shall spend this appropriation as a grant to a nonprofit statewide child abuse prevention organization whose primary focus is parent self-help and support.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Sec. 5. FUND MIX; STATE ROAD CONSTRUCTION

After review and approval by the commissioner of finance, the commissioner of transportation shall report quarterly to the senate finance committee chair and the house ways and means committee chair on the estimated mix of state trunk highway funds and federal funds in the appropriation for state road construction.

Sec. 6. [COUNTY STATE-AID SYSTEM; ROUTES ADDED.]

Notwithstanding any other law, the commissioner of transportation shall add the following highways to the county state-aid highway system:

(1) United States forest road No. 2171, in Beltrami county from the south county line to its intersection with United States forest road No. 2167, and in Cass county from the north county line to its intersection with Cass county state-aid highway No. 10;

(2) United States forest road No. 2167, in Beltrami county from its junction with United States forest road No. 2171 to the east county line, and in Cass county from the west county line to a point eight miles northeast of its intersection with marked trunk highway No. 2;

(3) Aitkin county highway No. 69, from its intersection with marked trunk highway No. 169 to its intersection with Aitkin county state-aid highway No. 10 in Palisade;

(4) Morrison county highway No. 224, from its intersection with Morrison county state-aid highway No. 52 to its intersection with Morrison county state-aid highway No. 26.

Sec. 7. [COMMISSIONER OF TRANSPORTATION; STUDY; REPORT.]

Subdivision 1. [HIGHWAY USER REVENUE SYSTEM STUDY.] The commissioner of transportation shall conduct a study of the desirability and feasibility of replacing, by January 1, 2001, the present highway user taxes on motor fuel and motor vehicle licenses with a highway user revenue system based on a charge on each vehicle based on the number of miles traveled by that vehicle in each year, as recorded by the automatic mileage recorder required in section 1. The study must include:

(1) an analysis of the possible benefits of such a system, including ease of collection, tax fairness, reduction of tax evasion, and effects on vehicles powered by alternative fuels;

(2) an analysis of the possible costs of such a system, including costs of installing and maintaining a mileage monitoring system, cost of collection compared to costs of collection for existing highway user taxes, and costs to the various classes of vehicles;

(3) an analysis of the feasibility of extending this revenue-collection system to nonresident vehicles;

(4) an evaluation of the state of technology for on-vehicle automated mileage recorders and mileage-recorder sensors, and the probable state of that technology on January 1, 2000;

(5) an analysis of the impact on commercial vehicle users, including those operating in interstate commerce;

(6) an analysis of such a system from the standpoint of the motorist, including a discussion of ease of payment, freedom of travel, tax fairness, and issues of privacy and data confidentiality;

(7) an analysis of the feasibility and desirability of utilizing such a system in implementing a road pricing policy in the metropolitan area; and

(8) a recommendation as to (i) whether the requirement contained in section 1 should be allowed to go into effect on January 1, 2000, and (ii) whether legislation should be enacted to replace the existing highway user tax system with one based on recorded mileage.

If the report recommends that legislation described in clause (8), item (ii), should be enacted, the report must contain draft legislation to accomplish this purpose.

The commissioner shall submit to the governor and legislature a preliminary report covering the above subjects not later than January 15, 1996, and a final report not later than January 15, 1998.

Subd. 2. [ROAD PRICING STUDY.] The commissioner of transportation, in cooperation with other agencies and institutions, shall conduct a study to determine the scope of and to analyze the potential for implementation of road pricing options. This study will utilize the results of the road pricing conceptual planning study completed by the metropolitan council in March 1994, which identified road pricing objectives, options, and evaluation criteria.

The study will include, but is not limited to:

- (1) an evaluation of public acceptance and understanding of alternative road pricing options;
- (2) initiation of the public participation process, including focus group discussions with affected stakeholders;
- (3) a detailed analysis, evaluation, and quantification of the impacts of various road pricing options;
- (4) a financial analysis of each road pricing option, including the implementation costs, user costs, and revenue estimates;
- (5) selection of specific road pricing options for future demonstration and testing in the metropolitan area or statewide; and
- (6) a detailed study design, schedule, and cost estimate for a draft environmental impact statement meeting appropriate state and federal requirements.

The commissioner shall submit a written report of the results of the study to the legislature no later than January 15, 1996.

Sec. 8. [TOWN BRIDGE EXPENDITURE.]

Notwithstanding any law or rule to the contrary, the commissioner of transportation shall spend \$50,000 from money appropriated to the commissioner and allocated to the town bridge account under Minnesota Statutes, section 161.082, subdivision 2a, for a grant to the town of Eden Lake in Stearns county for construction of a bridge or culvert on Cyrilla Beach road in the town.

Sec. 9. Minnesota Statutes 1992, section 161.14, is amended by adding a subdivision to read:

Subd. 29. [JERRY HAAF MEMORIAL DRIVE.] That portion of trunk highway marked No. 55 between its intersections with Lake street and 46th street in the city of Minneapolis is designated the "Jerry Haaf Memorial Drive." The commissioner of transportation shall adopt a suitable marking design to mark this highway and shall erect the appropriate signs.

Sec. 10. Minnesota Statutes 1992, section 162.02, subdivision 6, is amended to read:

Subd. 6. [SYSTEM TO INCLUDE CERTAIN ROADS.] The system shall include: (1) all roads and extensions thereof which were designated on June 30, 1957, as state-aid roads, and which were on June 30, 1957, under the jurisdiction of the counties, and shall include (2) all roads which were designated on June 30, 1957, as state-aid parkways; provided, that, and (3) all roads added to the system by law. With the consent and approval of the commissioner, any roads county road made a part of the county state-aid highway system by the provision of this subdivision may be abandoned, changed, or revoked by the county board having jurisdiction over such roads the road.

Sec. 11. Minnesota Statutes 1992, section 162.06, subdivision 3, is amended to read:

Subd. 3. [DISASTER ACCOUNT.] After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside each year a sum of money as is necessary to provide for the calendar year equal to one percent of the remaining money in the county state-aid highway fund to provide for a disaster account of \$300,000; provided that the total amount of money in the disaster account shall never exceed one percent of the total sums to be apportioned to the counties. This sum shall be used to provide aid to any county encountering disasters or unforeseen events affecting its county state-aid highway system, and resulting in an undue and burdensome financial hardship. Any county desiring aid by reason of such disaster or unforeseen event shall request the aid in the form required by the commissioner. Upon receipt of the request the commissioner shall appoint a board consisting of ~~three county engineers and three county commissioners from counties~~ two representatives of the counties, who must be either a county engineer or member of a county board, from counties other than the requesting county, and a representative of the commissioner. The board shall investigate the matter and report its findings and recommendations in writing to the commissioner. Final determination of the amount of aid, if any, to be paid to the county from the disaster account shall be made by the commissioner. Upon determining to aid any such county the commissioner shall certify to the commissioner of finance the amount of the aid, and the commissioner of finance shall thereupon issue a warrant in that amount payable to the county treasurer of the county. Money so paid shall be expended on the county state-aid highway system in accordance with the rules of the commissioner.

Sec. 12. Minnesota Statutes 1992, section 162.06, subdivision 4, is amended to read:

Subd. 4. [RESEARCH ACCOUNT.] (a) Each year the screening board, provided for in section 162.07, subdivision 5, may recommend to the commissioner a sum of money that the commissioner shall set aside from the county state-aid highway fund and credit to a research account. The amount so recommended and set aside shall not exceed ~~one-quarter one-half~~ of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

(a) (1) conducting research for improving the design, construction, maintenance and environmental compatibility of state-aid highways and appurtenances;

(b) (2) constructing research elements and reconstructing or replacing research elements that fail; and

(c) (3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the county state-aid highway fund.

Sec. 13. Minnesota Statutes 1992, section 162.12, subdivision 3, is amended to read:

Subd. 3. [DISASTER ACCOUNT.] After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside each year a sum of money equal to two percent of the remaining money in the municipal state-aid street fund to provide for a disaster account; provided, that the total amount of money in the disaster account shall never exceed five percent of the total sums to be apportioned to the statutory and home rule charter cities having a population of 5,000 or more. The disaster account shall be used to provide aid to any such city encountering disaster or unforeseen event affecting the municipal state-aid street system of the city, and resulting in an undue and burdensome financial hardship. Any such city desiring aid by reason of such disaster or unforeseen event shall request aid in the form required by the commissioner. Upon receipt of the request the commissioner shall appoint a board consisting of ~~three engineers and three members of the governing bodies~~ two representatives of the cities, who must be either a city engineer or member of the governing body of a city, from cities other than the requesting city, and a representative of the commissioner. The board shall investigate the matter and report its findings and recommendations in writing to the commissioner. Final determination of the amount of aid, if any, to be paid to the city from the disaster account shall be made by the commissioner. Upon determining to aid the city, the commissioner shall certify to the commissioner of finance the amount of aid, and the commissioner of finance shall thereupon issue a warrant in that amount payable to the fiscal officer of the city. Money so paid shall be expended on the municipal state-aid street system in accordance with rules of the commissioner.

Sec. 14. Minnesota Statutes 1992, section 162.12, subdivision 4, is amended to read:

Subd. 4. [RESEARCH ACCOUNT.] (a) Each year the screening board, provided for in section 162.13, subdivision 3, may recommend to the commissioner a sum of money that the commissioner shall set aside from the municipal state-aid street fund and credit to a research account. The amount so recommended and set aside shall not exceed one-quarter one-half of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

(a) (1) conducting research for improving the design, construction, maintenance and environmental compatibility of municipal state-aid streets and appurtenances;

(b) (2) constructing research elements and reconstructing or replacing research elements that fail; and

(c) (3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the municipal state-aid street fund.

Sec. 15. Minnesota Statutes 1992, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] (a) The department shall be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of \$2;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$2;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of \$4.

(b) In addition to each of the fees required under paragraph (a), the department shall be paid:

(1) from July 1, 1994, to June 30, 1997, \$3.50; but then

(2) after June 30, 1997, \$1.

The additional fee collected under this paragraph must be deposited in the transportation services fund and credited to the state patrol motor vehicle account established in section 299D.10.

Sec. 16. Minnesota Statutes 1992, section 169.06, is amended by adding a subdivision to read:

Subd. 5a. [TRAFFIC CONTROL SIGNALS; OVERRIDE SYSTEM.] All electronic traffic control signals installed by a road authority on and after January 1, 1995, must be prewired to facilitate a later addition of a system that allows the operator of an authorized emergency vehicle to activate a green traffic signal for the vehicle.

Sec. 17. [169.745] [MILEAGE RECORDING EQUIPMENT REQUIRED.]

(a) A motor vehicle that (1) is required to be registered in Minnesota, or is exempt from registration under section 168.012, and (2) is sold in Minnesota on or after January 1, 2000, must be equipped with an automatic mileage recorder that meets standards prescribed by the commissioner of transportation.

(b) The automatic mileage recorder must:

(1) accurately record all miles traveled by the vehicle;

(2) display the mileage traveled within the vehicle in a manner easily read by the driver of the vehicle; and

(3) be capable of being read by sensors that are maintained by the commissioner of transportation.

This section does not apply to a motor vehicle sold in Minnesota and permanently removed from the state within ten days of the sale.

Sec. 18. [299D.10] [STATE PATROL MOTOR VEHICLE ACCOUNT.]

The state patrol motor vehicle account is created in the transportation services fund, consisting of the fees collected under section 168A.29, subdivision 1, paragraph (b).

Sec. 19. Minnesota Statutes 1992, section 360.305, subdivision 4, is amended to read:

Subd. 4. (1) Except as otherwise provided in this subdivision, the commissioner of transportation shall require as a condition of assistance by the state that the political subdivision, municipality, or public corporation make a substantial contribution to the cost of the construction, improvement, maintenance, or operation, these costs are referred to as project costs, in connection with which the assistance of the state is sought.

(2) For any airport, whether key, intermediate or landing strip, where only state and local funds are to be used, the contribution shall be not less than one-fifth of the sum of:

- (a) the project costs,
- (b) acquisition costs of the land and clear zones, "acquisition costs."

Where federal, state and local funds are to be used, the contribution shall not be less than one-tenth of the sum.

(3) The commissioner may pay the total cost of radio and navigational aids.

(4) Notwithstanding clause (2), the commissioner may pay all of the project costs of a new landing strip, but not an intermediate airport or key airport, or may pay an amount equal to the federal funds granted and used for a new landing strip plus all of the remaining project costs; but the total amount paid by the commissioner for the project costs of a new landing strip, unless specifically authorized by an act appropriating funds for the new landing strip, shall not exceed \$200,000.

(5) Notwithstanding clause (2), the commissioner may pay all the project costs for research and development projects, including, but not limited to noise abatement; provided that in no event shall the sums expended under this clause exceed five percent of the amount appropriated for construction grants.

(6) To receive aid under this section for acquisition costs the municipality must enter into an agreement with the commissioner giving assurance that the airport will be operated and maintained in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public for a period of 20 years after the date that the state funds are received by the municipality. The agreement may contain other conditions as the commissioner deems reasonable.

(7) The commissioner shall establish a hangar construction revolving account which shall be used for the purpose of financing the construction of hangar buildings to be constructed by municipalities owning airports. All municipalities owning airports are authorized to enter into contracts for the construction of hangars, and contracts with the commissioner for the financing of hangar construction for an amount and period of time as may be determined by the commissioner and municipality. All receipts from the financing contracts shall be deposited in the hangar construction revolving account and are reappropriated for the purpose of financing construction of hangar buildings. The commissioner may pay from the hangar construction revolving account 80 percent of the cost of financing construction of hangar buildings. For purposes of this clause, the "construction" of hangars shall include their design. The commissioner may transfer up to \$4,100,000 from the state airports fund to the hangar construction revolving account.

(8) The commissioner may pay a portion of the purchase price of any airport maintenance and safety equipment and of the actual airport snow removal costs incurred by any municipality. The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase price or snow removal. To receive aid a municipality must enter into an agreement of the type referred to in clause (6).

(9) This subdivision shall apply only to project costs or acquisition costs of municipally owned airports which are incurred after June 1, 1971.

Sec. 20. [EFFECTIVE DATE.]

This article is effective July 1, 1994, except that any provisions appropriating money for fiscal year 1994 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; appropriating money for community development, transportation, and certain agencies of state government, and supplementing, reducing, and transferring earlier appropriations, with certain conditions; regulating certain activities and practices; providing for accounts, fees, and reports; amending Minnesota Statutes 1992, sections 44A.0311; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.21, subdivision 2; 60K.03, subdivisions 1, 5, and 6; 60K.06; 60K.19, subdivision 8; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08, subdivisions 4 and 5; 82B.09, subdivision 1; 82B.19, subdivision 1; 83.25; 138.01, subdivision 1; 138.34; 138.35, subdivision 1; 138.38; 138.40, subdivision 3; 138.94, by adding a subdivision; 154.11, subdivision 1; 154.12; 154.19; 161.14, by adding a subdivision; 162.02, subdivision 6; 162.06, subdivisions 3 and 4; 162.12, subdivisions 3 and 4; 168A.29, subdivision 1; 169.06, by adding a subdivision; 176.102, subdivisions 3a and 14; 257.0762, subdivision 2; 257.0768; 298.2211, by adding a subdivision; 345.47, subdivision 4; and 360.305, subdivision 4; Minnesota Statutes 1993 Supplement, sections 16B.08, subdivision 7; 44A.025; 60A.198, subdivision 3; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3; 115C.09, subdivision 1; 116J.966, subdivision 1; 138.763, subdivision 1; 239.785, subdivision 2, and by adding a subdivision; and 257.0755; proposing coding for new law in Minnesota Statutes, chapters 154; 169; 181; and 299D; repealing Minnesota Statutes 1992, sections 154.16; and 154.165."

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

The report was adopted.

Skoglund from the Committee on Judiciary to which was referred:

H. F. No. 2985, A bill for an act relating to crime; driver license suspension; clarifying the conditions under which a juvenile who violates the underage drinking law may receive driver license suspension; amending Minnesota Statutes 1993 Supplement, section 340A.503, subdivision 1.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 84.91, subdivision 5, is amended to read:

Subd. 5. [PENALTIES.] (a) A person who violates any prohibition contained in subdivision 1, or an ordinance in conformity with it, is guilty of a misdemeanor.

(b) A person is guilty of a gross misdemeanor who violates any prohibition contained in subdivision 1;

(1) within five years of a prior;

(i) conviction under ~~that subdivision or subdivision 1, sections 86B.331, subdivision 1, 169.121, 169.129, or 609.21, subdivisions 1, clauses (2) to (4), 2, clauses (2) to (4), 3, clauses (2) to (4), or 4, clauses (2) to (4);~~

(ii) civil liability under section 84.911, subdivision 2, or section 86B.335, subdivision 2; or

(iii) conviction under an ordinance of this state or a statute or ordinance from another state in conformity with either any of them; or

(2) within ten years of the first of two or more prior;

(i) convictions under ~~that subdivision or subdivision 1, sections 86B.331, subdivision 1, 169.121, 169.129, or 609.21, subdivision 1, clauses (2) to (4), 2, clauses (2) to (4), 3, clauses (2) to (4), or 4, clauses (2) to (4);~~

(ii) civil liability liabilities under section 84.911, subdivision 2, or an ordinance section 86B.335, subdivision 2;

(iii) convictions of ordinances in conformity with either any of them, is guilty of a gross misdemeanor; or

(iv) convictions or liabilities under any combination of items (i) to (iii).

(c) The attorney in the jurisdiction where the violation occurred who is responsible for prosecuting misdemeanor violations of this section is also responsible for prosecuting gross misdemeanor violations of this section. When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior convictions from a court, the court must furnish the information without charge.

(d) A person who operates a snowmobile or all-terrain vehicle during the period the person is prohibited from operating the vehicle under subdivision 6 is guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1992, section 84.91, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF COMMISSIONER.] The court shall promptly forward to the commissioner and the department of public safety copies of all convictions and criminal and civil penalties imposed under subdivision 5 and section 84.911, subdivision 2. The commissioner shall notify the convicted person of the period during which the person is prohibited from operating a snowmobile or all-terrain vehicle under subdivision 6 or section 84.911, subdivision 2. The commissioner shall also periodically circulate to appropriate law enforcement agencies a list of all persons who are prohibited from operating a snowmobile or all-terrain vehicle under subdivision 6 or section 84.911, subdivision 2.

Sec. 3. Minnesota Statutes 1992, section 84.911, is amended by adding a subdivision to read:

Subd. 7. [CORONER TO REPORT DEATH.] Every coroner or other official performing like functions shall report in writing to the department of natural resources the death of any person within the coroner's jurisdiction as the result of an accident involving a recreational motor vehicle, as defined in section 84.90, subdivision 1, and the circumstances of the accident. The report shall be made within 15 days after the death.

In the case of drivers killed in recreational motor vehicle accidents and of the death of passengers 14 years of age or older, who die within four hours after accident, the coroner or other official performing like functions shall examine the body and shall make tests as are necessary to determine the presence and percentage concentration of alcohol, and drugs if feasible, in the blood of the victim. This information shall be included in each report submitted pursuant to the provisions of this subdivision and shall be tabulated by the department of natural resources. Periodically, the commissioner of natural resources must transmit a summary of the reports to the commissioner of public safety. This information may be used only for statistical purposes which do not reveal the identity of the deceased.

Sec. 4. Minnesota Statutes 1993 Supplement, section 84.924, subdivision 3, is amended to read:

Subd. 3. [ACCIDENT REPORT; REQUIREMENT AND FORM.] The operator and an officer investigating an accident of an all-terrain vehicle involved in an accident resulting in injury requiring medical attention or hospitalization to or death of a person or total damage to an extent of \$500 or more shall within ten business days forward a written report of the accident to the commissioner of natural resources on a form prescribed by either the commissioner of natural resources or by the commissioner of public safety. If the operator is killed or is unable to file a report due to incapacitation, any peace officer investigating the accident shall file the accident report within ten business days. Periodically, the commissioner of natural resources must transmit a summary of the accident reports to the commissioner of public safety.

Sec. 5. Minnesota Statutes 1992, section 86B.331, subdivision 5, is amended to read:

Subd. 5. [PENALTIES.] (a) A person who violates a prohibition contained in subdivision 1, or an ordinance in conformity with it, is guilty of a misdemeanor.

(b) A person is guilty of a gross misdemeanor who violates a prohibition contained in subdivision 1:

(1) within five years of a prior:

(i) conviction under that subdivision or subdivision 1, sections 84.91, subdivision 1, 169.121, 169.129, or 609.21, subdivision 1, clauses (2) to (4), 2, clauses (2) to (4), 3, clauses (2) to (4), or 4, clauses (2) to (4);

(ii) civil liability under section 84.911, subdivision 2, or 86B.335, subdivision 2; or

(iii) conviction under an ordinance of this state or a statute or ordinance from another state in conformity with either any of them; or

(2) within ten years of the first of two or more prior:

(i) convictions under that subdivision or subdivision 1, sections 84.91, subdivision 1, 169.121, 169.129, or 609.21, subdivisions 1, clauses (2) to (4), 2, clauses (2) to (4), 3, clauses (2) to (4), or 4, clauses (2) to (4);

(ii) civil liability liabilities under section 84.911, subdivision 2, or 86B.335, subdivision 2, or an ordinance;

(iii) convictions of ordinances in conformity with either any of them, is guilty of a gross misdemeanor; or

(iv) convictions or liabilities under any combination of items (i) to (iii).

(c) The attorney in the jurisdiction where the violation occurred who is responsible for prosecution of misdemeanor violations of this section is also responsible for prosecution of gross misdemeanor violations of this section. When an attorney responsible for prosecuting gross misdemeanors under this section requests criminal history information relating to prior convictions from a court, the court must furnish the information without charge.

(d) A person who operates a motorboat on the waters of this state during the period the person is prohibited from operating any motorboat or after the person's watercraft operator's permit has been revoked, as provided under subdivision 6, is guilty of a misdemeanor.

Sec. 6. Minnesota Statutes 1992, section 86B.331, subdivision 7, is amended to read:

Subd. 7. [DUTIES OF COMMISSIONER.] The court shall promptly forward copies of all convictions and criminal and civil penalties imposed under subdivision 5 and section 86B.335, subdivision 2, to the commissioner and the department of public safety. The commissioner shall notify the convicted person of the period when the person is prohibited from operating a motorboat as provided under subdivision 6 or section 86B.335, subdivision 2. The commissioner shall also periodically circulate to appropriate law enforcement agencies a list of all persons who are prohibited from operating any motorboat or have had their watercraft operator's permits revoked pursuant to subdivision 6 or section 86B.335, subdivision 2.

Sec. 7. Minnesota Statutes 1992, section 86B.335, is amended by adding a subdivision to read:

Subd. 13. [CORONER TO REPORT DEATH.] Every coroner or other official performing like functions shall report in writing to the department of natural resources the death of any person within the coroner's jurisdiction as the result of an accident involving any watercraft or drowning and the circumstances of the accident. The report shall be made within 15 days after the death or recovery.

In the case of operators killed in watercraft accidents, or the death of passengers or drowning victims 14 years of age or older, who die within four hours after accident, the coroner or other official performing like functions shall examine the body and shall make tests as are necessary to determine the presence and percentage concentration of alcohol, and drugs if feasible, in the blood of the victim. This information shall be included in each report submitted pursuant to the provisions of this subdivision and shall be tabulated by the department of natural resources. Periodically, the commissioner of natural resources must transmit a summary of the reports to the commissioner of public safety. This information may be used only for statistical purposes which do not reveal the identity of the deceased.

Sec. 8. Minnesota Statutes 1992, section 86B.341, subdivision 1, is amended to read:

Subdivision 1. [OPERATOR'S DUTY AT ACCIDENT OR INCIDENT.] (a) The operator of a watercraft involved in an accident or incident resulting in injury or death to a person or in damage to property shall, if possible without serious danger to the watercraft or the persons aboard, immediately stop at the scene of the accident or incident and render assistance as may be practicable and necessary.

(b) The operator must give the operator's name, address, and license number of the watercraft and the name and address of the owner of the watercraft to the person injured or the operator or occupants of the other watercraft or owner or occupant of the property involved. The operator must promptly report the accident or incident to the sheriff

of the county where the accident or incident occurred. Sheriffs are required to report all accidents and incidents to the commissioner of natural resources, who shall must periodically transmit a summary of the reports to the commissioner of public safety, and transmit statistics on boating accidents and incidents to the United States Coast Guard.

Sec. 9. Minnesota Statutes 1992, section 168.042, subdivision 8, is amended to read:

Subd. 8. [REISSUANCE OF REGISTRATION PLATES.] (a) The commissioner shall rescind the impoundment order if a person subject to an impoundment order under this section, other than the violator, files with the commissioner an acceptable sworn statement that the person containing the following information:

(1) that the person is the registered owner of the vehicle from which the plates have been impounded under this section;

(2) that the person is the current owner and possessor of the vehicle used in the violation;

(3) the date on which the violator obtained the vehicle from the registered owner;

(4) the residence addresses of the registered owner and the violator on the date the violator obtained the vehicle from the registered owner;

(5) that the person was not a passenger in the vehicle at the time of the violation; and

(4) (6) that the person knows that the violator may not drive, operate, or be in physical control of a vehicle without a valid driver's license.

(b) The commissioner may not rescind the impoundment order nor reissue registration plates to a registered owner if the owner knew or had reason to know that the violator did not have a valid driver's license on the date the violator obtained the vehicle from the owner.

(c) If the order is rescinded, the owner shall receive new registration plates at no cost, if the plates were seized and destroyed.

Sec. 10. Minnesota Statutes 1993 Supplement, section 169.121, subdivision 1c, is amended to read:

Subd. 1c. [CONDITIONAL RELEASE.] Unless maximum bail is imposed, a person charged with violating subdivision 1 within ten years of the first of three prior impaired driving convictions or within the person's lifetime after four or more prior impaired driving convictions may be released from detention only upon if the following conditions unless maximum bail is imposed are imposed in addition to the other conditions of release ordered by the court:

(1) the impoundment of the registration plates of the vehicle used to commit the violation ~~occurred~~, unless already impounded;

(2) a requirement that the alleged violator report weekly to a probation agent;

(3) a requirement that the alleged violator abstain from consumption of alcohol and controlled substances and submit to random, weekly alcohol tests or urine analyses; and

(4) a requirement that, if convicted, the alleged violator reimburse the court or county for the total cost of these services.

Sec. 11. Minnesota Statutes 1993 Supplement, section 169.121, subdivision 3, is amended to read:

Subd. 3. [CRIMINAL PENALTIES.] (a) As used in this subdivision:

(1) "prior impaired driving conviction" means a prior conviction under this section; section 84.91, subdivision 1, paragraph (a); 86B.331, subdivision 1, paragraph (a); 169.129; 360.0752; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); 609.21,

subdivision 4, clauses (2) to (4); or an ordinance from this state, or a statute or ordinance from another state in conformity with any of them. A prior impaired driving conviction also includes a prior juvenile adjudication that would have been a prior impaired driving conviction if committed by an adult; and

(2) "prior license revocation" means a driver's license suspension, revocation, or cancellation under this section; section 169.123; 171.04; 171.14; 171.16; 171.17; or 171.18 because of an alcohol-related incident; 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4).

(b) A person who violates subdivision 1 or 1a, or an ordinance in conformity with either of them, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor under any of the following circumstances:

(1) the person violates subdivision 1 within five years of a prior impaired driving conviction, ~~or within ten years of the first of two or more prior impaired driving convictions;~~

(2) the person violates subdivision 1a within five years of a prior license revocation, ~~or within ten years of the first of two or more prior license revocations;~~

(3) the person violates section 169.26 while in violation of subdivision 1; or

(4) the person violates subdivision 1 ~~or 1a~~ while a child under the age of 16 is in the vehicle, if the child is more than 36 months younger than the violator.

(d) A person who violates subdivision 1 within ten years of the first of two or more prior impaired driving convictions, or who violates subdivision 1a within ten years of the first of two or more prior license revocations is guilty of an enhanced gross misdemeanor and may be sentenced to incarceration in a local correctional facility for not more than two years or to payment of a fine of not more than \$3,000, or both.

(e) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor and enhanced gross misdemeanor violations of this section.

(f) Notwithstanding section 609.04, a prosecution for or conviction of a crime under this section is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct. The court may impose consecutive sentences for multiple violations of this section committed by the defendant as part of the same conduct and must impose consecutive sentences for multiple, separate violations of this section that have been included within a single prosecution. The court also must order that the sentence imposed for a violation of this section shall run consecutively to any other sentence currently being served by the defendant for a previous violation of this section or section 169.129.

(g) When an attorney responsible for prosecuting gross misdemeanors or enhanced gross misdemeanors under this section requests criminal history information relating to prior impaired driving convictions from a court, the court must furnish the information without charge.

(h) A violation of subdivision 1a may be prosecuted either in the jurisdiction where the arresting officer observed the defendant driving, operating, or in control of the motor vehicle or in the jurisdiction where the refusal occurred.

Sec. 12. Minnesota Statutes 1993 Supplement, section 169.121, subdivision 3a, is amended to read:

Subd. 3a. [HABITUAL OFFENDER PENALTIES.] (a) Except as otherwise provided in paragraph (b), if a person has been convicted under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them, and if the person is then convicted of a gross misdemeanor violation of this section, a violation of section 169.129, or an ordinance in conformity with either of them (1) once within five years after the first conviction or (2) two or more times within ten years after the first conviction, the person must be sentenced to a minimum of 30 days imprisonment, served in increments of not less than 48 consecutive hours, or to eight hours of community work service for each day less than 30 days that the person is ordered to serve in jail. Provided, that if a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them two or more times within five years after the first conviction, or within

five years after the first of two or more license revocations, as defined in subdivision 3, paragraph (a), clause (2), the person must be sentenced to a minimum of 30 days imprisonment, served in increments of not less than 48 consecutive hours, and the sentence may not be waived under paragraph ~~(b) or (c) or (d)~~. Notwithstanding section 609.135, the above sentence must be executed, unless the court departs from the mandatory minimum sentence under paragraph ~~(b) or (c) or (d)~~.

(b)(1) If a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them within 15 years of the first of three or four prior license revocations, as defined in subdivision 3, or the first of three or four prior convictions under this section, section 169.129, or an ordinance in conformity with either of them, the person must be sentenced to a minimum of six months (i) incarceration, or (ii) intensive probation using an electronic monitoring system as defined in section 30.

(2) If a person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them within 15 years of the first of five prior license revocations, as defined in subdivision 3, or the first of five prior convictions under this section, section 169.129, or an ordinance in conformity with either of them, the person must be sentenced to a minimum of one year (i) incarceration, or (ii) intensive probation using an electronic monitoring system as defined in section 30.

(3) The mandatory minimum sentences required by this paragraph may not be waived under paragraph (c) or (d) nor stayed under section 609.135. Prior to sentencing the prosecutor may file a motion to have the defendant sentenced without regard to the mandatory minimum sentence established by this subdivision. The motion must be accompanied by a statement on the record of the reasons for it. When presented with the prosecutor's motion and if it finds that substantial mitigating factors exist, the court shall sentence the defendant without regard to the mandatory minimum sentence established by this subdivision.

(c) The court may, on its own motion, sentence the defendant without regard to the mandatory minimum sentence established by this subdivision if it finds that substantial mitigating factors exist and if its sentencing departure is accompanied by a statement on the record of the reasons for it.

(d) The court may sentence the defendant without regard to the mandatory minimum sentence established by this subdivision if the defendant is sentenced to probation and ordered to participate in a program established under section 169.1265.

(e) When any portion of the sentence required by this subdivision is not executed, the court should impose a sentence that is proportional to the extent of the offender's prior criminal and moving traffic violation record. Any sentence required under this subdivision must include a mandatory sentence that is not subject to suspension or a stay of imposition or execution, and that includes incarceration for not less than 48 consecutive hours or at least 80 hours of community work service.

Sec. 13. Minnesota Statutes 1993 Supplement, section 169.121, subdivision 4, is amended to read:

Subd. 4. [ADMINISTRATIVE PENALTIES.] (a) The commissioner of public safety shall revoke the driver's license of a person convicted of violating this section or an ordinance in conformity with it as follows:

(1) first offense under subdivision 1: not less than 30 days;

(2) first offense under subdivision 1a: not less than 90 days;

(3) second offense in less than five years, or third or subsequent offense on the record: (i) if the current conviction is for a violation of subdivision 1, not less than 180 days and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126; or (ii) if the current conviction is for a violation of subdivision 1a, not less than one year and until the court has certified that treatment or rehabilitation has been successfully completed where prescribed in accordance with section 169.126;

(4) third offense in less than five years: not less than one year, together with denial under section 171.04, subdivision 1, clause (8), until rehabilitation is established in accordance with standards established by the commissioner;

(5) fourth or subsequent offense on the record: not less than two years, together with denial under section 171.04, subdivision 1, clause (8), until rehabilitation is established in accordance with standards established by the commissioner.

(b) If the person convicted of violating this section is under the age of 21 years, the commissioner of public safety shall revoke the offender's driver's license or operating privileges for a period of six months or for the appropriate period of time under paragraph (a), clauses (1) to (5), for the offense committed, whichever is the greatest period.

(c) For purposes of this subdivision, a juvenile adjudication under this section, section 169.129, an ordinance in conformity with either of them, or a statute or ordinance from another state in conformity with either of them is an offense.

(d) Whenever department records show that the violation involved personal injury or death to any person, not less than 90 additional days shall be added to the base periods provided above.

(e) Except for a person whose license has been revoked under paragraph (b), and except for a person who commits a violation described in subdivision 3, paragraph (c), clause (4), any person whose license has been revoked pursuant to section 169.123 as the result of the same incident, and who does not have a prior impaired driving conviction or prior license revocation as defined in subdivision 3 within the previous ten years, is subject to the mandatory revocation provisions of paragraph (a), clause (1) or (2), in lieu of the mandatory revocation provisions of section 169.123.

Sec. 14. Minnesota Statutes 1992, section 169.121, subdivision 11, is amended to read:

Subd. 11. [APPLICABILITY TO RECREATIONAL VEHICLES.] For purposes of this section and section 169.123, "motor vehicle" does not include a snowmobile as defined in section 84.81, or an all-terrain vehicle as defined in section 84.92. This subdivision does not prevent the commissioner of public safety from recording on driving records violations involving snowmobiles and all-terrain vehicles.

Sec. 15. Minnesota Statutes 1993 Supplement, section 169.1217, subdivision 9, is amended to read:

Subd. 9. [DISPOSITION OF FORFEITED VEHICLES.] (a) If the court finds under subdivision 8 that the vehicle is subject to forfeiture, it shall order the appropriate agency to:

(1) sell the vehicle and distribute the proceeds under paragraph (b); or

(2) keep the vehicle for official use. If the agency keeps a forfeited motor vehicle for official use, it shall make reasonable efforts to ensure that the motor vehicle is available for use by the agency's officers who participate in the drug abuse resistance education program.

(b) The proceeds from the sale of forfeited vehicles, after payment of seizure, storage, forfeiture, and sale expenses, and satisfaction of valid liens against the property, must be forwarded to the treasury of the political subdivision that employs the appropriate agency responsible for the forfeiture for use in DWI-related enforcement, training and education. If the appropriate agency is an agency of state government, the net proceeds must be forwarded to the agency for use in DWI-related enforcement, training, and education ~~until June 30, 1994, and thereafter to the state treasury and credited to the general fund.~~

Sec. 16. Minnesota Statutes 1993 Supplement, section 169.129, is amended to read:

169.129 [AGGRAVATED VIOLATIONS; PENALTY.]

Any person is guilty of a gross misdemeanor who drives, operates, or is in physical control of a motor vehicle, the operation of which requires a driver's license, within this state or upon the ice of any boundary water of this state in violation of section 169.121 or an ordinance in conformity with it before the person's driver's license or driver's privilege has been reinstated following its cancellation, suspension, revocation, or denial under any of the following: section 169.121, 169.1211, or 169.123; section 171.04, 171.14, 171.16, 171.17, or 171.18 because of an alcohol-related incident; section 609.21, subdivision 1, clauses (2) to (4); 609.21, subdivision 2, clauses (2) to (4); 609.21, subdivision 2a, clauses (2) to (4); 609.21, subdivision 3, clauses (2) to (4); or 609.21, subdivision 4, clauses (2) to (4).

Notwithstanding section 609.04, a prosecution for or conviction of a crime under this section is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct. If the defendant also is convicted of a violation of section 169.121, the court may order that the sentence imposed under this section shall run consecutively to the sentence imposed for that violation.

The attorney in the jurisdiction in which the violation of this section occurred who is responsible for prosecution of misdemeanor violations of section 169.121 shall also be responsible for prosecution of violations of this section.

Sec. 17. Minnesota Statutes 1992, section 169.791, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENT FOR DRIVER WHETHER OR NOT THE OWNER.] Every driver shall have in possession at all times when operating a vehicle and shall produce on demand of a peace officer proof of insurance in force at the time of the demand covering the vehicle being operated. If the driver does not produce the required proof of insurance upon the demand of a peace officer, the driver is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.797, or a statute or ordinance in conformity with one of those sections. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section. A driver who is not the owner of the vehicle may not be convicted under this section unless the driver knew or had reason to know that the owner did not have proof of insurance required by this section, provided that the driver provides the officer with the name and address of the owner at the time of the demand or complies with subdivision 3.

Sec. 18. Minnesota Statutes 1992, section 169.797, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] (a) A person who violates this section is guilty of a misdemeanor. A person is guilty of a gross misdemeanor who violates this section within ten years of the first of two prior convictions under this section, section 169.791, or a statute or ordinance in conformity with one of those sections. The operator of a vehicle who violates subdivision 3 and who causes or contributes to causing a vehicle accident that results in the death of any person or in substantial bodily harm to any person, as defined in section 609.02, subdivision 7a, is guilty of a gross misdemeanor. The same prosecuting authority who is responsible for prosecuting misdemeanor violations of this section is responsible for prosecuting gross misdemeanor violations of this section. In addition to any sentence of imprisonment that the court may impose on a person convicted of violating this section, the court shall impose a fine of not less than \$200 nor more than the maximum amount authorized by law. The court may allow community service in lieu of any fine imposed if the defendant is indigent.

(b) In addition to the criminal penalty, the driver's license of an operator convicted under this section shall be revoked for not more than 12 months. If the operator is also an owner of the vehicle, the registration of the vehicle shall also be revoked for not more than 12 months. Before reinstatement of a driver's license or registration, the operator shall file with the commissioner of public safety the written certificate of an insurance carrier authorized to do business in this state stating that security has been provided by the operator as required by section 65B.48.

(c) The commissioner shall include a notice of the penalties contained in this section on all forms for registration of vehicles required to maintain a plan of reparation security.

(d) Notwithstanding section 609.04, a prosecution for or conviction of a crime under this section is not a bar to conviction or punishment for any other crime committed by the defendant as part of the same conduct. If the defendant also is convicted of a violation of section 169.121, 169.129, or 171.24, the court may order that the sentence imposed under this section shall run consecutively to the sentence imposed for that violation.

Sec. 19. [169.991] [TAB CHARGES.]

In addition to the offenses listed in rule 17.01 of the Rules of Criminal Procedure, a misdemeanor or gross misdemeanor violation of section 171.24 may be prosecuted by tab charge in lieu of indictment or complaint. Rule 17.01 of the Rules of Criminal Procedure is superseded to the extent of its conflict with this section.

Sec. 20. Minnesota Statutes 1992, section 171.12, subdivision 2, is amended to read:

Subd. 2. [ACCIDENT REPORTS AND RECORDS OF CONVICTION FILED.] The department shall file all accident reports and abstracts of court records of convictions and violations received by it under the laws of this state and its political subdivisions, and in connection therewith maintain convenient records or make suitable notations in order that an individual record of each licensee showing the convictions of such licensee and the traffic accidents in which the licensee has been involved shall be readily ascertainable and available for the consideration of the department upon any application for renewal of license and the revocation, suspension, or limitation of licenses.

Sec. 21. Minnesota Statutes 1993 Supplement, section 171.24, is amended to read:

171.24 [VIOLATIONS; DRIVING WITHOUT VALID LICENSE.]

(a) Except as otherwise provided in paragraph (c), any person whose driver's license or driving privilege has been canceled, suspended, or revoked and who has been given notice of, or reasonably should know of the revocation,

suspension, or cancellation, and who disobeys such order by operating anywhere in this state any motor vehicle, the operation of which requires a driver's license, while such license or privilege is canceled, suspended, or revoked is guilty of a misdemeanor.

(b) Any person who has been disqualified from holding a commercial driver's license or been denied the privilege to operate a commercial motor vehicle, who has been given notice of or reasonably should know of the disqualification, and who disobeys the order by operating in this state a commercial motor vehicle while the person is disqualified to hold the license or privilege, is guilty of a misdemeanor.

(c) A person is guilty of a gross misdemeanor if:

(1) the person's driver's license or driving privileges has been canceled under section 171.04, subdivision 1, clause (8), and the person has been given notice of or reasonably should know of the cancellation; and

(2) the person disobeys the order by operating in this state any motor vehicle, the operation of which requires a driver's license, while the person's license or privilege is canceled.

(d) Notwithstanding section 609.04, a prosecution for or conviction of a crime under this section is not a bar to conviction of or punishment for any other crime committed by the defendant as part of the same conduct. If the defendant also is convicted of a violation of section 169.121 or 169.129, the court may order that the sentence imposed for a violation of this section run consecutively to the sentence imposed for a violation of section 169.121 or 169.129.

(e) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section is also responsible for prosecution of gross misdemeanor violations of this section.

(f) Notice of revocation, suspension, cancellation, or disqualification is sufficient if personally served, or if mailed by first class mail to the person's last known address or to the address listed on the person's driver's license. Notice is also sufficient if the person was informed that revocation, suspension, cancellation, or disqualification would be imposed upon a condition occurring or failing to occur, and where the condition has in fact occurred or failed to occur. It is not a defense that a person failed to file a change of address with the post office, or failed to notify the department of public safety of a change of name or address as required under section 171.11.

Sec. 22. Minnesota Statutes 1993 Supplement, section 340A.503, subdivision 1, is amended to read:

Subdivision 1. [CONSUMPTION.] (a) It is unlawful for any:

(1) retail intoxicating liquor or nonintoxicating liquor licensee, municipal liquor store, or bottle club permit holder under section 340A.414, to permit any person under the age of 21 years to consume alcoholic beverages on the licensed premises or within the municipal liquor store; or

(2) person under the age of 21 years to consume any alcoholic beverages. As used in this clause, "consume" includes the ingestion of an alcoholic beverage and the physical condition of having ingested an alcoholic beverage. If proven by a preponderance of the evidence, it is an affirmative defense to a violation of this clause that the defendant consumed the alcoholic beverage in the household of the defendant's parent or guardian and with the consent of the parent or guardian.

(b) An offense under paragraph (a), clause (2), may be prosecuted either at the place where consumption occurs or the place where evidence of consumption is observed.

(c) When a person is convicted of or adjudicated for an offense under paragraph (a), clause (2), the court shall determine whether the person ~~committed the offense~~ consumed the alcohol while operating a motor vehicle. If so, the court shall notify the commissioner of public safety of its determination. Upon receipt of the court's determination, the commissioner shall suspend the person's driver's license or operating privileges for 30 days, or for 180 days if the person has previously been convicted of or adjudicated for an offense under paragraph (a), clause (2). As used in this paragraph, "consume" includes the ingestion of an alcoholic beverage and the physical condition of having ingested an alcoholic beverage.

Sec. 23. Minnesota Statutes 1992, section 609.02, subdivision 2, is amended to read:

Subd. 2. [FELONY.] "Felony" means a crime, other than an enhanced gross misdemeanor, for which a sentence of imprisonment for more than one year may be imposed.

Sec. 24. Minnesota Statutes 1992, section 609.02, is amended by adding a subdivision to read:

Subd. 4b. [ENHANCED GROSS MISDEMEANOR.] "Enhanced gross misdemeanor" means a crime that is not a felony, for which a sentence of imprisonment of not more than two years or a fine of not more than \$3,000, or both, may be imposed.

Sec. 25. Minnesota Statutes 1993 Supplement, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Except as provided in sections 169.121, 169.129, 169.797, 171.24, 609.251, 609.585, 609.21, subdivisions 3 and 4, 609.2691, 609.486, 609.494, and 609.856, if a person's conduct constitutes more than one offense under the laws of this state, the person may be punished for only one of the offenses and a conviction or acquittal of any one of them is a bar to prosecution for any other of them. All the offenses, if prosecuted, shall be included in one prosecution which shall be stated in separate counts.

Sec. 26. Minnesota Statutes 1992, section 609.105, is amended to read:

609.105 [SENTENCE OF IMPRISONMENT.]

Subdivision 1. Except as otherwise provided in subdivision 3, a sentence to imprisonment for more than one year shall commit the defendant to the custody of the commissioner of corrections.

Subd. 2. The commissioner of corrections shall determine the place of confinement in a prison, reformatory, or other facility of the department of corrections established by law for the confinement of convicted persons and prescribe reasonable conditions and rules for their employment, conduct, instruction, and discipline within or without the facility.

Subd. 3. A sentence to imprisonment for an enhanced gross misdemeanor or for a period of one year or any lesser period shall be to a workhouse, work farm, county jail, or other place authorized by law.

Sec. 27. Minnesota Statutes 1992, section 629.471, subdivision 2, is amended to read:

Subd. 2. [QUADRUPLE THE FINE.] For offenses under sections 169.09, 169.121, 169.129, 171.24, paragraph (c), 518B.01, 609.2231, subdivision 2, 609.224, 609.487, and 609.525, the maximum cash bail that may be required for a person charged with a misdemeanor or gross misdemeanor violation is quadruple the highest cash fine that may be imposed for the offense.

Sec. 28. [DWI TRACKING SYSTEM; STUDY REQUIRED.]

The commissioner of public safety, in cooperation with the criminal and juvenile justice information policy group, shall study the feasibility and cost of developing, establishing, and operating a centralized system for tracking and integrating information regarding the arrest, prosecution, conviction, sentencing, treatment, and driver's license records of persons who commit alcohol-related driving offenses. On or before February 1, 1995, the commissioner shall submit a report to the legislature containing the commissioner's findings and recommendations.

Sec. 29. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall modify the sentencing guidelines by ranking violations of section 609.21, subdivisions 1, clauses (3) and (4); and 3, clauses (3) and (4), in severity level VII of the sentencing guidelines grid.

Sec. 30. [ELECTRONIC ALCOHOL MONITORING OF DWI OFFENDERS; PILOT PROGRAM.]

Subdivision 1. [DEFINITIONS.] As used in this section, the following terms have the meanings given them in this subdivision.

(a) "Breath analyzer unit" means a device that performs breath alcohol testing and is connected to an electronic monitoring system.

(b) "Electronic monitoring system" means a system that electronically monitors individuals in their homes to ensure compliance with court-ordered conditions of pretrial release, supervised release, or probation.

Subd. 2. [PILOT PROGRAM ESTABLISHED.] (a) The state court administrator, in cooperation with the conference of chief judges and the commissioner of corrections, shall establish a three-year pilot program to evaluate the effectiveness of using breath analyzer units to monitor DWI offenders who are ordered to abstain from alcohol use as a condition of pretrial release, probation, or supervised release. The pilot program shall include procedures which ensure that violators of this condition of release receive swift consequences for the violation.

(b) The state court administrator shall select at least two judicial districts to participate in the pilot program. Offenders who are ordered to use a breath analyzer unit shall also be ordered to pay the per diem cost of the monitoring unless the offender is indigent. The state court administrator shall reimburse the judicial districts and the department of corrections for any costs they incur in participating in the pilot program. The court administrator shall scale the program to the resources available.

(c) After three years, the state court administrator shall evaluate the program's effectiveness and shall report the results of this evaluation to the conference of chief judges and the legislature.

Sec. 31. [APPROPRIATIONS.]

(a) The following amounts are appropriated from the general fund to the commissioner of corrections and the commissioner of public safety for the fiscal year ending June 30, 1995:

(1) \$125,000 is for the DWI tracking system study required under section 28;

(2) \$500,000 is for grants to counties under Minnesota Statutes, section 169.1265, to pay the costs of developing and operating intensive probation programs for repeat DWI offenders; provided that at least one-half of this appropriation shall be used for grants to counties seeking to develop new programs;

(3) \$65,000 is for providing technical assistance to counties participating in the intensive probation grant program and for contract administration; and \$20,000 is for an independent evaluation of intensive probation program results; and

(b) \$150,000 is appropriated from the general fund to the supreme court to fund the pilot program established in section 30. The supreme court shall seek additional funding for the program from outside sources, and shall scale the program to the available funding resources.

Sec. 32. [REPEALER.]

Minnesota Statutes 1992, sections 84.87, subdivision 2b; and 84.928, subdivision 3, are repealed.

Sec. 33. [EFFECTIVE DATE.]

Sections 1 to 32 are effective July 1, 1994, and apply to crimes committed on or after that date."

Delete the title and insert:

"A bill for an act relating to crime; requiring reports of certain deaths; modifying provisions relating to habitual offenders and forfeited vehicles; clarifying the conditions under which a juvenile who violates the underage drinking law may receive driver license suspension; establishing prosecutorial duties; changing penalties; requiring a study; establishing a pilot program; appropriating money; amending Minnesota Statutes 1992, sections 84.91, subdivisions 5 and 7; 84.911, by adding a subdivision; 86B.331, subdivisions 5 and 7; 86B.335, by adding a subdivision; 86B.341, subdivision 1; 168.042, subdivision 8; 169.121, subdivision 11; 169.791, subdivision 2; 169.797, subdivision 4; 171.12, subdivision 2; 609.02, subdivision 2, and by adding a subdivision; 609.105; and 629.471, subdivision 2; Minnesota Statutes 1993 Supplement, sections 84.924, subdivision 3; 169.121, subdivisions 1c, 3, 3a, and 4; 169.1217, subdivision 9; 169.129; 171.24; 340A.503, subdivision 1; and 609.035; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1992, sections 84.87, subdivision 2b; and 84.928, subdivision 3."

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

The report was adopted.

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

H. F. No. 3005, A bill for an act relating to state government; creating an employee training incentive program; proposing coding for new law in Minnesota Statutes, chapter 43A.

Reported the same back with the following amendments:

Page 1, line 9, delete "must" and insert "may"

Page 1, line 10, before the period, insert "subject to negotiations with bargaining representatives under Minnesota Statutes, chapter 179A"

Page 1, line 13, delete "must" and insert "may"

Page 1, line 14, delete "awards"

Page 1, line 15, before the period, insert "or to improve service delivery through other employee training and development"

Page 1, line 18, delete "Awards" and insert "Training" and before the comma, insert "or service delivery based"

Page 1, line 25, delete everything after "(3)" and insert "Worker participation committees established under Minnesota Statutes, section 15.92, must identify and recommend expenditures of training and employee development funds within each agency."

Page 2, delete lines 1 to 3

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

The report was adopted.

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

H. F. No. 3086, A bill for an act relating to the environment; expanding the authority of the commissioner of the pollution control agency to release persons from liability for contamination from petroleum tanks; establishing an environmental cleanup program for landfills; increasing the solid waste generator fee; providing penalties; appropriating money; providing for state bonding; abolishing the metropolitan landfill contingency action trust fund; transferring trust fund assets; amending Minnesota Statutes 1992, sections 115.073; 115B.42, subdivision 1 and by adding subdivisions; 115C.03, subdivision 9; 383D.71, subdivision 1; 473.801, subdivisions 1 and 4; 473.841; 473.842, subdivision 1; and 473.843, subdivisions 1 and 2; amending Minnesota Statutes 1993 Supplement, sections 115B.42, subdivision 2; and 116.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapters 115A; and 115B; repealing Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847.

Reported the same back with the following amendments:

Page 3, line 10, delete the second "to" and insert ", within the limits of the revenue generated, to support the following activities"

Page 4, line 18, after "waste" insert "for disposal"

Page 4, after line 23, insert:

"(1) the facility was privately owned and operated; and"

Page 4, line 24, delete "(1)" and insert "(2)"

Page 4, line 27, delete "(2)" and insert "(3)"

Page 4, line 34, after "commissioner" insert "under section 115B.41, subdivision 2,"

Page 5, line 3, delete "the" and insert "money from the landfill account is encumbered for the facility under section 115B.43. The"

Page 5, line 16, delete "agree to"

Page 5, line 21, after "actions" insert ", including allowing entry to the property and to the facility's records"

Page 5, line 22, delete "agree to develop" and insert "refrain from developing or altering the use of"

Page 5, line 23, delete "only" and insert "except"

Page 5, line 25, after "property" insert ", including use restrictions."

Page 5, line 27, after "(b)" insert "Notwithstanding paragraph (a), clause (1)."

Page 6, line 7, delete "agree" and insert "enter into agreements with the commissioner to carry out the requirements of paragraph (a), clauses (4) and (5). The"

Page 6, delete lines 8 to 12

Page 6, delete line 13, and insert "agreements"

Page 6, line 14, delete everything before "must" and insert "must be in writing and"

Page 6, line 27, after "the" insert "owner or operator fails to comply with subdivision 2 and the"

Page 6, line 29, delete "or" and insert "and" and delete "is" and insert "are jointly and severally"

Page 7, line 1, delete "If" and insert:

"If"

Page 7, line 4, delete everything before "the" and insert "paragraph (d)."

Page 7, line 5, delete "to compel performance"

Page 7, line 6, before the period, insert "to compel the owner or operator to comply with subdivision 2, paragraph (a), clause (3), (4), or (5)"

Page 7, line 15, after "including" insert "administrative and legal" and delete everything after "expenses"

Page 7, line 16, delete everything before the comma

Page 7, line 36, delete "costs" and insert "expenses"

Page 8, lines 2 and 7, delete "costs" and insert "expenses"

Page 8, line 9, after "payment" insert "otherwise payable to the local government unit"

Page 8, line 12, delete "costs" and insert "expenses"

Page 8, line 15, delete "and" and insert "or"

Page 8, line 16, delete everything after "2"

Page 8, delete lines 17 and 18

Page 8, line 19, delete everything before the comma

Page 8, line 20, after "obtain" insert "or renew"

Page 8, line 22, after "operator" insert "that is not a local government unit" and delete "and" and insert "or"

Page 8, line 31, delete "included" and insert "listed"

Page 8, line 32, delete everything after "care"

Page 8, line 33, delete everything before "in" and before the period, insert "under an agreement with the commissioner"

Page 9, line 2, delete "land disposal"

Page 9, line 3, delete everything after "listed" and insert "under"

Page 9, line 9, after "IDENTIFICATION" insert "AND LISTING"

Page 9, delete lines 29 to 31

Page 9, line 33, after "the" insert "applicable"

Page 10, line 6, delete everything after the first "will" and insert "result in removal or significant alteration of the closure activities or render the closure activities unnecessary."

Page 10, delete lines 7 and 8, and insert:

"(d) When closure is complete and postclosure care is adequate, the commissioner shall list the facility under the landfill cleanup program."

Page 10, line 18, delete "section" and insert "subdivision"

Page 10, line 29, after "deems" insert "reasonable and"

Page 10, line 30, before the period, insert "under the standards required in subdivision 1"

Page 10, line 31, delete "detailed" and after "determine" insert "reasonable and"

Page 10, line 33, delete "rather than detailed" and insert "for environmental" and after "studies" insert ", presumptive remedies, and generic remedial designs"

Page 10, line 34, delete "appropriate"

Page 11, line 24, delete "this section" and insert "sections 115B.39 to 115B.45"

Page 11, line 29, delete "Costs" and insert "If the commissioner prevails in an enforcement action under this subdivision, the commissioner may recover all costs"

Page 11, line 30, delete everything after the second comma, and insert "related to the enforcement action."

Page 11, delete lines 31 and 32

Page 11, line 35, after "deems" insert "reasonably"

Page 14, lines 6 to 11, reinstate the stricken language

Page 14, line 12, reinstate everything before the stricken "and"

Page 14, line 14, delete the new language

Page 14, line 26, delete "pay" and insert "reimburse" and after "expenses" insert "up to \$250,000 annually" and after "costs" insert "up to \$250,000 annually"

Page 15, delete lines 33 to 36, and insert:

"(1) private or public mixed municipal solid waste generators:

(i) who received, prior to January 1, 1994, requests for contribution from a responsible person or group of responsible persons named under a consent order with the agency or under an order issued by the United States Environmental Protection Agency under United States Code, title 42, section 9606, that governs response action at a mixed municipal solid waste facility that stopped accepting waste for disposal prior to April 9, 1994;

(ii) who pay the responsible person or responsible persons an amount in response to the request; and

(iii) for whom the responsible person has not or the responsible persons have not shown, other than by statistical or circumstantial evidence, that the generator arranged for disposal of or transported for disposal a hazardous substance, pollutant, or contaminant in the facility;

(2) local government units that have spent money, in excess of the liability limits in section 115B.04, subdivision 4, at a mixed municipal solid waste disposal facility that stopped accepting waste prior to April 9, 1994, for closure, postclosure care, and response actions not required in the facility's permit and the rules in effect at the time the facility stopped accepting waste, first those that spent money at qualified facilities and then those that spent money at nonqualified facilities under a consent order or federal order when the activities required by the order have been completed; and

(3) private responsible persons that have spent money, in excess of \$1,200,000 at a mixed municipal solid waste facility that stopped accepting waste prior to April 9, 1994, for closure, postclosure care, or response actions not required in the facility's permit and the rules at the time the facility stopped accepting waste, first those that spent money at qualified facilities and then those that spent money at nonqualified facilities under a consent order or federal order when the activities required by the order have been completed.

(b) No local government unit or private person is eligible for reimbursement if the unit or person illegally arranged for disposal, arranged for transportation for disposal, or disposed of a hazardous substance, pollutant, or contaminant in the facility. No local government unit or private person is eligible for reimbursement if the unit or person requested contribution for money spent by the person for expenses incurred at a mixed municipal solid waste disposal facility from a person not named as a responsible person in a consent order or federal order governing activities at the facility."

Page 16, delete lines 1 to 30

Page 16, line 31, delete "(b)" and insert "(c)"

Page 16, line 35, delete "July" and insert "September"

Page 17, line 1, after the second comma, insert "and"

Page 17, line 2, delete everything after "(3)"

Page 17, line 3, delete everything before the period

Page 17, line 10, before "solid" insert "mixed municipal"

Page 17, after line 12, insert:

"(d) The commissioner shall recommend to the commission on waste management how to refine the reimbursement process and how to specifically refine when reimbursement is due to persons within each priority level for reimbursement without recommending changes in the broad priorities listed in paragraph (a)."

Page 18, after line 20, insert:

"Subd. 3. [EFFECT OF LISTING OF FACILITIES.] Once a qualified facility is listed under section 115B.41, subdivision 2, neither the commissioner nor the agency may take any action in relation to that facility to recover any expenses from any person under sections 115B.01 to 115B.24, except as provided in sections 115B.39 to 115B.45, unless the projected revenue to the landfill cleanup account for the next biennium is insufficient to fund 20 percent of the total projected costs of sections 115B.39 to 115B.45, excluding operation and maintenance of response actions, calculated from the effective date of those sections to the completion of construction activities at the final qualified facility on the priority list. A listed qualified facility may not be referred for listing under 115B.17, subdivision 13.

Subd. 4. [EFFECT OF ENCUMBRANCE; INSUFFICIENT ENCUMBRANCE.] (a) At the time money in the landfill cleanup account is encumbered for the expected response costs at a specific facility, the landfill cleanup program administered by the commissioner undertakes all further postclosure care, response actions, and operation and maintenance of the response actions related to that facility. The owner or operator and any other potentially responsible person is not responsible under this chapter for any further costs related to postclosure care, response, or operation and maintenance of any response action at the facility, except as provided in subdivision 1, paragraph (b).

(b) If the amount encumbered is insufficient to cover the actual response costs, excluding operation and maintenance of the response actions, new revenue received by the account must first be used to complete response actions at the facility before it may be encumbered for a facility for which no money has yet been encumbered.

(c) Nothing in sections 115B.39 to 115B.45 affects the liability of any person under this chapter, under federal law, or under common law for claims for compensation for personal injury or property damage related to the release of a hazardous substance, pollutant, or contaminant from a facility."

Page 18, line 25, before "solid" insert "mixed municipal"

Page 18, line 28, after "facility" insert ", which stopped accepting waste for disposal prior to April 9, 1994,"

Page 18, line 29, delete "have factual" and insert "produce" and after "evidence" insert ", other than statistical or circumstantial evidence,"

Page 18, line 30, delete "contributed" and insert "arranged for disposal or transported for disposal mixed municipal solid waste containing"

Page 18, line 34, after "to" insert "the Minnesota office of dispute resolution for"

Page 20, after line 8, insert:

"Sec. 12. [REPORT; REIMBURSEMENT.]

In the first report due under Minnesota Statutes, section 115B.42, subdivision 4, the commissioner of the pollution control agency shall include an analysis of the level of reimbursement specified in Minnesota Statutes, section 115B.42, subdivision 3, and shall make any recommendations the commissioner deems reasonable and prudent regarding increasing or decreasing over time the percentage of money in the account available for reimbursement."

Page 21, line 10, after "cents" insert ", 81 cents beginning July 1, 1996,"

Pages 21 and 22, delete sections 3 and 4

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

The report was adopted.

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

H. F. No. 3207, A bill for an act relating to the organization and operation of state government; appropriating money for the department of health, the council on disability, veterans nursing homes board, jobs and training, housing finance, veterans affairs, human rights, and other purposes with certain conditions; establishing and modifying certain programs; modifying the compact on industrialized/modular buildings; providing for appointments; amending Minnesota Statutes 1992, sections 16A.124, subdivisions 1, 2, 3, 4, 5, and 6; 16B.75; 62J.05, subdivision 2; 144.801, by adding a subdivision; 144.804, subdivision 1; 144.878, by adding a subdivision; and 145A.14, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 16B.06, subdivision 2a; 144.871, subdivision 2; 144.874, subdivision 11a; 144.878, subdivision 5; 153A.14, subdivision 2; and 239.785, subdivision 2, and by adding a subdivision; Laws 1993, chapter 369, section 11; proposing coding for new law in Minnesota Statutes, chapters 144; 145; 148; 197; 268A; and 645; repealing Minnesota Statutes 1992, section 197.235.

Reported the same back with the following amendments:

Page 2, line 13, delete "2,734,000" and insert "2,934,000" and delete "2,759,000" and insert "2,959,000"

Page 2, line 22, delete "2,195,300" and insert "2,396,000"

Page 2, line 24, delete "2,026,300" and insert "2,227,000"

Page 3, line 7, delete "332,500" and insert "333,000"

Page 5, line 18, delete "58,800" and insert "59,000"

Page 5, after line 42, insert:

"(m) Hotels; Resorts; Restaurants

Of this appropriation \$200,000 is appropriated to the commissioner of health for fiscal year 1995 for the purposes of the programs in Minnesota Statutes, chapter 157. This appropriation shall not become part of the base level funding for the 1995-1996 biennial budget.

(n) Collaboration with Culturally Appropriate Groups

The commissioner of health shall collaborate with culturally appropriate groups to carry out appropriate education, prevention, and outreach activities in communities that traditionally practice female circumcision, excision, or infibulation to inform people in those communities about the health risks and emotional trauma inflicted by these practices. The commissioner also shall make reasonable efforts to inform the medical community of the criminal penalties applicable to these practices. The commissioner shall work with culturally appropriate groups to obtain private funds to help finance these education, prevention, and outreach efforts."

Page 22, after line 10, insert:

"Sec. 17. [144.394] [CHILDREN AND SECONDHAND SMOKE; MASS MEDIA PROGRAM.]

The commissioner shall conduct a long-term mass media program to educate the public on the effects of secondhand smoke on children. The program must include, but is not limited to, the creation and use of television and radio media messages. The mass media program must be designed to last at least five years."

Pages 23 to 26, delete sections 19 to 23

Page 44, before line 1, insert:

"Sec. 10. [268.56] [MINNESOTA YOUTH PROGRAM; DEFINITIONS.]

For the purposes of sections 268.56 and 268.561, the terms defined in this section have the meanings given them.

Subdivision 1. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 2. [ELIGIBLE APPLICANT.] "Eligible applicant" means an individual who is:

(1) between the ages of 14 and 21;

(2) economically disadvantaged; and

(3) an at-risk youth who may be classified as a family of one for purposes of eligibility determination. The following individuals are considered at risk:

(a) a pregnant or parenting youth;

(b) a youth with limited English proficiency;

(c) a potential or actual school dropout;

(d) a youth in an offender or diversion program;

(e) a public assistance recipient or a recipient of group home services;

(f) a youth with disabilities including learning disabilities;

(g) a chemically dependent youth or children of drug or alcohol abusers;

(h) a homeless or runaway youth;

(i) a youth with basic skills deficiency;

(j) a youth with an educational attainment of one or more levels below grade level appropriate to age; or

(k) a foster child.

Subd. 3. [EMPLOYER.] "Employer" means a private or public employer.

Sec. 11. [268.561] [MINNESOTA YOUTH PROGRAM.]

Subdivision 1. [PURPOSE.] The Minnesota youth program is established to:

(1) improve the employability of low-income youth through exposure to public or private sector work;

(2) enhance the basic educational skills of youth;

(3) encourage the completion of high school or equivalency;

(4) assist youth to enter employment, school-to-work transition programs, the military, or post-secondary education or training;

(5) enhance the citizenship skills of youth through community service and service learning; and

(6) provide educational, career, and life skills counseling.

Subd. 2. [WAGE RATE.] The rate of pay for Minnesota youth program positions with public, private nonprofit, and private for-profit employers is the minimum wage. Employers are encouraged to use their own funds to increase

the participants' hourly wage rates. Youths designated as supervisors may be paid at a higher level to be determined by the local contractor.

Subd. 3. [CONTRACT ADMINISTRATION.] Special consideration will be given to local contractors with experience in administering youth employment and training programs and those who have demonstrated efforts to coordinate state and federal youth programs locally.

Subd. 4. [ALLOCATION FORMULA.] Seventy percent of funds must be allocated based on the county's share of economically disadvantaged youth. The remaining 30 percent must be allocated based on the county's share of population ages 14 to 21.

Subd. 5. [ALLOWABLE COST CATEGORIES.] Of the total allocation, up to 15 percent may be used for administrative purposes and the remaining 85 percent may be used for a combination of training and participant support activities.

Subd. 6. [REPORTS.] Each entity shall report to the commissioner on a quarterly basis in a format to be determined by the commissioner.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Subd. 7. [PART-TIME EMPLOYMENT.] Wages and subsidies under this section may be paid for part-time employment.

Subd. 8. [LAYOFFS; WORKER REDUCTIONS.] An employer may not lay off, terminate, or reduce the working hours of an employee for the purpose of hiring an individual with funds provided by this section. An employer may not hire an individual with funds available under this section if any other individual is laid off from the same or a substantially equivalent job.

Subd. 9. [RULES.] The commissioner may adopt rules to implement this section."

Page 44, after line 28, insert:

"Sec. 13. Laws 1993, chapter 369, section 5, subdivision 4, is amended to read:

Subd. 4. Community Services

27,579,000

25,678,000

The money appropriated for the youth wage subsidy program for the second year of the biennium must be used for programs authorized under Minnesota Statutes, sections 268.31 to 268.36.

\$880,000 is appropriated from the general fund to the commissioner of jobs and training for operating costs of transitional housing programs under Minnesota Statutes, section 268.38. Of this appropriation, \$440,000 is for the first year and \$440,000 is for the second year.

\$4,200,000 for the first year and \$5,550,000 for the second year is appropriated from the general fund to the commissioner of the department of jobs and training for Minnesota economic opportunity grants to community action agencies. This appropriation is to replace federal funds that are no longer available to community action agencies because of new federal restrictions on the authority to transfer block grant money from the federal Low-Income Home Energy Assistance program to the federal Community Services Block grant.

For the biennium ending June 30, 1995, the commissioner shall transfer to the low-income home weatherization program at least five percent of money received under the low-income home energy assistance block grant in each year of the biennium and shall spend all of the transferred money during the year of the transfer or the year following the transfer. Up to 1.63 percent of the transferred money may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1995, no more than 1.63 percent of money remaining under the low-income home energy assistance program after transfers to the weatherization program may be used by the commissioner for administrative purposes.

The state appropriation for the temporary emergency food assistance program may be used to meet the federal match requirements.

Of the money appropriated for the summer youth employment programs for fiscal year 1994, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. If the appropriation for either year of the biennium is insufficient, money may be transferred from the appropriation for the other year.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,054,000 in the first year and \$2,303,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

Of this appropriation, \$5,554,000 the first year and \$2,303,000 the second year are for summer youth employment programs.

Of this appropriation, \$100,000 is to train and certify community action agency weatherization programs to comply with the requirements of Minnesota Statutes, section 144.878, subdivision 5. * (The preceding sentence starting "Of" was vetoed by the governor.) Of this appropriation, \$400,000 is to be used for swab teams with priority to be given to those swab teams in greater Minnesota which are affiliated with community action agencies and to those swab teams in cities of the first class which are affiliated with community action agencies or neighborhood-based nonprofit organizations. 3.75 percent of the allocation may be used for administrative costs. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Of this appropriation, \$1,200,000 is for the food shelf program.

Of this appropriation, \$400,000 is for youth employment and for housing for the homeless through the YOUTHBUILD program.

Of the appropriation for the Minnesota economic opportunity grant, the commissioner may use up to nine percent each year for state operations.

Of the appropriation for Head Start, the commissioner of the department of jobs and training may use up to two percent each year for state operations."

Pages 44 and 45, delete section 11

Page 45, after line 19, insert:

"Sec. 15. [REPEALER.]

Minnesota Statutes 1992, sections 268.32; 268.551; and 268.552, are repealed.

Minnesota Rules, parts 3300.0100; 3300.0200; 3300.0300; 3300.0400; 3300.0500; 3300.0600; and 3300.0700, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 10, 11, 12, and 13 are effective the day following final enactment."

Page 50, after line 1, insert:

"ARTICLE 4

HEALTH DEPARTMENT TECHNICAL

Section 1. Minnesota Statutes 1992, section 126A.02, subdivision 2, is amended to read:

Subd. 2. [BOARD MEMBERS.] A ~~17-member~~ 18-member board shall advise the director. The board is made up of the commissioners of the department of natural resources; the pollution control agency; the department of agriculture; the department of education; the department of health; the director of the office of strategic and long-range planning; the chair of the board of water and soil resources; the executive director of the higher education coordinating board; the executive secretary of the board of teaching; the director of the extension service; and eight citizen members representing diverse interests appointed by the governor. The governor shall appoint one citizen member from each congressional district. The citizen members are subject to section 15.0575. Two of the citizen members appointed by the governor must be licensed teachers currently teaching in the K-12 system. The governor shall annually designate a member to serve as chair for the next year.

Sec. 2. Minnesota Statutes 1992, section 144.0723, subdivision 1, is amended to read:

Subdivision 1. [CLIENT ~~REIMBURSEMENT~~ CLASSIFICATIONS.] The commissioner of health shall establish ~~reimbursement~~ classification classifications based upon the assessment of each client in intermediate care facilities for the mentally retarded conducted after December 31, 1988, under section 256B.501, subdivision 3g, ~~or under rules established by the commissioner of human services under section 256B.501, subdivision 3j.~~ The ~~reimbursement~~ classification classifications established by the commissioner must conform to the rules established by the commissioner of human services to set payment rates for intermediate care facilities for the mentally retarded beginning on or after October 1, ~~1990~~ 1995.

Sec. 3. Minnesota Statutes 1992, section 144.0723, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF CLIENT ~~REIMBURSEMENT~~ CLASSIFICATION.] The commissioner of health shall notify each client and intermediate care facility for the mentally retarded in which the client resides of the ~~reimbursement~~ classification ~~classification~~ classifications established under subdivision 1 for each client residing in the facility. The notice must inform the client intermediate care facility for the mentally retarded of the classification ~~classification~~ classifications that ~~was are~~ assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the ~~classification~~ any classification assigned. The notice of classification must be sent by first-class mail. ~~The individual client notices may be sent to the client's intermediate care facility for the mentally retarded for distribution to the client. The facility must distribute the notice to the client's case manager and to the client or to the client's representative. This notice must be distributed within three working days after the facility receives the notices from the department. For the purposes of this section, "representative" includes the client's legal representative as defined in Minnesota Rules, part 9525.0015, subpart 18, the person authorized to pay the client's facility expenses, or any other individual designated by the client.~~

Sec. 4. Minnesota Statutes 1992, section 144.0723, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR RECONSIDERATION.] The ~~client, client's representative, or the intermediate care facility~~ for the mentally retarded may request that the commissioner reconsider the assigned classification. The request for reconsideration must be submitted in writing to the commissioner within 30 days after the receipt of the notice of

client classification. The request for reconsideration must include the name of the client, the name and address of the facility in which the client resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the client and services provided to the client at the time of the assessment resulting in the disputed classification justify a change of classification.

Sec. 5. Minnesota Statutes 1992, section 144.0723, subdivision 4, is amended to read:

Subd. 4. [ACCESS TO INFORMATION.] Annually, at the interdisciplinary team meeting, the intermediate care facility for the mentally retarded shall inform the client or the client's representative and case manager of the client's most recent classification as determined by the department of health. Upon written request, the intermediate care facility for the mentally retarded must give the client's case manager, the client, or the client's representative a copy of the assessment form and the other documentation that was given to the department to support the assessment findings. ~~The facility shall also provide access to and a copy of other information from the client's record that has been requested by or on behalf of the client to support a client's reconsideration request. A copy of any requested material must be provided within three working days after the facility receives a written request for the information. If the facility fails to provide the material within this time, it is subject to the issuance of a correction order and penalty assessment. Notwithstanding this section, any order issued by the commissioner under this subdivision must require that the facility immediately comply with the request for information and that as of the date the order is issued, the facility shall forfeit to the state a \$100 fine the first day of noncompliance, and an increase in the \$100 fine by \$50 increments for each day the noncompliance continues.~~

Sec. 6. Minnesota Statutes 1992, section 144.0723, subdivision 6, is amended to read:

Subd. 6. [RECONSIDERATION.] The commissioner's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the commissioner under subdivisions subdivision 3 and 5. If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. At the commissioner's discretion, the commissioner may review the ~~reimbursement~~ classifications assigned to all clients in the facility. Within 15 working days after receiving the request for reconsideration, the commissioner shall affirm or modify the original client classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect the status of the client at the time of the assessment. The ~~client and the intermediate care facility~~ for the mentally retarded shall be notified within five working days after the decision is made. The commissioner's decision under this subdivision is the final administrative decision of the agency.

Sec. 7. [144.1222] [PUBLIC POOLS.]

The commissioner of health shall be responsible for the promulgation of rules and the enforcement of standards relating to the operation, maintenance, design, installation, and construction of public pools and facilities related to them. The commissioner shall promulgate rules governing the collection of fees pursuant to section 144.122 to cover the cost of pool construction plan review, monitoring, and inspections.

Sec. 8. Minnesota Statutes 1992, section 144.414, subdivision 3, is amended to read:

Subd. 3. [HEALTH CARE FACILITIES AND CLINICS.] (a) Smoking is prohibited in any area of a hospital, health care clinic, doctor's office, or other health care-related facility, other than a nursing home, boarding care facility, or licensed residential facility, except as allowed in this subdivision.

(b) Smoking by patients in a chemical dependency treatment program or mental health program may be allowed in a separated well-ventilated area pursuant to a policy established by the administrator of the program that identifies circumstances in which prohibiting smoking would interfere with the treatment of persons recovering from chemical dependency or mental illness.

(c) Smoking by participants in peer reviewed scientific studies related to the health effects of smoking may be allowed in a separated well-ventilated area pursuant to a policy established by the administrator of the program to minimize exposure of nonsmokers to smoke.

Sec. 9. Minnesota Statutes 1992, section 144.417, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The state commissioner of health shall adopt rules necessary and reasonable to implement the provisions of sections 144.411 to 144.417, except as provided for in section 144.414.

~~The state commissioner of health may, upon request, waive the provisions of sections 144.411 to 144.417 if the commissioner determines there are compelling reasons to do so and a waiver will not significantly affect the health and comfort of nonsmokers.~~

Sec. 10. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 21, is amended to read:

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. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases~~ where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. 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.

Sec. 11. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 26, is amended to read:

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. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases~~ where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility.

Sec. 12. Minnesota Statutes 1993 Supplement, section 144.872, subdivision 4, is amended to read:

Subd. 4. [LEAD CLEANUP EQUIPMENT AND MATERIAL GRANTS.] (a) Within the limits of available state or federal appropriations, funds shall be made available under a grant program to nonprofit community-based organizations in areas at high risk for toxic lead exposure. Grantees shall use the money to purchase lead cleanup equipment and to pay for training for staff and volunteers for lead abatement certification. Grantees may work with licensed lead abatement contractors and ~~certified trainers~~ sponsors of approved training courses in order to receive training necessary for certification under section 144.876, subdivision 1. Lead cleanup equipment shall include: high efficiency particle accumulator and wet vacuum cleaners, drop cloths, secure containers, respirators, scrapers, dust and particle containment material, and other cleanup and containment materials to remove loose paint and plaster, patch plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil.

(b) Upon certification, the grantee's staff and volunteers may make equipment and educational materials available to residents and property owners and instruct them on the proper use. Equipment shall be made available to low-income households on a priority basis at no fee, and other households on a sliding fee scale. Equipment shall not be made available to any person, ~~licensed lead abatement contractor, or certified trainer~~ who charges or intends to charge a fee for services performed using equipment or materials purchased by a nonprofit community-based organization through a grant obtained under this subdivision.

Sec. 13. Minnesota Statutes 1993 Supplement, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner finger stick and venipuncture blood lead results and the method used to obtain these results. Boards of health must report to the commissioner the results of analyses from residential samples of paint, soil, dust, and drinking water. The commissioner shall require the type of blood sample tested and the date of the test, and the current address and birthdate of the patient, the gender and race of the patient, and other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public. Clinic staff and physicians who collect blood samples for lead analyses must provide the information in this subdivision to the medical laboratory performing the analyses. If a clinic or physician sends a blood lead test to a medical laboratory outside of Minnesota, that clinic or physician must meet the reporting requirements under this subdivision.

Sec. 14. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct ~~a timely~~ an assessment of a residence ~~and all common areas, if the residence is located in a building with two or more residential units, within five working days of~~ within ten working days of receiving notification that the criteria in this subdivision have been met, as confirmed by lead analysis of a venous blood sample, to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood;

(2) a child in the residence is identified as having a blood lead level at or above 20 micrograms per deciliter; or

(3) a child in the residence is identified as having a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification. In a building with two or more residential units, a board of health must inspect the individual unit in which the conditions of this subdivision are met and must also inspect all common areas in the building. Assessments must be conducted by a board of health regardless of the availability of state or federal appropriations for assessments.

(b) Within the limits of available state and federal appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. A board of health may assess a residence even if none of the three criteria in this subdivision are met.

(c) If a child regularly spends several hours at one or more other sites such as another residence, or a residential or commercial child care facility, the board of health must also assess the other sites. The board of health shall have one additional day to complete the assessment for each additional site.

(d) Sections 144.871 to 144.879 neither authorize nor prohibit a board of health from charging a property owner for the cost of assessment.

(e) The board of health must conduct the residential assessment according to rules adopted by the commissioner under section 144.878. A board of health must have residence assessments performed by lead inspectors licensed by the commissioner according to rules adopted under section 144.878. A board of health may observe the performance of lead abatement in progress and may enforce the provisions of sections 144.871 to 144.879 under section 144.8781. The staff complement of the department of health shall be increased by two full-time equivalent positions who shall be lead inspectors.

Sec. 15. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 3a, is amended to read:

Subd. 3a. [SWAB TEAM SERVICES.] After issuing abatement orders for a residence of a child or pregnant women with elevated blood lead levels, the commissioner or a board of health must send a swab team ~~within five working days within ten working days~~ to the residence to perform swab team services as defined in section 144.871, subdivision 9. If the commissioner or board of health provides swab team services after an assessment, but before the issuance of an abatement order, swab team services do not need to be repeated after the issuance of an abatement order. Swab team services are not considered completed until the reassessment required under subdivision 6 shows no violation of one or more of the standards under section 144.878, subdivision 2. If assessments and abatement orders are conducted at times when weather or soil conditions do not permit the assessment or abatement of lead in soil, the residences shall have their soil assessed and abated, if necessary, at the first opportunity that weather and soil conditions allow.

Sec. 16. Minnesota Statutes 1993 Supplement, section 144.8771, subdivision 2, is amended to read:

Subd. 2. [LICENSE APPLICATION.] (a) An application for a license and for renewal of a license must be on a form provided by the commissioner and be accompanied by:

(1) the fee set by the commissioner; and

(2) evidence that the applicant has successfully completed a lead inspection training course approved by the commissioner or, within the previous 180 days, an initial lead inspection training course.

(b) The fee required by this subdivision is waived for an employee of a board of health the federal, state, or local government within Minnesota.

Sec. 17. Minnesota Statutes 1992, section 144.878, is amended by adding a subdivision to read:

Subd. 2b. [PRIORITIES FOR RESPONSE ACTION.] The commissioner of health must establish, by publication in the State Register, a priority list of census tracts at high risk for toxic lead exposure for primary prevention response actions. In establishing the list, the commissioner shall award points under this subdivision to each census tract on which information is available. The priority for primary prevention response actions in census tracts at high risk for toxic lead exposure shall be based on the cumulative points awarded to each census tract. A greater number of points means a higher priority. If a tie occurs in the number of points, priority shall be given to the census tract with the higher percentage of population with blood lead levels greater than ten micrograms of lead per deciliter. All local governmental units and boards of health shall follow the priorities under this subdivision. The commissioner shall revise and update the priority list at least every five years. Points shall be awarded to each census tract for each criteria, considered independently, as described in section 144.871, subdivision 7a. Points shall be awarded as follows:

(a) In a census tract where at least 20 children have been screened in the last five years, one point shall be awarded for each five percent of children who were under six years old at the time they were screened for lead in blood and whose blood lead level exceeds ten micrograms of lead per deciliter. An additional point shall be awarded if one percent of the children had blood levels greater than 20 micrograms per deciliter of blood. Two points shall be awarded to a census tract, where the blood lead screening has been inadequate, that is contiguous with a census tract where more than ten percent of the children under six years of age have blood lead levels exceeding ten micrograms per deciliter.

(b) One point shall be awarded for every five percent of housing that is defined as dilapidated or deteriorated by the planning department or similar agency of the city in which the housing is located. Where data is available by neighborhood or section within a city, the percent of dilapidated or deteriorated housing shall apply equally to each census tract within the neighborhood or section.

(c) One point shall be awarded for every 100 parts per million of lead soil, based on the median soil lead values of foundation soil samples, calculated on 100 parts per million intervals, or fraction thereof. For the cities of St. Paul and Minneapolis, the commissioner shall use the June 1988 census tract version of the houseside map entitled "Distribution of Household Lead Content of Soil Dust in the Twin Cities," prepared by the Center for Urban and Regional Affairs. Where the map displays a census tract that is crossed by two or more intervals, the commissioner shall make a reasoned determination of the median foundation soil lead value for that tract. Values for census tracts may be updated by surveying the tract according to the procedures under Minnesota Rules, part 4761.0400, subpart 8.

Sec. 18. Minnesota Statutes 1993 Supplement, section 144.99, subdivision 1, is amended to read:

Subdivision 1. [REMEDIES AVAILABLE.] The provisions of chapters 103I and 157 and sections 115.71 to 115.82; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.121; 144.122; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.491; 144.495; 144.71 to 144.76; 144.871 to 144.878; 144.992; 326.37 to 326.45; 326.57 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

Sec. 19. Minnesota Statutes 1993 Supplement, section 144.99, subdivision 6, is amended to read:

Subd. 6. [CEASE AND DESIST.] The commissioner, or an employee of the department designated by the commissioner, may issue an order to cease an activity covered by subdivision 1 if continuation of the activity would result in an immediate risk to public health. An order issued under this paragraph is effective for a maximum of 72

hours. In conjunction with the issuance of the cease and desist order, the commissioner may post a tag to cease use of or cease continuation of the activity until the cease and desist order is lifted and the tag is removed by the commissioner. The commissioner must seek an injunction or take other administrative action authorized by law to restrain activities for a period beyond 72 hours. The issuance of a cease and desist order does not preclude the commissioner from pursuing any other enforcement action available to the commissioner.

Sec. 20. Minnesota Statutes 1993 Supplement, section 157.08, is amended to read:

157.08 [LINENS, OTHER FURNISHINGS; ~~PROSECUTION.~~]

All hotels and motels in this state shall hereafter provide each bedroom with at least two clean towels daily for each guest and provide the main public washroom with clean individual towels. Individual towels shall not be less than nine inches wide and 13 inches long after being washed. This shall not prohibit the use of other acceptable hand drying devices.

All hotels, motels, lodging houses and resorts where linen is provided, hereafter shall provide each bed, bunk, cot, or sleeping place for the use of guests with pillowslips and under and top sheets; each sheet shall be not less than 99 inches long nor less than 24 inches wider than the mattress. A sheet shall not be used which measures less than 90 inches in length after being laundered; these sheets and pillowslips to be made of materials acceptable to the state commissioner of health, and all sheets and pillowslips, after being used by one guest, must be laundered in a manner acceptable to the commissioner before they are used by another guest, a clean set being furnished each succeeding guest.

All bedding, including mattresses, quilts, blankets, pillows, sheets, and comforts used in any hotel, motel, resort, or lodging house in this state must be kept clean. No bedding, including mattresses, quilts, blankets, pillows, sheets, or comforts, shall be used which are worn out or unfit for further use.

Effective measures shall be taken to eliminate any vermin infestation in any establishment licensed under this chapter. All rugs and carpets in all sleeping rooms shall be kept in good repair and maintained in a clean condition.

All tables, table linens, chairs, and other furniture, all hangings, draperies, curtains, carpets, and floors in all lodging houses, resorts, hotels, restaurants, boarding houses, or places of refreshment, shall be kept in good repair and in a clean and sanitary condition.

~~The county attorney of each county in this state shall, upon complaint on oath of the commissioner, or a duly authorized deputy, prosecute to termination before any court of competent jurisdiction, in the name of the state, a proper action or proceeding against any person or persons violating the provisions of this chapter or rules of the state commissioner of health.~~

Sec. 21. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 3, is amended to read:

Subd. 3. [VISITORS AND PHONE CALLS.] Subject to the general rules of the treatment facility, a patient has the right to receive visitors and make phone calls. The head of the treatment facility may restrict visits and phone calls on determining that the medical welfare of the patient requires it. Any limitation imposed on the exercise of the patient's visitation and phone call rights and the reason for it shall be made a part of the clinical record of the patient. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident.~~ To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility.

Sec. 22. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 4, is amended to read:

Subd. 4. [SPECIAL VISITATION; RELIGION.] A patient has the right to meet with or call a personal physician, spiritual advisor, and counsel at all reasonable times. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the~~

~~patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident.~~ To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. The patient has the right to continue the practice of religion.

Sec. 23. Minnesota Statutes 1993 Supplement, section 326.71, subdivision 4, is amended to read:

Subd. 4. [ASBESTOS-RELATED WORK.] "Asbestos-related work" means the enclosure, repair, removal, or encapsulation of asbestos-containing material in a quantity that meets or exceeds 260 lineal feet of friable asbestos-containing material on pipes, 160 square feet of friable asbestos-containing material on other facility components, or a total of 35 cubic feet of friable asbestos-containing material on or off all facility components in one facility. In the case of single or multifamily residences, "asbestos-related work" also means the enclosure, repair, removal, or encapsulation of greater than ten but less than 260 lineal feet of friable asbestos-containing material on pipes or ducts or greater than six but less than 160 square feet of friable asbestos-containing material on other facility components. This provision excludes asbestos-containing vinyl floor tiles and sheeting under 160 square feet. Asbestos-related work includes asbestos abatement area preparation; enclosure, removal, encapsulation, or repair operations; and an air quality monitoring specified in rule to assure that the abatement and adjacent areas are not contaminated with asbestos fibers during the project and after completion.

Sec. 24. Minnesota Statutes 1993 Supplement, section 326.75, subdivision 3, is amended to read:

Subd. 3. [PERMIT FEE.] ~~One~~ Five calendar day days before beginning asbestos-related work, a person shall pay a project permit fee to the commissioner equal to one percent of the total costs of the asbestos-related work. For asbestos-related work performed in single or multifamily residences, of greater than ten but less than 260 lineal feet of asbestos-containing material on pipes, or greater than six but less than 160 square feet of asbestos-containing material on other facility components, a person shall pay a project permit fee of \$35 to the commissioner.

Sec. 25. [OPTIONS REGARDING DISCHARGE OF NURSING HOME RESIDENTS FOR NONPAYMENT.]

The commissioner of health shall submit to the legislature by February 15, 1995, options for amending Minnesota Statutes, section 144A.135, regarding discharge hearings for nursing home residents for nonpayment by a resident or responsible party. The options must take into consideration:

- (1) a method for a shorter appeal process in nonpayment cases;
- (2) a mechanism for addressing problems of financial exploitation of vulnerable adults;
- (3) steps facilities should take to obtain payment prior to issuing a discharge notice;
- (4) provision of services for residents facing discharge for nonpayment; and
- (5) the feasibility of establishing an emergency fund to pay for services on a short-term basis when a discharge for nonpayment has been issued.

Sec. 26. [TICK-BORNE DISEASE REPORT.]

The commissioner, after consulting with representatives of local health departments, the lyme disease coalition of Minnesota, other affected state agencies, the tourist industry, medical providers, and health plans, shall report to the legislature by December 15, 1994, a description of the scope and magnitude of tick-borne diseases in Minnesota, the appropriateness of current definitions of lyme disease used in Minnesota, propose measures to provide public and provider education to reduce the incidence of new tick-borne disease infections, and recommend mechanisms to fund increased tick and disease surveillance and prevention activities.

Sec. 27. [REPEALER.]

Minnesota Statutes 1992, section 144.0723, subdivision 5, is repealed. Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; and 157.09, are repealed.

Laws 1993, chapter 286, section 11; and Laws 1993, First Special Session chapter 1, article 9, section 49, are repealed."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

The report was adopted.

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

H. F. No. 3208, A bill for an act relating to the organization and operation of state government; appropriating money for the general legislative, judicial, and administrative expenses of state government; providing for the transfer of certain money in the state treasury; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; transferring certain duties and functions; amending Minnesota Statutes 1992, sections 3.97, subdivision 11; 3.971, by adding a subdivision; 13.67; 16A.124, subdivision 2; 16A.127, as amended; 16A.15, subdivision 3; 16B.01, subdivision 4; 16B.05, subdivision 2; 16B.06, subdivisions 1 and 2; 16B.32, by adding a subdivision; 43A.316, subdivision 9; 43A.37, subdivision 1; 69.031, subdivision 5; 116G.15; 129D.14, subdivision 5; 176.611, subdivision 6a; 353.65, subdivision 7; 354.06, subdivision 1; 574.26; and 574.261, subdivision 1; Minnesota Statutes 1993 Supplement, sections 15.91; 16A.152, subdivision 1; 144C.03, subdivision 2; 144C.07, subdivision 2; 465.795, subdivision 7; 465.796, subdivision 2; 465.797, subdivisions 1, 2, 3, 4, and 5; 465.798; and 465.799; Laws 1993, chapter 192, section 17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; 128C; and 465; repealing Minnesota Statutes 1992, sections 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 355.04; and 355.06; Minnesota Statutes 1993 Supplement, section 465.80, subdivisions 1, 2, 4, and 5; Laws 1985, First Special Session chapter 12, article 11, section 19.

Reported the same back with the following amendments:

Page 2, line 6, delete "18,981,000" and insert "19,201,000"

Page 2, line 9, delete "12,906,000" and insert "13,126,000"

Pages 4 and 5, delete section 6

Page 5, line 39, delete "56" and insert "57"

Page 5, line 46, delete "58" and insert "59"

Page 12, line 33, after the second "representative" insert "appointed under subdivision 1, clause (7)"

Page 24, after line 22, insert:

"Sec. 28. [16B.615] [RESTROOM FACILITIES.]

Subdivision 1. [DEFINITION.] For purposes of this section, "place of public accommodation" means a publicly or privately owned sports or entertainment area, stadium, theater, community or convention hall, special event center, amusement facility, or special event center in a public park, that is designed for occupancy by 200 or more people.

Subd. 2. [APPLICATION.] This section applies only to a place of public accommodation for which construction, or alterations exceeding 50 percent of the estimated replacement value of the existing facility, begins after the effective date of this section.

Subd. 3. [RATIO.] In a place of public accommodation subject to this section, the ratio of water closets for women to the total of water closets and urinals provided for men must be at least three to two, unless there are two or fewer fixtures for men.

Subd. 4. [RULES.] The commissioner of administration shall adopt rules to implement this section. The rules may provide for a greater ratio of women's to men's facilities for certain types of occupancies than is required in subdivision 3, and may apply the required ratios to categories of occupancies other than those defined as places of public accommodation under subdivision 1."

Page 30, line 8, before "appropriations" insert "general fund"

Page 30, line 27, after "any" insert "general fund"

Page 31, line 14, before "appropriation" insert "general fund"

Page 32, after line 23, insert:

"Sec. 38. Minnesota Statutes 1992, section 326.12, subdivision 3, is amended to read:

Subd. 3. [CERTIFIED SIGNATURE.] Each plan, specification, plat, report, or other document which under sections 326.02 to 326.15 is prepared ~~and submitted to a building official~~ by a licensed architect, licensed engineer, licensed land surveyor, licensed landscape architect, or certified interior designer ~~shall be required to~~ must bear ~~only~~ the signature of the licensed or certified person preparing it, or the signature of the licensed or certified person under whose direct supervision it was prepared. Each signature shall be accompanied by a certification that the signer is licensed under sections 326.02 to 326.15, by the person's license number, and by the date on which the signature was affixed. The provisions of this paragraph shall not apply to documents of an intraoffice or intracompany nature."

Page 49, line 20, delete "(d)" and insert "(e)"

Page 49, line 22, delete "20" and insert "19" and delete "and" and after "to" insert "37," and after "39" insert ", and 40"

Page 49, after line 23, insert:

"(c) Section 28, subdivisions 1 to 3, is effective January 1, 1995."

Page 49, line 24, delete "(c)" and insert "(d)"

Page 49, line 27, delete "(d)" and insert "(e)" and delete "54" and insert "55"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 17, after "6a;" insert "326.12, subdivision 3;"

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

The report was adopted.

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

S. F. No. 1930, A bill for an act relating to human services; mental health grants; rules concerning psychopathic personalities; treatment for alcohol, drug abuse, and chemical dependency; stepparent income standards under aid to families with dependent children; child support incentives; medical assistance for needy persons; state and county social service plans; organ and tissue transplants; family preservation; commissioner's reports; group residential housing payments and agreements; and paternity proceedings; amending Minnesota Statutes 1992, sections 245.696, subdivision 2; 254A.02, subdivision 11; 254B.04, subdivision 1; 254B.05, subdivision 1; 256.74, subdivision 1a; 256B.69, subdivision 4; 256E.04; 256E.09, subdivision 3; 256H.24; and 257.60; Minnesota Statutes 1993 Supplement, sections 246B.04; 256.979, subdivision 8; 256B.0629, subdivisions 3 and 4; 256F.11, subdivision 3; and 256L.04, subdivisions 1a and 2a; repealing Minnesota Statutes 1992, section 254A.16, subdivisions 3 and 4; Laws 1993, chapter 337, section 16.

Reported the same back with the following amendments:

Page 1, after line 22, insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 245.50, subdivision 5, is amended to read:

Subd. 5. [SPECIAL CONTRACTS; WISCONSIN.] The commissioner of the Minnesota department of human services must enter into negotiations with appropriate personnel at the Wisconsin department of health and social services and must develop an agreement that conforms to the requirements of subdivision 4, to enable the placement in Minnesota of patients who are on emergency holds or who have been involuntarily committed as mentally ill or chemically dependent in Wisconsin and to enable the temporary placement in Wisconsin of patients who are on emergency holds in Minnesota under section 253B.05, provided that the Minnesota courts retain jurisdiction over Minnesota patients, and the state of Wisconsin affords to Minnesota patients the rights under Minnesota law. Persons committed by the Wisconsin courts and placed in Minnesota facilities shall continue to be in the legal custody of Wisconsin and Wisconsin's laws governing length of commitment, reexaminations, and extension of commitment shall continue to apply to these residents. In all other respects, Wisconsin residents placed in Minnesota facilities are subject to Minnesota laws. The agreement must specify that responsibility for payment for the cost of care of Wisconsin residents shall remain with the state of Wisconsin and the cost of care of Minnesota residents shall remain with the state of Minnesota. The commissioner shall be assisted by attorneys from the Minnesota attorney general's office in negotiating and finalizing this agreement. The agreement shall be completed so as to permit placement of Wisconsin residents in Minnesota facilities and Minnesota residents in Wisconsin facilities beginning July 1, 1994."

Page 13, line 7, delete "5" and insert "6" and delete "7 to 18" and insert "8 to 19"

Page 13, line 8, delete "6" and insert "7"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after "services," insert "interstate contracts for mental health services,"

Page 1, line 17, after "sections" insert "245.50, subdivision 5;"

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2624 was read for the second time.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bill as a Special Order to be acted upon immediately preceding printed Special Orders for today:

S. F. No. 2262.

SPECIAL ORDERS

S. F. No. 2262, A bill for an act relating to local government; removing notice requirements for on-site inspections by town boards; amending Minnesota Statutes 1992, section 366.01, subdivision 11.

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 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Garcia Stanius

The bill was passed and its title agreed to.

H. F. No. 2666 was reported to the House.

Brown, C., moved to amend H. F. No. 2666, the first engrossment, as follows:

Page 1, line 17, after "requirements" insert a period and delete ", or if the manufactured home park did not so"

Page 1, delete lines 18 to 21

Page 2, line 4, after "requirements" insert a period and delete "or if the"

Page 2, delete lines 5 to 8

Page 2, line 17, after "requirements" insert a period and delete ", or if the"

Page 2, delete lines 18 to 22

The motion prevailed and the amendment was adopted.

H. F. No. 2666, A bill for an act relating to local government; prohibiting the adoption of certain zoning ordinances by municipalities, counties, and towns; amending Minnesota Statutes 1992, sections 394.25, by adding a subdivision; and 462.357, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 366.

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 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Goodno	Knickerbocker	Pawlenty	Stanius	Van Engen
Commers	Kelley	Limmer	Seagren	Tompkins	

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

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

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Mosel moved that S. F. No. 1903 be recalled from the Committee on Environment and Natural Resources Finance and be re-referred to the Committee on Ways and Means. The motion prevailed.

Krinkie moved that H. F. No. 1748 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 2356 be returned to its author. The motion prevailed.

Bertram moved that H. F. No. 2423 be returned to its author. The motion prevailed.

Wenzel moved that H. F. No. 2719 be returned to its author. The motion prevailed.

Van Dellen moved that H. F. No. 2943 be returned to its author. The motion prevailed.

Bertram moved that H. F. No. 2991 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 H. F. No. 2362:

Carlson, Kahn and Pugh.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2675:

Lourey, Cooper and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1744:

Olson, K.; Winter and Girard.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1898:

Pugh, Asch and Davids.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1912:

Cooper, Davids and Lourey.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2246:

Waltman, Sviggum and Johnson, V.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 11:00 a.m., Tuesday, April 12, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Tuesday, April 12, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

EIGHTY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 12, 1994

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

Prayer was offered by Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

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

A quorum was present.

Rest was excused until 4:00 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Asch 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. 2900 and H. F. No. 3178, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Pelowski moved that the rules be so far suspended that S. F. No. 2900 be substituted for H. F. No. 3178 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2351, A bill for an act relating to crime and crime prevention; appropriating money for the attorney general, public defense, courts, corrections, criminal justice, and crime prevention and education programs; increasing penalties for a variety of violent crimes; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; enhancing 911 telephone service; providing a number of new investigative tools for law enforcement agencies; regulating explosives and blasting agents; modifying programs in state and local correctional facilities; increasing crime victim rights and protections; increasing court witness fees; requiring a study of civil commitment laws; completing the state takeover of public defender services; authorizing a variety of crime prevention programs; amending Minnesota Statutes 1992, sections 2.722, subdivision 1; 8.06; 13.99, subdivision 79; 84.9691; 123.3514, subdivision 3; 126.02, subdivision 1; 145A.05, by adding a subdivision; 152.01, by adding a subdivision; 152.021, subdivision 1; 152.024, subdivision 1; 169.89, subdivision 2; 171.18, subdivision 1; 241.26, subdivision 7; 243.05, by adding a subdivision; 243.166, subdivision 5; 243.18, subdivision 1; 243.23, subdivision 2; 243.24, subdivision 1; 244.09, by adding a subdivision; 244.12, subdivisions 1 and 2; 244.15, subdivision 4; 253B.19, subdivision 2; 260.161, by adding a subdivision; 299A.31; 299A.32, subdivision 3; 299A.38, subdivision 3; 299C.065, as amended; 299C.11; 299C.14; 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 299F.71; 299F.72, subdivision 2, and by adding subdivisions; 299F.73; 299F.74; 299F.75; 299F.77; 299F.78, subdivision 1; 299F.79; 299F.80; 299F.82; 299F.83; 352.91, by adding subdivisions; 352.92, subdivision 2; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 403.02, by adding a subdivision; 403.11, subdivisions 1 and 4; 477A.012, by adding a subdivision; 480.09, by adding a subdivision; 485.06; 494.05; 508.11; 600.23, subdivision 1; 609.0331; 609.0332; 609.165, by adding a subdivision; 609.185; 609.2231, subdivision 2; 609.224, by adding a subdivision; 609.245; 609.25, subdivision 2; 609.321, subdivision 12; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 11, 12, and by adding subdivisions; 609.342, subdivision 1; 609.3451, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.497, subdivision 1, and by adding a subdivision; 609.506, by adding a subdivision; 609.5315, subdivision 3; 609.5316, subdivision 1; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1, 1b, 1c, and by adding a subdivision; 609.713, subdivision 3; 609.72, subdivision 1; 609.855; 609.87, by adding a subdivision; 609.88, subdivision 1; 609.89, subdivision 1; 611.21; 611.26, subdivisions 4 and 6; 611A.036; 611A.045, subdivision 3; 611A.19; 611A.53, subdivision 2; 617.23; 624.714, subdivision 3; 626.556, subdivision 3a; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; and 631.425, subdivision 6; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 144.651, subdivisions 2, 21, and 26; 152.022, subdivision 1; 152.023, subdivision 2; 171.24; 242.51; 243.166, subdivisions 1, 2, 3, 4, 6, and 9; 243.18, subdivision 2; 244.05, subdivisions 4 and 5; 244.14, subdivision 3; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; 299C.10, subdivision 1; 299C.65, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 462A.202, by adding a subdivision; 473.407, subdivision 1; 480.30; 518B.01, subdivisions 6 and 14; 593.48; 609.11, subdivisions 4, 5, 8, and by adding a subdivision; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.531, subdivision 1; 609.5315, subdivisions 1 and 2; 609.66, subdivision 1a; 609.685, subdivision 3; 609.713, subdivision 1; 609.748, subdivision 5; 609.902, subdivision 4; 611.17; 611.20, subdivision 2; 611.27, subdivision 4; 611A.04, subdivision 1; 611A.06, subdivision 1; 611A.52, subdivision 8; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 1; 624.7132, subdivisions 1 and 12; 624.7181; and 626.556, subdivision 2; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 116; 126; 144; 241; 245; 253B; 268; 299C; 299F; 403; 609; 611A; 626; and 629; repealing Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815, as amended; 609.0332, subdivision 2; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; and 299F.811.

Reported the same back with the following amendments:

Page 3, line 7, delete "42,473,000" and insert "42,433,000"

Page 3, line 7, delete "44,022,000" and insert "43,982,000"

Page 3, line 37, delete "4,454,000" and insert "4,414,000"

Page 3, line 38, delete "\$4,426,000" and insert "\$4,386,000"

Page 3, line 45, delete "\$28,000" and insert "\$23,000"

Page 3, after line 46, insert:

"\$5,000 is for a criminal trial certification program for defense attorneys and prosecutors regarding misdemeanor, gross misdemeanor, and felony criminal cases. The board shall develop the trial certification program in conjunction with the Minnesota state bar association and shall submit it to the Minnesota board of legal certification for approval."

Page 17, line 28, delete ", or persons designated by the county attorney"

Page 107, after line 31, insert:

"(e) This subdivision does not apply to customers of a telecommunications carrier as defined in section 237.01, subdivision 6."

Page 184, line 15, delete "\$80,000" and insert "\$68,000"

Page 185, line 26, delete "\$386,000" and insert "\$306,000"

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3209, A bill for an act relating to the financing and operation of state and local government; conforming with changes in the federal income tax law; changing tax brackets, rates, bases, exemptions, withholding, payments, and refunds; allowing tax credits; providing aids to local governments; changing the calculation of property tax refunds; modifying property tax provisions relating to petitions, procedures, valuation, levies, classifications, homesteads, credits, and exemptions; abolishing limited market value; changing certain tax return or report requirements; changing operation of the local government trust fund; authorizing special assessments; authorizing local taxes; enacting provisions relating to certain cities, counties, special taxing districts, and towns; changing certain redemption provisions; reforming state budget procedures; changing the deposit of certain revenues; changing certain bonding provisions and authorizing bonding; modifying tax increment financing requirements; requiring certain permits and permit fees; requiring certain disclosures; requiring studies; transferring and appropriating money and limiting appropriations; amending Minnesota Statutes 1992, sections 16A.711, subdivisions 4 and 5; 60A.15, by adding a subdivision; 124.196; 271.06, subdivision 7; 272.121, subdivision 1; 273.111, subdivision 11; 273.1398, by adding a subdivision; 273.1399, by adding a subdivision; 273.165, subdivision 1; 278.05, subdivision 6; 289A.02, by adding a subdivision; 289A.25, subdivision 5; 290.01, subdivision 19d, and by adding a subdivision; 290.05, subdivision 3; 290.06, subdivisions 2c and 2d; 290.067, subdivision 1; 290.068, subdivision 2; 290.0802, subdivisions 1 and 2; 290.0921, subdivision 2; 290.35, by adding a subdivision; 290A.04, subdivisions 2 and 2a; 296.16, subdivision 1; 297.01, by adding a subdivision; 297A.01, by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.021, by adding a subdivision; 297A.135, subdivision 1; 297A.15, subdivision 5; 297A.25, subdivision 9, and by adding subdivisions; 297A.256; 297A.44, subdivision 4; 297C.03, subdivision 6; 297C.13, subdivision 1; 298.017, subdivision 2; 298.26; 340A.311; 360.036, subdivisions 2 and 3; 360.037, subdivision 2; 360.042, subdivision 10; 469.004, subdivision 1a; 469.175, subdivisions 3, 4, and by adding a subdivision; 469.1761, subdivisions 1, 2, and 3; 469.177, subdivision 1a; 473.341; 473H.05, by adding a subdivision; 473H.18; and 580.23, as amended; Minnesota Statutes 1993 Supplement, sections 16A.712; 84.794, subdivision 1; 84.803, subdivision 1; 270.78; 273.11, subdivisions 5, 16, and by adding a subdivision; 273.121; 273.124, subdivision 1; 273.13, subdivisions 23 and 24; 275.065, subdivision 3; 276.04, subdivision 2; 278.01, subdivision 1; 289A.11, subdivision 1; 289A.26, subdivision 7; 289A.60, subdivision 21; 290.01, subdivision 19; 290.091, subdivision 2; 290A.03, subdivision 3; 290A.04, subdivisions 2h, as amended, and 6; 290A.23, subdivision 1; 296.02, subdivision 1a; 296.025, subdivision 1a; 297A.01, subdivision 16; 297B.03; and 469.176, subdivisions 1b

and 4c; Laws 1969, chapter 499, section 2; Laws 1993, chapter 375, article 9, section 51; proposing coding for new law in Minnesota Statutes, chapters 16A; 275; 296; 297A; 297B; 462C; 469; and 473; repealing Minnesota Statutes 1992, section 290.067, subdivision 6; Minnesota Statutes 1993 Supplement, sections 82.19, subdivision 9; 273.11, subdivision 1a; and 289A.25, subdivision 5a.

Reported the same back with the following amendments:

Page 45, line 2, delete "12" and insert "16"

Page 49, after line 13, insert:

"Sec. 6. Minnesota Statutes 1993 Supplement, section 477A.03, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is annually appropriated from the local government trust fund to the commissioner of revenue. ~~For aid payable in 1993, the total amount of equalization aid paid under section 477A.013, subdivision 5, is limited to \$20,011,000.~~ For aid payable in 1994 and thereafter, the total aid paid to cities under section 477A.013, subdivision 9, is limited to \$330,636,900. For aid payable in 1995, the amount that a city of the first class may receive under section 477A.013, is limited to the amount it received for aid payable in 1994.

In 1993 and subsequent years, \$8,400,000 per year is appropriated from the local government trust fund to make payments under section 477A.0121."

Page 49, line 14, delete "6" and insert "7"

Page 50, line 20, delete "7" and insert "8"

Page 50, line 33, delete "8" and insert "9"

Page 50, line 34, delete "7" and insert "8"

Page 50, line 35, delete "Section" and insert "Sections"

Page 50, line 35, delete "is" and insert "and 6 are"

Page 50, line 36, delete "6" and insert "7"

Page 136, line 11, delete "1977" and insert "1997"

Page 139, line 2, delete "\$..." and insert "\$175"

Page 139, line 3, delete "\$..." and insert "\$350"

Page 139, line 4, delete "\$..." and insert "\$385"

Page 139, line 5, delete "\$..." and insert "\$540"

Page 139, line 9, delete "one-half" and insert "three-fourths"

Amend the title as follows:

Page 2, line 16, delete "and"

Page 2, line 17, after the semicolon, insert "and 477A.03, subdivision 1;"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2351 and 3209 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 2900 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Steensma, Morrison and Trimble introduced:

H. F. No. 3211, 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 Ways and Means.

Carruthers introduced:

H. F. No. 3212, A bill for an act relating to taxation; increasing the rate of the tax on sales at the international airport; increasing the rate of the sales tax on hotels in the metropolitan area; providing that the revenues are used for support of nonprofit arts organizations; amending Minnesota Statutes 1992, section 297A.02, by adding subdivisions; Laws 1986, chapter 396, section 5.

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

Workman introduced:

H. F. No. 3213, A bill for an act relating to occupations and professions; providing for the licensure of ophthalmic dispensers by the commissioner of health; requiring rulemaking; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 148D.

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

Munger; Jennings; Anderson, I.; Hausman and Pauly introduced:

H. F. No. 3214, A bill for an act relating to spent nuclear fuel and future electric energy generation; prohibiting storage of spent nuclear fuel on Prairie Island outside the structure of the nuclear power generating plant; requiring shut down of the Prairie Island power plant as a nuclear plant by the end of 2002 unless title to the spent nuclear fuel from the plant has been shifted to the federal government and the waste is being removed from the state; requiring electric energy savings by the public utility that operates the Prairie Island power plant; requiring development or purchase of electricity generated by wind energy and biomass energy by the public utility that operates the Prairie Island power plant; establishing a legislative task force to gather and analyze information related to development of a comprehensive electric energy generation policy, alternatives for management of spent nuclear fuel, the future of high-level radioactive waste management and its costs, and the potential for high-level radioactive waste management in the state at locations other than Prairie Island; establishing a legislative policy relating to preferred sources for electric generation; requiring the public utilities commission to record its proceedings; prohibiting a public utility from recovering in its rates expenses for advertising that promotes nuclear power and storage of spent nuclear fuel; requiring the commissioner of the department of public service to set energy saving goals; authorizing

expanded compensation for persons and groups who intervene in public utilities commission matters on behalf of interests not otherwise adequately represented; appropriating money; amending Minnesota Statutes 1992, sections 216A.03, by adding a subdivision; 216B.16, subdivision 8; and 216B.241, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B and 216C; repealing Minnesota Statutes 1992, section 216B.16, subdivision 10.

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

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

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

H. F. No. 2553, A bill for an act relating to retirement; public employees retirement association; permitting purchase of service credit by certain soil and water conservation district employees.

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. 3091, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1992, sections 17.47, subdivision 3; 41A.05, subdivision 2; 60B.04, subdivision 1; 60B.09, subdivisions 1 and 3; 115.41, subdivisions 1 and 2; 115.42; 115.43, subdivision 2; 115.44, subdivision 2; 115.45, subdivision 1; 115.50; 115.52; 115.53; 120.101, subdivisions 2 and 6; 121.88, subdivision 8; 125.611, subdivision 1; 136.24, subdivision 1; 136.622, subdivision 1; 152.02, subdivisions 9, 12, and 13; 160.265; 169.443, subdivision 8; 171.22, subdivision 2; 214.01, subdivision 3; 214.13, subdivision 1; 237.60, subdivision 2; 256D.06, subdivision 1b; 260.151, subdivision 1; 299C.61, subdivision 4; 309.53, subdivision 2; 326.212; 326.224; 326.461, subdivision 1; 327.32, subdivision 8; 327.33; 327.34, subdivision 1; 331A.06, subdivision 4; 348.13; 352.119, subdivision 1; 386.61, by adding a subdivision; 423B.12; 446A.07, subdivision 6; 449.06; 469.174, subdivision 10; 469.181, subdivision 1; and 471A.11; Minnesota Statutes 1993 Supplement, sections 16B.06, subdivision 2a; 16B.122, subdivision 3; 62A.31, subdivision 1n; 62N.075; 82.195, subdivision 2; 115A.542; 115C.082, subdivision 1; 124.195, subdivision 8; 138.96, subdivision 2; 144.991, subdivisions 3 and 4; 152.11, subdivision 1; 169.121, subdivision 1c; 214.103, subdivision 6; 245A.04, subdivision 3b; 256D.44, subdivision 3; 257.67, subdivision 3; 268.92, subdivision 1; 296.035; 325F.755, subdivision 5; 326.111, subdivision 4; 326.975, subdivision 2; 349.217, subdivision 1; 386.66; 491A.01, subdivision 3; 549.09, subdivision 1; 609.5312, subdivision 3; 609.605, subdivision 1; 609.749, subdivision 5; and Laws 1992, chapter 513, article 4, section 60; repealing Minnesota Statutes 1992, sections 216B.164, subdivision 7; 385.08; and 473.872; Laws 1977, chapter 11, section 8; Laws 1982, chapter 514, sections 18 and 19; Laws 1983, chapter 247, section 130; Laws 1984, chapter 628, article 2, section 4; Laws 1985, First Special Session chapters 9, article 2, sections 81 and 82; 13, section 191; and 14, article 9, section 16; Laws 1987, chapters 197, section 1; 315, section 4, subdivision 2; and 336, section 35; Laws 1988, chapters 441, section 2; 486, sections 15 and 68; 496, section 8; 514, section 5; and 636, section 3; Laws 1989, chapters 89, sections 1 (in part) and 13; 133, section 1; 144, article 2, section 8; 209, article 2, sections 8 and 34; 222, sections 10, 21, 22, and 36; 271, section 32; 282, article 2, sections 144 and 186; 293, section 74; 319, article 13, sections 22 and 55; 329, article 5, section 10; 334, article 2, section 17; 335, article 1, sections 200 and 255; 353, section 10; and 356, section 18; Laws 1990, chapters 426, article 1, sections 5 and 32; 480, articles 5, sections 6 and 9; and 9, section 3; 512, section 12; 562, article 10, section 1; 571, section 39; 574, section 5; and 594, article 3, sections 6 and 7; Laws 1991, chapters 58, sections 1, 2, 3, 4, 5, 6, 7, and 8; 130, section 24; 174, section 8; 199, article 1, section 71; 238, article 1, section 7; 265, article 4, section 19; 292, article 4, section 45; 306, section 26; 336, article 2, section 2; 340, sections 1

and 32; and 345, article 2, section 46; Laws 1992, chapters 432, article 2, section 41; 437, section 1; and 499, article 6, section 15; Laws 1993, chapters 4, section 9; 47, sections 1, 4, 6, and 9; 78, section 3; 101, section 1; 224, article 13, sections 3 and 43; 247, articles 1, section 11; and 2, section 9; 269, section 17; 286, sections 2 and 21; 303, sections 15, 17, and 18; 339, section 12; and 369, sections 38 and 128; Laws 1993, First Special Session chapter 1, article 2, section 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Milbert moved that the House concur in the Senate amendments to H. F. No. 3091 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3091, A bill for an act relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws; amending Minnesota Statutes 1992, sections 17.47, subdivision 3; 41A.05, subdivision 2; 60B.04, subdivision 1; 60B.09, subdivisions 1 and 3; 115.41, subdivisions 1 and 2; 115.42; 115.43, subdivision 2; 115.44, subdivision 2; 115.45, subdivision 1; 115.50; 115.52; 115.53; 120.101, subdivisions 2 and 6; 121.88, subdivision 8; 125.611, subdivision 1; 136.24, subdivision 1; 136.622, subdivision 1; 152.02, subdivisions 9, 12, and 13; 160.265; 169.443, subdivision 8; 214.01, subdivision 3; 214.13, subdivision 1; 237.60, subdivision 2; 256D.06, subdivision 1b; 260.151, subdivision 1; 299C.61, subdivision 4; 309.53, subdivision 2; 326.212; 326.224; 326.461, subdivision 1; 327.32, subdivision 8; 327.33; 327.34, subdivision 1; 331A.06, subdivision 4; 348.13; 352.119, subdivision 1; 386.61, by adding a subdivision; 423B.12; 446A.07, subdivision 6; 449.06; 469.174, subdivision 10; 469.181, subdivision 1; and 471A.11; Minnesota Statutes 1993 Supplement, sections 16B.06, subdivision 2a; 16B.122, subdivision 3; 62A.31, subdivision 1n; 62N.075; 82.195, subdivision 2; 115A.542; 115C.082, subdivision 1; 124.195, subdivision 8; 138.96, subdivision 2; 144.991, subdivisions 3 and 4; 152.11, subdivision 1; 169.121, subdivision 1c; 214.103, subdivision 6; 245A.04, subdivision 3b; 256D.44, subdivision 3; 257.67, subdivision 3; 268.92, subdivision 1; 296.035; 325F.755, subdivision 5; 326.111, subdivision 4; 326.975, subdivision 2; 349.217, subdivision 1; 386.66; 491A.01, subdivision 3; 549.09, subdivision 1; 609.5312, subdivision 3; 609.605, subdivision 1; 609.749, subdivision 5; and Laws 1992, chapter 513, article 4, section 60; repealing Minnesota Statutes 1992, sections 216B.164, subdivision 7; 385.08; and 473.872; Laws 1977, chapter 11, section 8; Laws 1982, chapter 514, sections 18 and 19; Laws 1983, chapter 247, section 130; Laws 1984, chapter 628, article 2, section 4; Laws 1985, First Special Session chapters 9, article 2, sections 81 and 82; 13, section 191; and 14, article 9, section 16; Laws 1987, chapters 197, section 1; 315, section 4, subdivision 2; and 336, section 35; Laws 1988, chapters 441, section 2; 486, sections 15 and 68; 496, section 8; 514, section 5; and 636, section 3; Laws 1989, chapters 89, sections 1 (in part) and 13; 133, section 1; 144, article 2, section 8; 209, article 2, sections 8 and 34; 222, sections 10, 21, 22, and 36; 271, section 32; 282, article 2, sections 144 and 186; 293, section 74; 319, article 13, sections 22 and 55; 329, article 5, section 10; 334, article 2, section 17; 335, article 1, sections 200 and 255; 353, section 10; and 356, section 18; Laws 1990, chapters 426, article 1, sections 5 and 32; 480, articles 5, sections 6 and 9; and 9, section 3; 512, section 12; 562, article 10, section 1; 571, section 39; 574, section 5; and 594, article 3, sections 6 and 7; Laws 1991, chapters 58, sections 1, 2, 3, 4, 5, 6, 7, and 8; 130, section 24; 174, section 8; 199, article 1, section 71; 238, article 1, section 7; 265, article 4, section 19; 292, article 4, section 45; 306, section 26; 336, article 2, section 2; 340, sections 1 and 32; and 345, article 2, section 46; Laws 1992, chapters 432, article 2, section 41; 437, section 1; and 499, article 6, section 15; Laws 1993, chapters 4, section 9; 47, sections 1, 4, 6, and 9; 78, section 3; 101, section 1; 224, article 13, sections 3 and 43; 247, articles 1, section 11; and 2, section 9; 269, section 17; 286, sections 2 and 21; 303, sections 15, 17, and 18; 339, section 12; and 369, sections 38 and 128; Laws 1993, First Special Session chapter 1, article 2, section 6.

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

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Commers	Dempsey	Garcia	Hasskamp	Jaros
Anderson, R.	Bettermann	Cooper	Dorn	Girard	Haukoos	Jefferson
Asch	Brown, C.	Dauner	Erhardt	Goodno	Hausman	Jennings
Battaglia	Brown, K.	Dauids	Evans	Greenfield	Holsten	Johnson, A.
Bauerly	Carlson	Dawkins	Farrell	Greiling	Hugoson	Johnson, R.
Beard	Carruthers	Dehler	Finseth	Gruenes	Huntley	Kahn
Bergson	Clark	Delmont	Frerichs	Gutknecht	Jacobs	Kalis

Kelley	Lindner	Morrison	Orenstein	Rhodes	Steensma	Waltman
Kelso	Long	Mosel	Osthoff	Rice	Sviggum	Weaver
Kinkel	Lourey	Munger	Ostrom	Rodosovich	Tomassoni	Wejcman
Klinzing	Luther	Murphy	Ozment	Rukavina	Tompkins	Wenzel
Knickerbocker	Lynch	Neary	Pauly	Sarna	Trimble	Wolf
Knight	Macklin	Nelson	Pawlenty	Seagren	Tunheim	Worke
Koppendrayner	Mahon	Ness	Pelowski	Sekhon	Van Dellen	Workman
Krueger	McCollum	Olson, E.	Perlt	Simoneau	Van Engen	Spk. Anderson, I.
Lasley	McGuire	Olson, M.	Peterson	Skoglund	Vellenga	
Leppik	Milbert	Onnen	Pugh	Smith	Vickerman	
Lieder	Molnau	Opatz	Reding	Solberg	Wagenius	

Those who voted in the negative were:

Johnson, V.	Krinkie	Limmer	Stanis	Swenson
-------------	---------	--------	--------	---------

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. 985, A bill for an act relating to retirement; public employees police and fire fund; modifying the disability benefit limitation for reemployed disabilitants; amending Minnesota Statutes 1992, section 353.656, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Weaver moved that the House concur in the Senate amendments to H. F. No. 985 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 985, A bill for an act relating to retirement; public employees police and fire fund; modifying the disability benefit limitation for reemployed disabilitants; amending Minnesota Statutes 1992, section 353.656, subdivision 4.

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

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

Those who voted in the affirmative were:

Abrams	Clark	Finseth	Hugoson	Kinkel	Lourey	Neary
Anderson, R.	Connors	Frerichs	Huntley	Klinzing	Luther	Nelson
Asch	Cooper	Garcia	Jacobs	Knickerbocker	Lynch	Ness
Battaglia	Dauner	Girard	Jaros	Knight	Macklin	Olson, E.
Bauerly	Davids	Goodno	Jefferson	Koppendrayner	Mahon	Olson, M.
Beard	Dawkins	Greenfield	Jennings	Krinkie	McCollum	Onnen
Bergson	Dehler	Greiling	Johnson, A.	Krueger	McGuire	Opatz
Bertram	Delmont	Gruenes	Johnson, R.	Lasley	Milbert	Orenstein
Bettermann	Dempsey	Gutknecht	Johnson, V.	Leppik	Molnau	Osthoff
Brown, C.	Dorn	Hasskamp	Kahn	Lieder	Morrison	Ostrom
Brown, K.	Erhardt	Haukoos	Kalis	Limmer	Mosel	Ozment
Carlson	Evans	Hausman	Kelley	Lindner	Munger	Pauly
Carruthers	Farrell	Holsten	Kelso	Long	Murphy	Pawlenty

Pelowski	Rice	Simoneau	Sviggun	Van Dellen	Weaver	Spk. Anderson, I.
Perlt	Rodosovich	Skoglund	Swenson	Van Engen	Wejzman	
Peterson	Rukavina	Smith	Tomassoni	Vellenga	Wenzel	
Pugh	Sarna	Solberg	Tompkins	Vickerman	Wolf	
Reding	Seagren	Stanisus	Trimble	Wagenius	Worke	
Rhodes	Sekhon	Steensma	Tunheim	Waltman	Workman	

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. 2657, A bill for an act relating to state parks; allowing handicapped persons to receive a special permit; amending Minnesota Statutes 1992, section 85.053, subdivision 7.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Vellenga moved that the House concur in the Senate amendments to H. F. No. 2657 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2657, A bill for an act relating to state parks; establishing a special state park permit for physically handicapped persons who do not own motor vehicles; amending Minnesota Statutes 1992, sections 85.053, subdivisions 2 and 7; and 85.055, subdivision 1.

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

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

Those who voted in the affirmative were:

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

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. 2321, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Clay and Wilkin counties.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dauner moved that the House concur in the Senate amendments to H. F. No. 2321 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2321, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Clay and Wilkin counties.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 1927, A bill for an act relating to public employment; authorizing a Medicare coverage referendum for certain city of Karlstad hospital employees.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tunheim moved that the House concur in the Senate amendments to H. F. No. 1927 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1927, A bill for an act relating to public employment; authorizing a Medicare coverage referendum for certain city of Karlstad hospital employees.

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

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

Those who voted in the affirmative were:

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

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. 2856, A bill for an act relating to state lands; authorizing the sale of certain tax-forfeited lands that border public water in Mower county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments to H. F. No. 2856 and that the bill be repassed as amended by the Senate. The motion prevailed.

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

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

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

Those who voted in the affirmative were:

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

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

Kahn was excused between the hours of 11:30 a.m. and 12:15 p.m.

Mr. Speaker:

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

H. F. No. 1936, A bill for an act relating to game and fish; requiring return to the water of fish snagged in certain waters; amending Minnesota Statutes 1993 Supplement, section 97C.331.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Battaglia moved that the House concur in the Senate amendments to H. F. No. 1936 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1936, A bill for an act relating to game and fish; requiring return to the water of fish snagged in certain waters; amending Minnesota Statutes 1993 Supplement, section 97C.331.

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

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

Those who voted in the affirmative were:

Abrams	Bauerly	Bettermann	Carlson	Cooper	Dehler	Erhardt
Anderson, R.	Beard	Bishop	Carruthers	Dauner	Delmont	Evans
Asch	Bergson	Brown, C.	Clark	Davids	Dempsey	Farrell
Battaglia	Bertram	Brown, K.	Commers	Dawkins	Dorn	Finseth

Frerichs	Jaros	Krueger	Milbert	Orfield	Sarna	Van Dellen
Garcia	Jefferson	Lasley	Molnau	Osthoff	Seagren	Van Engen
Girard	Jennings	Leppik	Morrison	Ostrom	Sekhron	Vickerman
Goodno	Johnson, A.	Lieder	Mosel	Ozment	Simoneau	Wagenius
Greenfield	Johnson, R.	Limmer	Munger	Pauly	Skoglund	Waltman
Greiling	Johnson, V.	Lindner	Murphy	Pawlenty	Smith	Weaver
Gruenes	Kalis	Long	Neary	Pelowski	Solberg	Wejcman
Gutknecht	Kelley	Lourey	Nelson	Perlt	Stanius	Wenzel
Hasskamp	Kelso	Luther	Ness	Peterson	Steensma	Winter
Haukoos	Kinkel	Lynch	Olson, E.	Pugh	Sviggum	Wolf
Hausman	Klinzing	Macklin	Olson, K.	Reding	Swenson	Worke
Holsten	Knickerbocker	Mahon	Olson, M.	Rhodes	Tomassoni	Workman
Hugoson	Knight	Mariani	Onnen	Rice	Tompkins	Spk. Anderson, I.
Huntley	Koppendrayner	McCollum	Opatz	Rodosovich	Trimble	
Jacobs	Krinkie	McGuire	Orenstein	Rukavina	Tunheim	

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. 2139, A bill for an act relating to real estate; regulating trust accounts; clarifying a definition for purposes of licensing real estate appraisers; regulating dual agency disclosure; amending Minnesota Statutes 1992, section 82B.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 82.197, subdivision 3; and 82.24, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Knickerbocker moved that the House concur in the Senate amendments to H. F. No. 2139 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2139, A bill for an act relating to real estate; regulating trust accounts; clarifying a definition for purposes of licensing real estate appraisers; regulating dual agency disclosure; amending Minnesota Statutes 1992, section 82B.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 82.197, subdivision 3; and 82.24, subdivision 1.

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

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

Those who voted in the affirmative were:

Abrams	Carruthers	Evans	Haukoos	Kalis	Lieder	Milbert
Anderson, R.	Clark	Farrell	Hausman	Kelley	Limmer	Molnau
Asch	Commers	Finseth	Holsten	Kelso	Lindner	Morrison
Battaglia	Cooper	Frerichs	Hugoson	Kinkel	Long	Mosel
Bauerly	Dauner	Garcia	Huntley	Klinzing	Lourey	Munger
Beard	Davids	Girard	Jacobs	Knickerbocker	Luther	Murphy
Bergson	Dawkins	Goodno	Jaros	Knight	Lynch	Neary
Bertram	Dehler	Greenfield	Jefferson	Koppendrayner	Macklin	Nelson
Bettermann	Delmont	Greiling	Jennings	Krinkie	Mahon	Ness
Bishop	Dempsey	Gruenes	Johnson, A.	Krueger	Mariani	Olson, K.
Brown, K.	Dorn	Gutknecht	Johnson, R.	Lasley	McCollum	Olson, M.
Carlson	Erhardt	Hasskamp	Johnson, V.	Leppik	McGuire	Onnen

Opatz	Pawlenty	Rice	Skoglund	Tomassoni	Vickerman	Wolf
Orenstein	Pelowski	Rodosovich	Smith	Tompkins	Wagenius	Worke
Orfield	Perlt	Rukavina	Solberg	Trimble	Waltman	Workman
Osthoff	Peterson	Sarna	Stanis	Tunheim	Weaver	Spk. Anderson, I.
Ostrom	Pugh	Seagren	Steensma	Van Dellen	Wejcman	
Ozment	Reding	Sekhon	Sviggum	Van Engen	Wenzel	
Pauly	Rhodes	Simoneau	Swenson	Vellenga	Winter	

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

Mr. Speaker:

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

S. F. No. 1788.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1788, A bill for an act relating to waste management; applying government waste reduction requirements to compilations of game and fish laws; clarifying the state's waste management goals; adding heat pumps to the definition of major appliances; requiring public education on reuse; authorizing larger capital assistance grants to resource recovery projects under certain circumstances; listing preferences for use of packaging; establishing enforcement of the authority of certain counties to inspect records of certain facilities; clarifying management of waste antifreeze and motor oil filters; establishing a process for resolution of disputes related to toxics in packaging and requiring a report; clarifying the prohibition on toxics in products and providing for exemptions; requiring and authorizing training and certification of appliance recyclers and servicers respectively; removing the federal government from the definition of commercial transporter of medical waste; requiring medical waste management plans to contain information regarding mailing of sharps; banning sale of apparel containing mercury switches; authorizing private ownership of solid waste facilities; permitting counties and local governments to impose certain conditions on disposal of unprocessed solid waste; authorizing counties to require record keeping; adding requirements for liners and leachate systems; expanding the restriction on disposal of unprocessed waste from the metropolitan area; requiring a report on management of waste electronic appliances; requiring a report on products that contain mercury; requiring a report on recycling facilities; requiring a report on recycled antifreeze; providing penalties and remedies; amending Minnesota Statutes 1992, sections 8.31, subdivision 1; 97A.051, subdivision 1; 115A.02; 115A.03, subdivision 17a; 115A.072, subdivision 4; 115A.5501, subdivisions 1, 2, and by adding subdivisions; 115A.554; 115A.557, subdivisions 3 and 4; 115A.87; 115A.882, by adding a subdivision; 115A.9157, subdivisions 4 and 5; 115A.918, subdivision 1, and by adding a subdivision; 115A.95; 115A.9561, subdivision 2; 115A.965, subdivision 6, and by adding a subdivision; 116.07, subdivision 4h; 116.76, subdivision 4; 116.92, subdivision 8; 473.803, subdivisions 1 and 1c; 473.811, subdivisions 5 and 5a; 473.843, subdivision 1; 473.844, subdivision 1a; 473.845, subdivision 3; and 473.848, subdivisions 1 and 5; Minnesota Statutes 1993 Supplement, sections 115A.54, subdivision 2a; 115A.5501, subdivision 3; 115A.916; 115A.929; 115A.9651; 115A.981, subdivision 3; 116.79, subdivision 1; 473.149, subdivision 6; 473.846; and 473.848, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1993 Supplement, section 115A.542.

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of S. F. Nos. 1758 and 2900.

S. F. No. 1758 was reported to the House.

Klinzing, Cooper, Wenzel, Rodosovich, Murphy, Sviggum, Worke and Bettermann moved to amend S. F. No. 1758, the second unofficial engrossment, as follows:

Page 1, after line 44, insert:

"Section 1. [145.4245] [INFORMED CONSENT PROVISIONS.]

Subdivision 1. [INFORMED CONSENT; GENERAL RULE.] The legislature finds that the health of women affects their ability to provide for their families, and that the health of women is greatly jeopardized when they make decisions without complete information. Unless there is a medical emergency that so complicates a pregnancy as to necessitate an immediate abortion to avert the death of the mother or for which a 24-hour delay will create grave peril of immediate and irreversible loss of major bodily function, at least 24 hours before the abortion, either the physician who is to perform the abortion or a referring physician must tell the woman:

- (a) the probable gestational age of the unborn child at the time the abortion is to be performed;
- (b) the name of the physician who will perform the abortion;
- (c) the particular medical risks associated with the particular abortion procedure to be used including, when medically accurate, the risks of infection, hemorrhage, danger to subsequent pregnancies, and infertility;
- (d) that she has the right to review the printed materials described in subdivision 2; and
- (e) the medical risks associated with carrying her child to term.

The physician or the referring physician may provide this information by telephone without conducting a physical examination or tests of the patient, in which case the information required to be supplied may be based on facts supplied by the patient and whatever other relevant information is reasonably available to the physician or the referring physician. The physician or the physician's agent shall also orally inform the woman that the printed materials have been provided by the state. If the woman chooses to view the materials, they shall be given to her at least 24 hours before the abortion or mailed to her at least 72 hours before the abortion by certified mail, restricted delivery to addressee, which means the postal employee can only deliver the mail to the addressee. The physician or the physician's agent may choose to disassociate himself or herself from the materials, and may choose to comment or refrain from comment on the materials.

Subd. 2. [PRINTED INFORMATION.] Within 60 days after the effective date of this act the commissioner of health shall develop, for reproduction by medical facilities, the following easily comprehensible printed materials in every language that is the primary language of one percent or more of the residents of Minnesota:

(1) geographically indexed materials designed to inform the woman of public and private agencies and services available to assist a woman through pregnancy, upon childbirth, and while the child is dependent, as well as adoption agencies. The materials must include a comprehensive list of the agencies available, a description of the services they offer, telephone numbers of the agencies, and a description of the manner in which they might be contacted; and

(2) materials designed to inform the woman of the probable anatomical and physiological characteristics of the unborn child at two-week gestational increments from the time when a woman can be known to be pregnant to full term, including any relevant information on the possibility of the unborn child's survival. The materials shall be objective, nonjudgmental, and designed to convey only accurate scientific information about the unborn child at the various gestational ages.

Subd. 3. [CIVIL DAMAGES FOR ABORTIONS PERFORMED WITHOUT INFORMED CONSENT.] Any person with standing may maintain an action against the person who performed an abortion in violation of subdivision 1 for civil damages. Those with standing are a woman upon whom, or the parent of a minor upon whom, an abortion that is unlawful under subdivision 1 has been performed or attempted to be performed and the father of the unborn child subject to an abortion that is unlawful under subdivision 1."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 2, after "reform," insert "providing for informed consent to abortions;"

Page 1, line 42, delete "chapter" and insert "chapters 145; and"

A roll call was requested and properly seconded.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.09 that the Klinzing et al amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

POINT OF ORDER

Simoneau raised a point of order pursuant to rule 3.10 that the Klinzing et al amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

Abrams offered an amendment to the Klinzing et al amendment to S. F. No. 1758, the second unofficial engrossment.

Mariani requested a division of the Abrams amendment to the Klinzing et al amendment to S. F. No. 1758, the second unofficial engrossment.

The first portion of the Abrams amendment to the Klinzing et al amendment to S. F. No. 1758, the second unofficial engrossment, reads as follows:

Page 1, line 5, delete "the"

Page 1, delete lines 6 to 8

Page 1, line 9, delete "information."

A roll call was requested and properly seconded.

The question was taken on the first portion of the Abrams amendment to the Klinzing et al amendment and the roll was called. There were 61 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Hausman	Knickerbocker	McGuire	Ostrom	Solberg
Asch	Dorn	Huntley	Krinkie	Morrison	Pauly	Tomassoni
Bergson	Erhardt	Jaros	Leppik	Munger	Perlt	Trimble
Bishop	Evans	Jefferson	Long	Neary	Pugh	Tunheim
Brown, K.	Farrell	Jennings	Lourey	Olson, E.	Rhodes	Vellenga
Carlson	Frerichs	Johnson, A.	Luther	Olson, K.	Rukavina	Wagenius
Carruthers	Garcia	Kahn	Mahon	Orenstein	Sekhon	Wejzman
Clark	Greenfield	Kelley	Mariani	Orfield	Simoneau	
Dawkins	Greiling	Kinkel	McCollum	Osthoff	Skoglund	

Those who voted in the negative were:

Anderson, R.	Dehler	Jacobs	Limmer	Onnen	Smith	Wenzel
Battaglia	Dempsey	Johnson, R.	Lindner	Opatz	Stanis	Winter
Bauerly	Finseth	Johnson, V.	Lynch	Ozment	Steensma	Wolf
Beard	Girard	Kalis	Macklin	Pawlenty	Sviggum	Worke
Bertram	Goodno	Kelso	Milbert	Pelowski	Swenson	Workman
Bettermann	Gruenes	Klinzing	Molnau	Peterson	Tompkins	Spk. Anderson, I.
Brown, C.	Gutknecht	Knight	Mosel	Reding	Van Dellen	
Commers	Hasskamp	Koppendraye	Murphy	Rice	Van Engen	
Cooper	Haukoos	Krueger	Nelson	Rodosovich	Vickerman	
Dauner	Holsten	Lasley	Ness	Sarna	Waltman	
Davids	Hugoson	Lieder	Olson, M.	Seagren	Weaver	

The motion did not prevail and the first portion of the Abrams amendment to the Klinzing et al amendment was not adopted.

The second portion of the Abrams amendment to the Klinzing et al amendment to S. F. No. 1758, the second unofficial engrossment, reads as follows:

Page 3, line 12, delete everything after "performed"

Page 3, line 13, delete everything before the period

A roll call was requested and properly seconded.

The question was taken on the second portion of the Abrams amendment to the Klinzing et al amendment and the roll was called. There were 58 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Hausman	Knickerbocker	McGuire	Perlt	Trimble
Asch	Dorn	Holsten	Lasley	Morrison	Pugh	Vellenga
Bergson	Erhardt	Huntley	Leppik	Neary	Rhodes	Wagenius
Bishop	Evans	Jaros	Long	Olson, K.	Rukavina	Wejcman
Brown, K.	Farrell	Jefferson	Lourey	Orenstein	Sekhon	
Carlson	Frerichs	Jennings	Luther	Orfield	Simoneau	
Carruthers	Garcia	Johnson, A.	Mahon	Osthoff	Skoglund	
Clark	Greenfield	Kahn	Mariani	Ostrom	Solberg	
Dawkins	Greiling	Kelley	McCollum	Pauly	Tomassoni	

Those who voted in the negative were:

Anderson, R.	Dehler	Johnson, V.	Lindner	Onnen	Smith	Weaver
Battaglia	Dempsey	Kalis	Lynch	Opatz	Stanis	Wenzel
Bauerly	Finseth	Kelso	Macklin	Ozment	Steensma	Winter
Beard	Girard	Kinkel	Milbert	Pawlenty	Sviggum	Wolf
Bertram	Goodno	Klinzing	Molnau	Pelowski	Swenson	Worke
Bettermann	Gruenes	Knight	Mosel	Peterson	Tompkins	Workman
Brown, C.	Hasskamp	Koppendraye	Murphy	Reding	Tunheim	Spk. Anderson, I.
Commers	Haukoos	Krinkie	Nelson	Rice	Van Dellen	
Cooper	Hugoson	Krueger	Ness	Rodosovich	Van Engen	
Dauner	Jacobs	Lieder	Olson, E.	Sarna	Vickerman	
Davids	Johnson, R.	Limmer	Olson, M.	Seagren	Waltman	

The motion did not prevail and the second portion of the Abrams amendment to the Klinzing et al amendment was not adopted.

Asch moved to amend the Klinzing et al amendment to S. F. No. 1758, the second unofficial engrossment, as follows:

Page 3, line 12, after "child" insert "unless the father has raped or committed incest upon the mother"

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 81 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Lasley	Milbert	Pauly	Tomassoni
Asch	Delmont	Huntley	Leppik	Morrison	Pawlenty	Trimble
Bauerly	Dorn	Jaros	Lieder	Mosel	Perl	Van Dellen
Beard	Erhardt	Jefferson	Limmer	Munger	Pugh	Van Engen
Bergson	Evans	Jennings	Long	Neary	Rhodes	Vellenga
Bishop	Farrell	Johnson, A.	Lourey	Olson, E.	Rukavina	Wagenius
Brown, K.	Frerichs	Johnson, R.	Luther	Olson, K.	Sekhon	Weaver
Carlson	Garcia	Kahn	Macklin	Opatz	Simoneau	Wejcman
Carruthers	Goodno	Kelley	Mahon	Orenstein	Skoglund	Winter
Clark	Greenfield	Kinkel	Mariani	Orfield	Smith	
Commers	Greiling	Kruckerbocker	McCollum	Osthoff	Solberg	
Dauner	Hausman	Krinkie	McGuire	Ostrom	Stanis	

Those who voted in the negative were:

Anderson, R.	Dempsey	Jacobs	Lindner	Ozment	Swenson	Workman
Battaglia	Finseth	Johnson, V.	Lynch	Pelowski	Tompkins	Spk. Anderson, I.
Bertram	Girard	Kalis	Molnau	Peterson	Tunheim	
Bettermann	Gruenes	Kelso	Murphy	Reding	Vickerman	
Brown, C.	Gutknecht	Klinzing	Nelson	Rodosovich	Waltman	
Cooper	Hasskamp	Knight	Ness	Seagren	Wenzel	
Davids	Haukoos	Koppendrayner	Olson, M.	Steensma	Wolf	
Dehler	Hugoson	Krueger	Onnen	Sviggum	Worke	

The motion prevailed and the amendment to the amendment was adopted.

Kahn offered an amendment to the Klinzing et al amendment, as amended, to S. F. No. 1758, the second unofficial engrossment.

POINT OF ORDER

Sviggum raised a point of order pursuant to section 401 of "Mason's Manual of Legislative Procedure" relating to frivolous and improper amendments. The Speaker ruled the point of order well taken and the Kahn amendment to the Klinzing et al amendment, as amended, out of order.

Simoneau and Skoglund moved to amend the Klinzing et al amendment, as amended, to S. F. No. 1758, the second unofficial engrossment, as follows:

Page 3, after line 13, insert:

"Sec. 2. [RELIGIOUS FREEDOM.] Section 1 does not apply where the woman seeking the abortion has a conscientiously held religious belief that would be violated by the section's application."

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 55 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Greenfield	Kahn	Mariani	Orenstein	Simoneau
Asch	Delmont	Greiling	Kelley	McCollum	Orfield	Skoglund
Bergson	Dorn	Hausman	Knickerbocker	McGuire	Osthoff	Tomassoni
Bishop	Erhardt	Huntley	Leppik	Morrison	Ostrom	Trimble
Brown, K.	Evans	Jaros	Long	Munger	Perlt	Vellenga
Carlson	Farrell	Jefferson	Lourey	Neary	Rhodes	Wagenius
Carruthers	Frerichs	Jennings	Luther	Olson, E.	Rukavina	Wejzman
Clark	Garcia	Johnson, A.	Mahon	Olson, K.	Sekhon	

Those who voted in the negative were:

Anderson, R.	Dehler	Jacobs	Lieder	Onnen	Sarna	Vickerman
Battaglia	Dempsey	Johnson, R.	Limmer	Opatz	Seagren	Waltman
Bauerly	Finseth	Johnson, V.	Lindner	Ozment	Smith	Weaver
Beard	Girard	Kalis	Lynch	Pauly	Stanius	Wenzel
Bertram	Goodno	Kelso	Macklin	Pawlenty	Steensma	Winter
Bettermann	Gruenes	Kinkel	Molnau	Pelowski	Svigum	Wolf
Brown, C.	Gutknecht	Klinzing	Mosel	Peterson	Swenson	Worke
Commers	Hasskamp	Knight	Murphy	Pugh	Tompkins	Workman
Cooper	Haukoos	Koppendrayner	Nelson	Reding	Tunheim	Spk. Anderson, I.
Dauner	Holsten	Krinkie	Ness	Rice	Van Dellen	
Davids	Hugoson	Krueger	Olson, M.	Rodosovich	Van Engen	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Trimble and Mariani moved to amend the Klinzing et al amendment, as amended, to S. F. No. 1758, the second unofficial engrossment, as follows:

Page 2, line 24, delete "one percent or more of the residents" and insert "any resident"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 47 yeas and 84 nays as follows:

Those who voted in the affirmative were:

Asch	Delmont	Hausman	Kelley	McGuire	Perlt	Tomassoni
Beard	Erhardt	Huntley	Long	Munger	Rhodes	Trimble
Bergson	Evans	Jaros	Lourey	Neary	Rukavina	Vellenga
Brown, K.	Farrell	Jefferson	Luther	Olson, K.	Sekhon	Wagenius
Carlson	Garcia	Jennings	Mahon	Orenstein	Simoneau	Wejzman
Clark	Greenfield	Johnson, A.	Mariani	Orfield	Skoglund	
Dawkins	Greiling	Kahn	McCollum	Osthoff	Solberg	

Those who voted in the negative were:

Abrams	Brown, C.	Dempsey	Gruenes	Jacobs	Klinzing	Lasley
Anderson, R.	Commers	Dorn	Gutknecht	Johnson, R.	Knickerbocker	Leppik
Battaglia	Cooper	Finseth	Hasskamp	Johnson, V.	Knight	Lieder
Bauerly	Dauner	Frerichs	Haukoos	Kalis	Koppendrayner	Limmer
Bertram	Davids	Girard	Holsten	Kelso	Krinkie	Lindner
Bettermann	Dehler	Goodno	Hugoson	Kinkel	Krueger	Lynch

Macklin	Nelson	Ostrom	Pugh	Smith	Tunheim	Wenzel
Milbert	Ness	Ozment	Reding	Stanius	Van Dellen	Winter
Molnau	Olson, E.	Pauly	Rice	Steensma	Van Engen	Wolf
Morrison	Olson, M.	Pawlenty	Rodosovich	Sviggum	Vickerman	Worke
Mosel	Onnen	Pelowski	Sarna	Swenson	Waltman	Workman
Murphy	Opatz	Peterson	Seagren	Tompkins	Weaver	Spk. Anderson, I.

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Huntley, Greiling and Jaros moved to amend the Klinzing et al amendment, as amended, to S. F. No. 1758, the second unofficial engrossment, as follows:

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

Page 1, delete line 12

Page 1, line 13, delete everything before "before"

Page 2, line 13, delete everything after "her"

Page 2, delete lines 14 to 16

Page 2, line 17, delete "addressee."

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 55 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Greiling	Kelley	Mariani	Orfield	Skoglund
Asch	Dorn	Hausman	Knickerbocker	McCollum	Osthoff	Solberg
Bergson	Erhardt	Huntley	Lasley	McGuire	Ostrom	Tomassoni
Bishop	Evans	Jaros	Leppik	Morrison	Perlt	Trimble
Brown, K.	Farrell	Jefferson	Long	Munger	Rhodes	Vellenga
Carlson	Frerichs	Jennings	Lourey	Neary	Rukavina	Wagenius
Carruthers	Garcia	Johnson, A.	Luther	Olson, K.	Sekhon	Wejzman
Clark	Greenfield	Kahn	Mahon	Orenstein	Simoneau	

Those who voted in the negative were:

Anderson, R.	Dehler	Johnson, R.	Limmer	Olson, M.	Rodosovich	Van Engen
Battaglia	Dempsey	Johnson, V.	Lindner	Onnen	Sarna	Vickerman
Bauerly	Finseth	Kalis	Lynch	Opatz	Seagren	Waltman
Beard	Girard	Kelso	Macklin	Ozment	Smith	Weaver
Bertram	Goodno	Kinkel	Milbert	Pauly	Stanius	Wenzel
Bettermann	Gruenes	Klinzing	Molnau	Pawlenty	Steensma	Winter
Brown, C.	Gutknecht	Knight	Mosel	Pelowski	Sviggum	Wolf
Commers	Hasskamp	Koppendraye	Murphy	Peterson	Swenson	Worke
Cooper	Haukoos	Krinkie	Nelson	Pugh	Tompkins	Workman
Dauner	Hugoson	Krueger	Ness	Reding	Tunheim	Spk. Anderson, I.
Dauids	Jacobs	Lieder	Olson, E.	Rice	Van Dellen	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Neary, McCollum, Long, Kahn, Lourey, Clark and Johnson, A., moved to amend the Klinzing et al amendment, as amended, to S. F. No. 1758, the second unofficial engrossment, as follows:

Page 2, line 1, delete "and"

Page 2, line 3, before the period insert "; and

(f) the full range of contraceptive procedures or options available for the prevention of pregnancy"

Page 2, line 28, after "woman" insert "avoid a pregnancy by the use of contraceptives and where those contraceptives may be obtained at no cost or reduced costs,"

Page 2, line 33, after "contacted" insert ". The materials must also include a list of child support collection agencies and her rights to pursue child support from the father"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 67 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Huntley	Lasley	McGuire	Ostrom	Tomassoni
Anderson, R.	Dorn	Jaros	Leppik	Morrison	Pauly	Trimble
Asch	Erhardt	Jefferson	Limmer	Munger	Perlt	Vellenga
Bergson	Evans	Jennings	Long	Neary	Pugh	Wagenius
Bishop	Farrell	Johnson, A.	Lourey	Olson, E.	Rhodes	Weaver
Brown, K.	Frerichs	Johnson, R.	Luther	Olson, K.	Rukavina	Wejcman
Carlson	Garcia	Kahn	Macklin	Opatz	Sekhon	Spk. Anderson, I.
Carruthers	Greenfield	Kelley	Mahon	Orenstein	Simoneau	
Clark	Greiling	Kinkel	Mariani	Orfield	Skoglund	
Dawkins	Hausman	Knickerbocker	McCollum	Osthoff	Solberg	

Those who voted in the negative were:

Battaglia	Dehler	Johnson, V.	Lynch	Pawlenty	Steensma	Winter
Bauerly	Dempsey	Kalis	Milbert	Pelowski	Sviggum	Wolf
Beard	Finseth	Kelso	Molnau	Peterson	Swenson	Worke
Bertram	Girard	Klinzing	Mosel	Reding	Tompkins	Workman
Bettermann	Goodno	Knight	Murphy	Rice	Tunheim	
Brown, C.	Gruenes	Koppendrayner	Nelson	Rodosovich	Van Dellen	
Commers	Gutknecht	Krinkie	Ness	Sarna	Van Engen	
Cooper	Haukoos	Krueger	Olson, M.	Seagren	Vickerman	
Dauner	Hugoson	Lieder	Ornen	Smith	Waltman	
Davids	Jacobs	Lindner	Ozment	Stanis	Wenzel	

The motion prevailed and the amendment to the amendment, as amended, was adopted.

Kahn, Dawkins, Neary, Hausman, Trimble, Lourey and Mariani moved to amend the Klinzing et al amendment, as amended, to S. F. No. 1758, the second unofficial engrossment, as follows:

Page 2, line 25, after "Minnesota" insert ", or in any language requested by any resident of Minnesota"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 45 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Asch	Brown, K.	Dawkins	Farrell	Greiling	Jaros	Johnson, A.
Bergson	Carlson	Delmont	Garcia	Hausman	Jefferson	Kahn
Bishop	Clark	Evans	Greenfield	Huntley	Jennings	Kelley

Lasley	Mahon	Neary	Osthoﬀ	Sekhon	Solberg	Vellenga
Long	Mariani	Olson, K.	Perlt	Simoneau	Tomassoni	Wagenius
Lourey	McCollum	Orenstein	Rukavina	Skoglund	Trimble	Wejzman
Luther	McGuire	Orfield				

Those who voted in the negative were:

Abrams	Dempsey	Jacobs	Lieder	Olson, M.	Rodosovich	Waltman
Anderson, R.	Dorn	Johnson, R.	Limmer	Onnen	Sarna	Weaver
Battaglia	Erhardt	Johnson, V.	Lindner	Opatz	Seagren	Wenzel
Bauerly	Finseth	Kalis	Lynch	Ostrom	Smith	Winter
Beard	Frerichs	Kelso	Macklin	Ozment	Stanisus	Wolf
Bertram	Girard	Kinkel	Milbert	Pauly	Steensma	Worke
Bettermann	Goodno	Klinzing	Molnau	Pawlenty	Sviggum	Workman
Brown, C.	Gruenes	Knickerbocker	Morrison	Pelowski	Swenson	Spk. Anderson, I.
Commers	Gutknecht	Knight	Mosel	Peterson	Tompkins	
Cooper	Hasskamp	Koppendrayner	Murphy	Pugh	Tunheim	
Dauner	Haukoos	Krinkie	Nelson	Reding	Van Dellen	
Davids	Holsten	Krueger	Ness	Rhodes	Van Engen	
Dehler	Hugoson	Leppik	Olson, E.	Rice	Vickerman	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Lourey moved to amend the Klinzing et al amendment, as amended, to S. F. No. 1758, the second unofficial engrossment, as follows:

Page 2, line 31, after the comma insert "a list of names of birth parents and children who are adopted who can provide pertinent information regarding adoption."

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 60 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Hausman	Kinkel	McCollum	Osthoﬀ	Solberg
Asch	Dorn	Huntley	Knickerbocker	McGuire	Ostrom	Trimble
Bergson	Erhardt	Jaros	Leppik	Morrison	Pawlenty	Van Dellen
Bishop	Evans	Jefferson	Long	Munger	Perlt	Vellenga
Brown, K.	Farrell	Jennings	Lourey	Neary	Rhodes	Wagenius
Carlson	Frerichs	Johnson, A.	Luther	Olson, E.	Rukavina	Wejzman
Carruthers	Garcia	Johnson, R.	Lynch	Olson, K.	Sekhon	
Clark	Greenfield	Kahn	Mahon	Orenstein	Simoneau	
Dawkins	Greiling	Kelley	Mariani	Orfield	Skoglund	

Those who voted in the negative were:

Anderson, R.	Cooper	Gruenes	Kalis	Lieder	Nelson	Peterson
Battaglia	Dauner	Gutknecht	Kelso	Limmer	Ness	Pugh
Bauerly	Davids	Hasskamp	Klinzing	Lindner	Olson, M.	Reding
Beard	Dehler	Haukoos	Knight	Macklin	Onnen	Rice
Bertram	Dempsey	Holsten	Koppendrayner	Milbert	Opatz	Rodosovich
Bettermann	Finseth	Hugoson	Krinkie	Molnau	Ozment	Sarna
Brown, C.	Girard	Jacobs	Krueger	Mosel	Pauly	Seagren
Commers	Goodno	Johnson, V.	Lasley	Murphy	Pelowski	Smith

Stanius	Swenson	Van Engen	Weaver	Wolf	Spk. Anderson, I.
Steensma	Tompkins	Vickerman	Wenzel	Worke	
Svigum	Tunheim	Waltman	Winter	Workman	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

Mariani, Dawkins and Lourey moved to amend the Klinzing et al amendment, as amended, to S. F. No. 1758, the second unofficial engrossment, as follows:

Page 1, line 13, after the first comma, insert "or unless the pregnancy occurred as a result of rape or incest,"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment, as amended, and the roll was called. There were 64 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Jaros	Long	Neary	Pugh	Vellenga
Asch	Erhardt	Jefferson	Lourey	Olson, E.	Rhodes	Wagenius
Bergson	Evans	Jennings	Luther	Olson, K.	Rukavina	Weaver
Bishop	Farrell	Johnson, A.	Mahon	Opatz	Sekhon	Wejcman
Brown, K.	Garcia	Johnson, R.	Mariani	Orenstein	Simoneau	
Carlson	Greenfield	Kahn	McCollum	Orfield	Skoglund	
Carruthers	Greiling	Kelley	McGuire	Osthoff	Solberg	
Clark	Hausman	Kinkel	Milbert	Ostrom	Tomassoni	
Dawkins	Holsten	Knickerbocker	Morrison	Pauly	Trimble	
Delmont	Huntley	Leppik	Munger	Pawlenty	Van Dellen	

Those who voted in the negative were:

Anderson, R.	Davids	Hugoson	Lasley	Olson, M.	Smith	Wenzel
Battaglia	Dehler	Jacobs	Lieder	Onnen	Stanius	Winter
Bauerly	Dempsey	Johnson, V.	Limmer	Ozment	Steensma	Wolf
Beard	Finseth	Kalis	Lindner	Pelowski	Svigum	Worke
Bertram	Frerichs	Kelso	Macklin	Perlt	Swenson	Workman
Bettermann	Girard	Klinzing	Molnau	Peterson	Tompkins	Spk. Anderson, I.
Brown, C.	Goodno	Knight	Mosel	Reding	Tunheim	
Commers	Gruenes	Koppendraye	Murphy	Rodosovich	Van Engen	
Cooper	Gutknecht	Krinkie	Nelson	Sarna	Vickerman	
Dauner	Haukoos	Krueger	Ness	Seagren	Waltman	

The motion did not prevail and the amendment to the amendment, as amended, was not adopted.

The question recurred on the Klinzing et al amendment, as amended, and the roll was called. There were 82 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Gutknecht	Kalis	Lieder	Nelson	Pawlenty
Battaglia	Davids	Hasskamp	Kelso	Limmer	Ness	Pelowski
Bauerly	Dehler	Haukoos	Kinkel	Lindner	Olson, E.	Peterson
Beard	Dempsey	Holsten	Klinzing	Lynch	Olson, M.	Pugh
Bertram	Dorn	Hugoson	Knight	Macklin	Onnen	Reding
Bettermann	Finseth	Jacobs	Koppendraye	Milbert	Opatz	Rice
Brown, C.	Girard	Jennings	Krinkie	Molnau	Ostrom	Rodosovich
Commers	Goodno	Johnson, R.	Krueger	Mosel	Ozment	Sarna
Cooper	Gruenes	Johnson, V.	Lasley	Murphy	Pauly	Seagren

Smith	Steensma	Tompkins	Van Engen	Weaver	Wolf	Spk. Anderson, I.
Solberg	Sviggum	Tunheim	Vickerman	Wenzel	Worke	
Stanis	Swenson	Van Dellen	Waltman	Winter	Workman	

Those who voted in the negative were:

Abrams	Delmont	Hausman	Leppik	Morrison	Rhodes	Wagenius
Asch	Erhardt	Huntley	Long	Munger	Rukavina	Wejcman
Bergson	Evans	Jaros	Lourey	Neary	Sekhon	
Bishop	Farrell	Jefferson	Luther	Olson, K.	Simoneau	
Carlson	Frerichs	Johnson, A.	Mahon	Orenstein	Skoglund	
Carruthers	Garcia	Kahn	Mariani	Orfield	Tomassoni	
Clark	Greenfield	Kelley	McCollum	Osthoff	Trimble	
Dawkins	Greiling	Knickerbocker	McGuire	Perlt	Vellenga	

The motion prevailed and the amendment, as amended, was adopted.

Anderson, R., moved to amend S. F. No. 1758, the second unofficial engrossment, as amended, as follows:

Page 38, line 25, delete "\$5,726,000" and insert "\$5,514,000"

The motion prevailed and the amendment was adopted.

Simoneau moved to amend S. F. No. 1758, the second unofficial engrossment, as amended, as follows:

Page 8, line 33, after "that" insert "the minor parent and dependent child would be in an adult-supervised supportive living arrangement but for the fact that none is available within the county, or that"

The motion prevailed and the amendment was adopted.

Morrison, Stanis and Kalis moved to amend S. F. No. 1758, the second unofficial engrossment, as amended, as follows:

Page 24, after line 6, insert:

"Sec. 20. Minnesota Statutes 1993 Supplement, section 256D.03, subdivision 4, is amended to read:

Subd. 4. [GENERAL ASSISTANCE MEDICAL CARE; SERVICES.] (a) For a person who is eligible under subdivision 3, paragraph (a), clause (3), general assistance medical care covers, except as provided in paragraph (c) of this subdivision:

- (1) inpatient hospital services;
- (2) outpatient hospital services;
- (3) services provided by Medicare certified rehabilitation agencies;
- (4) prescription drugs and other products recommended through the process established in section 256B.0625, subdivision 13;
- (5) equipment necessary to administer insulin and diagnostic supplies and equipment for diabetics to monitor blood sugar level;
- (6) eyeglasses and eye examinations provided by a physician or optometrist;
- (7) hearing aids;

- (8) prosthetic devices;
- (9) laboratory and X-ray services;
- (10) physician's services;
- (11) medical transportation;
- (12) chiropractic services as covered under the medical assistance program;
- (13) podiatric services;
- (14) dental services;
- (15) outpatient services provided by a mental health center or clinic that is under contract with the county board and is established under section 245.62;
- (16) day treatment services for mental illness provided under contract with the county board;
- (17) prescribed medications for persons who have been diagnosed as mentally ill as necessary to prevent more restrictive institutionalization;
- (18) case management services for a person with serious and persistent mental illness who would be eligible for medical assistance except that the person resides in an institution for mental diseases;
- (19) psychological services, medical supplies and equipment, and Medicare premiums, coinsurance and deductible payments;
- (20) medical equipment not specifically listed in this paragraph when the use of the equipment will prevent the need for costlier services that are reimbursable under this subdivision; and
- (21) services performed by a certified pediatric nurse practitioner, a certified family nurse practitioner, a certified adult nurse practitioner, a certified obstetric/gynecological nurse practitioner, or a certified geriatric nurse practitioner in independent practice, if the services are otherwise covered under this chapter as a physician service, and if the service is within the scope of practice of the nurse practitioner's license as a registered nurse, as defined in section 148.171.

(b) Except as provided in paragraph (c) of this subdivision, for a recipient who is eligible under subdivision 3, paragraph (a), clause (1) or (2), general assistance medical care covers the services listed in paragraph (a) with the exception of special transportation services.

(c) Gender reassignment surgery and related services are not covered services under this subdivision.

(d) In order to contain costs, the commissioner of human services shall select vendors of medical care who can provide the most economical care consistent with high medical standards and shall where possible contract with organizations on a prepaid capitation basis to provide these services. The commissioner shall consider proposals by counties and vendors for prepaid health plans, competitive bidding programs, block grants, or other vendor payment mechanisms designed to provide services in an economical manner or to control utilization, with safeguards to ensure that necessary services are provided. Before implementing prepaid programs in counties with a county operated or affiliated public teaching hospital or a hospital or clinic operated by the University of Minnesota, the commissioner shall consider the risks the prepaid program creates for the hospital and allow the county or hospital the opportunity to participate in the program in a manner that reflects the risk of adverse selection and the nature of the patients served by the hospital, provided the terms of participation in the program are competitive with the terms of other participants considering the nature of the population served. Payment for services provided pursuant to this subdivision shall be as provided to medical assistance vendors of these services under sections 256B.02, subdivision 8, and 256B.0625. For payments made during fiscal year 1990 and later years, the commissioner shall consult with an independent actuary in establishing prepayment rates, but shall retain final control over the rate methodology.

(e) The commissioner of human services 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.

For the period July 1, 1985 to December 31, 1985, reductions below the cost per service unit allowable under section 256.966, are 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 30 percent; payments for all other inpatient hospital care may be reduced no more than 20 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than ten percent.

For the period January 1, 1986 to December 31, 1986, reductions below the cost per service unit allowable under section 256.966 are 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 20 percent; payments for all other inpatient hospital care may be reduced no more than 15 percent. Reductions below the payments allowable under general assistance medical care for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period January 1, 1987 to June 30, 1987, reductions below the cost per service unit allowable under section 256.966 are 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 15 percent; payments for all other inpatient hospital care may be reduced no more than ten percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1987 to June 30, 1988, reductions below the cost per service unit allowable under section 256.966 are 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 15 percent; payments for all other inpatient hospital care may be reduced no more than five percent. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

For the period July 1, 1988 to June 30, 1989, reductions below the cost per service unit allowable under section 256.966 are 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 15 percent; payments for all other inpatient hospital care may not be reduced. Reductions below the payments allowable under medical assistance for the remaining general assistance medical care services allowable under this subdivision may be reduced no more than five percent.

There shall be no copayment required of any recipient of benefits for any services provided under this subdivision. A hospital receiving a reduced payment as a result of this section may apply the unpaid balance toward satisfaction of the hospital's bad debts.

(e) (f) Any county may, from its own resources, provide medical payments for which state payments are not made.

(f) (g) Chemical dependency services that are reimbursed under chapter 254B must not be reimbursed under general assistance medical care.

(g) (h) The maximum payment for new vendors enrolled in the general assistance medical care program after the base year shall be determined from the average usual and customary charge of the same vendor type enrolled in the base year.

(h) (i) The conditions of payment for services under this subdivision are the same as the conditions specified in rules adopted under chapter 256B governing the medical assistance program, unless otherwise provided by statute or rule."

Page 38, line 27, after the period, insert "In addition to the preceding appropriation in this subdivision, an additional \$97,000 is added to the final appropriation for the basic sliding fee program."

Renumber the remaining sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Morrison et al amendment and the roll was called. There were 114 yeas and 14 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Holsten	Krueger	Murphy	Peterson	Tunheim
Anderson, R.	Dawkins	Hugoson	Lasley	Neary	Pugh	Van Dellen
Asch	Dehler	Jacobs	Leppik	Nelson	Reding	Van Engen
Battaglia	Delmont	Jefferson	Lieder	Ness	Rhodes	Vellenga
Bauerly	Dempsey	Jennings	Limmer	Olson, E.	Rodosovich	Vickerman
Beard	Dorn	Johnson, A.	Lindner	Olson, K.	Sarna	Waltman
Bergson	Erhardt	Johnson, R.	Luther	Olson, M.	Seagren	Weaver
Bertram	Evans	Johnson, V.	Lynch	Onnen	Sekhon	Wenzel
Bettermann	Farrell	Kalis	Macklin	Opatz	Simoneau	Winter
Bishop	Finseth	Kelley	Mahon	Orenstein	Skoglund	Wolf
Brown, C.	Frerichs	Kelso	McCollum	Osthoff	Smith	Worke
Brown, K.	Girard	Kinkel	McGuire	Ostrom	Solberg	Workman
Carlson	Goodno	Klinzing	Milbert	Ozment	Stanis	
Carruthers	Gruenes	Knickerbocker	Molnau	Pauly	Steensma	
Commers	Gutknecht	Knight	Morrison	Pawlenty	Sviggum	
Cooper	Hasskamp	Koppendrayer	Mosel	Pelowski	Swenson	
Dauner	Haukoos	Krinkle	Munger	Perlt	Tompkins	

Those who voted in the negative were:

Clark	Greenfield	Hausman	Kahn	Lourey	Tomassoni	Wejcman
Garcia	Greiling	Jaros	Long	Rukavina	Wagenius	Spk. Anderson, I.

The motion prevailed and the amendment was adopted.

Pawlenty moved to amend S. F. No. 1758, the second unofficial engrossment, as amended, as follows:

Page 1, after line 44, insert:

"Article 1"

Page 39, after line 24, insert:

"Article 2

Section 1. Minnesota Statutes 1993 Supplement, section 13.46, subdivision 2, is amended to read:

Subd. 2. [GENERAL.] (a) 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:

- (1) pursuant to section 13.05;
- (2) pursuant to court order;
- (3) pursuant to a statute specifically authorizing access to the private data;
- (4) to an agent of the welfare system, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to the administration of a program;
- (5) 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;
- (6) to administer federal funds or programs;

- (7) between personnel of the welfare system working in the same program;
- (8) the amounts of cash public assistance and relief paid to welfare recipients in this state, including their names and social security numbers, upon request by the department of revenue to administer the property tax refund law, supplemental housing allowance, and the income tax;
- (9) to the Minnesota department of jobs and training for the purpose of monitoring the eligibility of the data subject for unemployment compensation, for any employment or training program administered, supervised, or certified by that agency, or for the purpose of administering any rehabilitation program, whether alone or in conjunction with the welfare system, and to verify receipt of energy assistance for the telephone assistance plan;
- (10) to appropriate parties in connection with an emergency if knowledge of the information is necessary to protect the health or safety of the individual or other individuals or persons;
- (11) data maintained by residential facilities as defined in section 245A.02 may be disclosed to the protection and advocacy system established in this state pursuant to Part C of Public Law Number 98-527 to protect the legal and human rights of persons with mental retardation or other related conditions who live in residential facilities for these persons if the protection and advocacy system receives a complaint by or on behalf of that person and the person does not have a legal guardian or the state or a designee of the state is the legal guardian of the person;
- (12) to the county medical examiner or the county coroner for identifying or locating relatives or friends of a deceased person;
- (13) data on a child support obligor who makes payments to the public agency may be disclosed to the higher education coordinating board to the extent necessary to determine eligibility under section 136A.121, subdivision 2, clause (5);
- (14) participant social security numbers and names collected by the telephone assistance program may be disclosed to the department of revenue to conduct an electronic data match with the property tax refund database to determine eligibility under section 237.70, subdivision 4a;
- (15) the current address of a recipient of aid to families with dependent children, medical assistance, general assistance, work readiness, or general assistance medical care may be disclosed to law enforcement officers who provide the name and social security number of the recipient and satisfactorily demonstrate that: (i) the recipient is a fugitive felon, including the grounds for this determination; (ii) the location or apprehension of the felon is within the law enforcement officer's official duties; and (iii) the request is made in writing and in the proper exercise of those duties; or
- (16) information obtained from food stamp applicant or recipient households may be disclosed to local, state, or federal law enforcement officials, upon their written request, for the purpose of investigating an alleged violation of the food stamp act, in accordance with Code of Federal Regulations, title 7, section 272.1(c); or
- (17) data on a child support obligor who is in arrears may be disclosed for purposes of publishing the data pursuant to section 518.575.
- (b) Information on persons who have been treated for drug or alcohol abuse may only be disclosed in accordance with the requirements of Code of Federal Regulations, title 42, sections 2.1 to 2.67.
- (c) Data provided to law enforcement agencies under paragraph (a), clause (15) or (16); or (b) are investigative data and are confidential or protected nonpublic while the investigation is active. The data are private after the investigation becomes inactive under section 13.82, subdivision 5, paragraph (a) or (b).
- (d) Mental health data shall be treated as provided in subdivisions 7, 8, and 9, but is not subject to the access provisions of subdivision 10, paragraph (b).

Sec. 2. [518.575] [PUBLICATION OF NAMES OF DELINQUENT CHILD SUPPORT OBLIGORS.]

Every three months the department of human services shall publish at government bid rates in the newspaper of widest circulation in each county a list of name and last known address of each person who (1) is a child support obligor, (2) resides in the county, (3) is at least \$3,000 in arrears, and (4) has not made a child support payment or

had an amount intercepted from federal or state taxes during the past 12 months. An obligor's name may not be published if the obligor claims in writing, and the department of human services determines, there is good cause for the nonpayment of child support. The list must be based on the best information available to the state at the time of publication. The department may accept offers to publish the information at no charge.

Before publishing the name of the obligor, the department of human services shall send a notice to the obligor's last known address which states the department's intention to publish the obligor's name and the amount of child support the obligor owes. The notice must also provide an opportunity to have the obligor's name removed from the list by paying the arrearage or by entering into an agreement to pay the arrearage, and the final date when the payment or agreement can be accepted.

Sec. 3. [REPORT TO LEGISLATURE.]

The department of human services shall report to the legislature in January 1996, in the department of human services annual report to the legislature, the fiscal implications of the program, including related costs and savings."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Pawlenty amendment and the roll was called. There were 117 yeas and 10 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Hausman	Knight	Morrison	Perlt	Tomassoni
Anderson, R.	Delmont	Holsten	Koppendrayner	Mosel	Peterson	Tunheim
Asch	Dempsey	Hugoson	Krueger	Munger	Pugh	Van Dellen
Battaglia	Dorn	Huntley	Leppik	Murphy	Reding	Van Engen
Bauerly	Erhardt	Jacobs	Lieder	Neary	Rhodes	Vellenga
Beard	Evans	Jefferson	Limmer	Ness	Rodosovich	Vickerman
Bergson	Finseth	Jennings	Lindner	Olson, E.	Rukavina	Wagenius
Bertram	Frerichs	Johnson, A.	Long	Olson, K.	Sarna	Waltman
Bettermann	Garcia	Johnson, R.	Lourey	Olson, M.	Seagren	Weaver
Carlson	Girard	Johnson, V.	Luther	Ornen	Sekhon	Wenzel
Carruthers	Goodno	Kahn	Lynch	Opatz	Simoneau	Winter
Clark	Greenfield	Kalis	Macklin	Orenstein	Smith	Wolf
Commers	Greiling	Kelley	Mahon	Ostrom	Solberg	Worke
Cooper	Gruenes	Kelso	McCollum	Ozment	Stanius	Workman
Dauner	Gutknecht	Kinkel	McGuire	Pauly	Steensma	Spk. Anderson, I.
Dauids	Hasskamp	Klinzing	Milbert	Pawlenty	Sviggum	
Dawkins	Haukoos	Knickerbocker	Molnau	Pelowski	Swenson	

Those who voted in the negative were:

Brown, C.	Farrell	Lasley	Nelson	Trimble
Brown, K.	Jaros	Mariani	Skoglund	Wejzman

The motion prevailed and the amendment was adopted.

Dawkins moved to amend S. F. No. 1758, the second unofficial engrossment, as amended, as follows:

Page 4, line 4, after "shall" insert ", after consultation with current and former recipients of AFDC, including at least a two-parent AFDC family, a single parent AFDC family, and an AFDC family with a minor caretaker."

The motion prevailed and the amendment was adopted.

Sekhon, Lourey and Greiling offered an amendment to S. F. No. 1758, the second unofficial engrossment, as amended.

POINT OF ORDER

Goodno raised a point of order pursuant to rule 3.09 that the Sekhon et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

S. F. No. 1758, A bill for an act relating to welfare reform; requiring pregnant and parenting minors to live with their parents in order to receive aid to families with dependent children (AFDC); providing an exception to the AFDC overpayment statute; allowing start work offset to AFDC recipients in the first month of work; broadening the scope of the employment and training statute by requiring more AFDC recipients to participate in job search; allowing vendor emergency assistance payments for damage deposit; providing required workers' compensation insurance for community work experience program workers; expanding cost-neutral fraud prevention programs; allowing emergency assistance damage deposit be returned to the county; allowing the county to pay monthly general assistance differently; making general assistance and work readiness lump-sum criteria the same as the AFDC lump-sum criteria, with some exceptions; requiring a study to expand the parent's fair share pilot project statewide; requiring the departments of human services and revenue to design and implement a plan which supports working families; directing the commissioner of human services to seek several waivers from the federal government which support and promote moving off welfare and becoming self-sufficient; expanding the parent's fair share pilot project into Ramsey county; expanding state support for basic sliding fee day care program; appropriating money; amending Minnesota Statutes 1992, sections 256.73, by adding subdivisions; 256.737, by adding a subdivision; 256.81; 256.979, by adding a subdivision; 256.983, subdivision 1; 256D.05, subdivision 6; 256D.09, by adding a subdivision; 256H.05, subdivision 1b; and 268.672, subdivision 6; Minnesota Statutes 1993 Supplement, sections 256.031, subdivision 3; 256.73, subdivision 8; and 256.736, subdivisions 10 and 14; proposing coding for new law in Minnesota Statutes, chapters 256; and 256D; repealing Minnesota Statutes 1993 Supplement, section 256.734.

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 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Jefferson	Lieder	Nelson	Peterson	Tunheim
Anderson, R.	Dorn	Jennings	Limmer	Ness	Pugh	Van Dellen
Battaglia	Erhardt	Johnson, A.	Lindner	Olson, E.	Reding	Van Engen
Bauerly	Evans	Johnson, R.	Long	Olson, K.	Rhodes	Vickerman
Beard	Farrell	Johnson, V.	Lourey	Olson, M.	Rodosovich	Waltman
Bergson	Finseth	Kalis	Luther	Onnen	Rukavina	Weaver
Bertram	Frerichs	Kelley	Lynch	Opatz	Sarna	Wenzel
Bettermann	Girard	Kelso	Macklin	Orenstein	Seagren	Winter
Brown, C.	Goodno	Kinkel	Mahon	Orfield	Smith	Wolf
Carlson	Gruenes	Klinzing	McCollum	Osthoff	Solberg	Worke
Carruthers	Gutknecht	Knickerbocker	Milbert	Ostrom	Stanius	Workman
Commers	Hasskamp	Knight	Molnau	Ozment	Steensma	Spk. Anderson, I.
Cooper	Haukoos	Koppendrayner	Morrison	Pauly	Sviggum	
Dauner	Holsten	Krueger	Mosel	Pawlenty	Swenson	
Davids	Hugoson	Lasley	Munger	Pelowski	Tompkins	
Dehler	Jacobs	Leppik	Murphy	Perlt	Trimble	

Those who voted in the negative were:

Asch	Dawkins	Greiling	Kahn	Neary	Tomassoni
Bishop	Delmont	Hausman	Krunkie	Rice	Vellenga
Brown, K.	Garcia	Huntley	Mariani	Sekhon	Wagenius
Clark	Greenfield	Jaros	McGuire	Skoglund	Wejman

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

S. F. No. 2900 was reported to the House.

The Speaker called Bauerly to the Chair.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Pelowski moved that the rule therein be suspended and an urgency be declared so that S. F. No. 2900 be given its third reading and be placed upon its final passage. The motion prevailed.

Pelowski moved that the Rules of the House be so far suspended that S. F. No. 2900 be given its third reading and be placed upon its final passage. The motion prevailed.

Pelowski moved to amend S. F. No. 2900 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATIONS

Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 1993, First Special Session chapter 2, article 1, or other law, to the specified agencies. The appropriations are from the general fund and are available for the fiscal years indicated for each purpose. The figure 1994 or 1995 means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 1994, or June 30, 1995, respectively. If only one figure is shown in the text for a specified purpose, the addition or subtraction is for 1995 unless the context intends another fiscal year.

SUMMARY BY AGENCY - ALL FUNDS

	1994	1995	TOTAL
Higher Education Coordinating Board	\$(9,000,000)	\$1,400,000	\$(7,600,000)
State Board of Technical Colleges		24,000,000	24,000,000
State Board for Community Colleges		450,000	450,000
State University Board		1,000,000	1,000,000
Board of Regents of the University of Minnesota		3,150,000	3,150,000
TOTAL	\$(9,000,000)	\$30,000,000	\$21,000,000

APPROPRIATIONS Available for the Year Ending June 30

1994 1995

Sec. 2. HIGHER EDUCATION COORDINATING BOARD

Subdivision 1. Total Appropriation Changes	(9,000,000)	1,400,000
Subd. 2. Agency Administration		50,000

\$50,000 is to develop a process to award grants to Upward Bound programs in Minnesota. The board shall provide the money to the Minnesota Minority Education Partnership under contract.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Subd. 3. State Grants

(6,000,000)

The higher education coordinating board may use up to \$2,000,000 to delay the implementation of the new private college cap for students from families whose total income is below \$20,000.

The legislature intends to analyze alternative approaches to awarding state grants and other financial aid in order to adopt changes in the 1995 session. By November 1, 1994, the higher education coordinating board shall create a data file of fall 1993 enrolled resident, undergraduate, regular students, linking the relational student record database, the financial aid database, and institutional data on financial aid. The board shall collect data from eligible institutions on all enrolled students applying for or receiving state or federal financial aid regarding other types and amounts of financial aid each student received.

Subd. 4. Interstate Tuition Reciprocity

(3,000,000)

Subd. 5. State Work Study

1,350,000

\$1,350,000 is added to the appropriation in Laws 1993, First Special Session chapter 2, article 1, section 2, subdivision 5, for the state work study program.

Sec. 3. STATE BOARD OF TECHNICAL COLLEGES

Total Appropriation Changes

24,000,000

\$24,000,000 is to eliminate the funding shift under Minnesota Statutes, section 136C.36, and provide 100 percent funding in the year for which it is appropriated. Of this amount, \$250,000 is for the Northwest Technical College Center for International Training to adapt curriculum and technology for international training programs.

Notwithstanding Laws 1991, chapter 356, article 9, in the event that the appropriation in this section is vetoed, the merger of the community colleges, state universities, and technical colleges shall not occur until July 1, 1997, and the management of each post-secondary system shall continue under its current governing board until that time.

Sec. 4. STATE BOARD FOR COMMUNITY COLLEGES

Total Appropriation Changes

450,000

\$450,000 is to change the designation of Fond du Lac from a center to full campus status.

In making Fond du Lac a full campus, the legislature intends to enhance the programs, enrollment, and efficiency of the campus. As part of this action the state board for community colleges shall report on its plans to accomplish these goals to the higher education finance divisions by January 15, 1995.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Sec. 5. STATE UNIVERSITY BOARD

Total Appropriation Changes

1,000,000

\$1,000,000 is to strengthen the academic programs and student support at Metro State University. The state university board is encouraged to seek alternative sources of funding for the Urban Education Partnership and the campus safety initiative.

Sec. 6. BOARD OF REGENTS OF THE UNIVERSITY OF MINNESOTA

Total Appropriation Changes

3,150,000

The legislature supports the planning efforts involved in U2000 and the direction that the University of Minnesota is taking to improve the academic experiences and learning environment of its students. This appropriation is to further the University's efforts, particularly in the areas of student services and enhanced uses of technology.

\$150,000 is for the necessary hardware, software, and training to support a pilot project at the Duluth campus implementing the federal direct student loan program.

The board of regents is requested to report to the higher education finance divisions of the house of representatives and the senate by January 15, 1995, on the policies and practices it has planned or implemented to comply with Title VII, Title IX, and the Equal Pay Act as they relate to coaches of men's and women's athletics.

ARTICLE 2

ASSOCIATED PROVISIONS

Section 1. Minnesota Statutes 1992, section 136.60, is amended to read:

136.60 [ESTABLISHMENT OF COMMUNITY COLLEGES, LOCATION.]

Subdivision 1. [ESTABLISHMENT.] ~~Not to exceed 18~~ Nineteen community colleges are established under the management, jurisdiction, and control of the state board for community colleges.

Subd. 3. [LOCATION.] The community colleges shall be located at Cloquet, Coon Rapids, Austin, Brainerd, Fergus Falls, Hibbing, Inver Grove Heights, Grand Rapids, White Bear Lake, Virginia, Minneapolis, Bloomington, Brooklyn Park, Thief River Falls, International Falls, Rochester, Ely, Willmar, and Worthington.

Subd. 4. [COMMUNITY COLLEGE CENTERS.] A community college center shall be located at Cambridge and Duluth.

Sec. 2. [136.6011] [FOND DU LAC CAMPUS.]

The Fond du Lac campus of the Minnesota community college system has a unique mission among the community colleges to serve both the general education needs for lower division work in the Carlton county - south St. Louis county region, as well as serving the education needs of Native Americans throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the state board for community colleges and administered through Arrowhead community colleges, its governance is accomplished in conjunction with tribal authorities, particularly in the areas of academic programming and student services. The state board and the Arrowhead administration shall work with tribal representatives to determine the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions.

Sec. 3. Minnesota Statutes 1992, section 136A.121, subdivision 17, is amended to read:

Subd. 17. [INDEPENDENT STUDENT INFORMATION.] The board shall inform students, in writing, as part of the application process, its financial aid publications about the definition of independent student status and appeals to the financial aid administrator relating to the declaration of the status.

Sec. 4. Minnesota Statutes 1992, section 136A.125, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE STUDENTS.] An applicant is eligible for a child care grant if the applicant:

- (1) is a resident of the state of Minnesota;
- (2) has a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in section 120.03, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
- (3) is within the sliding fee scale income guidelines set under section 256H.10, subdivision 2, eligibility as determined by a standardized financial aid needs analysis in accordance with the board's policies and rules, but is not a recipient of aid to families with dependent children;
- (4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters, 12 quarters, or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
- (6) is enrolled at least half time in an eligible institution; and
- (7) is in good academic standing and making satisfactory academic progress.

Sec. 5. Minnesota Statutes 1992, section 136A.125, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE INSTITUTION.] A Minnesota public post-secondary institution or, a Minnesota private, baccalaureate degree granting college or university located in Minnesota, or a Minnesota nonprofit two-year vocational technical school granting associate degrees is eligible to receive child care funds from the board and disburse them to eligible students.

Sec. 6. Minnesota Statutes 1992, section 136A.125, subdivision 4, is amended to read:

Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a child care grant must be based on:

- (1) ~~the financial need of the applicant;~~
- (2) the number of the applicant's children, and the income of the applicant's family
- (3) ~~the cost of the child care,~~

as determined by the institution in accordance with board policies and rules. ~~The amount of the grant must cover the cost of child care for all eligible children for the full number of hours of education per week and may cover up to 20 hours per week of employment for which child care is needed. The grant must be awarded for one academic year. The minimum financial stipend is \$100. The maximum grant to an applicant shall be \$1,500 for each eligible child per academic year. The board shall prepare a chart to show the amount that will be awarded per child. The chart shall include income categories and number of eligible children.~~

Sec. 7. Minnesota Statutes 1992, section 136A.15, subdivision 6, is amended to read:

Subd. 6. "Eligible institution" means ~~any public a post-secondary educational institution and any private educational institution, in any state which is approved by the United States commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended, that either (1) is operated or regulated by this state, or (2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the board, maintains academic standards substantially equal to those of comparable institutions operated in this state.~~ It also includes any institution chartered in a province.

Sec. 8. Minnesota Statutes 1993 Supplement, section 136A.233, subdivision 1, is amended to read:

Subdivision 1. [ALLOCATION TO INSTITUTIONS.] The higher education coordinating board shall allocate work-study money to eligible post-secondary institutions according to the resident full-time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program, and the amount of the allocation that an institution spent during the previous academic year. Each institution wishing to participate in the work-study program must submit, in accordance with policies and procedures established by the board, an estimate of the amount of funds needed by the institution. Any funds allocated to an institution that exceed the actual need of the institution ~~may shall~~ be reallocated by the board to other institutions. An institution may carry forward or backward the same percentage of its initial allocation that is authorized under federal work-study provisions.

Sec. 9. Minnesota Statutes 1993 Supplement, section 136A.233, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time ~~as defined in section 136A.101, subdivision 7b,~~ in a degree, diploma, or certificate program in a Minnesota post-secondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(d) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(e) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

(g) "Half-time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 10. Laws 1993, chapter 224, article 12, section 39, is amended to read:

Sec. 39. [REPEALER.]

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400; 3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; 8700.6410; 8700.6800; 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

(b) Minnesota Rules, parts 3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.2900; 3520.3000; 3520.3100; 3520.3200; 3520.3400; 3520.3500; 3520.3680; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000;

3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; and 3520.5920; ~~3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; and 3530.7800~~, are repealed.

(c) Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500; 3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; ~~chapters 3515, 3515.0100, subparts 2, 5, 6, and 26; 3515.0500, subpart 4, option two, items D and E; 3515.0700, subpart 4, options 4, 6, 7, and 8; 3515.1100; 3515.1500, subparts 2 and 3, item C; 3515.2100, subparts 2 and 3; 3515.3300; 3515.3400; 3515.3500; 3515.3600; 3515.3700; 3515.3800; 3515.3900; 3515.4000; 3515.4500; 3515.4600; 3515.4621; 3515.4700; 3515.4800; 3515.5000, subpart 2; 3515.5050; 3515.5500, subparts 3, 4, 5, 6, 7, 9, 10, and 11; 3515.5600; 3515.6005, subparts 2 and 3; 3515.6100; 3515.8300; 3515.8900; 3515.9910; 3515.9911; 3515.9912; 3515.9913; 3515.9920; 3515.9942; 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600~~; and chapter 3560, are repealed.

(d) Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800; 3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400; 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000; 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700; 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200; 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700; 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400; 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902; 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500; 8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506; 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512; 8700.5800; 8700.6310; 8700.6900; 8700.7010; 8700.7700; 8700.7710; 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050; 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8100; 8700.8110; 8700.8120; 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180; 8700.8190; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300; 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410; 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620; 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800; 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900; 8750.0920; 8750.1000; 8750.1100; 8750.1120; 8750.1200; 8750.1220; 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340; 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500; 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700; 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900; 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000; 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120; 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700, are repealed.

Sec. 11. [POST BOARD.]

Before the board of peace officer standards and training is authorized to take any action to change or modify professional peace officer education that is offered by a technical college, community college, or state university, it shall submit the proposed change or modification to the relevant campuses for review and to the appropriate governing board for its approval or disapproval. The governing board shall forward its decision to the board of peace officer standards and training within 30 days of receipt of a proposal.

Sec. 12. [SUNSET.]

On June 30, 1995, the higher education coordinating board is abolished. It is the intent of the legislature to designate, prior to June 30, 1995, appropriate successor agencies to comply with federal requirements or contractual obligations. In the event that a successor agency is not named prior to the sunset, all state financial aid and loan programs provided under Minnesota Statutes, chapter 136A, are transferred to the state board of education.

Sec. 13. [PLAN.]

By November 1, 1994, the higher education coordinating board shall report to the chairs of the education committees and the higher education finance divisions. The report shall identify how the necessary functions the board performs, such as financial aid administration, will be fairly and appropriately accomplished in the future, including:

(1) recommendations for the elimination or transfer of services; and

(2) ways to reduce expenditures and increase efficiency.

Sec. 14. [CURRENT EMPLOYEES.]

It is the policy of the state of Minnesota that any restructuring of higher education be accomplished while ensuring that fair and equitable arrangements are carried out to protect the interests of higher education employees. The higher education coordinating board shall make every effort to train and retrain existing employees for a changing work environment, including, but not limited to, job and training opportunities necessary to qualify for a similar job in another agency.

Implementation of this section as well as procedures for notifying employees must be negotiated in good faith under Minnesota Statutes, chapter 179A. Nothing in this section shall be construed as diminishing any rights defined in collective bargaining agreements under this article or Minnesota Statutes, chapter 179A.

Sec. 15. [REPEALER.]

Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; and 136C.36; Minnesota Statutes 1993 Supplement, section 135A.061; and Laws 1993, First Special Session chapter 2, article 1, section 9, subdivision 8, are repealed.

Sec. 16. [EFFECTIVE DATE.]

Section 8 is effective the day following final enactment.

ARTICLE 3

POST-SECONDARY FUNDING

Section 1. Minnesota Statutes 1992, section 135A.01, is amended to read:

135A.01 [FUNDING POLICY.]

It is the policy of the legislature that direct state appropriations, exclusive of tuition, provide a stable funding base for the instructional and noninstructional services at public post-secondary institutions reflect a. The instructional appropriation equals a stated portion of the estimated cost fixed and variable cost of providing the instructional services. The noninstructional appropriation equals the estimated costs of providing the noninstructional services after subtracting any nonstate revenue attributable to those services. Each appropriation recognizes the effects of inflation on those costs.

It is the further policy of the legislature that instructional appropriations serve as an incentive and reward for high quality and efficiency in public post-secondary education.

Sec. 2. Minnesota Statutes 1992, section 135A.02, is amended to read:

135A.02 [APPLICABILITY.]

The total estimated fixed and variable cost of providing instructional services shall be used to appropriate money to the board of regents of for the University of Minnesota, state university board, state board for universities, community colleges, and the state board for vocational education to the extent the money is for instructional services technical colleges for students enrolled in courses that award credit or otherwise satisfy the requirements of degree, diploma, or certificate programs.

Sec. 3. Minnesota Statutes 1992, section 135A.03, as amended by Laws 1993, First Special Session chapter 2, article 3, section 4, is amended to read:

135A.03 [APPROPRIATIONS FOR INSTRUCTIONAL SERVICES.]

Subdivision 1. [DETERMINATION OF APPROPRIATION.] The direct appropriation to each board for instructional services shall equal 67 percent of the estimated total fixed and variable cost of instruction for the University of Minnesota, the state university system universities, and the community college system colleges, and, for technical colleges, at least 67 percent of the estimated total cost of instruction.

Subd. 1a 2. [APPROPRIATIONS FOR CERTAIN ENROLLMENTS.] The state share of the cost of instruction shall be 32 percent for the following categories: vary for some categories of students, as designated in this subdivision.

(a) The state must provide at least 67 percent of the cost of:

(1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;

(3) residents of other states or provinces who are attending a Minnesota institution under a tuition reciprocity agreement; and

(4) students who have been in Minnesota as migrant farmworkers, as defined in Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers.

(1) enrollment in credit-bearing courses at an off-campus site or center, except those courses at Cambridge, Duluth, and Fond du Lac centers; the Arrowhead and Rochester 2 + 2 programs; those offered through telecommunications; those offered by the technical colleges; and those offered as part of a joint degree program; and

(b) The state must provide 32 percent of the cost of:

(2) enrollment of (1) students who are concurrently enrolled in a secondary school and for whom the institution is receiving any compensation under the post-secondary enrollment options act; and

(2) students enrolled under the student exchange program of the Midwest Compact.

(c) The state may not provide any of the cost of:

(1) undergraduate students who do not meet the residency criteria under paragraph (a); and

(2) enrollment in extension at the technical colleges, which shall be funded through noninstructional appropriations.

Subd. 2 3. [DETERMINATION OF TOTAL COST OF INSTRUCTION.] The total fixed and variable cost of instruction shall be calculated in the following manner using the base instructional appropriation and the legislatively estimated tuition for the second year of the current biennium and by making the adjustments provided in this section.

Changes to the instructional appropriations base for enrollment adjustments shall be made for each year of the subsequent biennium if the estimated enrollment adjustments meet or exceed two percent increments of full year equivalent students. Adjustments to the appropriations base shall be calculated by multiplying the increment change of the instructional appropriations base by the variable cost portion of .65. If the actual enrollment differs from the estimated enrollment, an adjustment shall be made in the next biennium.

(a) Determine the student enrollment, for each instructional category, for the fiscal year two years before the fiscal year for which the appropriation is to be made.

(b) Multiply the student enrollment by the average cost of instruction per student in each instructional category.

(c) Add the resulting products.

Subd. 3. [DETERMINATION OF STUDENT ENROLLMENT.] Student enrollment shall be the full-year equivalent or average daily membership enrollment in each instructional category in the fiscal year two years before the fiscal year for which the appropriations are being made, except as provided in subdivision 3a. Student enrollment for the purpose of calculating appropriations for the second year of the biennium may be estimated on the basis of the latest enrollment data available. Student enrollment shall include students enrolled in courses that award credit or otherwise satisfy any of the requirements of an academic or vocational program.

~~Subd. 3a. [EXCLUSIONS FROM ENROLLMENT.] Student enrollment for the purposes of average cost funding shall not include:~~

- ~~(1) any undergraduate students who do not meet the residency criteria established under subdivision 7;~~
- ~~(2) enrollment in extension at the technical colleges; and~~
- ~~(3) students enrolled in recreational or leisure time activity courses, except for those students enrolled in a degree granting program for whom the credits would apply toward a baccalaureate degree.~~

~~Subd. 4. [DETERMINATION OF AVERAGE COST OF INSTRUCTION.] (a) The average cost of instruction shall include direct instructional costs and other costs necessary to provide instruction, such as facilities, administration, and support. The average cost of instruction shall include only those costs attributable to academic or vocational programs.~~

~~(b) Every biennium each board shall submit the average cost of instruction for each instructional category as necessary to determine appropriations as part of their biennial budget request.~~

~~Subd. 5. 4. [INSTRUCTIONAL COST STUDIES.] Average cost Reports of costs of instruction shall be determined submitted by categories of cost of program and level of instruction and student enrollment in each category as part of each board's biennial budget request.~~

~~Subd. 6. 5. [DETERMINATION OF TUITION.] Notwithstanding anything in this chapter to the contrary, the board of regents of the University of Minnesota, state university board, state board for universities, community colleges, and the state board of technical colleges shall not be required to establish tuition at any specific percentage of instructional cost.~~

~~Subd. 7. [RESIDENCY RESTRICTIONS.] In calculating student enrollment for appropriations, only the following may be included:~~

- ~~(1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;~~
- ~~(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;~~
- ~~(3) residents of other states who are attending a Minnesota institution under a tuition reciprocity agreement; and~~
- ~~(4) students who have been in Minnesota as migrant farmworkers, as defined in Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post secondary institution, or students who are dependents of such migrant farmworkers.~~

~~Subd. 6. [ADJUSTMENT FOR CHANGE ITEMS.] The instructional appropriations base may be adjusted for change items as determined by the governor and the legislature after any adjustments for inflation, enrollments, and performance. The instructional change items adjustment shall have a performance component.~~

~~Subd. 7. [BUDGET PRIORITIES.] The University of Minnesota, the state universities, the community colleges, and the technical colleges shall each develop, for legislative and executive branch acceptance, its highest budget priorities in accordance with statewide objectives for higher education. It is the intent of the legislature to appropriate at least 67 percent of the total cost of instruction after adjusting for inflation and increment enrollment changes. However, in the event of a budget shortfall, or if full funding of inflation is not possible, available funding shall first be applied to the agreed upon budget priorities.~~

Sec. 4. [135A.031] [PERFORMANCE FUNDING.]

Subdivision 1. [CATEGORIES AND INDICATORS.] The governing boards of the University of Minnesota, the state universities, the community colleges, and the technical colleges, in conjunction with their respective campuses, shall each specify performance categories and indicators to be used for policy and appropriations decisions, as well as processes for rewarding campuses that achieve performance levels and assisting campuses that are unable to achieve these levels. Because the mission of each system and type of institution varies, categories and indicators shall vary accordingly.

Subd. 2. [APPROPRIATIONS.] Up to one percent additional funding above the adjusted base instructional appropriation in section 135A.03 shall be appropriated to the governing boards during the second year of the biennium for accomplishing the agreed upon performance levels.

Sec. 5. [135A.032] [TASK FORCE.]

The department of finance shall convene, chair and staff a task force to review and make recommendations on the post-secondary funding formula. The University of Minnesota, the state universities, the community colleges, the technical colleges, the student advisory council, and the higher education finance divisions of the house and of the senate shall each designate a member. The task force shall report any recommendations for changes in the formula to the chairs of the higher education finance divisions. The task force shall propose a comprehensive review strategy to examine the effects and implications of the funding formula within five years of its implementation.

Sec. 6. [INITIAL CALCULATIONS.]

For purposes of calculating the 1996-1997 biennial budget request, the following enrollment levels shall be used to reconcile the 1995 base budget with the enrollment lag: University of Minnesota, 50,500; state universities, 43,500; community colleges, 33,500; and technical colleges, 35,500.

ARTICLE 4

EMPLOYER DESIGNATION AND BARGAINING

Section 1. Minnesota Statutes 1992, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The commissioner, through the labor relations bureau, shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The deputy commissioner for the labor relations bureau shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

(c) In consultation with the commissioner of employee relations and except as specified below, the higher education board may exercise the powers under this section. The power and authority to engage in collective bargaining or to enter into interest arbitration remains with the commissioner of employee relations, who shall exercise those powers in consultation with the higher education board.

Sec. 2. Minnesota Statutes 1992, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

- (1) chosen by election or appointed to fill an elective office;
- (2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;
- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the office of strategic and long-range planning;
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;

- (7) employees of the Washington, D.C., office of the state of Minnesota;
- (8) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, and the higher education board, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;
- (10) officers and enlisted persons in the national guard;
- (11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;
- (12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;
- (13) members of the state patrol; provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service;
- (14) chaplains employed by the state;
- (15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;
- (16) student workers;
- (17) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;
- (18) employees unclassified pursuant to other statutory authority;
- (19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and
- (20) the administrators and the deputy administrators at the state academies for the deaf and the blind.

Sec. 3. Minnesota Statutes 1993 Supplement, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision must be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective. Compensation plans established under paragraphs (b), and (c), (d), and (e) must be approved by the legislature and the legislative commission on employee relations under subdivision 2 before becoming effective.

(a) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer must be determined by the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer, respectively.

~~(b) Total compensation for unclassified positions under section 43A.08, subdivision 1, clause (9), in the state universities and the community colleges not covered by a collective bargaining agreement must be determined by the state university board and the state board for community colleges, respectively.~~

~~(e) (b) Total compensation for classified administrative law judges in the office of administrative hearings must be determined by the chief administrative law judge.~~

~~(d) (c) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education coordinating board and in the state board of technical colleges must be determined by the higher education coordinating board and the state board of technical colleges, respectively.~~

~~(e) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education board must be determined by the higher education board.~~

Sec. 4. Minnesota Statutes 1992, section 43A.18, is amended by adding a subdivision to read:

Subd. 3a. [HIGHER EDUCATION BOARD PLAN.] Total compensation for unclassified managerial positions under section 43A.08, subdivision 1, clause (9), in the higher education board not covered by a collective bargaining agreement must be determined by the higher education board. Before submitting a compensation plan to the legislature and the legislative commission on employee relations, the higher education board must submit the plan to the department of employee relations for review and comment. The department must complete its review within 14 days of its receipt. Compensation plans established under this subdivision must be approved by the legislature and the legislative commission on employee relations under section 3.855, before becoming effective.

Sec. 5. [136E.35] [ASSIGNMENT TO BARGAINING UNITS.]

Actions by the higher education board to merge or redesignate institutions or to promote collaborative efforts between institutions must not unilaterally change faculty assignments to bargaining units provided in section 179A.10, subdivision 2.

Sec. 6. Minnesota Statutes 1992, section 179A.10, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] The commissioner of employee relations shall meet and negotiate with the exclusive representative of each of the units specified in this section, except as provided in section 43A.06, subdivision 1, paragraph (c). The units provided in this section are the only appropriate units for executive branch state employees. The following employees shall be excluded from any appropriate unit:

(1) the positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of employee relations in accordance with section 43A.18, subdivision 3, and so designated in the official state compensation schedules;

(2) unclassified positions in the state university system and the community college system defined as managerial by their respective boards;

(3) positions of physician employees compensated under section 43A.17, subdivision 4;

(4) positions of all unclassified employees appointed by a constitutional officer;

(5) positions in the bureau;

(6) positions of employees whose classification is pilot or chief pilot;

(7) administrative law judge and compensation judge positions in the office of administrative hearings; and

(8) positions of all confidential employees.

The governor may upon the unanimous written request of exclusive representatives of units and the commissioner direct that negotiations be conducted for one or more units in a common proceeding or that supplemental negotiations be conducted for portions of a unit or units defined on the basis of appointing authority or geography.

Sec. 7. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment. Sections 1 and 3 to 6 are effective July 1, 1995.

ARTICLE 5

TRANSITION PROVISIONS

Section 1. Laws 1991, chapter 356, article 9, section 9, is amended to read:

Sec. 9. [TRANSFER OF POWERS PROVISIONS.]

Subdivision 1. [TRANSFER OF POWERS; GENERALLY.] The state board of technical colleges, the state board for community colleges, and the state university board and their respective chancellors retain responsibility for operating and managing their systems until July 1, 1995. On July 1, 1995, the authority, duties, responsibilities, related property of the state board of technical colleges, school boards, intermediate school boards, and joint vocational technical boards with respect to technical colleges, the state board for community colleges, and the state university board are transferred to the higher education board under Minnesota Statutes, section 15.039.

Obligations incurred on behalf of a technical college by a school board, a joint vocational district under Minnesota Statutes, section 136C.60, or an intermediate school district under Minnesota Statutes, chapter 136D, which will not be satisfied on or before June 30, 1995, transfer to the higher education board subject to limits identified in state law or in plans or policies of the higher education board subject to legislative approval.

The state board of technical colleges, state board for community colleges, and state university board are abolished, effective July 1, 1995.

Subd. 1a. [MEMORANDUM OF UNDERSTANDING APPROVED.] The memorandum of understanding dated March 29, 1994, and signed by the chancellor of the higher education board, the state negotiator, and the bargaining representatives of state employees concerning employee security during the merger of the state universities, the community colleges, and the state technical colleges is ratified.

Subd. 2. [PERSONNEL TRANSFER.] The commissioner of employee relations shall allocate positions and incumbent employees who are primarily employed in post-secondary or extension vocational education positions in an intermediate, joint, or school district on June 30, 1995, to appropriate classes in the state classification plan under Minnesota Statutes, section 43A.07, without loss of pay, or place the positions and incumbent employees in the unclassified service under Minnesota Statutes, section 43A.08, subdivision 9. The commissioner shall also assign positions and incumbent employees to an appropriate state unit under Minnesota Statutes, section 179A.10, subject to challenge or petition of such unit assignment to the bureau of mediation services. Positions transferred with their incumbents do not create vacancies in state service.

Employees serving in unlimited appointments on June 30, 1995, and transferred to unlimited classified positions on July 1, 1995, are transferred to state service without examination.

Employees serving in limited appointments on June 30, 1995, and transferred to limited classified positions or to temporary unclassified positions shall receive emergency, temporary, or temporary unclassified appointments under provisions of Minnesota Statutes, section 43A.15, subdivisions 2 and 3, or 43A.08, subdivision 2a, as appropriate.

Subd. 3. [RETURN FROM LEAVE.] All employees on an approved leave of absence from a post-secondary education position in an intermediate, joint, or school district on June 30, 1995, retain the reinstatement rights specified under the original terms of the leave.

Subd. 4. [REASSIGNMENT; UNEMPLOYMENT COMPENSATION; SEVERANCE PAY.] The reassignment of rights under this section is not a leaving of employment for eligibility for unemployment compensation payments under Minnesota Statutes, chapter 268, or early retirement or severance compensation under Minnesota Statutes, section 465.72, or under a policy or contract based on Minnesota Statutes, section 465.72.

Sec. 2. Laws 1991, chapter 356, article 9, section 12, is amended to read:

Sec. 12. [EFFECT OF CURRENT COLLECTIVE BARGAINING AGREEMENTS; STATUTORY EMPLOYMENT RIGHTS.]

Subdivision 1. [GENERALLY.] (a) The terms and conditions of a collective bargaining agreement agreements, compensation plans, personnel policies, or other salary and benefit provisions covering an employee employees transferred to the higher education board remains remain in effect until a successor agreement becomes effective. This section paragraph applies to all employees transferred to the board except as modified by paragraph (b) and section 3.

(b) For employees whose employment was covered by Minnesota Statutes, section 125.12, before their transfer to the higher education board, the provisions of Minnesota Statutes, section 125.12, remain in effect until a successor agreement becomes effective according to Minnesota Statutes, chapter 179A. For employees whose employment was covered by Minnesota Statutes, section 125.17, before their transfer to the higher education board, the provisions of Minnesota Statutes, section 125.17, remain in effect until a successor agreement becomes effective according to Minnesota Statutes, chapter 179A.

Subd. 2. [EXCLUSIVE REPRESENTATIVE OF TECHNICAL COLLEGE EMPLOYEES.] The exclusive representatives of units of technical college employees transferred to the higher education board certified before the effective date of this section shall remain responsible for administration of their contracts and for all other contractual duties and shall enjoy the right to dues and fair share fee deduction and all other contractual privileges and rights until June 30, 1995. The incoming exclusive representatives of employees transferred to the higher education board and certified after the effective date of this subdivision shall immediately upon certification have the responsibility of bargaining on behalf of employees within the unit. The incoming exclusive representative and the new employer have the responsibility of administering grievances arising under previous contracts covering employees included within the unit which remain unresolved on June 30, 1995. Where the employer does not object, these responsibilities may be varied by agreement between the outgoing and incoming exclusive representatives. All other rights and duties of representation begin on July 1, 1995, except that exclusive representatives certified after the effective date of this subdivision shall immediately upon certification have the right to all employer information and all forms of access to employees within the bargaining unit which would be permitted to the current contract holder, including the rights in Minnesota Statutes, section 179A.07, subdivision 6. This subdivision does not affect any existing collective bargaining contract. Incoming exclusive representatives of employees transferred to the higher education board shall immediately upon certification have the responsibility of bargaining on behalf of all previously unrepresented employees assigned to their units. All other rights and duties of exclusive representatives begin on July 1, 1995.

Sec. 3. Laws 1991, chapter 356, article 9, section 13, is amended to read:

Sec. 13. [TRANSITIONAL PERIOD COLLECTIVE BARGAINING.]

Subdivision 1. [GENERALLY.] Contracts for the period commencing July 1, 1995, for employees who are in the technical college, state university, and community college instructional units and the state university administrative unit and who are transferred to the higher education board shall be negotiated with the higher education board under section 43A.06. Negotiations for those contracts can begin anytime after July 1, 1994, and may be initiated by either party notifying the other of the desire to begin the negotiating process. Negotiations shall be subject to this section and Minnesota Statutes, chapter 179A.

Subd. 2. [DATE OF EMPLOYMENT.] The date of first employment by the higher education board is the date on which services were first performed by the employee for the employer from which the employee is being transferred. For employees whose transfer is from a joint technical college district under Minnesota Statutes, sections 136C.60 to 136C.69, the date on which services were first performed by the employee is the date on which services were first performed by the employee in the member school district from which the employee was assigned to the joint technical college district.

Subd. 3. [BENEFITS.] All accumulations of leaves, years of service, and benefits must be credited to each employee subject to terms negotiated in the successor contract. Effective July 1, 1995, all transferred employees will be enrolled in the state employees group insurance program as provided in Minnesota Statutes, sections 43A.22 to 43A.31. The commissioner of employee relations shall provide, to transferred employees, open enrollment in all state employee health and dental insurance plans with no limitation on preexisting conditions except as specified in existing state employee certificates of coverage. The commissioner of employee relations shall provide, to transferred employees, the opportunity to purchase optional life and disability insurance in amounts equivalent to amounts previously purchased by a transferred employee or provided by the employer without limitation on preexisting conditions.

Subd. 4. [PROBATIONARY PERIODS.] Except as otherwise provided in a successor contract, probationary periods are not affected by the transfer of employees to the higher education board.

Subd. 5. [RECALL.] (a) Recall rights described in this subdivision apply until a successor agreement becomes effective.

(b) Members of the technical college instructional bargaining unit who are placed on unrequested leave of absence before July 1, 1995, are transferred to and become employees of the higher education board on July 1, 1995, and have recall rights to the technical college instructional unit for five years from the date originally placed on unrequested leave. For five years after the close of the school year in which the employees were placed on unrequested leave of absence they retain recall rights to vacancies for which they are licensed in the intermediate or school district that placed them on unrequested leave of absence.

(c) Members of the technical college instructional bargaining unit who are laid off by the higher education board after June 30, 1995, have recall rights to the technical college instructional unit for five years, unless modified by a successor contract. They shall also have recall rights for two years to vacancies for which they are licensed in the intermediate or school district from which they were transferred to the higher education board, but only if a transfer or assignment from a technical college position to an elementary or secondary position would have been authorized in that intermediate or school district under the contract in effect immediately before the instructor's transfer to the higher education board.

(d) Nonlicensed technical college employees of an intermediate, joint, or school district who are placed on an involuntary layoff before July 1, 1995, are transferred to and become employees of the state on July 1, 1995. Until June 30, 1997, they may exercise job seniority, promotion, layoff, and lateral transfer rights that were established by contract between an exclusive representative and the district and were in effect on June 30, 1995.

(e) For two years, unless modified by a successor contract, nonlicensed employees who are laid off by the state after June 30, 1995, may exercise job seniority, promotion, layoff, and lateral transfer rights that were established by contract between an exclusive representative and the district and were in effect on June 30, 1995.

Sec. 4. [MEMORANDA OF UNDERSTANDING.]

The department of employee relations is authorized to enter into memoranda of understanding with the exclusive representatives of the community college, state university, and technical college employees who are to be transferred to the board. The terms of these agreements shall be binding on all parties involved.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day after final enactment.

ARTICLE 6

REVENUE BONDING AUTHORITY

Section 1. Minnesota Statutes 1992, section 136.31, is amended to read:

136.31 [STATE UNIVERSITY HIGHER EDUCATION BOARD, DUTIES.]

Subdivision 1. [DUTIES.] All references in sections 136.31 to 136.38 to the state university board shall be deemed and construed to include any successor thereof created or established by law. For the state universities, the state university higher education board is hereby authorized to do the following may:

(a) (1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings of such type and character as said the board shall from time to time find finds necessary for the good and benefit of any of the state universities under the jurisdiction of said board, and for that purpose may acquire property of any and every kind and description, whether real, personal, or mixed, by gift, purchase, or otherwise; provided that no contract for the construction of any building shall be entered into until financing therefor has been approved by the legislature;

(b) (2) maintain and operate any such buildings or structures and charge for the their use thereof, and carry on such conduct any activities, as that are commonly conducted in connection with any such the buildings or structures;

(c) (3) enter into contracts touching in any manner or any matter within the objects and for the purposes of sections 136.31 136E.80 to 136.38 136E.88;

~~(d) (4) acquire building sites and buildings or structures by gift, purchase, or otherwise and pledge the revenues thereof from them for the payment of any bonds issued for such that purpose as provided in sections 136.31 136E.80 to 136.38 136E.88;~~

~~(e) (5) borrow money and issue and sell bonds in such an amount or amounts as the legislature shall authorize authorizes for the purpose of acquiring, constructing, completing, remodeling, or equipping any such buildings or structures, and acquiring sites therefor, and refund and refinance the same from time to time the bonds by the issuance and sale of refunding bonds as often as it shall in when the board's judgment be advantageous to board finds that it is in the public interest so to do. All such The bonds shall be sold and issued by said the board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. Such The bonds shall be payable solely only from and secured by an irrevocable pledge of the revenues to be derived from the operation of any such buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of such the bonds and in addition thereto from such other income and revenues described in section 136.33 136E.82, clause (a) (1), as said the board by resolution shall specify specifies, and notwithstanding this limitation all bonds issued hereunder under sections 136E.80 to 136E.88 shall have the qualities of negotiable instruments under the laws of this state. The legislature intends shall not to appropriate money from the general fund to pay for these bonds.~~

Subd. 2. [FORM.] ~~Such The~~ bonds may:

- ~~(1) bear such the date or dates and may;~~
- ~~(2) mature serially at such a time or times not exceeding 40 years from their date or dates, may;~~
- ~~(3) be in such the form;~~
- ~~(4) carry such the registration privileges, may;~~
- ~~(5) be payable at such a place or places, may;~~
- ~~(6) be subject to such terms of redemption prior to maturity with or without premium, may;~~
- ~~(7) be delivered to the purchasers at such times and places; and may~~
- ~~(8) contain such terms and covenants, not inconsistent consistent with sections 136.41 and 136.42 section 136E.88, all as may be provided by resolution of said the board authorizing the issuance of such the bonds.~~

Subd. 3. [EXECUTION.] The bonds must be executed by the officers of the board designated by the board to execute them and countersigned by the treasurer elected by the board, in the manner authorized by section 475.55.

Subd. 4. [BOND STATEMENT; REGISTRATION.] Each ~~such~~ bond shall state upon its face that it is payable solely from and secured by an irrevocable pledge of the revenues derived from the operation of any ~~such~~ buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the sale of ~~said the~~ bonds and from ~~such~~ other income and revenues described in section 136.33 136E.82, clause (a) (1), as specified in the resolution providing for its issue, and that it does not constitute a debt or obligation of the state of Minnesota within the meaning or application of any constitutional or statutory limitation or provision. ~~Such bonds will be registered by A copy of the proceedings taken by the board in the issuance of the bonds shall be filed with the commissioner of finance in a bond register to be kept for that purpose wherein shall be entered the amount and purpose of issue, the maturity and rate of interest, and the name of the original purchaser.~~

Subd. 5. [BOND SECURITIES.] If the board by resolution determines that its treasurer possesses money not currently needed, or that is set aside in a reserve, the board in the resolution may direct the treasurer to invest a specified amount of the money in securities of the types described in section 475.66. The securities must be deposited with and held for the board by the treasurer. If the invested money is needed by the board it shall direct the treasurer to sell all or a designated amount of the securities. Money collected from the investment by the treasurer, as principal, interest, or proceeds of sales, must be credited to and made a part of the fund and account for which the investment is made.

Subd. 6. ~~In any case where the board determines to issue and sell refunding revenue bonds six months or more before the earliest date on which all bonds of the series to be refunded thereby will have matured or will have been redeemed upon call as hereinafter provided, the proceeds of the refunding revenue bonds shall be deposited, together~~

~~with any revenues available and designated by the board for the purpose, in escrow with a suitable banking institution within or without the state, whose deposits are insured by the Federal Deposit Insurance Corporation and whose combined capital and surplus is not less than one million dollars, and shall be invested, simultaneously with the delivery of the bonds, in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each bond of the series refunded to its maturity or, if prepayable, to an earlier designated date on which it may be called for redemption, and to pay the principal amount of each such bond at maturity or, if prepayable, at its designated earlier redemption date, and to pay any premium required for redemption on such date; and before the refunding revenue bonds are delivered, the board shall by resolution irrevocably appropriate for these purposes, and for the payment of the reasonable charges of banks designated as escrow and paying agents, the escrow account and all payments of principal and interest on the securities held therein, and shall provide for the call of all prepayable bonds of such series, in accordance with their terms, on the redemption date or dates designated. The board may place in escrow pursuant to this subdivision any funds previously pledged and appropriated for the payment of principal and interest on bonds to be refunded; and it may, when deemed necessary in the public interest, issue refunding revenue bonds in the amount necessary to place in escrow the funds required to pay any premium for redemption of refunded bonds before their stated maturities. Investments of the escrow account shall be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association. No refunding revenue bonds shall be issued more than ten years before the last date on which all revenue bonds of the series to be refunded thereby will mature or are directed to be prepaid in accordance with their terms.~~

Subd. 7. [PAYMENT OF INTEREST; OUTSTANDING REVENUE BONDS.] Except as provided in this subdivision, the board may irrevocably appropriate and use any money, other than direct state appropriations and tuition receipts appropriated by section 136.11, subdivision 1, held by it to discharge or otherwise provide for the payment of the interest coming due on its revenue bonds outstanding on July 1, 1988, until paid and for the payment of the principal and any premium coming due on the bonds at maturity or upon any earlier date upon which the bonds are called for redemption. For this purpose, the board may exercise all powers conferred upon it under ~~subdivision 6~~ with respect to escrow agents and escrow accounts, and may provide for the funding of the escrow accounts with securities of the type referred to in subdivision 6 and certificates of deposit, time deposits, and investment agreements issued by the escrow agent or any other financial institution section 475.67, subdivisions 5 to 10. This subdivision does not authorize the appropriation or use of board money to secure outstanding revenue bonds contrary to a board resolution authorizing the issuance and providing for the security of the bonds, or the use of other board money contrary to the terms of a contract, specific legislative appropriation, or law.

Sec. 2. Minnesota Statutes 1992, section 136.32, is amended to read:

136.32 [BONDS, INVESTMENTS.]

The state, including the state board of investment, and all counties, cities, ~~incorporated~~ towns and other municipal corporations, political subdivisions and political bodies, and public officers of any ~~thereof~~ of the public entities listed in this section, all banks, bankers, trust companies, savings banks, and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors, administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to sections ~~136.31~~ 136E.80 to 136.38, it being 136E.88. The purpose of this section is to authorize the investment in such bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; ~~provided, however, that~~. Nothing contained in this section may be construed as relieving any person, firm or corporation from any duty of exercising due care in selecting securities for purchase or investment. Such ~~The~~ bonds are hereby constituted "authorized securities" within the meaning and for the purposes of section 50.14, notwithstanding the restrictions in ~~part (c) of subdivision 4 thereof~~ section 50.14, subdivision 4, clause (c).

Sec. 3. Minnesota Statutes 1992, section 136.33, is amended to read:

136.33 [RESOLUTION OF BOARD.]

Upon the determination by ~~said university~~ the higher education board or its successor to acquire, construct, complete, remodel, or equip any student residence halls, dormitories, dining halls, student union buildings, parking facilities, or other similar revenue-producing building or buildings, ~~said~~ the board or its successor shall adopt a

resolution describing generally the contemplated project, the estimated cost thereof, including legal, engineering and financial expenses and interest on the bonds during the period of constructing the project and for six months thereafter, fixing the amount of the bonds, the maturity or maturities, the interest rate, and all details in respect thereof of the bonds. Such The resolution shall contain such covenants as may be determined by said the board or its successor as to:

(a) (1) the pledging of all or any portion of the proceeds of any fees imposed upon students for student activities, student facilities, or for other purposes, and the net revenues from other buildings or facilities heretofore or hereafter constructed or acquired at any state university ~~under the jurisdiction of said board~~ as additional security for the payment of said the bonds;

(b) (2) the regulation as to the use of such the buildings or structures to assure the maximum use or occupancy thereof;

(c) (3) the amount and kind of insurance to be carried, including use and occupancy insurance, the cost of which shall be payable only from the revenues to be derived from such the buildings or structures;

(d) (4) the operation, maintenance, management, accounting and auditing, and the keeping of records, reports and audits of such the buildings or structures;

(e) (5) the obligation of said the board or its successor to maintain such the buildings or structures in good condition and to operate ~~the same~~ them in an economical and efficient manner;

(f) (6) the amendment or modification of the resolution authorizing the issuance of any bonds ~~hereunder~~, and the manner, terms and conditions, and the amount or percentage of assenting bonds necessary to effectuate such the amendment or modification; and

(g) ~~such~~ (7) other covenants as may be deemed necessary or desirable to assure the prompt and punctual payment of all bonds issued under sections ~~136.31 136E.80 to 136.38 136E.88~~.

Sec. 4. Minnesota Statutes 1992, section 136.34, is amended to read:

136.34 [STUDENT ACTIVITIES, FEES CHARGED.]

Whenever bonds are issued as provided in sections ~~136.31 136E.80 to 136.38 136E.88~~, it shall be the duty of said the higher education board to establish charges or fees, including without limitation fees for student activities and fees for student facilities, for the use of any buildings or structures sufficient at all times to pay the principal of and interest on such the bonds and to create and maintain suitable reserves ~~therefor for them~~ and the necessary expenses of the their operation and maintenance ~~thereof, and~~. All revenues derived from the their operation ~~thereof~~ shall be set aside in a separate fund and accounts ~~as hereinafter provided~~ and shall be irrevocably pledged for and used only ~~in paying to pay~~ the principal of and interest upon the bonds issued for the purpose or purposes set forth and described in the resolution authorizing the issuance of said the bonds, and the necessary expenses of the operation and maintenance ~~thereof of the buildings and structures~~; and such the charges and fees shall be sufficient at all times for such these purposes.

Sec. 5. Minnesota Statutes 1992, section 136.35, is amended to read:

136.35 [SPECIAL REVENUE FUND.]

(a) The gross total income derived from the sale of bonds, and receipts and income derived from charges or fees, rentals, and all other revenue established for the use and service of any such buildings or structures shall, within three days after their receipt thereof, be paid to and held by the treasurer of the higher education board as a special fund known as, "The University Higher Education Board of the State of Minnesota Universities Revenue Fund". The treasurer shall be custodian of such the special fund, which fund shall be held and disbursed for the purposes provided in sections ~~136.31 136E.80 to 136.38 136E.88~~. The ~~said~~ special fund shall be protected by a corporate surety bond executed by the treasurer of the board with a surety authorized to do business under the laws of the state of Minnesota. The amount of such the bond shall be fixed by resolution of ~~said university~~ the board or its successor and may be increased or diminished at any time. The premiums of such the bonds shall be payable from "The University Higher Education Board of the State of Minnesota Universities Revenue Fund" and charged as an item of maintenance expense.

(b) A certified copy of each resolution providing for the issuance of bonds under sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88 shall be filed with the treasurer of the board, and it shall be the duty of ~~said the~~ treasurer to keep and maintain separate accounts in ~~said the~~ special fund for each bond issue in accordance with the covenants and the directions set out in the resolution providing for the issuance of ~~said the~~ bonds and to disburse funds from the proper account for the payment of the principal of and interest on the bonds in accordance with the directions and covenants of ~~said the~~ resolution authorizing the issue thereof. All disbursements for maintenance and operation costs shall be made from the proper maintenance and operation account ~~upon by~~ order of ~~said the~~ board or its successor in accordance with the covenants set out in the resolution authorizing the issuance of bonds. All disbursements for construction costs shall be made from a separate account in ~~said the~~ special fund ~~upon by~~ order of ~~said the~~ board or its successor in accordance with the covenants set out in the resolution authorizing ~~said the~~ bonds.

Sec. 6. Minnesota Statutes 1992, section 136.36, is amended to read:

136.36 [ALLOCATION OF RECEIPTS.]

All moneys ~~now or hereafter~~ in the ~~University~~ Higher Education Board of The State of Minnesota ~~Universities~~ Revenue Fund and all income from the operation of ~~such dormitories, cafeterias and student facilities~~ residence halls, dormitories, dining halls, student union buildings, parking facilities and other revenue producing buildings and structures are hereby appropriated first to the payment of expenses of the operation of ~~dormitories, cafeterias and other student~~ the facilities from which the revenues so appropriated are derived and second to the payment of the obligations ~~herein~~ authorized by sections 136E.80 to 136E.88.

Sec. 7. Minnesota Statutes 1992, section 136.37, is amended to read:

136.37 [ADMINISTRATION.]

The administration of sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88 shall be under the ~~state-university~~ higher education board independent of other authority and notwithstanding chapters 16A and 16B.

Sec. 8. Minnesota Statutes 1992, section 136.38, is amended to read:

136.38 [CONTRACTS OF BOARD, PERFORMANCE COMPELLED.]

(a) The provisions of sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88 and of any resolution or other proceedings authorizing the issuance of bonds shall constitute a contract with the holders of ~~such the~~ bonds and the provisions thereof shall be enforceable either in law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction to enforce or compel the performance of any duties required by sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88 and any resolution authorizing the issuance of bonds ~~adopted responsive hereto~~, including the establishment of sufficient charges or fees for use of any ~~such~~ buildings or structures and the application of the income and revenue ~~thereof from them~~; and it shall be the duty of ~~said-university~~ the higher education board or its successor upon the issuance of any bonds under the ~~provisions of~~ sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88 to establish by resolution from time to time the fees or charges to be made for the use of any ~~such~~ buildings or structures, which fees or charges shall be adjusted from time to time in order to always provide sufficient income for payment of the principal of and interest on ~~such the~~ bonds issued as provided for in sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88, and for the necessary expenses of operation and maintenance.

(b) If the ~~existing-university~~ higher education board of the state of Minnesota is abolished, all contracts made by ~~said the~~ board and all things done or actions taken by ~~said the~~ board under sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88 shall be deemed to be contracts of, actions taken and things done by its successor and ~~such the~~ successor shall be bound by all ~~such~~ contracts, actions taken and things done by ~~said the~~ board and ~~such successor shall be~~ subject to all the obligations and duties of ~~said the~~ board under sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88.

Sec. 9. Minnesota Statutes 1993 Supplement, section 136.41, subdivision 8, is amended to read:

Subd. 8. [ISSUANCE OF BONDS.] The ~~state-university~~ higher education board or a successor may issue additional revenue bonds under sections 136.31 to 136.38 in an aggregate principal amount not exceeding \$40,000,000, subject to the resolutions authorizing its outstanding revenue bonds, and payable from the revenue appropriated to the fund established by section 136.35, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures to be used for

dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house ways and means committee and the senate finance committee about the facilities to be financed by the bonds.

Sec. 10. Minnesota Statutes 1992, section 136.41, is amended by adding a subdivision to read:

Subd. 10. [SUCCESSOR.] For the purposes of this section, the higher education board is the successor to the state university board.

Sec. 11. [REPEALER.]

Minnesota Statutes 1992, sections 136.31, subdivision 6; 136.40; 136.41, subdivisions 1, 2, 3, 4, 5, 6, and 7; and 136.42, are repealed.

Sec. 12. [REVISOR INSTRUCTION.]

(a) In the 1996 edition of Minnesota Statutes, the revisor shall renumber sections 136.31 as 136E.80; 136.31, subdivision 7, as 136E.80, subdivision 6; 136.32 as 136E.81; 136.33 as 136E.82; 136.34 as 136E.83; 136.35 as 136E.84; 136.36 as 136E.85; 136.37 as 136E.86; 136.38 as 136E.87; 136.41, subdivision 8, as 136E.88, subdivision 1; 136.41, subdivision 9, as 136E.88, subdivision 2; 136.41, subdivision 10, as 136E.88, subdivision 3.

(b) The revisor shall add "Federal Tax on Interest" as a headnote to section 136.41, subdivision 9.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective July 1, 1995.

ARTICLE 7

ADMINISTRATION AND FINANCE

Section 1. Minnesota Statutes 1992, section 136C.06, is amended to read:

136C.06 [SOLE STATE AGENCY.]

The ~~state board of technical colleges~~ higher education board is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The ~~state~~ board shall develop and submit the state plan for vocational technical education. The ~~state~~ board shall develop the state plan according to terms of agreement with the state board of education.

Sec. 2. Minnesota Statutes 1992, section 136E.01, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The higher education board, referred to in sections 136E.01 to 136E.05 as "the board," consists of ~~13~~ 15 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. ~~One member~~ Three members must be a ~~student~~ students who are enrolled at least half-time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large.

Sec. 3. Minnesota Statutes 1992, section 136E.01, subdivision 2, is amended to read:

Subd. 2. [TERM; COMPENSATION; REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. Members are appointed for a term of six years, except that the term of each of the student ~~member~~ members is two years. Terms end on June 30.

Sec. 4. [136E.021] [STUDENT BOARD MEMBER SELECTION.]

Subdivision 1. [RESPONSIBILITY.] Notwithstanding section 136E.02, the statewide community college student association, state university student association, and technical college student association shall each have the responsibility for recruiting, screening, and recommending qualified candidates for its student member of the board.

Subd. 2. [CRITERIA.] After consulting with the higher education board candidate advisory council, the student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Subd. 3. [RECRUITING AND SCREENING.] Each student association shall develop processes for identifying and recruiting qualified candidates and for screening those candidates.

Subd. 4. [RECOMMENDATIONS.] Each student association shall recommend at least two and not more than four candidates for its student member. By January 2 of the year in which its members' term expires, each student association shall submit its recommendations to the governor. The governor is not bound by these recommendations.

Sec. 5. Minnesota Statutes 1993 Supplement, section 136E.03, is amended to read:

136E.03 [MISSION MISSIONS.]

The mission of the board is to provide programs of study that meet the needs of students for occupational, general, baccalaureate, and graduate education. The state universities, community colleges, and technical colleges shall have distinct missions as provided in section 135A.052, subdivision 1. Within that statutory definition and subject to the approval of the board, each community college, state university, and technical college may develop its own distinct institutional mission. The board shall develop administrative arrangements that make possible the efficient use of the facilities and staff of the technical colleges, community colleges, and state universities for providing these several different programs of study, so that students may have the benefit of improved and broader course offerings, ease of transfer among schools and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. In carrying out the merger of the three separate systems, the board shall control administrative costs by eliminating duplicative administrative positions and course offerings.

Sec. 6. [136E.50] [STUDENT ASSOCIATIONS.]

Subdivision 1. [STATEWIDE.] The board shall recognize one statewide student association for the community colleges, one for the state universities, and one for the technical colleges. Each statewide student association shall be affiliated with its campus student associations but all students enrolled on those campuses shall be members of their respective statewide association.

Subd. 2. [FEES.] Each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board for review. The board may revise or reject the fee change. Fees must be collected by each community college, state university, and technical college and shall be credited to each association's account to be spent as determined by that association. The money in the account is not public money.

Subd. 3. [CONSOLIDATION.] No changes may be made to student associations located on community college, state university, technical college, or consolidated colocated campuses without the approval of each affected campus association in consultation with its state student association.

Sec. 7. [136E.65] [CONSTRUCTION, IMPROVEMENT, AND REPAIR OF FACILITIES.]

Subdivision 1. [CONSTRUCTION; IMPROVEMENTS.] The higher education board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of community college, state university, and technical college buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Subd. 2. [PLANS.] Plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided by law.

Subd. 3. [DISPUTE RESOLUTION.] In contracting for projects, the higher education board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Subd. 4. [REPAIRS.] The higher education board shall supervise and control the making of necessary repairs to all community college, state university, and technical college buildings and structures.

Sec. 8. Laws 1991, chapter 356, article 9, section 8, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENTS TO BOARD.] Appointments to the higher education board must be made by July 1, 1991. Notwithstanding section 2, the initial higher education board consists of two members each from the state board of technical colleges, state board for community colleges, and the state university board, appointed by their respective boards and six members appointed by the governor. The governor's appointees may also be members of the current governing boards. The members appointed by boards must have been confirmed by the senate to the board from which they are appointed and served for at least one year on the board from which they were appointed. Initial higher education board members appointed by boards are not subject to further senate confirmation. Initial appointees of the governor are not subject to section 3. The governor shall appoint the student member members July 1, 1995. Notwithstanding section 2, subdivision 2, the initial members of the higher education board must be appointed so that an equal number will have terms expiring in three, five, and seven years. To the extent possible, the initial board must have the geographic balance required by section 2.

Sec. 9. [INITIAL TERMS.]

Notwithstanding Minnesota Statutes, section 136E.01, the terms of the initial permanent student members of the board shall be as follows: the technical college student shall serve one year, the community college student shall serve one year, and the state university student shall serve two years.

Sec. 10. [DEBT SERVICE FUNDS.]

Notwithstanding Minnesota Statutes, sections 121.912, 121.9121, 475.61, subdivision 4, or any other law to the contrary, funds remaining in the debt service account for the St. Paul Technical College, after all relevant obligations to bondholders are satisfied, shall be distributed between the St. Paul Technical College and independent school district No. 625 according to the memorandum of agreement dated March 28, 1994. The technical college portion of the distribution shall be used to plan for remodeling and to acquire additional instructional space. The balance shall be used by independent school district No. 625 for capital purposes for technical education.

Sec. 11. [REVISOR INSTRUCTION.]

In the 1996 edition of Minnesota Statutes, the revisor shall renumber section 136C.06 as 136E.60.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 3, 6, 7, 9 to 11 are effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, state board for community colleges, state university board, and board of regents of the University of Minnesota, with certain conditions; changing the designation of Fond du Lac center; prescribing changes to certain financial aid programs; reinstating rules pertaining to private business, trade, and correspondence schools and technical colleges personnel licensing; limiting curricular authority of the POST board; abolishing the higher education coordinating board; adopting a post-secondary funding formula; providing for appointments; defining higher education board authority for bargaining with certain employees; designating certain higher education board employees as unclassified; clarifying transfer provisions for the merger of community colleges, state universities, and technical colleges; transferring bonding authority for the state universities to the higher education board; establishing the higher education board as the sole state agency for federal funding for vocational education; providing for appointments of additional student members on the higher education board; establishing the student board member selection process; authorizing the higher education board to supervise and control construction, improvement, and repair of its facilities; preserving distinct post-secondary missions; recognizing separate student associations; transferring excess debt service funds; amending Minnesota Statutes 1992, sections 43A.06, subdivision 1;

43A.08, subdivision 1; 43A.18, by adding a subdivision; 135A.01; 135A.02; 135A.03, as amended; 136.31; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.41, by adding a subdivision; 136.60; 136A.121, subdivision 17; 136A.125, subdivisions 2, 3, and 4; 136A.15, subdivision 6; 136C.06; 136E.01, subdivisions 1 and 2; and 179A.10, subdivision 1; Minnesota Statutes 1993 Supplement, sections 43A.18, subdivision 4; 136.41, subdivision 8; 136A.233, subdivisions 1 and 2; and 136E.03; Laws 1991, chapter 356, article 9, sections 8, subdivision 1; 9; 12; and 13; Laws 1993, chapter 224, article 12, section 39; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; and 136E; repealing Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; 136.31, subdivision 6; 136.40; 136.41, subdivisions 1, 2, 3, 4, 5, 6, and 7; 136.42; and 136C.36; Minnesota Statutes 1993 Supplement, section 135A.061; Laws 1993, First Special Session chapter 2, article 1, section 9, subdivision 8."

The motion prevailed and the amendment was adopted.

Simoneau was excused while in conference.

CALL OF THE HOUSE

On the motion of Johnson, R., and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Carruthers 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.

Sviggum moved that S. F. No. 2900, as amended, be re-referred to the Committee on Ways and Means.

A roll call was requested and properly seconded.

The question was taken on the Sviggum motion and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 37 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Gutknecht	Hugoson	Knight	Leppik	Lynch
Commers	Frerichs	Haukoos	Johnson, V.	Koppendrayner	Limmer	Macklin
Dempsey	Gruenes	Holsten	Knickerbocker	Krinkie	Lindner	Molnau

Olson, M.	Pawlenty	Stanius	Tompkins	Vickerman	Worke
Ornen	Seagren	Sviggum	Van Dellen	Waltman	
Ozment	Smith	Swenson	Van Engen	Weaver	

Those who voted in the negative were:

Anderson, R.	Dauner	Hasskamp	Klinzing	Munger	Perl	Trimble
Asch	Davids	Hausman	Krueger	Murphy	Peterson	Tunheim
Battaglia	Dawkins	Huntley	Lasley	Neary	Pugh	Vellenga
Bauerly	Dehler	Jacobs	Lieder	Nelson	Reding	Wagenius
Beard	Delmont	Jaros	Long	Ness	Rhodes	Wejcmán
Bergson	Dorn	Jefferson	Lourey	Olson, E.	Rice	Wenzel
Bertram	Evans	Jennings	Luther	Olson, K.	Rodosovich	Winter
Bettermann	Farrell	Johnson, A.	Mahon	Opatz	Rukavina	Wolf
Brown, C.	Finseth	Johnson, R.	Mariani	Orenstein	Sarna	Workman
Brown, K.	Garcia	Kahn	McCollum	Orfield	Sekhon	Spk. Anderson, I.
Carlson	Girard	Kalis	McGuire	Osthoff	Skoglund	
Carruthers	Goodno	Kelley	Milbert	Ostrom	Solberg	
Clark	Greenfield	Kelso	Morrison	Pauly	Steensma	
Cooper	Greiling	Kinkel	Mosel	Pelowski	Tomassoni	

The motion did not prevail.

CALL OF THE HOUSE LIFTED

Carruthers moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Stanius moved to amend S. F. No. 2900, as amended, as follows:

Page 4, after line 38, insert:

"The legislature intends that its support of U2000 will result in the improvement of undergraduate education on the Twin Cities campus. Specifically, the legislature intends that the University focus on improving the actual classroom instruction and experience of undergraduates, particularly as the number of traditional undergraduate students in the state grows over the next several years. This focus includes changing the reward structure for faculty to encourage more and better undergraduate instruction. As part of its 1995 biennial budget request to support its U2000 efforts, the University shall report on its specific plans to accomplish changes in faculty efforts in teaching and advising that will improve undergraduate education."

The motion prevailed and the amendment was adopted.

Asch, McCollum and Brown, C., moved to amend S. F. No. 2900, as amended, as follows:

Page 23, after line 17, insert:

"Sec. 4. [135A.115] [HEALTH CARE BENEFITS.]

If a public post-secondary system provides family health care benefits to personnel who are adult unmarried cohabitants of the same sex, the system must offer this benefit to adult unmarried cohabitants who are of the opposite sex."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Gutknecht, Workman, Worke, Steensma, Waltman, Wenzel and Perlth offered an amendment to the Asch et al amendment to S. F. No. 2900, as amended.

POINT OF ORDER

Kahn raised a point of order pursuant to section 401, paragraph 2, of "Mason's Manual of Legislative Procedure" relating to frivolous and improper amendments. Speaker pro tempore Bauerly ruled the point of order well taken and the Gutknecht et al amendment to the Asch et al amendment out of order.

POINT OF ORDER

Kinkel raised a point of order pursuant to rule 3.09 that the Asch et al amendment was not in order. Speaker pro tempore Bauerly ruled the point of order not well taken and the amendment in order.

The question recurred on the Asch et al amendment and the roll was called. There were 73 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Holsten	Lasley	Neary	Rukavina	Waltman
Asch	Dorn	Hugoson	Leppik	Nelson	Sarna	Weaver
Beard	Erhardt	Jaros	Lieder	Olson, E.	Smith	Wenzel
Bergson	Farrell	Jefferson	Lynch	Onnen	Stanis	Winter
Bettermann	Finseth	Jennings	Macklin	Opatz	Steensma	Wolf
Bishop	Frerichs	Johnson, V.	Mahon	Ostrom	Sviggum	Worke
Brown, C.	Garcia	Kalis	McCullum	Ozment	Swenson	Workman
Commers	Girard	Kelso	Milbert	Pauly	Tunheim	
Dauids	Goodno	Klinzing	Molnau	Pawienty	Van Dellen	
Dehler	Gruenes	Knickerbocker	Morrison	Perlth	Van Engen	
Delmont	Gutknecht	Krinkie	Munger	Reding	Vickerman	

Those who voted in the negative were:

Anderson, R.	Dauner	Jacobs	Koppendrayner	McGuire	Peterson	Tomassoni
Battaglia	Dawkins	Johnson, A.	Krueger	Mosel	Pugh	Tompkins
Bertram	Evans	Johnson, R.	Lindner	Ness	Rest	Trimble
Brown, K.	Greenfield	Kahn	Long	Orenstein	Rhodes	Vellenga
Carlson	Greiling	Kelley	Lourey	Orfield	Rice	Wagenius
Clark	Haukoos	Kinkel	Luther	Osthoft	Rodosovich	Wejzman
Cooper	Hausman	Knight	Mariani	Pelowski	Sekhon	Spk. Anderson, I.

The motion prevailed and the amendment was adopted.

Orenstein, Pelowski, Limmer, Morrison, Swenson, Rukavina and Tomassoni moved to amend S. F. No. 2900, as amended, as follows:

Page 12, delete section 11 and insert:

"Sec. 11. [POST BOARD.]

The association of police chiefs' is requested to convene a committee to discuss and make recommendations to the legislature on current programs of professional peace officer education. The committee shall consist of three POST Board members or their designees, three representatives of law enforcement associations, three representatives of the higher education systems, and three representatives of post-secondary campuses offering professional peace officer education to be appointed by the appropriate higher education governing boards for technical colleges, community colleges, and state university college systems. The committee shall make recommendations regarding programmatic

and funding issues related to professional peace officer education. The committee also shall develop a plan for a cooperative process whereby the higher education systems and campuses and the POST Board consult on any proposed changes in policy, rule, or statute which may significantly affect professional peace officer education. The committee shall report its findings and recommendations to the higher education and judiciary finance divisions by January 15, 1995. Prior to June 30, 1995, the board of peace officer standards and training may not take any action to change or modify professional peace officer education that is offered by a technical college, community college, or state university unless it is agreed to by both parties."

The motion prevailed and the amendment was adopted.

Van Dellen moved to amend S. F. No. 2900, as amended, as follows:

Page 4, after line 54, insert:

"Section 1. [135A.51] [STUDENT DISCIPLINE FOR SPEECH OR COMMUNICATION.]

The state university board, the state board for community colleges, the state board of technical colleges, and any institution under the jurisdiction of any of these boards shall not impose, and the board of regents of the University of Minnesota is requested to not impose, a prior restraint of speech or subject a student or employee to disciplinary action solely on the basis of conduct that is speech or other communication which, if engaged in away from a campus, is protected by the United States Constitution or the Minnesota Constitution from government restriction based on content.

A person aggrieved by a violation of this section may bring a civil action for injunctive and declaratory relief.

This section does not prohibit a board or institution governed by this section from adopting and enforcing rules consistent with section 609.2231, subdivision 4."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Carlson raised a point of order pursuant to rule 3.09 that the Van Dellen amendment was not in order. Speaker pro tempore Bauerly ruled the point of order not well taken and the amendment in order.

The question recurred on the Van Dellen amendment and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Carruthers	Evans	Holsten	Kelley	Limmer	Molnau
Anderson, R.	Clark	Finseth	Hugoson	Kelso	Lindner	Morrison
Asch	Commers	Garcia	Huntley	Kinkel	Long	Mosel
Battaglia	Cooper	Girard	Jacobs	Klinzing	Lourey	Munger
Bauerly	Dauner	Goodno	Jaros	Knickerbocker	Luther	Murphy
Beard	Davids	Greenfield	Jefferson	Knight	Lynch	Neary
Bergson	Dawkins	Greiling	Jennings	Koppendrayner	Macklin	Nelson
Bertram	Dehler	Gruenes	Johnson, A.	Krinkie	Mahon	Ness
Bettermann	Delmont	Gutknecht	Johnson, R.	Krueger	Mariani	Olson, E.
Brown, C.	Dempsey	Hasskamp	Johnson, V.	Lasley	McCollum	Olson, K.
Brown, K.	Dorn	Haukoos	Kahn	Leppik	McGuire	Olson, M.
Carlson	Erhardt	Hausman	Kalis	Lieder	Milbert	Onnen

Opatz	Pawlenty	Rhodes	Skoglund	Tomassoni	Vickerman	Wolf
Orenstein	Pelowski	Rodosovich	Smith	Tompkins	Wagenius	Worke
Orfield	Perlt	Rukavina	Solberg	Trimble	Waltman	Workman
Osthoff	Peterson	Sarna	Stanius	Tunheim	Weaver	Spk. Anderson, I.
Ostrom	Pugh	Seagren	Steensma	Van Dellen	Wejzman	
Ozment	Reding	Sekhon	Sviggum	Van Engen	Wenzel	
Pauly	Rest	Simoneau	Swenson	Vellenga	Winter	

The motion prevailed and the amendment was adopted.

S. F. No. 2900, A bill for an act relating to education; appropriating money for education and related purposes to the state board of technical colleges, higher education board, state university board, and board of regents of the University of Minnesota, with certain conditions; modifying the award of grants for faculty exchange and temporary assignment programs; designating community colleges; establishing the mission of Fond du Lac campus; changing certain financial aid grants; modifying the child care grant program; clarifying an exemption to private, business, trade, and correspondence school licensing; providing for appointments; permitting rulemaking; adopting a post-secondary funding formula; permitting the higher education board to establish tuition rates for the 1995-1996 academic year; postponing mandated planning; amending Minnesota Statutes 1992, sections 135A.01; 135A.03, subdivisions 1a, and by adding subdivisions; 135A.04; 136.60, subdivisions 1 and 3; 136A.101, subdivision 5; 136A.121, subdivisions 5, 17, and by adding subdivisions; 136A.125, subdivisions 2, 4, and by adding a subdivision; 136A.15, subdivision 6; and 141.35; Minnesota Statutes 1993 Supplement, sections 125.138, subdivisions 1, 6, and 8; and 135A.05; 136A.121, subdivision 6; Laws 1993, First Special Session chapter 2, article 5, section 2; proposing coding for new law in Minnesota Statutes, chapters 135A; and 136; repealing Minnesota Statutes 1992, sections 135A.02; 135A.03, subdivisions 1, 2, 3, 4, 5, and 6; 136.60, subdivision 4; and 136C.36.

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 21 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Gutknecht	Knickerbocker	Krinkie	Molnau	Swenson	Waltman
Commers	Hugoson	Knight	Limmer	Olson, M.	Tompkins	Weaver
Erhardt	Jaros	Koppendrayner	Lynch	Sviggum	Vickerman	Worke

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

SPECIAL ORDERS

S. F. No. 2066, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited lands that border public water or natural wetlands in Anoka county; authorizing the sale of certain state land in Anoka county.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

H. F. No. 2124, A bill for an act relating to retirement; state university and state community college individual retirement account plans; clarifying various plan provisions; providing for plan coverage for technical college teachers; providing for an optional election of plan coverage for certain state university and community college teachers; mandating the preparation of plan recodification legislation; amending Minnesota Statutes 1992, sections 353.27, subdivision 7a; 354.05, subdivision 2a; 354.42, subdivision 7; 354B.01, by adding a subdivision; 354B.015; and 354B.02, subdivision 2, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 352.04, subdivision 9; 354A.011, subdivision 27; 354B.02, subdivision 1; and 354B.05, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 354B; proposing coding for new law as Minnesota Statutes, chapter 354C.

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

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

Those who voted in the affirmative were:

Abrams	Bergson	Carruthers	Dehler	Farrell	Greenfield	Hausman
Anderson, R.	Bertram	Clark	Delmont	Finseth	Greiling	Holsten
Asch	Bettermann	Cooper	Dempsey	Frerichs	Gruenes	Hugoson
Battaglia	Brown, C.	Dauner	Dorn	Garcia	Gutknecht	Huntley
Bauerly	Brown, K.	Davids	Erhardt	Girard	Hasskamp	Jacobs
Beard	Carlson	Dawkins	Evans	Goodno	Haukoos	Jaros

Jefferson	Krinkie	Mariani	Olson, K.	Peterson	Solberg	Wagenius
Jennings	Krueger	McCollum	Olson, M.	Pugh	Stanius	Waltman
Johnson, A.	Lasley	McGuire	Onnen	Reding	Steensma	Weaver
Johnson, R.	Leppik	Milbert	Opatz	Rhodes	Sviggum	Wejcman
Johnson, V.	Lieder	Molnau	Orenstein	Rice	Swenson	Wenzel
Kahn	Limmer	Morrison	Orfield	Rodosovich	Tomassoni	Winter
Kalis	Lindner	Mosel	Osthoff	Rukavina	Tompkins	Wolf
Kelley	Long	Munger	Ostrom	Sarna	Trimble	Worke
Kinkel	Lourey	Murphy	Ozment	Seagren	Tunheim	Workman
Klinzing	Luther	Neary	Pauly	Sekhon	Van Dellen	Spk. Anderson, I.
Knickerbocker	Lynch	Nelson	Pawlenty	Simoneau	Van Engen	
Knight	Macklin	Ness	Pelowski	Skoglund	Vellenga	
Koppendrayner	Mahon	Olson, E.	Perl	Smith	Vickerman	

The bill was passed and its title agreed to.

H. F. No. 553 was reported to the House.

Carruthers moved that H. F. No. 553 be continued on Special Orders. The motion prevailed.

H. F. No. 2023, A bill for an act relating to family law; adding a relevant factor in determination of a child's best interests; amending Minnesota Statutes 1992, section 518.17, subdivision 1.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2478, A bill for an act relating to retirement; first class city teachers; defining salary; authorizing purchase of service credit for parental or maternity leave; resumption of teaching by basic program retirees; authorizing certain bylaw amendments by the Minneapolis and St. Paul teachers retirement fund associations; amending Minnesota Statutes 1992, sections 354A.011, subdivision 24; 354A.095; and 354A.31, 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 121 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frerichs	Knight	Krinkie	Molnau	Sviggum
Goodno	Koppendraye	Limmer	Olson, M.	Van Engen

The bill was passed and its title agreed to.

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

GENERAL ORDERS

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

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 11:00 a.m., Wednesday, April 13, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 11:00 a.m., Wednesday, April 13, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

EIGHTY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 13, 1994

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

Prayer was offered by Pastor John Snider, St. Stephen's Lutheran Church, West St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Trimble was excused until 12:45 p.m.

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

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Solberg, for the Committee on Ways and Means, introduced:

H. F. No. 3215, A bill for an act relating to state government; supplementing appropriations for public safety; the environment and natural resources; the general legislative, judicial, and administrative expenses of state government; community development; and human services; fixing and limiting the amount of fees, penalties, and other costs to

be collected in certain cases; transferring certain duties and functions; amending Minnesota Statutes 1992, sections 3.97, subdivision 11; 3.971, by adding a subdivision; 13.67; 13.99, by adding subdivisions; 16A.124, subdivisions 1, 2, 3, 4, 5, and 6; 16A.127, as amended; 16A.15, subdivision 3; 16B.01, subdivision 4; 16B.05, subdivision 2; 16B.06, subdivisions 1 and 2; 16B.32, by adding a subdivision; 16B.75; 17B.15, subdivision 1; 32.103; 43A.316, subdivision 9; 43A.37, subdivision 1; 44A.0311; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.21, subdivision 2; 60K.03, subdivisions 1, 5, and 6; 60K.06; 60K.19, subdivision 8; 62A.046; 62A.048; 62A.27; 62A.31, by adding a subdivision; 62J.05, subdivision 2; 69.031, subdivision 5; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08, subdivisions 4 and 5; 82B.09, subdivision 1; 82B.19, subdivision 1; 83.25; 85.015, subdivision 1; 94.09, subdivision 5; 97A.061, subdivision 1; 97A.165; 97A.441, subdivision 6; 97A.485, subdivision 8; 97B.601, subdivision 4; 103F.725, by adding a subdivision; 103F.745; 103F.761, subdivision 2; 115A.5501, subdivision 2; 116.182, subdivisions 2, 3, 4, and 5; 116G.15; 126A.02, subdivision 2; 129D.14, subdivision 5; 138.01, subdivision 1; 138.34; 138.35, subdivision 1; 138.38; 138.40, subdivision 3; 138.94, by adding a subdivision; 144.0721, by adding a subdivision; 144.0723, subdivisions 1, 2, 3, 4, and 6; 144.414, subdivision 3; 144.417, subdivision 1; 144.801, by adding a subdivision; 144.804, subdivision 1; 144.878, by adding a subdivision; 144A.073, subdivisions 1, 3a, 4, 8, and by adding a subdivision; 145A.14, by adding a subdivision; 151.01, subdivision 28; 151.15, subdivision 3; 151.25; 154.11, subdivision 1; 154.12; 154.19; 161.14, by adding a subdivision; 162.02, subdivision 6; 162.06, subdivisions 3 and 4; 162.12, subdivisions 3 and 4; 168A.05, subdivisions 2, 7, and by adding a subdivision; 168A.29, subdivision 1; 169.06, by adding a subdivision; 176.611, subdivision 6a; 245A.14, subdivision 7; 246.50, subdivision 5; 246.53, subdivision 1; 246.57, subdivision 1; 252.025, subdivision 1, and by adding a subdivision; 252.275, subdivisions 3, 4, and by adding a subdivision; 253.015, by adding a subdivision; 256.015, subdivisions 2 and 7; 256.045, subdivisions 3, 4, and 5; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.969, subdivisions 10 and 16; 256B.042, subdivision 2; 256B.056, by adding a subdivision; 256B.059, subdivision 1; 256B.06, subdivision 4; 256B.0625, subdivisions 8, 8a, 25, and by adding subdivisions; 256B.0641, subdivision 1; 256B.0913, subdivision 8, and by adding a subdivision; 256B.0915, subdivision 5; 256B.0917, subdivisions 6 and 8; 256B.15, subdivision 1a; 256B.431, subdivisions 3c and 17; 256B.432, subdivisions 1, 3, and 6; 256B.49, subdivision 4; 256B.501, subdivisions 1, 3, 3c, and by adding a subdivision; 256B.69, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3a and 3b; 256D.05, subdivisions 3 and 3a; 256D.16; 256D.425, by adding a subdivision; 256H.05, subdivision 6; 257.0762, subdivision 2; 257.0768; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 261.04, subdivision 2; 270A.03, subdivision 2; 272.488, subdivision 1, and by adding subdivisions; 298.2211, by adding a subdivision; 326.12, subdivision 3; 345.47, subdivision 4; 353.65, subdivision 7; 354.06, subdivision 1; 360.305, subdivision 4; 446A.02, subdivision 1, and by adding a subdivision; 446A.03, subdivision 3; 446A.07, subdivisions 4, 6, 8, 9, and 11; 446A.071, subdivision 1; 446A.11, subdivision 1; 446A.12, subdivision 1; 446A.15, subdivision 6; 518.171, subdivision 5; 518.613, subdivision 7; 524.3-803; 524.3-1201; 528.08; 542.07; 570.01; 570.02, subdivision 1; 570.025, subdivision 2; 574.26; 574.261, subdivision 1; and 626.556, subdivisions 4, 10e, and by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 15.91; 16A.152, subdivision 1; 16B.06, subdivision 2a; 16B.08, subdivision 7; 44A.025; 60A.198, subdivision 3; 62A.045; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3; 84.872; 97A.061, subdivision 3; 97B.071; 115C.09, subdivision 1; 116J.966, subdivision 1; 116P.11; 138.763, subdivision 1; 144.551, subdivision 1; 144.651, subdivisions 21 and 26; 144.872, subdivision 4; 144.873, subdivision 1; 144.874, subdivisions 1 and 3a; 144.8771, subdivision 2; 144.99, subdivisions 1 and 6; 144A.071, subdivisions 3 and 4a; 144A.073, subdivisions 2 and 3; 144C.03, subdivision 2; 144C.07, subdivision 2; 153A.14, subdivision 2; 157.08; 168A.05, subdivision 3; 239.785, subdivision 2, and by adding subdivisions; 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; 245.97, subdivision 6; 252.46, by adding a subdivision; 253B.03, subdivisions 3 and 4; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, and 6; 256.9362, subdivision 6; 256.9657, subdivisions 2 and 3; 256.9685, subdivision 1; 256.969, subdivision 1; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 19a, 20, and 37; 256B.0626; 256B.0911, subdivisions 2, 4, and 7; 256B.0913, subdivisions 5 and 12; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivisions 1, 2, and 5; 256B.15, subdivision 2; 256B.431, subdivisions 2b, 15, and 24; 256B.432, subdivision 5; 256B.501, subdivisions 3g, 5a, and 8; 256D.03, subdivisions 3 and 4; 256I.04, subdivision 3; 256I.06, subdivision 1; 257.0755; 257.55, subdivision 1; 257.57, subdivision 2; 326.71, subdivision 4; 326.75, subdivision 3; 336.9-407; 446A.03, subdivision 1; 465.795, subdivision 7; 465.796, subdivision 2; 465.797, subdivisions 1, 2, 3, 4, and 5; 465.798; 465.799; 514.981, subdivisions 2 and 5; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; 518.615, subdivision 3; 626.556, subdivision 11; Laws 1993, chapters 192, section 17, subdivision 3; and 369, sections 5, subdivision 4; and 11; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; 17; 32; 128C; 137; 144; 145; 148; 154; 169; 181; 197; 245; 246; 252; 253; 256; 268; 268A; 299D; 446A; 465; 645; proposing coding for new law as Minnesota Statutes, chapter 16C; repealing Minnesota Statutes 1992, sections 10.11, subdivision 1; 10.12; 10.14; 10.15; 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 144.0723, subdivision 5; 154.16; 154.165; 197.235; 252.275, subdivisions 4a and 10; 256B.501, subdivisions 3d, 3e, and 3f; 268.32; 268.551; 268.552; 272.488, subdivision 2; 355.04; 355.06; 446A.08; 465.80, subdivision 3; Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; 157.09; 256.969, subdivision

24; 465.80, subdivisions 1, 2, 4, and 5; Laws 1985, First Special Session chapter 12, article 11, section 19; Laws 1993, chapter 286, section 11; Laws 1993, First Special Session chapter 1, article 9, section 49; Minnesota Rules, parts 3300.0100; 3300.0200; 3300.0300; 3300.0400; 3300.0500; 3300.0600; and 3300.0700.

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. 2248, A bill for an act relating to agriculture; changing certain pesticide posting requirements; amending Minnesota Statutes 1992, section 18B.07, subdivision 3.

The Senate has appointed as such committee:

Messrs. Benson, D. D.; Vickerman and Dille.

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. 2710, A bill for an act relating to state government; requiring the commissioner of administration to study and report on the best way to increase electronic services to citizens; proposing coding for new law in Minnesota Statutes, chapter 16B.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kahn moved that the House refuse to concur in the Senate amendments to H. F. No. 2710, 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. 2168, 1888, 2068, 2171, 348, 1872, 2104, 2556 and 2642.

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. 2393, 2550, 2709 and 2913.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2168, A bill for an act relating to agricultural businesses; exempting from sales tax the gross receipts of used farm machinery sales; providing matching moneys for federal emergency disaster funds to flood damaged counties; providing supplemental funding for grain inspection programs, financial assistance programs under the ethanol production fund, and small business disaster loan programs; expanding research on grain diseases; increasing funding for the farm advocates program, agricultural resource centers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges, and the Farmers' Legal Action Group; providing funding to the Agricultural Utilization Research Institute; appropriating money; amending Minnesota Statutes 1992, sections 297A.02, subdivision 2; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2; and Laws 1993, chapter 172, section 7, subdivision 3.

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

S. F. No. 1888, A bill for an act relating to human rights; prohibiting marital status discrimination by public accommodations; amending Minnesota Statutes 1993 Supplement, section 363.03, subdivision 3.

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

S. F. No. 2068, A bill for an act relating to health; modifying provisions relating to the nursing home moratorium exceptions; amending Minnesota Statutes 1992, sections 144A.073, subdivisions 1, 3a, 4, 8, and by adding a subdivision; and 256B.431, subdivision 17; Minnesota Statutes 1993 Supplement, section 144A.073, subdivisions 2 and 3.

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

S. F. No. 2171, A bill for an act relating to fire and police state aid; including Indian tribal governments in definition of municipality; amending Minnesota Statutes 1992, section 69.011, subdivision 1.

The bill was read for the first time.

Johnson, R., moved that S. F. No. 2171 and H. F. No. 2402, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 348, A bill for an act relating to highways; requiring accelerated construction of noise barriers on marked trunk highway No. 280 if the reconstruction of that highway is delayed beyond fiscal year 1997.

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

S. F. No. 1872, A bill for an act relating to elevators; regulating persons who may do elevator work; amending Minnesota Statutes 1992, sections 183.355, subdivision 3; 183.357, subdivisions 1 and 2; and 183.358; proposing coding for new law in Minnesota Statutes, chapter 183.

The bill was read for the first time.

Farrell moved that S. F. No. 1872 and H. F. No. 2170, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2104, A bill for an act relating to children; establishing an abused child program under the commissioner of corrections; creating an advisory committee; specifying powers and duties of the commissioner and the advisory committee; proposing coding for new law in Minnesota Statutes, chapter 241.

The bill was read for the first time.

Wejcman moved that S. F. No. 2104 and H. F. No. 2380, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2556, A bill for an act relating to transportation; increasing money set aside from the county state-aid highway and municipal state-aid street funds to the disaster accounts and research accounts; changing composition of disaster account boards; providing that remaining money from research accounts lapse to the appropriate funds after two years; amending Minnesota Statutes 1992, sections 162.06, subdivisions 3 and 4; and 162.12, subdivisions 3 and 4.

The bill was read for the first time and referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

S. F. No. 2642, A bill for an act relating to witnesses; establishing a privilege for certain communications made to licensed social workers; amending Minnesota Statutes 1992, section 253B.23, subdivision 4; Minnesota Statutes 1993 Supplement, section 595.02, subdivision 1.

The bill was read for the first time.

Dawkins moved that S. F. No. 2642 and H. F. No. 2946, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2393, A bill for an act relating to the jobs and training department; making changes of a technical and housekeeping nature; amending Minnesota Statutes 1992, sections 248.011; 248.07, subdivisions 1, 2, 3, 4, 5, 13, 14a, and 16; 248.11; 268A.09; and 268A.11, subdivisions 1 and 3; Minnesota Statutes 1993 Supplement, sections 248.10; and 268A.02, subdivision 2; repealing Minnesota Statutes 1992, sections 268A.12.

The bill was read for the first time.

Jefferson moved that S. F. No. 2393 and H. F. No. 2636, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2550, A bill for an act relating to metropolitan government; providing for appointment of metropolitan area soil and water conservation supervisors by metropolitan counties; amending Minnesota Statutes 1992, section 103C.305, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 103C.

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

S. F. No. 2709, A bill for an act relating to agriculture; amending provisions regarding the pricing of certain dairy products; amending Minnesota Statutes 1993 Supplement, section 32.72.

The bill was read for the first time.

Hugoson moved that S. F. No. 2709 and H. F. No. 2892, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2913, A bill for an act relating to state government; supplementing appropriations for public safety; the environment and natural resources; the general legislative, judicial, and administrative expenses of state government; community development; and human services; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; transferring certain duties and functions; amending Minnesota Statutes 1992, sections 3.737, subdivisions 1 and 4; 16A.124, subdivisions 2 and 7; 16A.127, as amended; 16A.15, subdivision 3; 16B.01, subdivision 4; 16B.05, subdivision 2; 16B.06, subdivisions 1 and 2; 41A.09, subdivisions 2 and 5; 43A.37, subdivision 1; 60K.06; 60K.19, subdivision 8; 62A.046; 62A.048; 62A.27; 62D.102; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08, subdivisions 4 and 5; 82B.09, subdivision 1; 82B.19, subdivision 1; 83.25; 84.0887, by adding subdivisions; 84A.32, subdivision 1; 85A.02, subdivision 17; 144.804, subdivision 1; 144A.47; 171.06, subdivision 3; 176.102, subdivisions 3a and 14; 176.611, subdivision 6a; 204B.27, by adding a subdivision; 221.041, by adding a subdivision; 221.171, subdivision 2; 245.97, subdivision 1; 246.18, by adding a subdivision; 252.025, by adding a subdivision; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256B.056, by adding a subdivision; 256B.0625, subdivision 25, and by adding a subdivision; 256B.0641, subdivision 1; 256B.431, subdivision 17; 256H.05, subdivision 6; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 296.02, subdivision

7; 354.06, subdivision 1; 462A.05, by adding a subdivision; 477A.12; 504.33, subdivision 4; 504.35; 518.171, subdivision 5; and 518.613, subdivision 7; Minnesota Statutes 1993 Supplement, sections 15.50, subdivision 2; 41A.09, subdivision 3; 62A.045; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3; 97A.028, subdivisions 1 and 3; 116J.966, subdivision 1; 138.763, subdivision 1; 144A.071, subdivisions 3 and 4a; 239.785, subdivision 2, and by adding a subdivision; 245.97, subdivision 6; 246.18, subdivision 4; 252.46, subdivision 6, and by adding a subdivision; 256.969, subdivision 24; 256B.431, subdivision 24; 256I.04, subdivision 3; 257.55, subdivision 1; 257.57, subdivision 2; 268.98, subdivision 1; 477A.13; 477A.14; 504.33, subdivision 7; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; and 518.615, subdivision 3; Laws 1993, chapter 369, section 5, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 145; 148; 268; and 518; repealing Minnesota Statutes 1992, sections 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 268.32; 268.551; 268.552; 355.04; and 355.06; Laws 1985, First Special Session chapter 12, article 11, section 19.

The bill was read for the first time.

Solberg moved that S. F. No. 2913 and H. F. No. 3215, which was introduced earlier today and laid over one day, be referred to the Chief Clerk for comparison. The motion prevailed.

Carruthers 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.

CONSENT CALENDAR

H. F. No. 2234, A bill for an act relating to natural resources; personnel working on certain projects; terms and conditions of certain 1993 appropriations; appropriating money; amending Minnesota Statutes 1992, sections 116P.05, subdivision 2; 116P.08, subdivisions 6 and 7; and 116P.09, subdivision 4; Minnesota Statutes 1993 Supplement, section 116P.11; Laws 1993, chapter 172, section 14, subdivisions 4 and 11.

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:

Abrams	Clark	Garcia	Jennings	Lasley	Morrison	Osthoff
Anderson, R.	Commers	Girard	Johnson, A.	Lieder	Mosel	Ostrom
Asch	Cooper	Goodno	Johnson, R.	Limmer	Munger	Ozment
Battaglia	Dauner	Greenfield	Johnson, V.	Lindner	Murphy	Pauly
Bauerly	Davids	Greiling	Kahn	Long	Neary	Pawlenty
Beard	Dawkins	Gruenes	Kalis	Lourey	Nelson	Pelowski
Bergson	Dehler	Gutknecht	Kelley	Luther	Ness	Perlt
Bertram	Delmont	Hasskamp	Kelso	Lynch	Olson, E.	Peterson
Bettermann	Dempsey	Haukoos	Kinkel	Macklin	Olson, K.	Pugh
Bishop	Dorn	Hausman	Klinzing	Mahon	Olson, M.	Reding
Brown, C.	Evans	Hugoson	Knight	McCollum	Ornen	Rest
Brown, K.	Farrell	Huntley	Koppendraye	McGuire	Opatz	Rhodes
Carlson	Finseth	Jacobs	Krinkie	Milbert	Orenstein	Rice
Carruthers	Frerichs	Jefferson	Krueger	Molnau	Orfield	Rodosovich

Sarna	Skoglund	Sviggum	Tunheim	Vickerman	Wejcman	Worke
Seagren	Smith	Swenson	Van Dellen	Wagenius	Wenzel	Workman
Sekhon	Stanis	Tomassoni	Van Engen	Waltman	Winter	Spk. Anderson, I.
Simoneau	Steensma	Tompkins	Vellenga	Weaver	Wolf	

The bill was passed and its title agreed to.

S. F. No. 1806, A bill for an act relating to nursing; allowing certified clinical specialists in psychiatric or mental health nursing to prescribe and administer drugs; amending Minnesota Statutes 1992, section 148.235, by adding subdivisions; Minnesota Statutes 1993 Supplement, section 148.235, subdivision 2.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. No. 3209.

H. F. No. 3209 was reported to the House.

Dawkins moved to amend H. F. No. 3209, the first engrossment, as follows:

Page 27, line 16, delete "section" and insert "sections 290.05, subdivision 6; and"

Page 46, line 7, after "REVENUES.]" insert "(a)"

Page 46, after line 33, insert:

"(b) For purposes of applying sections 16A.15 and 16A.152, the commissioner shall combine the general fund and the local government trust fund in determining whether there are sufficient receipts to fund appropriations and allotments of the two funds."

Page 130, line 9, after "any" insert "for-profit"

Page 130, delete lines 11 to 15

Page 130, line 16, delete "Subd. 9." and insert "Subd. 8."

Page 130, line 27, delete the semicolon and insert "financial institutions, gambling enterprises, public utilities, sports, fitness, and health facilities, or racetracks."

Page 130, delete lines 28 to 36

Page 134, line 2, after "OPERATIONS" insert "; OTHER VIOLATIONS"

Page 134, line 9, after "Operations" insert "or Other Violations"

Page 135, line 10, after the first "creation" insert "credit"

Page 135, line 14, delete "a targeted" and insert "an eligible"

Page 135, line 34, delete "not"

Page 136, line 4, before "new job" insert "qualifying"

Page 136, line 15, delete "retail firms," and insert "racetracks"

Page 136, line 16, after "sports" insert ", fitness and health"

Page 137, line 2, delete "Section 24 is effective July 1, 1996."

The motion prevailed and the amendment was adopted.

Limmer and Skoglund moved to amend H. F. No. 3209, the first engrossment, as amended, as follows:

Page 26, line 35, after the period, insert "In addition, the task force shall study the tax treatment of the expenses of adoption."

The motion prevailed and the amendment was adopted.

Abrams moved to amend H. F. No. 3209, the first engrossment, as amended, as follows:

Page 49, after line 13, insert:

"Sec. 6. Minnesota Statutes 1992 is amended by adding a subdivision to read:

Subd. 38. [AVERAGE CITY NET TAX CAPACITY PER CAPITA.] A city net tax capacity per capita is the sum of city net tax capacity for all cities divided by the total population of all cities.

Sec. 7. Minnesota Statutes 1992 is amended by adding a subdivision to read:

Subd. 39. [REVENUE CAPACITY FACTOR.] The revenue capacity factor for a city is (a) one minus (2) the ratio of the city net tax capacity per capita to two times the average city net tax capacity per capita. A city's revenue capacity factor cannot be less than zero.

Sec. 8. Minnesota Statutes 1993 Supplement, section 477A.013, subdivision 8, is amended to read:

Subd. 8. [CITY FORMULA AID INCREASE.] (a) In calendar year 1994 and subsequent years, the formula aid increase for a city is equal to the product of (1) the need increase percentage multiplied by the difference between (1), (2) the city's revenue need multiplied by its , 3 the city's population, and (2) the city's net tax capacity multiplied by

~~the tax effort rate~~ (4) the city's revenue capacity factor. The need increase percentage must be the same for all cities and must be calculated by the department of revenue so that the total of the aid under subdivision 9 equals the total amount available for aid under section 477A.03, subdivision 1.

~~(b) The percentage aid increase for a first class city in calendar year 1994 must not exceed the percentage increase in the sum of calendar year 1994 city aids under this section compared to the sum of the city aid base for all cities. The aid increase for any other city in 1994 must not exceed five percent of the city's net levy for taxes payable in 1993.~~

(e) ~~(b)~~ The formula aid increase in calendar year 1995 and subsequent years for any city must not exceed ~~the sum of (1) ten percent of the city's net levy for the year prior to the aid distribution plus (2) its city aid base multiplied by the base reduction percentage.~~

Sec. 9. Minnesota Statutes 1993 Supplement, section 477A.013, subdivision 9, is amended to read:

Subd. 9. [CITY AID DISTRIBUTION.] (a) In calendar year 1994 1995 and thereafter, each city shall receive an aid distribution equal to the sum of (1) the city formula aid increase under subdivision 8, and (2) its city aid base multiplied by a percentage equal to 100 minus the base reduction percentage and its total aid in the previous year."

Page 49, line 23, delete "For aid"

Page 49, lines 24 to 26, delete the new language

Page 51, after line 12, insert:

"Sec. 13. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 477A.011, subdivisions 35, 36 and 37 are repealed."

Page 51, after line 16, insert:

"Sections 6, 7, 8, 9, and 13 are effective for aid payable in calendar year 1995 and thereafter."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Abrams amendment and the roll was called. There were 54 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Haukoos	Leppik	Ness	Seagren	Vickerman
Bettermann	Finseth	Hugoson	Limmer	Olson, M.	Smith	Waltman
Bishop	Frerichs	Johnson, V.	Lindner	Onnen	Stanis	Weaver
Commers	Girard	Kelso	Lynch	Ozment	Sviggum	Wolf
Davids	Goodno	Knickerbocker	Macklin	Pauly	Swenson	Worke
Dehler	Gruenes	Knight	Milbert	Pawlenty	Tompkins	Workman
Dempsey	Gutknecht	Koppendrayner	Molnau	Pelowski	Van Dellen	
Dorn	Hasskamp	Krinkie	Morrison	Rhodes	Van Engen	

Those who voted in the negative were:

Anderson, R.	Cooper	Jacobs	Lasley	Neary	Reding	Tunheim
Asch	Dauner	Jaros	Lieder	Nelson	Rest	Vellenga
Battaglia	Dawkins	Jefferson	Long	Olson, E.	Rice	Wagenius
Bauerly	Delmont	Jennings	Lourey	Olson, K.	Rodosovich	Wejzman
Beard	Evans	Johnson, A.	Luther	Opatz	Rukavina	Wenzel
Bergson	Farrell	Johnson, R.	Mahon	Orenstein	Sarna	Winter
Bertram	Garcia	Kahn	Mariani	Orfield	Sekhon	Spk. Anderson, I.
Brown, C.	Greenfield	Kalis	McCollum	Osthoff	Simoneau	
Brown, K.	Greiling	Kelley	McGuire	Ostrom	Skoglund	
Carlson	Hausman	Kinkel	Mosel	Perlt	Steensma	
Carruthers	Holsten	Klinzing	Munger	Peterson	Tomassoni	
Clark	Huntley	Krueger	Murphy	Pugh	Trimble	

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

Rest moved to amend H. F. No. 3209, the first engrossment, as amended, as follows:

Page 51, after line 12, insert:

"Sec. 9. [LOCAL GOVERNMENT AID STUDY.]

During the 1994 interim, the house committee on taxes and the senate committee on taxes and tax laws shall study the effectiveness of the current city local government aid formula under Minnesota Statutes, chapter 477A, in measuring city need and in distributing money to cities based on their relative need."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Van Dellen offered an amendment to H. F. No. 3209, the first engrossment, as amended.

POINT OF ORDER

Carruthers raised a point of order pursuant to rule 3.09 that the Van Dellen amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Skoglund moved to amend H. F. No. 3209, the first engrossment, as amended, as follows:

Page 2, line 36, before "on" insert "for insolvencies"

Page 24, line 21, before "on" insert "for insolvencies"

The motion prevailed and the amendment was adopted.

Johnson, V., and Olson, E., moved to amend H. F. No. 3209, the first engrossment, as amended, as follows:

Page 14, after line 22, insert:

"Sec. 9. Minnesota Statutes 1992, section 290.05, is amended by adding a subdivision to read:

Subd. 8. [AUTHORITY TO REVOKE EXEMPTION FOR FAILURE TO COMPLY WITH FEDERAL LAW.] The commissioner may examine or investigate an entity claiming exemption under this section and subpart F of the

Internal Revenue Code. The commissioner may revoke the exemption under this section for violations of federal law that would permit the commissioner of internal revenue or the secretary of the treasury to revoke the exemption under federal law, regardless of whether such action has been taken under federal law."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

On the motion of Carruthers and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Carruthers 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. 3209, A bill for an act relating to the financing and operation of state and local government; conforming with changes in the federal income tax law; changing tax brackets, rates, bases, exemptions, withholding, payments, and refunds; allowing tax credits; providing aids to local governments; changing the calculation of property tax refunds; modifying property tax provisions relating to petitions, procedures, valuation, levies, classifications, homesteads, credits, and exemptions; abolishing limited market value; changing certain tax return or report requirements; changing operation of the local government trust fund; authorizing special assessments; authorizing local taxes; enacting provisions relating to certain cities, counties, special taxing districts, and towns; changing certain redemption provisions; reforming state budget procedures; changing the deposit of certain revenues; changing certain bonding provisions and authorizing bonding; modifying tax increment financing requirements; requiring certain permits and permit fees; requiring certain disclosures; requiring studies; transferring and appropriating money and limiting appropriations; amending Minnesota Statutes 1992, sections 16A.711, subdivisions 4 and 5; 60A.15, by adding a subdivision; 124.196; 271.06, subdivision 7; 272.121, subdivision 1; 273.111, subdivision 11; 273.1398, by adding a subdivision; 273.1399, by adding a subdivision; 273.165, subdivision 1; 278.05, subdivision 6; 289A.02, by adding a subdivision; 289A.25, subdivision 5; 290.01, subdivision 19d, and by adding a subdivision; 290.05, subdivision 3, and by adding a subdivision; 290.06, subdivisions 2c and 2d; 290.067, subdivision 1; 290.068, subdivision 2; 290.0802, subdivisions 1 and 2; 290.0921, subdivision 2; 290.35, by adding a subdivision; 290A.04, subdivisions 2 and 2a; 296.16, subdivision 1; 297.01, by adding a subdivision; 297A.01, by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.021, by adding a subdivision; 297A.135, subdivision 1; 297A.15, subdivision 5; 297A.25, subdivision 9, and by adding subdivisions; 297A.256; 297A.44, subdivision 4; 297C.03, subdivision 6; 297C.13,

subdivision 1; 298.017, subdivision 2; 298.26; 340A.311; 360.036, subdivisions 2 and 3; 360.037, subdivision 2; 360.042, subdivision 10; 469.004, subdivision 1a; 469.175, subdivisions 3, 4, and by adding a subdivision; 469.1761, subdivisions 1, 2, and 3; 469.177, subdivision 1a; 473.341; 473H.05, by adding a subdivision; 473H.18; and 580.23, as amended; Minnesota Statutes 1993 Supplement, sections 16A.712; 84.794, subdivision 1; 84.803, subdivision 1; 270.78; 273.11, subdivisions 5, 16, and by adding a subdivision; 273.121; 273.124, subdivision 1; 273.13, subdivisions 23 and 24; 275.065, subdivision 3; 276.04, subdivision 2; 278.01, subdivision 1; 289A.11, subdivision 1; 289A.26, subdivision 7; 289A.60, subdivision 21; 290.01, subdivision 19; 290.091, subdivision 2; 290A.03, subdivision 3; 290A.04, subdivisions 2h, as amended, and 6; 290A.23, subdivision 1; 296.02, subdivision 1a; 296.025, subdivision 1a; 297A.01, subdivision 16; 297B.03; 469.176, subdivisions 1b and 4c; and 477A.03, subdivision 1; Laws 1969, chapter 499, section 2; Laws 1993, chapter 375, article 9, section 51; proposing coding for new law in Minnesota Statutes, chapters 16A; 275; 296; 297A; 297B; 462C; 469; and 473; repealing Minnesota Statutes 1992, sections 290.05, subdivision 6; and 290.067, subdivision 6; Minnesota Statutes 1993 Supplement, sections 82.19, subdivision 9; 273.11, subdivision 1a; and 289A.25, subdivision 5a.

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.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 84 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Jacobs	Klinzing	Mosel	Peterson	Smith
Battaglia	Dawkins	Jaros	Krueger	Munger	Pugh	Solberg
Bauerly	Delmont	Jefferson	Lasley	Murphy	Reding	Steensma
Beard	Dorn	Jennings	Lieder	Neary	Rest	Swenson
Bergson	Evans	Johnson, A.	Long	Ness	Rice	Tomassoni
Bertram	Garcia	Johnson, R.	Lourey	Olson, E.	Rodosovich	Tunheim
Brown, C.	Goodno	Johnson, V.	Luther	Olson, K.	Rukavina	Vellenga
Brown, K.	Greenfield	Kahn	Macklin	Onnen	Sarna	Wagenius
Carlson	Greiling	Kalis	Mahon	Opatz	Seagren	Wejcman
Carruthers	Hasskamp	Kelley	Mariani	Orfield	Sekhon	Wenzel
Clark	Hugoson	Kelso	McGuire	Ostrom	Simoneau	Winter
Cooper	Huntley	Kinkel	Milbert	Ozment	Skoglund	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Dempsey	Gutknecht	Leppik	Nelson	Rhodes	Waltman
Asch	Erhardt	Haukoos	Limner	Olson, M.	Stanis	Weaver
Bettermann	Farrell	Holsten	Lindner	Orenstein	Sviggum	Wolf
Bishop	Finseth	Knickerbocker	Lynch	Pauly	Tompkins	Worke
Commers	Frerichs	Knight	McCollum	Pawlenty	Van Dellen	Workman
Davids	Girard	Koppendrayner	Molnau	Pelowski	Van Engen	
Dehler	Gruenes	Krinkie	Morrison	Perlt	Vickerman	

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

Garcia was excused between the hours of 3:00 p.m. and 4:30 p.m.

CALL OF THE HOUSE LIFTED

Kahn moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

SPECIAL ORDERS

H. F. No. 553 was reported to the House.

Greenfield moved to amend H. F. No. 553, the first engrossment, as follows:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1992, section 144.125, is amended to read:

144.125 [TESTS OF INFANTS FOR INBORN METABOLIC ERRORS.]

It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age and (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, to cause to have administered to every infant or child in its care tests for hemoglobinopathy, phenylketonuria, and other inborn errors of metabolism in accordance with rules prescribed by the state commissioner of health. In determining which tests must be administered, the commissioner shall take into consideration the adequacy of laboratory methods to detect the inborn metabolic error, the ability to treat or prevent medical conditions caused by the inborn metabolic error, and the severity of the medical conditions caused by the inborn metabolic error. Testing and the recording and reporting of the results of the tests shall be performed at the times and in the manner prescribed by the commissioner of health. ~~This section does not apply to an infant whose parents object on the grounds that the tests and treatment conflict with their religious tenets and practices.~~ The commissioner shall charge laboratory service fees for conducting the tests of infants for inborn metabolic errors so that the total of fees collected will approximate the costs of conducting the tests. Costs associated with capital expenditures and the development of new procedures may be prorated over a three-year period when calculating the amount of the fees.

Sec. 2. [145A.20] [DEFINITIONS.]

Subdivision 1. [SCOPE.] The definitions in this section apply to sections 3 to 5.

Subd. 2. [LIFE-THREATENING CONDITION.] "Life-threatening condition" means a condition that presents a serious and imminent danger to a child's life.

Subd. 3. [MEDIATOR.] "Mediator" means the children's health care mediator described in section 3.

Subd. 4. [PARENT.] "Parent" means a custodial parent or legal guardian.

Subd. 5. [RELIGIOUS OR PHILOSOPHICAL HEALING PRACTICE.] "Religious or philosophical healing practice" means the good faith selection and sole dependence upon spiritual means or prayer or a philosophical system for treatment or care of disease or remedial care of a child as part of an organized religious or philosophical group or community.

Subd. 6. [SERIOUS DISABILITY OR DISFIGUREMENT.] "Serious disability" or "disfigurement" means a permanent or protracted loss or impairment of the function of a bodily member or organ or a permanent disfigurement.

Sec. 3. [145A.21] [CHILDREN'S HEALTH CARE MEDIATOR.]

Subdivision 1. [CREATION.] The commissioner of health shall designate a children's health care mediator to exercise the powers and duties under sections 3 to 5. The mediator's role is both to facilitate the provision of medical treatment where the life of a child is threatened or a child faces a significant probability of a serious disability or disfigurement and to ensure that latitude for parental choices in the health care of their children is not unnecessarily compromised. The commissioner of health or the mediator may appoint one or more persons to serve as deputy mediators to perform any of the functions of the mediator. To the extent possible, the commissioner and the mediator shall use existing resources and personnel within community health boards and existing community health services to implement sections 3 to 5. The mediator shall consult with the state community health advisory committee in implementing sections 3 to 5.

Subd. 2. [POWERS AND DUTIES.] The mediator shall:

(1) regularly meet with designated representatives and other members of a religious or philosophical community affected by this section in order to be familiar with their beliefs and practices;

(2) receive, answer, and investigate reports from parents under section 4;

(3) serve as an intermediary between parents who use religious or philosophical healing practices and traditional medical providers, and provide advice and information to parents in cases where traditional medical treatment may be required for their children;

(4) encourage and facilitate the provision of appropriate medical care when emergency medical services are needed;

(5) establish operating principles governing reports, investigations, intervention, and treatment under sections 3 to 5;

(6) provide materials that list or discuss symptoms of life-threatening conditions or a serious disability or disfigurement and the circumstances under which traditional medical treatment may be required;

(7) provide advice and information to traditional medical providers regarding parental and family rights in children's health care cases; and

(8) report physical or sexual abuse or neglect of a child as required under section 626.556.

Subd. 3. [QUALIFICATIONS.] The mediator must have an understanding of and sensitivity to religious and philosophical healing practices and beliefs. The mediator must be a licensed health care professional with sufficient training to be able to identify and assess a child's symptoms for purposes of sections 3 to 5.

Subd. 4. [MEDIATOR DATA.] Data collected and maintained by the mediator are private data on individuals as defined in section 13.02, subdivision 12, and may not be further disclosed to any person unless the disclosure is specifically authorized by law.

Subd. 5. [IMMUNITY FROM LIABILITY.] The mediator or a deputy mediator is not liable for any damages resulting from any acts or omissions by that person in performing the duties of the position unless the person acts in a willful and wanton or reckless manner.

Sec. 4. [145A.22] [REPORTING BY PARENT.]

Subdivision 1. [MEDIATOR CONTACT; ASSESSMENT.] A parent who uses religious or philosophical healing practices shall contact the mediator if the parent knows or has reason to believe that the child is in a life-threatening condition, faces a significant risk of serious disability or disfigurement, or has been incapacitated for an extended period. A parent who violates this subdivision is guilty of a misdemeanor. The mediator shall assess the child's symptoms to determine if the child is in a life-threatening condition or faces a significant risk of serious disability or disfigurement. The mediator shall seek appropriate medical input in making assessments under this section and section 6.

Subd. 2. [POSTASSESSMENT PROCEDURES.] If the mediator determines that the child is not in a life-threatening condition and does not face a significant risk of serious disability or disfigurement, the mediator shall so inform the parents and provide the parents with any other information that may be helpful to the parent's specific situation. If the mediator is unable to make a determination regarding the child's condition, the child's condition must continue to be assessed until it is determined that the condition is or is not life-threatening or the child does or does not face a significant risk of serious disability or disfigurement. If the mediator concludes that the condition is life-threatening or the child faces a significant risk of serious disability or disfigurement, the mediator shall inform the parents and proceed under section 5 for the arrangement of medical treatment.

Sec. 5. [145A.23] [PROVISION OF MEDICAL TREATMENT.]

Subdivision 1. [VOLUNTARY PROVISION OF MEDICAL TREATMENT.] If the parents of a child are willing to seek medical treatment following a determination under section 4, subdivision 2, the mediator shall assist the parents in obtaining treatment for the child as soon as possible.

Subd. 2. [INVOLUNTARY TREATMENT.] If the parents of a child are unwilling to seek medical treatment and the mediator has reason to believe that emergency medical treatment is necessary, the mediator shall inform the parents that the mediator must take action to ensure the arrangement of appropriate medical care. If necessary, the mediator may arrange for emergency transportation and medical services for the child without the parent's consent until a court order can be obtained. If necessary, the mediator shall notify the local welfare agency for the institution of legal proceedings under chapter 260. A person who interferes with the provision of medical treatment ordered by the mediator so that the child suffers harm is not selecting and depending in good faith on spiritual means or prayer for treatment for purposes of sections 609.205 and 609.378.

Subd. 3. [FAMILY INVOLVEMENT IN TREATMENT.] (a) In all cases where medical treatment is provided to a child whose parent relies on religious or philosophical healing practices, the parents and the child have a right to continued involvement in decisions regarding treatment, as long as they are acting in good faith. In making medical treatment decisions, the medical provider shall consider:

(1) the preferences of the parents and the child, if the child has capacity to give informed consent; and

(2) the degree of likelihood that the proposed treatment for the child will be safe and effective and would, with significant probability, be lifesaving or avoid serious disability or disfigurement.

(b) Medical providers shall allow parents to continue to use religious or philosophical healing practices while medical treatment is being provided, as long as the parents are acting in good faith and the healing practice does not interfere with medical treatment.

(c) This subdivision applies to all cases involving the voluntary or involuntary treatment of a child whose parents rely on religious or philosophical healing practices."

Page 1, lines 26 and 27, reinstate the stricken language

Page 2, lines 1 to 4, reinstate the stricken language

Page 2, line 2, before the comma, insert "in substantial compliance with sections 3 to 5"

Page 2, lines 30 and 31, reinstate the stricken language

Page 4, lines 3 to 7, reinstate the stricken language

Page 4, line 8, reinstate "medical care;"

Page 4, line 10, after the stricken language, insert "provided that the responsible person is in substantial compliance with sections 3 to 5."

Page 5, after line 19, insert:

"Sec. 8. Minnesota Statutes 1993 Supplement, section 626.556, subdivision. 10, is amended to read:

Subd. 10. [DUTIES OF LOCAL WELFARE AGENCY AND LOCAL LAW ENFORCEMENT 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 the child's care, the local welfare agency shall immediately conduct an assessment 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. If the report alleges that a lack of medical care may cause serious and imminent danger to a child because the child's parent or guardian uses a religious or philosophical healing practice, as defined in section 2, in lieu of medical care, the local welfare agency shall immediately notify the children's health care mediator and shall coordinate its investigation with the mediator. If the report alleges a violation of a criminal statute involving sexual abuse, physical abuse, or neglect or endangerment, under section 609.378, the local law enforcement agency and local welfare agency shall coordinate the planning and execution of their respective investigation and assessment efforts to avoid a duplication of fact-finding efforts and multiple interviews. Each agency shall prepare a separate report of the results of its investigation. When necessary the local welfare agency shall seek authority to remove the child from the custody of a parent, guardian, or adult with whom the child is living. In performing any of these duties, the local welfare agency shall maintain appropriate records.

(b) When a local agency receives a report or otherwise has information indicating that a child who is a client, as defined in section 245.91, has been the subject of physical abuse, sexual abuse, or neglect at an agency, facility, or program as defined in section 245.91, it shall, in addition to its other duties under this section, immediately inform the ombudsman established under sections 245.91 to 245.97.

(c) Authority of the local welfare agency responsible for assessing the child abuse or neglect report and of the local law enforcement agency for investigating the alleged abuse or neglect includes, but is not 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 at any facility or other place where the alleged victim or other minors might be found or the child may be transported to, and the interview conducted at a place appropriate for the interview of a child designated by the local welfare agency or law enforcement agency. The interview may take place outside the presence of the perpetrator or parent, legal custodian, guardian, or school official. Except as provided in this paragraph, the parent, legal custodian, or guardian shall be notified by the responsible local welfare or law enforcement agency no later than the conclusion of the investigation or assessment 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, the agency withhold notification of this interview from the parent, legal custodian, or guardian. If the interview took place or is to take place on school property, the order shall specify that school officials may not disclose to the parent, legal custodian, or guardian the contents of the notification of intent to interview the child on school property, as provided under this paragraph, and any other related information regarding the interview that may be a part of the child's school record. A copy of the order shall be sent by the local welfare or law enforcement agency to the appropriate school official.

(d) When the local welfare or local law enforcement agency determines that an interview should take place on school property, written notification of intent to interview the child on school property 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 a reference to the statutory authority to conduct an interview on school property. For interviews conducted by the local welfare agency, the notification shall be signed by the chair of the county welfare board or the chair's designee. The notification shall be private data on individuals subject to the provisions of this paragraph. School officials may not disclose to the parent, legal custodian, or guardian the contents of the notification or any other related information regarding the interview until notified in writing by the local welfare or law enforcement agency that the investigation or assessment has been concluded. Until that time, the local welfare or law enforcement agency shall be solely responsible for any disclosures regarding the nature of the assessment or investigation.

Except where the alleged perpetrator is believed to be a school official or employee, the time and place, and manner of the interview on school premises shall be within the discretion of school officials, but the local welfare or law enforcement agency shall have the exclusive authority to determine who may attend the interview. 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 considered necessary by agreement between the school officials and the local welfare or law enforcement agency. Where the school fails to comply with the provisions of this paragraph, the juvenile court may order the school to comply. Every effort must 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.

(e) 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 or the local law enforcement 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.

(f) Before making an order under paragraph (e), 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 appointed, the guardian ad litem shall be present at the hearing on the order to show cause.

(g) The commissioner, the ombudsman for mental health and mental retardation, the local welfare agencies responsible for investigating reports, and the local law enforcement agencies have the right to enter facilities as defined in subdivision 2 and to inspect and copy the facility's records, including medical 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."

Page 6, reinstate lines 11 to 19

Page 6, line 13, after "faith" insert "and in substantial compliance with sections 3 to 5,"

Page 6, line 19, before the period, insert "and may contact the children's health care mediator"

Page 6, after line 19, insert:

"Sec. 10. [REPORT TO LEGISLATURE.]

By January 15, 1997, the commissioner of health shall report to the chairs of the house committees on judiciary and health and human services and the senate committees of crime prevention and health care regarding the effectiveness of the children's health care mediator in meeting the goals described in sections 3 to 5 and the powers and duties set forth in section 3."

Page 6, line 21, delete "1" and insert "6"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to health; removing the religious exemption for infant inborn metabolic tests; establishing a children's health care mediator; providing for reporting by parents relying on religious or philosophical healing practices and investigation and intervention in cases involving a serious health condition; amending Minnesota Statutes 1992, sections 144.125; and 626.556, subdivision 10e; Minnesota Statutes 1993 Supplement, sections 609.378, subdivision 1; and 626.556, subdivisions 2 and 10; proposing coding for new law in Minnesota Statutes, chapter 145A."

A roll call was requested and properly seconded.

The question was taken on the Greenfield amendment and the roll was called. There were 45 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Huntley	Klinzing	Mariani	Orfield	Sviggum
Bishop	Greiling	Jacobs	Krinkie	Milbert	Ostrom	Vellenga
Brown, K.	Gruenes	Jaros	Limmer	Murphy	Pugh	Vickerman
Clark	Gutknecht	Jefferson	Long	Neary	Rice	
Cooper	Hasskamp	Johnson, A.	Lourey	Nelson	Rodosovich	
Dawkins	Hausman	Johnson, R.	Luther	Olson, K.	Rukavina	
Farrell	Hugoson	Kahn	Mahon	Orenstein	Simoneau	

Those who voted in the negative were:

Anderson, R.	Carlson	Erhardt	Johnson, V.	Lasley	Morrison	Pauly
Asch	Carruthers	Evans	Kalis	Leppik	Mosel	Pawlenty
Battaglia	Commers	Finseth	Kelley	Lieder	Munger	Pelowski
Bauerly	Dauner	Frerichs	Kelso	Lindner	Ness	Perlt
Beard	Davidson	Girard	Kinkel	Lynch	Olson, E.	Peterson
Bergson	Dehler	Goodno	Knickerbocker	Macklin	Olson, M.	Reding
Bertram	Delmont	Haukoos	Knight	McCollum	Onnen	Rest
Bettermann	Dempsey	Holsten	Koppendrayner	McGuire	Opatz	Rhodes
Brown, C.	Dorn	Jennings	Krueger	Molnau	Ozment	Sarna

Seagren	Solberg	Tomassoni	Van Dellen	Weaver	Wolf
Sekhon	Stanius	Tompkins	Van Engen	Wejcman	Worke
Skoglund	Steensma	Trimble	Wagenius	Wenzel	Workman
Smith	Swenson	Tunheim	Waltman	Winter	Spk. Anderson, I.

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

H. F. No. 553, A bill for an act relating to children; expanding the crime of child neglect and the child abuse reporting act to include children who are neglected due to reliance by a parent, guardian, or other caretaker on spiritual health care; amending Minnesota Statutes 1992, section 626.556, subdivision 10e; Minnesota Statutes 1993 Supplement, sections 609.378, subdivision 1; and 626.556, 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 101 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Huntley	Lasley	Ness	Rest	Van Engen
Asch	Dawkins	Jacobs	Leppik	Olson, E.	Rhodes	Vellenga
Battaglia	Dehler	Jaros	Lieder	Olson, K.	Rukavina	Wagenius
Bauerly	Delmont	Jefferson	Lindner	Olson, M.	Sarna	Weaver
Beard	Dempsey	Jennings	Lourey	Onnen	Seagren	Wejcman
Bergson	Dorn	Johnson, R.	Luther	Opatz	Sekhon	Wenzel
Bertram	Erhardt	Johnson, V.	Lynch	Orfield	Simoneau	Winter
Bettermann	Evans	Kahn	Macklin	Ostrom	Skoglund	Wolf
Bishop	Farrell	Kalis	Mahon	Ozment	Solberg	Worke
Brown, C.	Finseth	Kelley	McCollum	Pauly	Swenson	Workman
Brown, K.	Girard	Kelso	McGuire	Pawlenty	Tomassoni	Spk. Anderson, I.
Carlson	Goodno	Kinkel	Morrison	Pelowski	Tompkins	
Carruthers	Greiling	Knickerbocker	Mosel	Perlt	Trimble	
Commers	Hausman	Koppendrayner	Munger	Peterson	Tunheim	
Cooper	Holsten	Krueger	Neary	Reding	Van Dellen	

Those who voted in the negative were:

Abrams	Gutknecht	Klinzing	Mariani	Orenstein	Stanius
Davids	Hasskamp	Knight	Milbert	Pugh	Steensma
Frerichs	Haukoos	Krinkie	Molnau	Rice	Sviggum
Greenfield	Hugoson	Limmer	Murphy	Rodosovich	Vickerman
Gruenes	Johnson, A.	Long	Nelson	Smith	Waltman

The bill was passed and its title agreed to.

The Speaker called Bauerly to the Chair.

S. F. No. 1741, A bill for an act relating to game and fish; allowing nonresidents to take rough fish by harpooning; amending Minnesota Statutes 1992, section 97C.381.

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 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Davids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler

Delmont	Haukoos	Klinzing	Mahon	Opatz	Rukavina	Van Dellen
Dempsey	Hausman	Knickerbocker	Mariani	Orenstein	Sarna	Van Engen
Dorn	Holsten	Knight	McCollum	Orfield	Seagren	Vellenga
Erhardt	Huntley	Koppendraye	McGuire	Osthoff	Sekhon	Vickerman
Evans	Jacobs	Krinkie	Milbert	Ostrom	Simoneau	Wagenius
Farrell	Jaros	Krueger	Molnau	Ozment	Skoglund	Waltman
Finseth	Jefferson	Lasley	Morrison	Pauly	Smith	Weaver
Frerichs	Jennings	Leppik	Mosel	Pawlenty	Solberg	Wejcmán
Garcia	Johnson, A.	Lieder	Munger	Pelowski	Stanis	Wenzel
Girard	Johnson, R.	Limmer	Murphy	Perlt	Steensma	Winter
Goodno	Johnson, V.	Lindner	Neary	Peterson	Sviggum	Wolf
Greenfield	Kahn	Long	Nelson	Pugh	Swenson	Worke
Greiling	Kalis	Lourey	Ness	Reding	Tomassoni	Workman
Gruenes	Kelley	Luther	Olson, E.	Rest	Tompkins	Spk. Anderson, I.
Gutknecht	Kelso	Lynch	Olson, M.	Rhodes	Trimble	
Hasskamp	Kinkel	Macklin	Onnen	Rodosovich	Tunheim	

Those who voted in the negative were:

Hugoson Olson, K. Rice

The bill was passed and its title agreed to.

S. F. No. 2491, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Stearns county.

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

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bergson

The bill was passed and its title agreed to.

S. F. No. 2551 was reported to the House.

Huntley moved to amend S. F. No. 2551 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Laws 1969, chapter 224, section 1, is amended to read:

Section 1. [Duluth, city of; hospitals.] All rights, powers, and duties of the city of Duluth concerning property and estate donated to or otherwise acquired by the city for the establishment and maintenance of hospitals has for many years been and shall continue to be exercised and discharged by the city through the instrumentality of a board of seven 15 persons called directors of trusts. Funds were donated to the city for the establishment of a free and public hospital and dispensary for secular use and benefit of worthy sick and helpless poor, without distinction of sex, creed, or nationality. This purpose has been fulfilled by the establishment of the Miller-Dwan Memorial Hospital which is now owned and operated by the city through the instrumentality of the directors of trusts, in accordance with orders of the district court construing the terms of said donation. To renovate, remodel, and enlarge the existing building and facilities of this hospital, to develop a building program based on present and future community needs for the purpose of re-establishing and thereafter maintaining it as a general hospital, to construct additions, including facilities to be jointly occupied with the ~~St. Louis county health department~~ and other public agencies, and to establish connections with adjoining private rehabilitation facilities serving the public on a nonprofit basis, the directors of trusts are authorized to acquire in the name of the city of Duluth all real and personal property necessary and incidental to such a building program and to the operation, administration, management, and control of the expanded hospital facilities, to enter into all contracts on behalf of the city necessary and incidental to the building program, and to finance the cost thereof, in excess of funds on hand and funds provided by governmental or private grants, by the issuance, with the approval of the Duluth economic development authority, of revenue bonds of the city, and to pledge for the payment and security of such bonds and the interest thereon all or any defined portion of the net revenues of all hospital facilities now and hereafter owned by the city, in excess of the normal, reasonable, and current costs of the operation, administration, and maintenance thereof. The bonds may be issued and sold at such times, upon such notice, if any, in such form and denominations, bearing interest at such rate or rates, maturing on such dates, either without option of prior payment or subject to prepayment upon such notice and at such times and prices, payable at such bank or banks, within or without the state, with such provisions for registration, conversion, and exchange and for the issuance of notes in anticipation of the sale and delivery of definitive bonds, and in accordance with such terms and covenants as the directors of trusts shall establish by resolution, and not subject to the conditions or limitations set forth in Minnesota Statutes, chapter 475, or any other law; provided that in the event the full faith and credit of the city is pledged to the payment of any series of such bonds, the issuance thereof as proposed in a resolution of the directors of trusts shall be authorized by an ordinance duly adopted by the city council in accordance with the provisions of the city charter, and the bonds shall not be sold or delivered until and unless such ordinance has become effective, and shall be sold and secured in the manner provided by Minnesota Statutes, chapter 475.

All real estate owned by the city of Duluth for hospital purposes in the name and style of "Miller Memorial Hospital, doing business as Miller-Dwan Medical Center by and through its Directors of Trusts pursuant to Laws 1969, chapter 224" or otherwise, may be sold, conveyed, transferred, or otherwise disposed of by the directors of trusts only after a duly noticed public hearing held before the Duluth city council, and approval of the council evidenced by an ordinance adopted at a meeting held at least seven days after such public hearing. The provisions of this paragraph shall not apply to the transfer of an interest in such real estate that is incidental to the issuance of revenue bonds approved by the Duluth economic development authority under this section.

Sec. 2. Laws 1969, chapter 224, section 2, is amended to read:

Sec. 2. The mayor of the city shall be ex officio a member of the board of directors of trusts and may appoint a person to serve as a member in the mayor's absence. The other ~~six~~ current members shall complete their current terms, and their successors shall be residents of the city and appointed by the judges of the district court of the district in which the city is located, by concurrent action of a majority of the judges, for the following terms beginning with date of appointment: two for a term of two years, two for a term of four years and two for a term of six years, and thereafter as these terms expire the vacancies caused thereby shall be filled by appointment for six year terms. Upon petition of the board of directors of trusts, these judges, by like concurrent action, may increase the number of members on the board of directors of trusts to as many as fifteen, without amendment of this act. If an increase in membership should be made, the new members shall be appointed for terms deemed appropriate by such district judges, but not exceeding six years. These judges, by like concurrent action, shall appoint members to fill out the unexpired term of any member who for any reason ceases to be a member before the expiration of his term. terms of six years. However, beginning with the first vacancy on the board of directors of trusts occurring after the effective date of this act, the Duluth city council shall appoint one of its members to fill the vacancy and shall appoint the

successive successors to that initial appointment. Members of the council who are appointed by the council to the board of directors of trusts shall serve for a term of six years or until their tenure on the council ends, whichever occurs sooner. The council appointee to the board shall not be a member of the Duluth economic development authority during the appointee's tenure on the board. Vacancies on the board in positions appointed by the judges occurring before the end of a term must be filled by the judges for the unexpired term in the same manner as used in making full-term appointments. The judges of this district court shall meet and take action upon any of the matters in this section specified, upon call of the senior judge of the district or upon the petition of the mayor or any resident taxpayer of the city. However, the directors of trusts may take any action authorized in this act without prior order of the court.

Sec. 3. Laws 1969, chapter 224, section 3, is amended to read:

Sec. 3. The directors of trusts shall have power to make rules and bylaws for the proper conduct of their business; to appoint and remove from time to time such agents and employees as in their judgment may be required for the proper discharge of their duties; to determine the duties and compensation of all such agents and employees, who may but are not required to be members of the public employees retirement association; to employ legal counsel; to make such contracts and agreements as in their judgment may from time to time be required in the acquisition, betterment, operation, administration, maintenance, control, and management of city hospital facilities, ~~in conformity with the provisions of the city charter and of ordinances enacted by the council relating to the procedure to be followed by the directors of trusts in the award of contracts and the making of purchases, except that the directors of trusts shall designate a person other than the city purchasing agent to act for such purchasing agent in awarding contracts and making purchases;~~ and to do, perform, and discharge all and singular whatever acts and duties are or from time to time may become proper or necessary to be done by the city in discharge of its duties in connection with any use or trust affecting hospital properties. ~~The directors of trusts shall file with the city clerk on or before February 15 of each year a report for the preceding calendar year showing all receipts and disbursements with the sources and purposes thereof, together with a statement of assets under their control and property acquired or disposed of during the year, and such other general information as to the management and control of the trust property as in their judgment is proper.~~ The board of directors of trusts is subject to the provisions of section 471.345. Their official books and records shall be audited at least annually by the state public examiner auditor or by a certified public accountant, as determined by the directors of trusts, notwithstanding the provisions of any law requiring audit of hospital books and records by the state public examiner. If the directors of trusts determine that the hospital books and records shall be audited by a certified public accountant, the directors shall notify the state public examiner that an audit by his office will not be necessary. The report of each such audit shall be filed promptly with the public examiner and the city council. The directors of trusts shall file with the city clerk copies of all financial reports which it is required by law or rule to submit to the state of Minnesota, within seven days of the submission of the report to the state agency receiving the report. The directors of trusts shall also annually file with the city clerk copies of all audit reports of its financial affairs prepared by the state auditor or by a certified public accountant, within 30 days of the completion of the audit report.

The board of directors of trusts is a "public body" for purposes of the open meeting law, Minnesota Statutes, section 471.705. Notwithstanding section 471.705, the board of directors of trusts may meet in closed session pursuant to section 144.581, subdivision 5.

Sec. 4. [EFFECTIVE DATE.]

This act is effective the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of the city of Duluth."

The motion prevailed and the amendment was adopted.

Hurtley moved to amend S. F. No. 2551, as amended, as follows:

Delete the title and insert:

"A bill for an act relating to the city of Duluth; establishing the powers and duties of the board of directors of trusts of the city of Duluth in the establishment, administration, management, maintenance, improvement, and financing of Miller-Dwan Hospital; amending Laws 1969, chapter 224, sections 1, 2, and 3."

The motion prevailed and the amendment was adopted.

S. F. No. 2551, A bill for an act relating to the city of Duluth; establishing the powers and duties of the board of directors of trusts of Miller-Dwan Hospital in the establishment, administration, management, maintenance, improvement, and financing of the hospital; amending Laws 1969, chapter 224, sections 1, 2, and 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 126 yeas and 6 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Gruenes	Gutknecht	Lindner	Tompkins	Worke	Workman
---------	-----------	---------	----------	-------	---------

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

H. F. No. 2925, A bill for an act relating to state lands; requiring that certain leased lakeshore lots in Cook county be reoffered for public sale.

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

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

Those who voted in the affirmative were:

Abrams	Clark	Frerichs	Jacobs	Knight	Mahon	Olson, K.
Anderson, R.	Commers	Garcia	Jaros	Koppendraye	Mariani	Olson, M.
Asch	Cooper	Girard	Jefferson	Krinkie	McCollum	Onnen
Battaglia	Dauner	Goodno	Jennings	Krueger	McGuire	Opatz
Bauerly	Dauids	Greenfield	Johnson, A.	Lasley	Milbert	Orenstein
Beard	Dawkins	Greiling	Johnson, R.	Leppik	Molnau	Orfield
Bergson	Dehler	Gruenes	Johnson, V.	Lieder	Morrison	Osthoff
Bertram	Delmont	Gutknecht	Kahn	Limmer	Mosel	Ostrom
Bettermann	Dempsey	Hasskamp	Kalis	Lindner	Munger	Ozment
Bishop	Dorn	Haukoos	Kelley	Long	Murphy	Pauly
Brown, C.	Erhardt	Hausman	Kelso	Lourey	Neary	Pawlenty
Brown, K.	Evans	Holsten	Kinkel	Luther	Nelson	Pelowski
Carlson	Farrell	Hugoson	Klinzing	Lynch	Ness	Perlt
Carruthers	Finseth	Huntley	Knickerbocker	Macklin	Olson, E.	Peterson

Reding	Rukavina	Skoglund	Sviggum	Tunheim	Wagenius	Winter
Rest	Sarna	Smith	Swenson	Van Dellen	Waltman	Wolf
Rhodes	Seagren	Solberg	Tomassoni	Van Engen	Weaver	Worke
Rice	Sekhon	Stanius	Tompkins	Vellenga	Wejzman	Workman
Rodosovich	Simoneau	Steensma	Trimble	Vickerman	Wenzel	Spk. Anderson, I.

The bill was passed and its title agreed to.

Workman was excused for the remainder of today's session.

H. F. No. 2893 was reported to the House.

Rukavina, Solberg and Abrams moved to amend H. F. No. 2893, the first engrossment, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 268.073, subdivision 1, is amended to read:

Subdivision 1. [ADDITIONAL BENEFITS; WHEN AVAILABLE.] Additional unemployment compensation benefits are authorized under this section only if the commissioner determines that:

(1) an employer has reduced operations at a facility employing 100 or more individuals for at least six months during the preceding year resulting in the reduction of at least 50 percent of the employer's work force and the layoff of at least 50 employees at that facility;

(2) the employer ~~does not intend~~ has no expressed plan to resume operations which would lead to the reemployment of those employees at any time in the immediate future; and

(3) the unemployment rate for the county in which the facility is located was ten percent during the month of the reduction or any of the three months preceding or succeeding the reduction.

Sec. 2. Minnesota Statutes 1992, section 268.073, subdivision 5, is amended to read:

Subd. 5. [MAXIMUM BENEFITS PAYABLE.] A claimant's maximum amount of additional benefits payable in the individual's benefit year shall be ~~six~~ 13 times the individual's weekly benefit amount. Unemployment compensation benefits paid to an individual under any state or federal law other than regular benefits payable under section 268.07 shall be deducted from that individual's maximum amount of additional benefits.

Sec. 3. Minnesota Statutes 1992, section 268.073, is amended by adding a subdivision to read:

Subd. 7. [BENEFIT CHARGES.] (a) Except as otherwise provided, benefits paid to an individual under this section shall be charged to the employment experience record of the base period employer of the individual to the extent regular benefits were charged to the base period employer under sections 268.06, subdivision 5, and 268.09, subdivision 1, paragraph (e).

(b) With respect to an employer who has elected to be a contributing employer under the provisions of section 268.06, subdivision 31, all benefits paid under this section which are based upon services for the contributing employer shall be charged to the contributing employer's account.

Sec. 4. [268.074] [SHARED WORK PLAN.]

Subdivision 1. [SHARED WORK PLAN; DEFINITIONS.] For purposes of this section, the following terms have the meanings given:

(a) "Affected employee" means an individual who was continuously employed as a member of the affected group, by the shared work employer, for at least six months prior to application, on a full-time basis.

(b) "Affected group" means five or more employees designated by the employer to participate in a shared work plan.

(c) "Shared work employer" means an employer with a shared work plan in effect.

(d) "Shared work plan" or "plan" means an employer's voluntary, written plan for reducing unemployment, under which a specified group of employees shares the work remaining after their normal weekly hours of work are reduced.

(e) "Approved shared work plan" or "approved plan" means an employer's shared work plan which meets the requirement of this section.

(f) "Normal weekly hours of work" means the number of hours in a week that the employee normally would work for the shared work employer or 40 hours, whichever is less.

Subd. 2. [PARTICIPATION.] (a) An employer wishing to participate in the shared work unemployment benefit program shall submit a signed, written shared work plan to the commissioner for approval. The commissioner may give written approval of a shared work plan only if it:

(1) specifies the employees in the affected group;

(2) applies to only one affected group;

(3) includes a certified statement by the employer that each individual specified in the affected group is an affected employee;

(4) includes a certified statement by the employer that for the duration of the plan the reduction in normal weekly hours of work of the employees in the affected group is instead of layoffs which otherwise would result in at least at large a reduction in the total normal weekly hours of work;

(5) specifies an expiration date which is no more than one year from the date the employer submits the plan for approval;

(6) specifies that fringe benefits, such as health and retirement, available to the employees in the affected group are not reduced beyond the percentage of reduction in hours of work; and

(7) is approved in writing by the collective bargaining agent for each collective bargaining agreement which covers any employee in the affected group.

(b) The commissioner shall establish the beginning and ending dates of an approved shared work plan.

(c) The commissioner shall approve or disapprove the plan within 15 days of its receipt. The commissioner shall notify the employer of the reasons for disapproval of a shared work plan within ten days of the determination. Determinations of the commissioner are final.

(d) Disapproval of a plan may be reconsidered upon application of the employer or at the discretion of the commissioner. Approval of a shared work plan may be revoked by the commissioner when it is established that the approval was based, in whole or in part, upon information in the plan which is either false or substantially misleading.

Subd. 3. [ELIGIBILITY.] (a) Notwithstanding any other provision of this chapter, an individual is unemployed and eligible to receive shared work benefits with respect to any week if the commissioner finds that:

(1) during the week the individual is employed as a member of an affected group in an approved plan which was approved prior to the week and is in effect for the week; and

(2) during the week the individual's normal weekly hours of work were reduced, in accordance with an approved plan, at least 20 percent but not more than 40 percent, with a corresponding reduction in wages.

(b) Shared work benefits shall not be paid to an eligible individual beyond one benefit year under an approved plan or modification of an approved plan.

(c) The total amount of regular benefits and shared work benefits paid to an individual in a benefit year shall not exceed the maximum benefit amount established.

(d) An otherwise eligible individual shall not be denied benefits under this section because of the application of any provision of this chapter relating to availability for work, active search for work, or refusal to apply for or accept work from other than the individual's shared work employer.

Subd. 4. [WEEKLY BENEFIT AMOUNT.] (a) An individual who is eligible for shared work benefits under this section shall be paid, with respect to any week of unemployment, a weekly shared work unemployment insurance benefit amount. The amount shall be equal to the individual's regular weekly benefit amount multiplied by the nearest full percentage of reduction of the individual's regular weekly hours of work as set forth in the employer's plan. The benefit payment, if not a multiple of \$1 shall be rounded to the next lower dollar.

(b) The provisions of section 268.07, subdivision 2, paragraph (g), shall not apply to earnings from the shared work employer of an individual eligible for payments under this section unless the resulting payment would be less than the regular benefit payment for which the individual would otherwise be eligible without regard to shared work unemployment insurance benefits.

(c) An individual shall be disqualified for benefits payable under this section for any week in which paid work is performed for the shared work employer in excess of the reduced hours set forth in the approved plan.

Sec. 5. [EFFECTIVE DATE; SUNSET.]

Section 268.074 is effective July 1, 1994. Benefits shall not be paid for any weeks of unemployment before that date, although proposals to participate under the plan may be submitted for approval before that date. The program shall terminate and no benefits shall be paid for weeks after June 30, 1996.

Sec. 6. [STUDY.]

The reemployment insurance advisory committee shall study results of the program and make recommendations to the legislature by February 15, 1996, as to the continuation or modification of the program.

Sec. 7. [REPEALER.]

Minnesota Statutes 1992, section 268.073, subdivision 6, is repealed."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Rukavina moved to amend H. F. No. 2893, the first engrossment, as amended, as follows:

Page 5, after line 26 of the Rukavina et al amendment, insert:

"Sec. 8. [EFFECTIVE DATE.]

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

The motion prevailed and the amendment was adopted.

H. F. No. 2893, A bill for an act relating to unemployment compensation; extending benefits for certain employees; providing for a shared work plan; requiring a study; amending Minnesota Statutes 1992, section 268.073, subdivisions 1, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1992, section 268.073, 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 128 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Davids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler

Delmont	Holsten	Knickerbocker	McGuire	Osthoff	Seagren	Vellenga
Dempsey	Hugoson	Koppendraye	Milbert	Ostrom	Sekhon	Vickerman
Dorn	Huntley	Krinkie	Molnau	Ozment	Simoneau	Wagenius
Erhardt	Jacobs	Krueger	Morrison	Pauly	Skoglund	Waltman
Evans	Jaros	Lasley	Mosel	Pawlenty	Smith	Weaver
Farrell	Jefferson	Leppik	Munger	Pelowski	Solberg	Wejcman
Finseth	Jennings	Lieder	Murphy	Perlt	Stanius	Wenzel
Frerichs	Johnson, A.	Limmer	Neary	Peterson	Steensma	Winter
Garcia	Johnson, R.	Long	Nelson	Pugh	Sviggum	Wolf
Girard	Johnson, V.	Lourey	Ness	Reding	Swenson	Worke
Greenfield	Kahn	Luther	Olson, E.	Rest	Tomassoni	Spk. Anderson, I.
Greiling	Kalis	Lynch	Olson, K.	Rhodes	Tompkins	
Gutknecht	Kelley	Macklin	Onnen	Rice	Trimble	
Hasskamp	Kelso	Mahon	Opatz	Rodosovich	Tunheim	
Haukoos	Kinkel	Mariani	Orenstein	Rukavina	Van Dellen	
Hausman	Klinzing	McCollum	Orfield	Sarna	Van Engen	

Those who voted in the negative were:

Goodno	Gruenes	Knight	Lindner	Olson, M.
--------	---------	--------	---------	-----------

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

S. F. No. 2422, A bill for an act relating to burial grounds; modifying provisions for enforcement of certain civil actions; amending Minnesota Statutes 1993 Supplement, section 307.082.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

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

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Wejcman moved that the name of Neary be added as an author on H. F. No. 1792. The motion prevailed.

Ozment moved that his name be stricken as an author on H. F. No. 1944. The motion prevailed.

Macklin moved that the names of Vickerman, Van Engen, Finseth and Workman be added as authors on H. F. No. 2023. The motion prevailed.

Skoglund moved that the name of Murphy be added as second author and the names of Mosel and Bishop be added as authors on H. F. No. 2351. The motion prevailed.

Mariani moved that the name of Van Dellen be added as an author on H. F. No. 2811. The motion prevailed.

Farrell moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, April 11, 1994, when the vote was taken on the Lasley amendment to H. F. No. 2189, the third engrossment, as amended." The motion prevailed.

Mosel moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, April 11, 1994, when the vote was taken on the Skoglund amendment to the Waltman et al amendment to H. F. No. 2189, the third engrossment, as amended." The motion prevailed.

Leppik moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, April 11, 1994, when the vote was taken on the final passage of H. F. No. 2433." The motion prevailed.

Swenson moved that H. F. Nos. 480, 482, 754 and 2113 be returned to their author. The motion prevailed.

Dehler moved that H. F. No. 885 be returned to its author. The motion prevailed.

Hasskamp moved that H. F. No. 887 be returned to its author. The motion prevailed.

Workman moved that H. F. No. 1079 be returned to its author. The motion prevailed.

Simoneau moved that H. F. No. 1458 be returned to its author. The motion prevailed.

Van Engen moved that H. F. No. 2595 be returned to its author. The motion prevailed.

Bettermann moved that H. F. No. 2606 be returned to its author. The motion prevailed.

Bettermann moved that H. F. No. 2769 be returned to its author. The motion prevailed.

Steensma moved that H. F. No. 2808 be returned to its author. The motion prevailed.

Bettermann moved that H. F. No. 2820 be returned to its author. The motion prevailed.

Sviggum moved that H. F. No. 2895 be returned to its author. The motion prevailed.

Sekhon moved that H. F. No. 3143 be returned to its author. The motion prevailed.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 12:00 noon, Thursday, April 14, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 12:00 noon, Thursday, April 14, 1994.

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

NINETIETH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 14, 1994

The House of Representatives convened at 12:00 noon and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by the Reverend Stephen Sveom, Faith Lutheran Church, Staples, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Simoneau was excused until 3:35 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Krueger 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. 1872 and H. F. No. 2170, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Farrell moved that S. F. No. 1872 be substituted for H. F. No. 2170 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2104 and H. F. No. 2380, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wejcman moved that the rules be so far suspended that S. F. No. 2104 be substituted for H. F. No. 2380 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2171 and H. F. No. 2402, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Johnson, R., moved that the rules be so far suspended that S. F. No. 2171 be substituted for H. F. No. 2402 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2393 and H. F. No. 2636, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jefferson moved that the rules be so far suspended that S. F. No. 2393 be substituted for H. F. No. 2636 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2642 and H. F. No. 2946, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Dawkins moved that the rules be so far suspended that S. F. No. 2642 be substituted for H. F. No. 2946 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2709 and H. F. No. 2892, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Hugoson moved that S. F. No. 2709 be substituted for H. F. No. 2892 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2913 and H. F. No. 3215, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Solberg moved that the rules be so far suspended that S. F. No. 2913 be substituted for H. F. No. 3215 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 SECRETARY OF STATE
ST. PAUL 55155

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
2040		386	11:20 a.m. April 7	April 7
1691		388	11:02 a.m. April 7	April 7
2522		394	11:23 a.m. April 7	April 7
1752		395	11:22 a.m. April 7	April 7
1968		396	11:25 a.m. April 7	April 7
1983		397	11:26 a.m. April 7	April 7
1967		398	11:26 a.m. April 7	April 7
2415		399	11:30 a.m. April 7	April 7

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 11, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

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

- H. F. No. 2210, relating to data practices; regulating the classification and release of certain department of commerce data.
- H. F. No. 2435, relating to animals; changing procedures concerning certain abandoned animals.
- H. F. No. 2679, relating to boilers and engines; modifying provisions relating to hobby boilers and show engines.
- H. F. No. 2178, relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Meeker county.
- H. F. No. 2035, relating to commerce; residential building contractors and remodelers; clarifying legislative intent to require maintenance of bonds until license renewal; requiring recovery fund fee proration in certain circumstances.
- H. F. No. 2622, relating to state lands; authorizing the department of natural resources to sell certain state land in the counties of Itasca and St. Louis.
- H. F. No. 2309, relating to highways; changing highway description.

H. F. No. 1913, relating to retirement; St. Paul police consolidation account; authorizing the payment of refunds to the estates of certain deceased police officers.

H. F. No. 1881, relating to the city of Red Wing; authorizing certain police officers to elect retirement coverage by the public employees police and fire fund.

H. F. No. 2314, relating to waste reduction; amending various statutes to be consistent with recent law relating to distribution of reports and materials to legislators.

H. F. No. 1186, relating to the environment; adding cross references for existing civil penalties for littering.

H. F. No. 2330, relating to Anoka county; authorizing county to sell tax-forfeited land by sealed bid.

H. F. No. 2086, relating to local government; abandoning judicial ditch number 37 in Redwood and Lyon counties.

H. F. No. 2692, relating to state lands; authorizing private sale of certain state land in Crow Wing county to resolve an encroachment situation.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
	2210	400	2:30 p.m. April 11	April 11
	2435	401	2:32 p.m. April 11	April 11
	2679	402	2:28 p.m. April 11	April 11
	2178	403	2:29 p.m. April 11	April 11
	2035	404	2:34 p.m. April 11	April 11
2425		405	2:50 p.m. April 11	April 11
2199		406	2:52 p.m. April 11	April 11
	2622	407	2:26 p.m. April 11	April 11
	2309	408	2:36 p.m. April 11	April 11
	1913	409	2:37 p.m. April 11	April 11
	1881	410	2:40 p.m. April 11	April 11
	2314	411	2:42 p.m. April 11	April 11
	1186	412	2:22 p.m. April 11	April 11
	2330	413	2:44 p.m. April 11	April 11
	2086	414	2:47 p.m. April 11	April 11
	2692	415	2:49 p.m. April 11	April 11

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 1911, A bill for an act relating to criminal procedure; proposing an amendment to the Minnesota Constitution, article I, section 7, to permit courts to deny a defendant's release on bail when necessary to protect the orderly processes of the criminal justice system or when the defendant is accused of a violent crime and has engaged in a pattern or history of violent crime; enacting the Minnesota bail reform act; providing procedures governing pretrial and postconviction release and detention decisions; providing for appellate review of release and detention orders; imposing penalties for failure to appear in court as required and for commission of a crime while on release; providing for training of judges and prosecutors to ensure they make racially and culturally neutral bail recommendations and decisions; amending Minnesota Statutes 1992, sections 589.16; 629.53; and 629.63; Minnesota Statutes 1993 Supplement, sections 480.30; and 629.72, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 609; proposing coding for new law as Minnesota Statutes, chapter 629A; repealing Minnesota Statutes 1992, sections 609.49; 629.44; 629.45; 629.47; 629.48; 629.49; 629.54; 629.55; 629.58; 629.59; 629.60; 629.61; 629.62; and 629.64.

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.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 1985, A bill for an act relating to partnerships; providing for the registration and operation of limited liability partnerships; appropriating money; amending Minnesota Statutes 1992, sections 319A.02, subdivision 5; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1, 1a, and 2; 323.02, subdivision 8, and by adding a subdivision; 323.06; 323.14; 323.17; 323.35; and 323.39; Minnesota Statutes 1993 Supplement, section 319A.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 323.

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2158, A bill for an act relating to pollution; requiring that certain towns, cities, and counties have ordinances complying with pollution control agency rules regarding individual sewage treatment systems; requiring the agency to license sewage treatment professionals; requiring rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2183, A bill for an act relating to transportation; regulating the transportation of hazardous material and hazardous waste; making technical changes; specifying that certain federal regulations do not apply to cargo tanks under 3,000 gallons used in the intrastate transportation of gasoline; establishing a uniform registration and permitting program for transporters of hazardous material and hazardous waste; defining terms; establishing requirements for applications; describing methods for calculating fees; specifying treatment of application data; establishing enforcement authority and administrative penalties; providing for suspension or revocation of registration and permits; providing for base state agreements; preempting and suspending conflicting programs; providing for the deposit and use of fees

and grants; establishing exemptions; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; and 221.033, subdivisions 1 and 2b; Minnesota Statutes 1993 Supplement, section 221.036, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1992, section 221.033, subdivision 4.

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2485, A bill for an act relating to water; providing for duties of the legislative water commission; providing for a sustainable agriculture advisory committee; requiring plans relating to sustainable agriculture and integrated pest management; changing disclosures and fees related to dewatering wells; establishing groundwater policy and education; changing water well permit requirements; requiring reports to the legislature; amending Minnesota Statutes 1992, sections 3.887, subdivisions 5, 6, and 8; 17.114, subdivisions 1, 3, 4, and by adding a subdivision; 18B.045, subdivision 1; 103A.43; 103B.151, subdivision 1; 103G.271, subdivision 5; 103H.175, by adding a subdivision; 103H.201, subdivisions 1 and 4; 103I.101, subdivision 5; 103I.205, subdivision 1; 103I.208; and 103I.331, subdivision 6; Minnesota Statutes 1993 Supplement, sections 18E.06; and 115B.20, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 103A; and 103F; repealing Minnesota Statutes 1992, section 103F.460.

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

The report was adopted.

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

H. F. No. 2503, A bill for an act relating to energy; reestablishing electric energy policy; establishing a hierarchy of preferred electric energy sources; establishing a legislative task force to oversee implementation of energy policy; establishing intervenor compensation account with revenues from utility assessments; clarifying the availability of intervenor compensation in proceedings before the public utilities commission; authorizing the public utilities commission to set discounted rates for low-income customers; establishing specific guidelines for payment to small power producers and cogenerators under certain circumstances; requiring compliance by a utility with a conservation improvement and resource planning requirements prior to the utility seeking a certificate of need for new or expanded facilities and rate increases; amending various statutes to conform with the reestablished energy policy; providing funding for the building energy research center and the energy center at the Red Wing/Winona technical college; providing demonstration grants for wind energy conversion facilities at public post-secondary institutions; providing for state bonding; appropriating money; amending Minnesota Statutes 1992, sections 216A.07, subdivision 3; 216A.085, subdivision 1; 216B.01; 216B.02, by adding subdivisions; 216B.03; 216B.11; 216B.16, subdivision 6, and by adding a subdivision; 216B.162, subdivisions 2, 4, and 8; 216B.164, subdivisions 1, 3, 6, and 7; 216B.17, subdivisions 1, 6, and 6a; 216B.243, subdivisions 3, 3a, and 4; 216C.01, subdivision 1; 216C.05; 216C.09; 216C.10; 216C.14, subdivision 2; 216C.17, subdivision 5; 216C.18, subdivisions 1 and 1a; 216C.315; 216C.38, by adding a subdivision; and 216C.381, subdivision 1; Minnesota Statutes 1993 Supplement, sections 216B.16, subdivision 1; 216B.162, subdivision 7; 216B.164, subdivision 4; and 216B.2422, subdivisions 1, 2, 4, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 216B; and 216C; repealing Minnesota Statutes 1992, sections 216B.16, subdivision 10; Minnesota Statutes 1993 Supplement, section 216B.242.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:•

"Section 1. [EDUCATIONAL DEMONSTRATION GRANTS; WIND ENERGY.]

(a) The commissioner of the department of public service shall make four demonstration grants, not to exceed \$250,000 per grant, for constructing advanced wind energy conversion facilities in areas of the state with average wind speeds of 11.5 miles per hour or greater.

(b) An applicant for a grant must be a public post-secondary institution that has in place or will have in place a program to train persons in the design, construction, and operation of preferred energy technologies. The institution shall commit to indefinitely continuing the preferred energy technologies program required for purposes of receiving the grant.

(c) A wind energy conversion facility constructed under this section must receive payment from an interconnecting utility under Minnesota Statutes, section 216B.164, subdivision 4, paragraph (d). Payment received by an institution from a utility must be used for operating and maintaining the wind energy conversion facility and for providing instruction to increase the availability of persons trained and skilled in design, construction, and operation of preferred energy source generation facilities.

(d) For the purposes of this section, "preferred energy sources" means the energy sources described in Minnesota Statutes, section 216C.051, subdivision 3, paragraph (b), clauses (1) and (2).

Sec. 2. [REPEALER.]

Minnesota Statutes 1992, section 216B.16, subdivision 10, is repealed.

Sec. 3. [APPROPRIATION.]

\$1,000,000 is appropriated to the commissioner of the department of public service from the bond proceeds fund for the purpose of making the grants authorized under section 1.

Sec. 4. [BOND SALE.]

To provide the money appropriated in section 3 from the bond proceeds fund, the commissioner of finance upon request of the governor shall sell and issue bonds of the state in an amount up to \$1,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7."

Delete the title and insert:

"A bill for an act relating to capital improvements; authorizing bonds and appropriating money for wind energy conversion facilities; repealing Minnesota Statutes 1992, section 216B.16, subdivision 10."

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

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

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3032, A bill for an act relating to game and fish; clarifying the purposes for which various game and fish revenues may be spent; requiring establishment of citizen oversight committees to review expenditures of game and fish revenues; abolishing the angling license refund for senior citizens; amending Minnesota Statutes 1992, sections 97A.055, by adding a subdivision; 97A.071, subdivision 3; 97A.075, subdivisions 2, 3, and 4; 97A.475, subdivisions 6,

7, 8, and 13; and 97A.485, subdivision 7; Minnesota Statutes 1993 Supplement, sections 97A.055, subdivision 4; 97A.475, subdivision 12; and 97A.485, subdivision 6; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; and 97A.475, subdivision 9.

Reported the same back with the following amendments:

Pages 2 and 3, delete section 2

Page 5, line 15, after "costs" insert "except for costs of workers in the field"

Page 8, line 17, delete "7 to 13" and insert "6 to 12"

Page 8, line 33, delete "7 to 13 and 16" and insert "6 to 12 and 15"

Renumber the sections in sequence

Amend the title as follows:

Page 1, delete lines 4 and 5

Page 1, line 6, delete "revenues;"

Page 1, line 8, delete "97A.055, by adding a subdivision;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 3122, A bill for an act relating to public finance; changing procedures for allocating bonding authority; amending Minnesota Statutes 1992, sections 474A.02, subdivisions 8a, 13a, and 23a; 474A.03, subdivision 1; 474A.04, subdivision 1a; 474A.061, subdivision 4; 474A.091, subdivisions 3 and 5; and 474A.131, subdivision 3, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 474A.047, subdivision 1; and 474A.061, subdivision 2a.

Reported the same back with the following amendments:

Page 5, line 24, strike "median"

Page 5, line 25, strike "purchase" and insert "federal" and strike "in the city for which the bonds are to be sold" and insert "limits for housing"

Page 6, line 15, after "'city'" insert "means county and"

Page 12, delete line 26 and insert "date of the filing of the election not to issue bonds as provided under section 25, paragraph (c), of the Internal Revenue Code"

Page 12, delete lines 31 and 32 and insert "days of the date of the filing of the election not to issue bonds is considered not to"

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 1712, A bill for an act relating to towns; providing for financial audits in certain circumstances; amending Minnesota Statutes 1992, section 367.36, subdivision 1.

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 1903, A bill for an act relating to agricultural economy; increasing extent of authorized state participation in rural finance authority loan restructuring program; repealing authorization for the commissioner of finance to issue obligations to assist agricultural-industrial facilities in Detroit Lakes; amending Minnesota Statutes 1992, section 41B.04, subdivision 8; repealing Laws 1992, chapter 543.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1985, 2158, 2183, 2485, 2894, 3032 and 3122 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1872, 2104, 2171, 2393, 2642, 2709, 2913, 1712 and 1903 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Orenstein introduced:

H. F. No. 3216, A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Orenstein introduced:

H. F. No. 3217, A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Beard introduced:

H. F. No. 3218, A bill for an act relating to education; preventing the prevailing wage law from applying to school district construction and debt service equalization; amending Minnesota Statutes 1992, section 124.95, subdivision 5.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Beard introduced:

H. F. No. 3219, A bill for an act relating to education; preventing the prevailing wage law from applying to school district construction and debt service equalization; amending Minnesota Statutes 1992, section 124.95, subdivision 5.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

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. 2212, A bill for an act relating to the environment; genetically engineered organisms; authorizing the department of agriculture to exempt certain federally monitored releases; authorizing the environmental quality board to adopt rules relating to certain releases; providing for certain exemptions; amending Minnesota Statutes 1992, sections 18F.01; 18F.02, subdivisions 1, 5, and by adding a subdivision; 18F.04; 18F.07; 18F.12; 116C.91, subdivision 1; 116C.94; and 116C.96; proposing coding for new law in Minnesota Statutes, chapters 18F; and 116C; repealing Minnesota Statutes 1992, section 18F.02, subdivision 7.

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. 2362, A bill for an act relating to animals; changing the definition of a potentially dangerous dog; changing the identification tag requirements for a dangerous dog; amending Minnesota Statutes 1992, sections 347.50, subdivision 3; and 347.51, subdivision 7.

The Senate has appointed as such committee:

Ms. Reichgott Junge, Mr. Metzen and Ms. Lesewski.

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. 2675, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public waters in Aitkin county.

The Senate has appointed as such committee:

Messrs. Lessard, Chmielewski and Merriam.

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. 2189, A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 475.61, subdivision 4; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, articles 6, section 34; and 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 126; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030.

PATRICK E. FLAHAVEN, Secretary of the Senate

Vellenga moved that the House refuse to concur in the Senate amendments to H. F. No. 2189, 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 amendments to the following Senate File:

S. F. No. 2900, A bill for an act relating to education; appropriating money for education and related purposes to the state board of technical colleges, higher education board, state university board, and board of regents of the

University of Minnesota, with certain conditions; modifying the award of grants for faculty exchange and temporary assignment programs; designating community colleges; establishing the mission of Fond du Lac campus; changing certain financial aid grants; modifying the child care grant program; clarifying an exemption to private, business, trade, and correspondence school licensing; providing for appointments; permitting rulemaking; adopting a post-secondary funding formula; permitting the higher education board to establish tuition rates for the 1995-1996 academic year; postponing mandated planning; amending Minnesota Statutes 1992, sections 135A.01; 135A.03, subdivisions 1a, and by adding subdivisions; 135A.04; 136.60, subdivisions 1 and 3; 136A.101, subdivision 5; 136A.121, subdivisions 5, 17, and by adding subdivisions; 136A.125, subdivisions 2, 4, and by adding a subdivision; 136A.15, subdivision 6; and 141.35; Minnesota Statutes 1993 Supplement, sections 125.138, subdivisions 1, 6, and 8; and 135A.05; 136A.121, subdivision 6; Laws 1993, First Special Session chapter 2, article 5, section 2; proposing coding for new law in Minnesota Statutes, chapters 135A; and 136; repealing Minnesota Statutes 1992, sections 135A.02; 135A.03, subdivisions 1, 2, 3, 4, 5, and 6; 136.60, subdivision 4; and 136C.36.

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

Messrs. Stumpf, Price, Solon, Ms. Wiener and Mrs. Benson, J. 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

Pelowski 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. 2900. 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. 3209, A bill for an act relating to the financing and operation of state and local government; conforming with changes in the federal income tax law; changing tax brackets, rates, bases, exemptions, withholding, payments, and refunds; allowing tax credits; providing aids to local governments; changing the calculation of property tax refunds; modifying property tax provisions relating to petitions, procedures, valuation, levies, classifications, homesteads, credits, and exemptions; abolishing limited market value; changing certain tax return or report requirements; changing operation of the local government trust fund; authorizing special assessments; authorizing local taxes; enacting provisions relating to certain cities, counties, special taxing districts, and towns; changing certain redemption provisions; reforming state budget procedures; changing the deposit of certain revenues; changing certain bonding provisions and authorizing bonding; modifying tax increment financing requirements; requiring certain permits and permit fees; requiring certain disclosures; requiring studies; transferring and appropriating money and limiting appropriations; amending Minnesota Statutes 1992, sections 16A.711, subdivisions 4 and 5; 60A.15, by adding a subdivision; 124.196; 271.06, subdivision 7; 272.121, subdivision 1; 273.111, subdivision 11; 273.1398, by adding a subdivision; 273.1399, by adding a subdivision; 273.165, subdivision 1; 278.05, subdivision 6; 289A.02, by adding a subdivision; 289A.25, subdivision 5; 290.01, subdivision 19d, and by adding a subdivision; 290.05, subdivision 3, and by adding a subdivision; 290.06, subdivisions 2c and 2d; 290.067, subdivision 1; 290.068, subdivision 2; 290.0802, subdivisions 1 and 2; 290.0921, subdivision 2; 290.35, by adding a subdivision; 290A.04, subdivisions 2 and 2a; 296.16, subdivision 1; 297.01, by adding a subdivision; 297A.01, by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.021, by adding a subdivision; 297A.135, subdivision 1; 297A.15, subdivision 5; 297A.25, subdivision 9, and by adding subdivisions; 297A.256; 297A.44, subdivision 4; 297C.03, subdivision 6; 297C.13, subdivision 1; 298.017, subdivision 2; 298.26; 340A.311; 360.036, subdivisions 2 and 3; 360.037, subdivision 2; 360.042, subdivision 10; 469.004, subdivision 1a; 469.175, subdivisions 3, 4, and by adding a subdivision; 469.1761, subdivisions 1, 2, and 3; 469.177, subdivision 1a; 473.341; 473H.05, by adding a subdivision; 473H.18; and 580.23, as amended; Minnesota Statutes 1993 Supplement, sections 16A.712; 84.794, subdivision 1; 84.803, subdivision 1; 270.78; 273.11, subdivisions 5, 16, and by adding a subdivision; 273.121; 273.124, subdivision 1; 273.13, subdivisions 23 and 24; 275.065, subdivision 3; 276.04, subdivision 2; 278.01, subdivision 1; 289A.11, subdivision 1; 289A.26, subdivision 7; 289A.60, subdivision 21; 290.01, subdivision 19; 290.091, subdivision 2; 290A.03, subdivision 3; 290A.04, subdivisions 2h, as amended, and 6; 290A.23, subdivision 1; 296.02, subdivision 1a; 296.025, subdivision 1a; 297A.01, subdivision

16; 297B.03; 469.176, subdivisions 1b and 4c; and 477A.03, subdivision 1; Laws 1969, chapter 499, section 2; Laws 1993, chapter 375, article 9, section 51; proposing coding for new law in Minnesota Statutes, chapters 16A; 275; 296; 297A; 297B; 462C; 469; and 473; repealing Minnesota Statutes 1992, sections 290.05, subdivision 6; and 290.067, subdivision 6; Minnesota Statutes 1993 Supplement, sections 82.19, subdivision 9; 273.11, subdivision 1a; and 289A.25, subdivision 5a.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the House refuse to concur in the Senate amendments to H. F. No. 3209, 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 Senate Files, herewith transmitted:

S. F. Nos. 2004 and 2031.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2004, A bill for an act relating to the city of Two Harbors; permitting an additional lodging tax.

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

S. F. No. 2031, A bill for an act relating to civil actions; authorizing enforcement of commitments for debts related to lawful gambling activities; amending Minnesota Statutes 1992, section 541.21.

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

Osthoff was excused between the hours of 12:25 p.m. and 1:10 p.m.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2248

A bill for an act relating to agriculture; changing certain pesticide posting requirements; amending Minnesota Statutes 1992, section 18B.07, subdivision 3.

April 12, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 2248, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: GIL GUTKNECHT, MARVIN DAUNER AND GREGORY M. DAVIDS.

Senate Conferees: DUANE D. BENSON, JIM VICKERMAN AND STEVE DILLE.

Gutknecht moved that the report of the Conference Committee on H. F. No. 2248 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2248, A bill for an act relating to agriculture; changing certain pesticide posting requirements; amending Minnesota Statutes 1992, section 18B.07, subdivision 3.

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

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

Those who voted in the affirmative were:

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

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

SPECIAL ORDERS

S. F. No. 1662 was reported to the House.

Wejcman moved to amend S. F. No. 1662 as follows:

Delete everything after the enacting clause and insert:

"UNIFORM INTERSTATE FAMILY SUPPORT ACT

ARTICLE 1

GENERAL PROVISIONS

Section 1. [518C.101] [DEFINITIONS.]

In this chapter:

(a) "Child" means an individual, whether over or under the age of majority, who is or is alleged to be owed a duty of support by the individual's parent or who is or is alleged to be the beneficiary of a support order directed to the parent.

(b) "Child support order" means a support order for a child, including a child who has attained the age of majority under the law of the issuing state.

(c) "Duty of support" means an obligation imposed or imposable by law to provide support for a child, spouse, or former spouse, including an unsatisfied obligation to provide support.

(d) "Home state" means the state in which a child lived with a parent or a person acting as parent for at least six consecutive months immediately preceding the time of filing of a petition or comparable pleading for support and, if a child is less than six months old, the state in which the child lived from birth with any of them. A period of temporary absence of any of them is counted as part of the six-month or other period.

(e) "Income" includes earnings or other periodic entitlements to money from any source and any other property subject to withholding for support under the law of this state.

(f) "Income-withholding order" means an order or other legal process directed to an obligor's employer or other debtor under section 518.611 or 518.613, to withhold support from the income of the obligor.

(g) "Initiating state" means a state in which a proceeding under this chapter or a law substantially similar to this chapter, the uniform reciprocal enforcement of support act, or the revised uniform reciprocal enforcement of support act is filed for forwarding to a responding state.

(h) "Initiating tribunal" means the authorized tribunal in an initiating state.

(i) "Issuing state" means the state in which a tribunal issues a support order or renders a judgment determining parentage.

(j) "Issuing tribunal" means the tribunal that issues a support order or renders a judgment determining parentage.

(k) "Law" includes decisional and statutory law and rules and regulations having the force of law.

(l) "Obligee" means:

(1) an individual to whom a duty of support is or is alleged to be owed or in whose favor a support order has been issued or a judgment determining parentage has been rendered;

(2) a state or political subdivision to which the rights under a duty of support or support order have been assigned or which has independent claims based on financial assistance provided to an individual obligee; or

(3) an individual seeking a judgment determining parentage of the individual's child.

(m) "Obligor" means an individual, or the estate of a decedent:

(1) who owes or is alleged to owe a duty of support;

(2) who is alleged but has not been adjudicated to be a parent of a child; or

(3) who is liable under a support order.

(n) "Register" means to file a support order or judgment determining parentage in the office of the court administrator.

(o) "Registering tribunal" means a tribunal in which a support order is registered.

(p) "Responding state" means a state to which a proceeding is forwarded under this chapter or a law substantially similar to this chapter, the uniform reciprocal enforcement of support act, or the revised uniform reciprocal enforcement of support act.

(q) "Responding tribunal" means the authorized tribunal in a responding state.

(r) "Spousal support order" means a support order for a spouse or former spouse of the obligor.

(s) "State" means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States. "State" includes an Indian tribe and a foreign jurisdiction that has established procedures for issuance and enforcement of support orders that are substantially similar to the procedures under this chapter.

(t) "Support enforcement agency" means a public official or agency authorized to:

(1) seek enforcement of support orders or laws relating to the duty of support;

(2) seek establishment or modification of child support;

(3) seek determination of parentage; or

(4) locate obligors or their assets.

(u) "Support order" means a judgment, decree, or order, whether temporary, final, or subject to modification, for the benefit of a child, spouse, or former spouse, which provides for monetary support, health care, arrearages, or reimbursement, and may include related costs and fees, interest, income withholding, attorney's fees, and other relief.

(v) "Tribunal" means a court, administrative agency, or quasi-judicial entity authorized to establish, enforce, or modify support orders or to determine parentage.

(w) "Petition" means a petition or comparable pleading used pursuant to section 518.551, subdivision 10.

Sec. 2. [518C.102] [TRIBUNAL OF THIS STATE.]

A court, administrative agency, or quasi-judicial entity authorized to establish, enforce, or modify support orders or to determine parentage are tribunals of this state.

Sec. 3. [518C.103] [REMEDIES CUMULATIVE.]

Remedies provided by this chapter are cumulative and do not affect the availability of remedies under other law.

ARTICLE 2

JURISDICTION

PART A. EXTENDED PERSONAL JURISDICTION

Sec. 4. [518C.201] [BASES FOR JURISDICTION OVER NONRESIDENT.]

In a proceeding to establish, enforce, or modify a support order or to determine parentage, a tribunal of this state may exercise personal jurisdiction over a nonresident individual or the individual's guardian or conservator if:

(1) the individual is personally served with a summons within this state, or comparable document;

(2) the individual submits to the jurisdiction of this state by consent, by entering a general appearance, or by filing a responsive document having the effect of waiving any contest to personal jurisdiction;

(3) the individual resided with the child in this state;

(4) the individual resided in this state and provided prenatal expenses or support for the child;

(5) the child resides in this state as a result of the acts or directives of the individual;

(6) the individual engaged in sexual intercourse in this state and the child may have been conceived by that act of intercourse;

(7) the individual asserted parentage under sections 257.51 to 257.75; or

(8) there is any other basis consistent with the constitutions of this state and the United States for the exercise of personal jurisdiction.

Sec. 5. [518C.202] [PROCEDURE WHEN EXERCISING JURISDICTION OVER NONRESIDENT.]

A tribunal of this state exercising personal jurisdiction over a nonresident under section 518C.201 may apply section 518C.316 to receive evidence from another state, and section 518C.318 to obtain discovery through a tribunal of another state. In all other respects, articles 3 to 7 do not apply and the tribunal shall apply the procedural and substantive law of this state, including the rules on choice of law other than those established by this chapter.

PART B. PROCEEDINGS INVOLVING TWO OR MORE STATES

Sec. 6. [518C.203] [INITIATING AND RESPONDING TRIBUNAL OF THIS STATE.]

Under this chapter, a tribunal of this state may serve as an initiating tribunal to forward proceedings to another state and as a responding tribunal for proceedings initiated in another state.

Sec. 7. [518C.204] [SIMULTANEOUS PROCEEDINGS IN ANOTHER STATE.]

(a) A tribunal of this state may exercise jurisdiction to establish a support order if the petition or comparable pleading is filed after a petition or comparable pleading is filed in another state only if:

(1) the petition or comparable pleading in this state is filed before the expiration of the time allowed in the other state for filing a responsive pleading challenging the exercise of jurisdiction by the other state;

(2) the contesting party timely challenges the exercise of jurisdiction in the other state; and

(3) if relevant, this state is the home state of the child.

(b) A tribunal of this state may not exercise jurisdiction to establish a support order if the petition or comparable pleading is filed before a petition or comparable pleading is filed in another state if:

(1) the petition or comparable pleading in the other state is filed before the expiration of the time allowed in this state for filing a responsive pleading challenging the exercise of jurisdiction by this state;

(2) the contesting party timely challenges the exercise of jurisdiction in this state; and

(3) if relevant, the other state is the home state of the child.

Sec. 8. [518C.205] [CONTINUING, EXCLUSIVE JURISDICTION.]

(a) A tribunal of this state issuing a support order consistent with the law of this state has continuing, exclusive jurisdiction over a child support order:

(1) as long as this state remains the residence of the obligor, the individual obligee, or the child for whose benefit the support order is issued; or

(2) until each individual party has filed written consent with the tribunal of this state for a tribunal of another state to modify the order and assume continuing, exclusive jurisdiction.

(b) A tribunal of this state issuing a child support order consistent with the law of this state may not exercise its continuing jurisdiction to modify the order if the order has been modified by a tribunal of another state pursuant to a law substantially similar to this chapter.

(c) If a child support order of this state is modified by a tribunal of another state pursuant to a law substantially similar to this chapter, a tribunal of this state loses its continuing, exclusive jurisdiction with regard to prospective enforcement of the order issued in this state, and may only:

(1) enforce the order that was modified as to amounts accruing before the modification;

(2) enforce nonmodifiable aspects of that order; and

(3) provide other appropriate relief for violations of that order which occurred before the effective date of the modification.

(d) A tribunal of this state shall recognize the continuing, exclusive jurisdiction of a tribunal of another state which has issued a child support order pursuant to a law substantially similar to this chapter.

(e) A temporary support order issued ex parte or pending resolution of a jurisdictional conflict does not create continuing, exclusive jurisdiction in the issuing tribunal.

(f) A tribunal of this state issuing a support order consistent with the law of this state has continuing, exclusive jurisdiction over a spousal support order throughout the existence of the support obligation. A tribunal of this state may not modify a spousal support order issued by a tribunal of another state having continuing, exclusive jurisdiction over that order under the law of that state.

Sec. 9. [518C.206] [ENFORCEMENT AND MODIFICATION OF SUPPORT ORDER BY TRIBUNAL HAVING CONTINUING JURISDICTION.]

(a) A tribunal of this state may serve as an initiating tribunal to request a tribunal of another state to enforce or modify a support order issued in that state.

(b) A tribunal of this state having continuing, exclusive jurisdiction over a support order may act as a responding tribunal to enforce or modify the order. If a party subject to the continuing, exclusive jurisdiction of the tribunal no longer resides in the issuing state, in subsequent proceedings the tribunal may apply section 518C.316 to receive evidence from another state and section 518C.318 to obtain discovery through a tribunal of another state.

(c) A tribunal of this state which lacks continuing, exclusive jurisdiction over a spousal support order may not serve as a responding tribunal to modify a spousal support order of another state.

PART C. RECONCILIATION WITH ORDERS OF OTHER STATES

Sec. 10. [518C.207] [RECOGNITION OF CHILD SUPPORT ORDERS.]

(a) If a proceeding is brought under this chapter, and one or more child support orders have been issued in this or another state with regard to an obligor and a child, a tribunal of this state shall apply the following rules in determining which order to recognize for purposes of continuing, exclusive jurisdiction:

(1) If only one tribunal has issued a child support order, the order of that tribunal must be recognized.

(2) If two or more tribunals have issued child support orders for the same obligor and child, and only one of the tribunals would have continuing, exclusive jurisdiction under this chapter, the order of that tribunal must be recognized.

(3) If two or more tribunals have issued child support orders for the same obligor and child, and more than one of the tribunals would have continuing, exclusive jurisdiction under this chapter, an order issued by a tribunal in the current home state of the child must be recognized, but if an order has not been issued in the current home state of the child, the order most recently issued must be recognized.

(4) If two or more tribunals have issued child support orders for the same obligor and child, and none of the tribunals would have continuing, exclusive jurisdiction under this chapter, the tribunal of this state may issue a child support order, which must be recognized.

(b) The tribunal that has issued an order recognized under paragraph (a) is the tribunal having continuing, exclusive jurisdiction.

Sec. 11. [518C.208] [MULTIPLE CHILD SUPPORT ORDERS FOR TWO OR MORE OBLIGEEES.]

In responding to multiple registrations or petitions for enforcement of two or more child support orders in effect at the same time with regard to the same obligor and different individual obligees, at least one of which was issued by a tribunal of another state, a tribunal of this state shall enforce those orders in the same manner as if the multiple orders had been issued by a tribunal of this state.

Sec. 12. [518C.209] [CREDIT FOR PAYMENTS.]

Amounts collected and credited for a particular period pursuant to a support order issued by a tribunal of another state must be credited against the amounts accruing or accrued for the same period under a support order issued by the tribunal of this state.

ARTICLE 3

CIVIL PROVISIONS OF GENERAL APPLICATION

Sec. 13. [518C.301] [PROCEEDINGS UNDER THIS CHAPTER.]

(a) Except as otherwise provided in this chapter, this article applies to all proceedings under this chapter.

(b) This chapter provides for the following proceedings:

(1) establishment of an order for spousal support or child support pursuant to article 4;

(2) enforcement of a support order and income-withholding order of another state without registration pursuant to article 5;

(3) registration of an order for spousal support or child support of another state for enforcement pursuant to article 6;

(4) modification of an order for child support or spousal support issued by a tribunal of this state pursuant to article 2, part B;

(5) registration of an order for child support of another state for modification pursuant to article 6;

(6) determination of parentage pursuant to article 7; and

(7) assertion of jurisdiction over nonresidents pursuant to article 2, part A.

(c) An individual petitioner or a support enforcement agency may commence a proceeding authorized under this chapter by filing a petition in an initiating tribunal for forwarding to a responding tribunal or by filing a petition or a comparable pleading directly in a tribunal of another state which has or can obtain personal jurisdiction over the respondent.

Sec. 14. [518C.302] [ACTION BY MINOR PARENT.]

A minor parent, or a guardian or other legal representative of a minor parent, may maintain a proceeding on behalf of or for the benefit of the minor's child.

Sec. 15. [518C.303] [APPLICATION OF LAW OF THIS STATE.]

Except as otherwise provided by this chapter, a responding tribunal of this state:

(1) shall apply the procedural and substantive law, including the rules on choice of law, generally applicable to similar proceedings originating in this state and may exercise all powers and provide all remedies available in those proceedings; and

(2) shall determine the duty of support and the amount payable in accordance with the law and support guidelines of this state.

Sec. 16. [518C.304] [DUTIES OF INITIATING TRIBUNAL.]

Upon the filing of a petition authorized by this chapter, an initiating tribunal of this state shall forward three copies of the petition and its accompanying documents:

(1) to the responding tribunal or appropriate support enforcement agency in the responding state; or

(2) if the identity of the responding tribunal is unknown, to the state information agency of the responding state with a request that they be forwarded to the appropriate tribunal and that receipt be acknowledged.

Sec. 17. [518C.305] [DUTIES AND POWERS OF RESPONDING TRIBUNAL.]

(a) When a responding tribunal of this state receives a petition or comparable pleading from an initiating tribunal or directly pursuant to section 518C.301, paragraph (c), it shall cause the petition or pleading to be filed and notify the petitioner by first class mail where and when it was filed.

(b) A responding tribunal of this state, to the extent otherwise authorized by law, may do one or more of the following:

- (1) issue or enforce a support order, modify a child support order, or render a judgment to determine parentage;
- (2) order an obligor to comply with a support order, specifying the amount and the manner of compliance;
- (3) order income withholding;
- (4) determine the amount of any arrearages, and specify a method of payment;
- (5) enforce orders by civil or criminal contempt, or both;
- (6) set aside property for satisfaction of the support order;
- (7) place liens and order execution on the obligor's property;
- (8) order an obligor to keep the tribunal informed of the obligor's current residential address, telephone number, employer, address of employment, and telephone number at the place of employment;
- (9) issue a bench warrant for an obligor who has failed after proper notice to appear at a hearing ordered by the tribunal and enter the bench warrant in any local and state computer systems for criminal warrants;
- (10) order the obligor to seek appropriate employment by specified methods;
- (11) award reasonable attorney's fees and other fees and costs; and
- (12) grant any other available remedy.

(c) A responding tribunal of this state shall include in a support order issued under this chapter, or in the documents accompanying the order, the calculations on which the support order is based.

(d) A responding tribunal of this state may not condition the payment of a support order issued under this chapter upon compliance by a party with provisions for visitation.

(e) If a responding tribunal of this state issues an order under this chapter, the tribunal shall send a copy of the order by first class mail to the petitioner and the respondent and to the initiating tribunal, if any.

Sec. 18. [518C.306] [INAPPROPRIATE TRIBUNAL.]

If a petition or comparable pleading is received by an inappropriate tribunal of this state, it shall forward the pleading and accompanying documents to an appropriate tribunal in this state or another state and notify the petitioner by first class mail where and when the pleading was sent.

Sec. 19. [518C.307] [DUTIES OF SUPPORT ENFORCEMENT AGENCY.]

(a) A support enforcement agency of this state, upon request, shall provide services to a petitioner in a proceeding under this chapter.

(b) A support enforcement agency that is providing services to the petitioner as appropriate shall:

- (1) take all steps necessary to enable an appropriate tribunal in this state or another state to obtain jurisdiction over the respondent;
- (2) request an appropriate tribunal to set a date, time, and place for a hearing;

(3) make a reasonable effort to obtain all relevant information, including information as to income and property of the parties;

(4) within two days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of a written notice from an initiating, responding, or registering tribunal, send a copy of the notice by first class mail to the petitioner;

(5) within two days, exclusive of Saturdays, Sundays, and legal holidays, after receipt of a written communication from the respondent or the respondent's attorney, send a copy of the communication by first class mail to the petitioner; and

(6) notify the petitioner if jurisdiction over the respondent cannot be obtained.

(c) This chapter does not create or negate a relationship of attorney and client or other fiduciary relationship between a support enforcement agency or the attorney for the agency and the individual being assisted by the agency.

Sec. 20. [518C.308] [DUTY OF ATTORNEY GENERAL.]

If the attorney general determines that the support enforcement agency is neglecting or refusing to provide services to an individual, the attorney general may order the agency to perform its duties under this chapter or may provide those services directly to the individual.

Sec. 21. [518C.309] [PRIVATE COUNSEL.]

An individual may employ private counsel to represent the individual in proceedings authorized by this chapter.

Sec. 22. [518C.310] [DUTIES OF STATE INFORMATION AGENCY.]

(a) The unit within the department of human services that receives and disseminates incoming interstate actions under title IV-D of the Social Security Act from section 518C.02, subdivision 1a, is the state information agency under this chapter.

(b) The state information agency shall:

(1) compile and maintain a current list, including addresses, of the tribunals in this state which have jurisdiction under this chapter and any support enforcement agencies in this state and transmit a copy to the state information agency of every other state;

(2) maintain a register of tribunals and support enforcement agencies received from other states;

(3) forward to the appropriate tribunal in the place in this state in which the individual obligee or the obligor resides, or in which the obligor's property is believed to be located, all documents concerning a proceeding under this chapter received from an initiating tribunal or the state information agency of the initiating state; and

(4) obtain information concerning the location of the obligor and the obligor's property within this state not exempt from execution, by such means as postal verification and federal or state locator services, examination of telephone directories, requests for the obligor's address from employers, and examination of governmental records, including, to the extent not prohibited by other law, those relating to real property, vital statistics, law enforcement, taxation, motor vehicles, driver's licenses, and social security.

Sec. 23. [518C.311] [PLEADINGS AND ACCOMPANYING DOCUMENTS.]

(a) A petitioner seeking to establish or modify a support order or to determine parentage in a proceeding under this chapter must verify the petition. Unless otherwise ordered under section 518C.312, the petition or accompanying documents must provide, so far as known, the name, residential address, and social security numbers of the obligor and the obligee, and the name, sex, residential address, social security number, and date of birth of each child for whom support is sought. The petition must be accompanied by a certified copy of any support order in effect. The petition may include any other information that may assist in locating or identifying the respondent.

(b) The petition must specify the relief sought. The petition and accompanying documents must conform substantially with the requirements imposed by the forms mandated by federal law for use in cases filed by a support enforcement agency.

Sec. 24. [518C.312] [NONDISCLOSURE OF INFORMATION IN EXCEPTIONAL CIRCUMSTANCES.]

Upon a finding, which may be made ex parte, that the health, safety, or liberty of a party or child would be unreasonably put at risk by the disclosure of identifying information, or if an existing order so provides, a tribunal shall order that the address of the child or party or other identifying information not be disclosed in a pleading or other document filed in a proceeding under this chapter.

Sec. 25. [518C.313] [COSTS AND FEES.]

(a) The petitioner may not be required to pay a filing fee or other costs.

(b) If an obligee prevails, a responding tribunal may assess against an obligor filing fees, reasonable attorney's fees, other costs, and necessary travel and other reasonable expenses incurred by the obligee and the obligee's witnesses. The tribunal may not assess fees, costs, or expenses against the obligee or the support enforcement agency of either the initiating or the responding state, except as provided by other law. Attorney's fees may be taxed as costs, and may be ordered paid directly to the attorney, who may enforce the order in the attorney's own name. Payment of support owed to the obligee has priority over fees, costs, and expenses.

(c) The tribunal shall order the payment of costs and reasonable attorney's fees if it determines that a hearing was requested primarily for delay. In a proceeding under article 6, a hearing is presumed to have been requested primarily for delay if a registered support order is confirmed or enforced without change.

Sec. 26. [518C.314] [LIMITED IMMUNITY OF PETITIONER.]

(a) Participation by a petitioner in a proceeding before a responding tribunal, whether in person, by private attorney, or through services provided by the support enforcement agency, does not confer personal jurisdiction over the petitioner in another proceeding.

(b) A petitioner is not amenable to service of civil process while physically present in this state to participate in a proceeding under this chapter.

(c) The immunity granted by this section does not extend to civil litigation based on acts unrelated to a proceeding under this chapter committed by a party while present in this state to participate in the proceeding.

Sec. 27. [518C.315] [NONPARENTAGE AS DEFENSE.]

A party whose parentage of a child has been previously determined by or pursuant to law may not plead nonparentage as a defense to a proceeding under this chapter.

Sec. 28. [518C.316] [SPECIAL RULES OF EVIDENCE AND PROCEDURE.]

(a) The physical presence of the petitioner in a responding tribunal of this state is not required for the establishment, enforcement, or modification of a support order or the rendition of a judgment determining parentage.

(b) A verified petition, affidavit, document substantially complying with federally mandated forms, and a document incorporated by reference in any of them, not excluded under the hearsay rule if given in person, is admissible in evidence if given under oath by a party or witness residing in another state.

(c) A copy of the record of child support payments certified as a true copy of the original by the custodian of the record may be forwarded to a responding tribunal. The copy is evidence of facts asserted in it, and is admissible to show whether payments were made.

(d) Copies of bills for testing for parentage, and for prenatal and postnatal health care of the mother and child, furnished to the adverse party at least ten days before trial, are admissible in evidence to prove the amount of the charges billed and that the charges were reasonable, necessary, and customary.

(e) Documentary evidence transmitted from another state to a tribunal of this state by telephone, telecopier, or other means that do not provide an original writing may not be excluded from evidence on an objection based on the means of transmission.

(f) In a proceeding under this chapter, a tribunal of this state may permit a party or witness residing in another state to be deposed or to testify by telephone, audiovisual means, or other electronic means at a designated tribunal or other location in that state. A tribunal of this state shall cooperate with tribunals of other states in designating an appropriate location for the deposition or testimony.

(g) If a party called to testify at a civil hearing refuses to answer on the ground that the testimony may be self-incriminating, the trier of fact may draw an adverse inference from the refusal.

(h) A privilege against disclosure of communications between spouses does not apply in a proceeding under this chapter.

(i) The defense of immunity based on the relationship of husband and wife or parent and child does not apply in a proceeding under this chapter.

Sec. 29. [518C.317] [COMMUNICATIONS BETWEEN TRIBUNALS.]

A tribunal of this state may communicate with a tribunal of another state in writing, or by telephone or other means, to obtain information concerning the laws of that state, the legal effect of a judgment, decree, or order of that tribunal, and the status of a proceeding in the other state. A tribunal of this state may furnish similar information by similar means to a tribunal of another state.

Sec. 30. [518C.318] [ASSISTANCE WITH DISCOVERY.]

A tribunal of this state may:

(1) request a tribunal of another state to assist in obtaining discovery; and

(2) upon request, compel a person over whom it has jurisdiction to respond to a discovery order issued by a tribunal of another state.

Sec. 31. [518C.319] [RECEIPT AND DISBURSEMENT OF PAYMENTS.]

A support enforcement agency or tribunal of this state shall disburse promptly any amounts received pursuant to a support order, as directed by the order. The agency or tribunal shall furnish to a requesting party or tribunal of another state a certified statement by the custodian of the record of the amounts and dates of all payments received.

ARTICLE 4

ESTABLISHMENT OF SUPPORT ORDER

Sec. 32. [518C.401] [PETITION TO ESTABLISH SUPPORT ORDER.]

(a) If a support order entitled to recognition under this chapter has not been issued, a responding tribunal of this state may issue a support order if:

(1) the individual seeking the order resides in another state; or

(2) the support enforcement agency seeking the order is located in another state.

(b) The tribunal may issue a temporary child support order if:

(1) the respondent has signed a verified statement acknowledging parentage;

(2) the respondent has been determined by or pursuant to law to be the parent; or

(3) there is other clear and convincing evidence that the respondent is the child's parent.

(c) Upon finding, after notice and opportunity to be heard, that an obligor owes a duty of support, the tribunal shall issue a support order directed to the obligor and may issue other orders pursuant to section 518C.305.

ARTICLE 5

DIRECT ENFORCEMENT OF ORDER
OF ANOTHER STATE WITHOUT REGISTRATION

Sec. 33. [518C.501] [RECOGNITION OF INCOME-WITHHOLDING ORDER OF ANOTHER STATE.]

(a) An income-withholding order issued in another state may be sent by first class mail to the person or entity defined as the obligor's employer under section 518.611 or 518.613 without first filing a petition or comparable pleading or registering the order with a tribunal of this state. Upon receipt of the order, the employer shall:

(1) treat an income-withholding order issued in another state which appears regular on its face as if it had been issued by a tribunal of this state;

(2) immediately provide a copy of the order to the obligor; and

(3) distribute the funds as directed in the withholding order.

(b) An obligor may contest the validity or enforcement of an income-withholding order issued in another state in the same manner as if the order had been issued by a tribunal of this state. Section 518C.604 applies to the contest. The obligor shall give notice of the contest to any support enforcement agency providing services to the obligee and to:

(1) the person or agency designated to receive payments in the income-withholding order; or

(2) if no person or agency is designated, the obligee.

Sec. 34. [518C.502] [ADMINISTRATIVE ENFORCEMENT OF ORDERS.]

(a) A party seeking to enforce a support order or an income-withholding order, or both, issued by a tribunal of another state may send the documents required for registering the order to a support enforcement agency of this state.

(b) Upon receipt of the documents, the support enforcement agency, without initially seeking to register the order, shall consider and, if appropriate, use any administrative procedure authorized by the law of this state to enforce a support order or an income-withholding order, or both. If the obligor does not contest administrative enforcement, the order need not be registered. If the obligor contests the validity or administrative enforcement of the order, the support enforcement agency shall register the order pursuant to this chapter.

ARTICLE 6

ENFORCEMENT AND MODIFICATION
OF SUPPORT ORDER AFTER REGISTRATION

PART A. REGISTRATION AND ENFORCEMENT OF SUPPORT ORDER

Sec. 35. [518C.601] [REGISTRATION OF ORDER FOR ENFORCEMENT.]

A support order or an income-withholding order issued by a tribunal of another state may be registered in this state for enforcement.

Sec. 36. [518C.602] [PROCEDURE TO REGISTER ORDER FOR ENFORCEMENT.]

(a) A support order or income-withholding order of another state may be registered in this state by sending the following documents and information to the registering tribunal in this state:

(1) a letter of transmittal to the tribunal requesting registration and enforcement;

(2) two copies, including one certified copy, of all orders to be registered, including any modification of an order;

(3) a sworn statement by the party seeking registration or a certified statement by the custodian of the records showing the amount of any arrearage;

(4) the name of the obligor and, if known:

(i) the obligor's address and social security number;

(ii) the name and address of the obligor's employer and any other source of income of the obligor; and

(iii) a description and the location of property of the obligor in this state not exempt from execution; and

(5) the name and address of the obligee and, if applicable, the agency or person to whom support payments are to be remitted.

(b) On receipt of a request for registration, the registering tribunal shall cause the order to be filed as a foreign judgment, together with one copy of the documents and information, regardless of their form.

(c) A petition or comparable pleading seeking a remedy that must be affirmatively sought under other law of this state may be filed at the same time as the request for registration or later. The pleading must specify the grounds for the remedy sought.

Sec. 37. [518C.603] [EFFECT OF REGISTRATION FOR ENFORCEMENT.]

(a) A support order or income-withholding order issued in another state is registered when the order is filed in the registering tribunal of this state.

(b) A registered order issued in another state is enforceable in the same manner and is subject to the same procedures as an order issued by a tribunal of this state.

(c) Except as otherwise provided in this article, a tribunal of this state shall recognize and enforce, but may not modify, a registered order if the issuing tribunal had jurisdiction.

Sec. 38. [518C.604] [CHOICE OF LAW.]

(a) The law of the issuing state governs the nature, extent, amount, and duration of current payments and other obligations of support and the payment of arrearages under the order.

(b) In a proceeding for arrearages, the statute of limitation under the laws of this state or of the issuing state, whichever is longer, applies.

PART B. CONTEST OF VALIDITY OR ENFORCEMENT

Sec. 39. [518C.605] [NOTICE OF REGISTRATION OF ORDER.]

(a) When a support order or income-withholding order issued in another state is registered, the registering tribunal shall notify the nonregistering party. Notice must be given by first class, certified, or registered mail or by any means of personal service authorized by the law of this state. The notice must be accompanied by a copy of the registered order and the documents and relevant information accompanying the order.

(b) The notice must inform the nonregistering party:

(1) that a registered order is enforceable as of the date of registration in the same manner as an order issued by a tribunal of this state;

(2) that a hearing to contest the validity or enforcement of the registered order must be requested within 20 days after the date of mailing or personal service of the notice;

(3) that failure to contest the validity or enforcement of the registered order in a timely manner will result in confirmation of the order and enforcement of the order and the alleged arrearages and precludes further contest of that order with respect to any matter that could have been asserted; and

(4) of the amount of any alleged arrearages.

(c) Upon registration of an income-withholding order for enforcement, the registering tribunal shall notify the obligor's employer pursuant to section 518.611 or 518.613.

Sec. 40. [518C.606] [PROCEDURE TO CONTEST VALIDITY OR ENFORCEMENT OF REGISTERED ORDER.]

(a) A nonregistering party seeking to contest the validity or enforcement of a registered order in this state shall request a hearing within 20 days after the date of mailing or personal service of notice of the registration. The nonregistering party may seek to vacate the registration, to assert any defense to an allegation of noncompliance with the registered order, or to contest the remedies being sought or the amount of any alleged arrearages pursuant to section 518C.607.

(b) If the nonregistering party fails to contest the validity or enforcement of the registered order in a timely manner, the order is confirmed by operation of law.

(c) If a nonregistering party requests a hearing to contest the validity or enforcement of the registered order, the registering tribunal shall schedule the matter for hearing and give notice to the parties by first class mail of the date, time, and place of the hearing.

Sec. 41. [518C.607] [CONTEST OF REGISTRATION OR ENFORCEMENT.]

(a) A party contesting the validity or enforcement of a registered order or seeking to vacate the registration has the burden of proving one or more of the following defenses:

(1) the issuing tribunal lacked personal jurisdiction over the contesting party;

(2) the order was obtained by fraud;

(3) the order has been vacated, suspended, or modified by a later order;

(4) the issuing tribunal has stayed the order pending appeal;

(5) there is a defense under the law of this state to the remedy sought;

(6) full or partial payment has been made; or

(7) the statute of limitation under section 518C.604 precludes enforcement of some or all of the arrearages.

(b) If a party presents evidence establishing a full or partial defense under paragraph (a), a tribunal may stay enforcement of the registered order, continue the proceeding to permit production of additional relevant evidence, and issue other appropriate orders. An uncontested portion of the registered order may be enforced by all remedies available under the law of this state.

(c) If the contesting party does not establish a defense under paragraph (a) to the validity or enforcement of the order, the registering tribunal shall issue an order confirming the order.

Sec. 42. [518C.608] [CONFIRMED ORDER.]

Confirmation of a registered order, whether by operation of law or after notice and hearing, precludes further contest of the order with respect to any matter that could have been asserted at the time of registration.

PART C. REGISTRATION AND MODIFICATION OF CHILD SUPPORT ORDER

Sec. 43. [518C.609] [PROCEDURE TO REGISTER CHILD SUPPORT ORDER OF ANOTHER STATE FOR MODIFICATION.]

A party or support enforcement agency seeking to modify, or to modify and enforce, a child support order issued in another state shall register that order in this state in the same manner provided in part A of this article if the order has not been registered. A petition for modification may be filed at the same time as a request for registration, or later. The pleading must specify the grounds for modification.

Sec. 44. [518C.610] [EFFECT OF REGISTRATION FOR MODIFICATION.]

A tribunal of this state may enforce a child support order of another state registered for purposes of modification, in the same manner as if the order had been issued by a tribunal of this state, but the registered order may be modified only if the requirements of section 518C.611 have been met.

Sec. 45. [518C.611] [MODIFICATION OF CHILD SUPPORT ORDER OF ANOTHER STATE.]

(a) After a child support order issued in another state has been registered in this state, the responding tribunal of this state may modify that order only if, after notice and hearing, it finds that:

(1) the following requirements are met:

(i) the child, the individual obligee, and the obligor do not reside in the issuing state;

(ii) a petitioner who is a nonresident of this state seeks modification; and

(iii) the respondent is subject to the personal jurisdiction of the tribunal of this state; or

(2) an individual party or the child is subject to the personal jurisdiction of the tribunal and all of the individual parties have filed a written consent in the issuing tribunal providing that a tribunal of this state may modify the support order and assume continuing, exclusive jurisdiction over the order.

(b) Modification of a registered child support order is subject to the same requirements, procedures, and defenses that apply to the modification of an order issued by a tribunal of this state and the order may be enforced and satisfied in the same manner.

(c) A tribunal of this state may not modify any aspect of a child support order that may not be modified under the law of the issuing state.

(d) On issuance of an order modifying a child support order issued in another state, a tribunal of this state becomes the tribunal of continuing, exclusive jurisdiction.

(e) Within 30 days after issuance of a modified child support order, the party obtaining the modification shall file a certified copy of the order with the issuing tribunal which had continuing, exclusive jurisdiction over the earlier order, and in each tribunal in which the party knows that earlier order has been registered.

Sec. 46. [518C.612] [RECOGNITION OF ORDER MODIFIED IN ANOTHER STATE.]

A tribunal of this state shall recognize a modification of its earlier child support order by a tribunal of another state which assumed jurisdiction pursuant to a law substantially similar to this chapter and, upon request, except as otherwise provided in this chapter, shall:

(1) enforce the order that was modified only as to amounts accruing before the modification;

(2) enforce only nonmodifiable aspects of that order;

(3) provide other appropriate relief only for violations of that order which occurred before the effective date of the modification; and

(4) recognize the modifying order of the other state, upon registration, for the purpose of enforcement.

ARTICLE 7

DETERMINATION OF PARENTAGE

Sec. 47. [518C.701] [PROCEEDING TO DETERMINE PARENTAGE.]

(a) A tribunal of this state may serve as an initiating or responding tribunal in a proceeding brought under this chapter or a law substantially similar to this chapter, the uniform reciprocal enforcement of support act, or the revised uniform reciprocal enforcement of support act to determine that the petitioner is a parent of a particular child or to determine that a respondent is a parent of that child.

(b) In a proceeding to determine parentage, a responding tribunal of this state shall apply the parentage act, sections 257.51 to 257.74, and the rules of this state on choice of law.

ARTICLE 8

INTERSTATE RENDITION

Section 48. [518C.801] [GROUNDS FOR RENDITION.]

(a) For purposes of this article, "governor" includes an individual performing the functions of governor or the executive authority of a state covered by this chapter.

(b) The governor of this state may:

(1) demand that the governor of another state surrender an individual found in the other state who is charged criminally in this state with having failed to provide for the support of an obligee; or

(2) on the demand by the governor of another state, surrender an individual found in this state who is charged criminally in the other state with having failed to provide for the support of an obligee.

(c) A provision for extradition of individuals not inconsistent with this chapter applies to the demand even if the individual whose surrender is demanded was not in the demanding state when the crime was allegedly committed and has not fled therefrom.

Sec. 49. [518C.802] [CONDITIONS OF RENDITION.]

(a) Before making demand that the governor of another state surrender an individual charged criminally in this state with having failed to provide for the support of an obligee, the governor of this state may require a prosecutor of this state to demonstrate that at least 60 days previously the obligee had initiated proceedings for support pursuant to this chapter or that the proceeding would be of no avail.

(b) If, under this chapter or a law substantially similar to this chapter, the uniform reciprocal enforcement of support act, or the revised uniform reciprocal enforcement of support act, the governor of another state makes a demand that the governor of this state surrender an individual charged criminally in that state with having failed to provide for the support of a child or other individual to whom a duty of support is owed, the governor may require a prosecutor to investigate the demand and report whether a proceeding for support has been initiated or would be effective. If it appears that a proceeding would be effective but has not been initiated, the governor may delay honoring the demand for a reasonable time to permit the initiation of a proceeding.

(c) If a proceeding for support has been initiated and the individual whose rendition is demanded prevails, the governor may decline to honor the demand. If the petitioner prevails and the individual whose rendition is demanded is subject to a support order, the governor may decline to honor the demand if the individual is complying with the support order.

ARTICLE 9

MISCELLANEOUS PROVISIONS

Sec. 50. [518C.901] [UNIFORMITY OF APPLICATION AND CONSTRUCTION.]

This chapter shall be applied and construed to effectuate its general purpose to make uniform the law with respect to the subject of this chapter among states enacting it.

Sec. 51. [518C.9011] [EXISTING REVISED UNIFORM RECIPROCAL ENFORCEMENT OF SUPPORT ACT ACTIONS.]

Any action or proceeding under the Revised Uniform Reciprocal Enforcement of Support Act (RURESA) pending on the effective date of this section shall continue under the provisions of RURESA until the court makes a decision on the action or proceeding.

Sec. 52. [518C.902] [SHORT TITLE.]

This chapter may be cited as the "uniform interstate family support act."

Sec. 53. [REPEALER.]

Minnesota Statutes 1992, sections 518C.01; 518C.02; 518C.03; 518C.04; 518C.05; 518C.06; 518C.07; 518C.08; 518C.09; 518C.10; 518C.11; 518C.12; 518C.13; 518C.14; 518C.15; 518C.16; 518C.17; 518C.18; 518C.19; 518C.20; 518C.21; 518C.22; 518C.23; 518C.24; 518C.25; 518C.26; 518C.27; 518C.28; 518C.29; 518C.30; 518C.31; 518C.32; 518C.33; 518C.34; 518C.35; and 518C.36, are repealed.

Sec. 54. [EFFECTIVE DATE.]

This act is effective January 1, 1995.

The motion prevailed and the amendment was adopted.

Farrell, Wejzman, Swenson and Bishop moved to amend S. F. No. 1662, as amended, as follows:

Page 27, after line 13, insert:

"ARTICLE 10

CHILD SUPPORT ENFORCEMENT

Section 1. Minnesota Statutes 1992, section 214.101, as amended by Laws 1993, chapters 322, sections 1 and 2, and 340, section 2, is amended to read:

214.101 [CHILD SUPPORT; SUSPENSION OF LICENSE.]

Subdivision 1. [COURT ORDER; HEARING ON SUSPENSION.] (a) For purposes of this section, "licensing board" means a licensing board or other state agency that issues an occupational license.

(b) If a licensing board receives an order from a court or a notice from a public child support enforcement agency under section 518.551, subdivision 12, dealing with suspension of a license of a person found by the court or the public agency to be in arrears in child support or maintenance payments, or both, the board shall, within 30 days of receipt of the court order or public agency notice, provide notice to the licensee and hold a hearing. If the board finds that the person is licensed by the board and evidence of full payment of arrearages found to be due by the court or the public agency is not presented at the hearing, the board shall suspend the license unless it determines that probation is appropriate under subdivision 2. The only issues to be determined by the board are whether the person named in the court order or public agency notice is a licensee, whether the arrearages have been paid, and whether suspension or probation is appropriate. The board may not consider evidence with respect to the appropriateness of the court underlying child support order or the ability of the person to comply with the order. The board may not lift the suspension until the licensee files with the board proof showing that the licensee is current in child support payments and maintenance.

Subd. 2. [PROBATION.] If the board determines that the suspension of the license would create an extreme hardship to either the licensee or to persons whom the licensee serves, the board may, in lieu of suspension, allow the licensee to continue to practice the occupation on probation. Probation must be conditioned upon full compliance with the court order or public agency notice that referred the matter to the board. The probation period may not exceed two years, and the terms of probation must provide for automatic suspension of the license if the licensee does not provide monthly proof to the board of full compliance with the court order or public agency notice that referred the matter to the board or a further court order or public agency notice if the original order is modified by the court or the public agency.

Subd. 3. [REVOCATION OR REINSTATEMENT OF PROBATION.] If the licensee has a modification petition pending before the court or the public agency, the board may, without a hearing, defer a revocation of probation and institution of suspension until receipt of the court's ruling on the modification order. A licensee who was placed on probation and then automatically suspended may be automatically reinstated upon providing proof to the board that the licensee is currently in compliance with the court order or public agency notice.

Subd. 4. [VERIFICATION OF PAYMENTS.] Before a board may terminate probation, remove a suspension, issue, or renew a license of a person who has been suspended or placed on probation under this section, it shall contact the court or public agency that referred the matter to the board to determine that the applicant is not in arrears for child

support or maintenance or both. The board may not issue or renew a license until the applicant proves to the board's satisfaction that the applicant is current in support payments and maintenance.

Subd. 5. [APPLICATION.] This section applies to support obligations ordered by any state, territory, or district of the United States.

Sec. 2. Minnesota Statutes 1993 Supplement, section 256.87, subdivision 5, is amended to read:

Subd. 5. [CHILD NOT RECEIVING ASSISTANCE.] A person or entity having physical ~~and legal~~ 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 parents. 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. This subdivision applies only if the person has custody with the consent of the absent parent or approval of the court.

Sec. 3. Minnesota Statutes 1993 Supplement, section 518.171, subdivision 1, is amended to read:

Subdivision 1. [ORDER.] (a) Every child support order must expressly assign or reserve the responsibility for maintaining medical insurance for the minor children and the division of uninsured medical and dental costs. The court shall order the party with the better group dependent health and dental insurance coverage to name the minor child as beneficiary on any health and dental insurance plan that is comparable to or better than a number two qualified plan and available to the party on a group basis or through an employer or union. "Health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D. "Insurer" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a nonprofit health service plan corporation operating under chapter 62C; a health maintenance organization operating under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; or any other person providing health or dental insurance. "Number two qualified plan" means a plan described in section 62E.06, subdivision 2.

(b) If the court finds that dependent health or dental insurance is not available to the obligor or obligee on a group basis or through an employer or union, or that the group insurer is not accessible to the obligee, the court may require the obligor (1) to obtain other dependent health or dental insurance, (2) to be liable for reasonable and necessary medical or dental expenses of the child, or (3) to pay no less than \$50 per month to be applied to the medical and dental expenses of the children or to the cost of health insurance dependent coverage.

(c) If the court finds that the available dependent health or dental insurance does not pay all the reasonable and necessary medical or dental expenses of the child, including any existing or anticipated extraordinary medical expenses, and the court finds that the obligor has the financial ability to contribute to the payment of these medical or dental expenses, the court shall require the obligor to be liable for all or a portion of the medical or dental expenses of the child not covered by the required health or dental plan. Medical and dental expenses include, but are not limited to, necessary orthodontia and eye care, including prescription lenses.

(d) If the obligor is employed by a self-insured employer subject only to the federal Employee Retirement Income Security Act (ERISA) of 1974, and the insurance benefit plan meets the above requirements, the court shall order the obligor to enroll the dependents within 30 days of the court order effective date or be liable for all medical and dental expenses occurring while coverage is not in effect. If enrollment in the ERISA plan is precluded by exclusionary clauses, the court shall order the obligor to obtain other coverage or make payments as provided in paragraph (b) or (c).

(e) Unless otherwise agreed by the parties and approved by the court, if the court finds that the obligee is not receiving public assistance for the child and has the financial ability to contribute to the cost of medical and dental expenses for the child, including the cost of insurance, the court shall order the obligee and obligor to each assume a portion of these expenses based on their proportionate share of their total net income as defined in section 518.54, subdivision 6.

(f) Payments ordered under this section are subject to section 518.611. An obligee who fails to apply payments received to the medical expenses of the dependents may be found in contempt of this order.

Sec. 4. Minnesota Statutes 1993 Supplement, section 518.551, subdivision 5, is amended to read:

Subd. 5. [NOTICE TO PUBLIC AUTHORITY; GUIDELINES.] (a) 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 with dependent children or applies for it, subsequent to the commencement of the proceeding. The notice must contain the full names of the parties to the proceeding, their social security account

numbers, and their birth dates. After receipt of the notice, the court shall set child support as provided in this subdivision. The court may order either or both parents owing a duty of support to a child of the marriage to pay an amount reasonable or necessary for the child's support, without regard to marital misconduct. The court shall approve a child support stipulation of the parties if each party is represented by independent counsel, unless the stipulation does not meet the conditions of paragraph (i). In other cases the court shall determine and order child support in a specific dollar amount in accordance with the guidelines and the other factors set forth in paragraph (b) and any departure therefrom. The court may also order the obligor to pay child support in the form of a percentage share of the obligor's net bonuses, commissions, or other forms of compensation, in addition to, or if the obligor receives no base pay, in lieu of, an order for a specific dollar amount.

(b) The court shall derive a specific dollar amount for 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
\$550 and Below	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.						
\$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- 5000	25%	30%	35%	39%	43%	47%	50%
or the amount in effect under paragraph (k)							

Guidelines for support for an obligor with a monthly income in excess of the income limit currently in effect under paragraph (k) shall be the same dollar amounts as provided for in the guidelines for an obligor with a monthly income equal to the limit in effect.

Net Income defined as:

Total monthly
income less

- *(i) Federal Income Tax
- *(ii) State Income Tax
- (iii) Social Security
Deductions
- (iv) Reasonable
Pension Deductions
- (v) Union Dues
- (vi) Cost of Dependent Health
Insurance Coverage
- (vii) Cost of Individual or Group
Health/Hospitalization
Coverage or an
Amount for Actual
Medical Expenses
- (viii) A Child Support or
Maintenance Order that is
Currently Being Paid.

*Standard
Deductions apply-
use of tax tables
recommended

"Net income" does not include:

(1) the income of the obligor's spouse, but does include in-kind payments received by the obligor in the course of employment, self-employment, or operation of a business if the payments reduce the obligor's living expenses; or

(2) compensation received by a party for employment in excess of a 40-hour work week, provided that:

(i) support is nonetheless ordered in an amount at least equal to the guidelines amount based on income not excluded under this clause; and

(ii) the party demonstrates, and the court finds, that:

(A) the excess employment began after the filing of the petition for dissolution;

(B) the excess employment reflects an increase in the work schedule or hours worked over that of the two years immediately preceding the filing of the petition;

(C) the excess employment is voluntary and not a condition of employment;

(D) the excess employment is in the nature of additional, part-time or overtime employment compensable by the hour or fraction of an hour; and

(E) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation.

(c) The court shall review the work-related and education-related child care costs of paid by the custodial parent and shall allocate the costs to each parent in proportion to each parent's income after the transfer of child support and spousal maintenance, unless the allocation would be substantially unfair to either parent. ~~The cost of child care for purposes of this section is determined by subtracting the amount of any federal and state income tax credits available to a parent from the actual cost paid for child care.~~

For purposes of this paragraph, "child care" has the meaning given it in section 256H.01. "Child care costs" is the amount remaining after the calculations required in clauses (1) and (2).

(1) From the amount which the custodial parent paid for child care, deduct any federal, state, or county child care subsidy received by the custodial parent, to determine net child care costs.

(2) From the net child care costs, deduct the approximate value of state and federal tax credits available to the custodial parent.

For purposes of this paragraph, a custodial parent's "income" has the meaning given it in section 290.067, subdivision 2a.

For purposes of this paragraph, the approximate value of state and federal tax credits is determined as follows: For custodial parents with incomes of less than \$12,000, the approximate value of state and federal tax credits equals the lesser of (i) 30 percent of the net child care costs paid by the custodial parent; or (ii) \$720 for the child care costs incurred on behalf of one child or \$1,440 for the child care costs incurred on behalf of two or more children.

For custodial parents with incomes of at least \$12,000 but less than \$20,000, the approximate value of state and federal tax credits equals the lesser of (i) 20 percent of the net child care costs paid by the custodial parent; or (ii) \$1,080 for the child care costs incurred on behalf of one child or \$2,160 for the child care costs incurred on behalf of two or more children.

For custodial parents with incomes of at least \$20,000 but less than \$25,000, the approximate value of state and federal tax credits equals the lesser of (i) 20 percent of the net child care costs paid by the custodial parent; or (ii) \$720 for the child care costs incurred on behalf of one child or \$1,440 for the child care costs incurred on behalf of two or more children.

For custodial parents with incomes of \$25,000 or more, the approximate value of state and federal tax credits equals the lesser of (i) 20 percent of the net child care costs paid by the custodial parent; or (ii) \$480 for the child care costs incurred on behalf of one child or \$960 for the child care costs incurred on behalf of two or more children. The amount allocated for child care expenses costs is considered child support, but is not subject to a cost-of-living adjustment under section 518.641.

(e) (d) In addition to the child support guidelines, the court shall take into consideration the following factors in setting or modifying child support or in determining whether to deviate from the guidelines:

(1) all earnings, income, and resources of the parents, including real and personal property, but excluding income from excess employment of the obligor or obligee that meets the criteria of paragraph (b), clause (2)(ii);

(2) the financial needs and resources, physical and emotional condition, and educational needs of the child or children to be supported;

(3) the standards of living the child would have enjoyed had the marriage not been dissolved, but recognizing that the parents now have separate households;

(4) which parent receives the income taxation dependency exemption and what financial benefit the parent receives from it;

(5) the parents' debts as provided in paragraph (d); and

(6) the obligor's receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40.

(d) (e) In establishing or modifying a support obligation, the court may consider debts owed to private creditors, but only if:

(1) the right to support has not been assigned under section 256.74;

(2) the court determines that the debt was reasonably incurred for necessary support of the child or parent or for the necessary generation of income. If the debt was incurred for the necessary generation of income, the court shall consider only the amount of debt that is essential to the continuing generation of income; and

(3) the party requesting a departure produces a sworn schedule of the debts, with supporting documentation, showing goods or services purchased, the recipient of them, the amount of the original debt, the outstanding balance, the monthly payment, and the number of months until the debt will be fully paid.

(e) (f) Any schedule prepared under paragraph (d), clause (3), shall contain a statement that the debt will be fully paid after the number of months shown in the schedule, barring emergencies beyond the party's control.

(f) (g) Any further departure below the guidelines that is based on a consideration of debts owed to private creditors shall not exceed 18 months in duration, after which the support shall increase automatically to the level ordered by the court. Nothing in this section shall be construed to prohibit one or more step increases in support to reflect debt retirement during the 18-month period.

(g) (h) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(h) (i) 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.

(i) (j) The guidelines in this subdivision are a rebuttable presumption and shall be used in all cases when establishing or modifying child support. If the court does not deviate from the guidelines, the court shall make written findings concerning the amount of the obligor's income used as the basis for the guidelines calculation and any other significant evidentiary factors affecting the determination of child support. If the court deviates from the guidelines, the court shall make written findings giving the amount of support calculated under the guidelines, the reasons for the deviation, and shall specifically address the criteria in paragraph (b) and how the deviation serves the best interest of the child. The provisions of this paragraph apply whether or not the parties are each represented by independent counsel and have entered into a written agreement. The court shall review stipulations presented to it for conformity to the guidelines and the court is not required to conduct a hearing, but the parties shall provide the documentation of earnings required under subdivision 5b.

(j) (k) If the child support payments are assigned to the public agency under section 256.74, the court may not deviate downward from the child support guidelines unless the court specifically finds that the failure to deviate downward would impose an extreme hardship on the obligor.

(*) (1) The dollar amount of the income limit for application of the guidelines must be adjusted on July 1 of every even-numbered year to reflect cost-of-living changes. The supreme court shall select the index for the adjustment from the indices listed in section 518.641. The state court administrator shall make the changes in the dollar amount required by this paragraph available to courts and the public on or before April 30 of the year in which the amount is to change.

Sec. 5. Minnesota Statutes 1993 Supplement, section 518.551, subdivision 10, is amended to read:

Subd. 10. [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.] (a) An administrative process is established to obtain, modify, and enforce child and medical support orders and maintenance.

Effective July 1, 1994, all counties shall participate in the administrative process established by paragraph (i) of this section in accordance with a statewide implementation plan to be set forth by the commissioner of human services. The implementation plan shall include provisions for training the counties by region and for training Hennepin and Ramsey counties after the other counties have been trained but no later than July of 1995. All proceedings for obtaining, modifying, or enforcing child and medical support orders and modification of maintenance and adjudicating uncontested parentage proceedings, orders if combined with contested child support proceedings are required to be conducted in counties designated by the commissioner of human services in which the administrative process when the county human services agency public authority is a party or provides services to a party or parties to the action proceeding. Nothing contained herein shall prevent a party, upon timely notice to the public authority, from bringing a motion for the establishment, modification or enforcement of child support or maintenance orders in the district court, if additional issues involving domestic abuse, establishment or modification of custody or visitation, or property issues, or other issues outside the jurisdiction of the administrative process, are part of the motion or action. If the public authority is a party, or provides services to a party or parties, to a district court proceeding in which a motion for child support is pending, the motion may be decided by the district court. A party may petition the chief administrative law judge, the chief district court judge, or the chief family court referee to proceed immediately to a contested hearing upon good cause shown. The commissioner is authorized to designate counties to use the contested administrative hearing process based upon federal guidelines for county performance or upon request of the county. These actions contested administrative proceedings must be conducted by an administrative law judge from the office of administrative hearings, except for the following proceedings:

- (1) adjudication of contested parentage;
- (2) motions to set aside a paternity adjudication or declaration or recognition of parentage;
- (3) evidentiary hearing on contempt motions; and
- (4) motions to sentence or to revoke the stay of a jail sentence in contempt proceedings.

(b) An administrative law judge may hear a stipulation reached on a contempt motion, but any stipulation that involves a finding of contempt and a jail sentence, whether stayed or imposed, shall require the review and signature of a district judge.

(c) For the purpose of this process, all powers, duties, and responsibilities conferred on judges of the district court to obtain and enforce child and medical support and maintenance obligations, subject to the limitation set forth herein, are conferred on the administrative law judge conducting the proceedings, including the power to issue subpoenas for the production of documents, to issue orders to show cause and to issue bench warrants for failure to appear.

(d) Before implementing the process in a county, the chief administrative law judge, the commissioner of human services, the director of the county human services agency, the county attorney, the county court administrator, and the county sheriff shall jointly establish procedures, and the county shall provide hearing facilities for implementing this process in a county. In a contested administrative hearing, the hearing facilities shall be a courtroom, if one is available, or a conference or meeting room with at least two exits and of sufficient size to permit adequate physical separation of the parties. A bailiff shall either be present during the administrative hearings, or be available to respond to a request for emergency assistance.

(e) Nonattorney employees of the public agency authority responsible for child support ~~in the counties designated by the commissioner~~ may prepare, sign, serve, and file complaints and motions, notices, summary orders, proposed orders, default orders and consent orders for obtaining, modifying, or enforcing child and medical support orders and, maintenance and the establishment of parentage, and related documents, appear at conduct prehearing conferences,

and participate in proceedings before an administrative law judge. A default order or a consent order signed by a nonattorney employee must be counter-signed by a district judge or an administrative law judge, and is effective upon the signature of the nonattorney employee. This activity shall not be considered to be the unauthorized practice of law. After the commencement of the administrative process, the public authority and the administrative law judge shall each have the authority to issue subpoenas for the production of documents. The subpoena shall be enforceable in a contempt proceeding initiated by the public authority. At all stages of the administrative process prior to the contested hearing, the county attorney, or other attorney under contract, shall act as the legal advisor for the public authority, but shall not play an active role in the review of information and the preparation of default and consent orders.

(f) The contested administrative hearings shall be conducted under the rules of the office of administrative hearings, Minnesota Rules, parts 1400.7100 to 1400.7500, 1400.7700, and 1400.7800, as adopted by the chief administrative law judge. All Except as provided in paragraph (i), all other aspects of the case, including, but not limited to, pleadings, discovery, and motions, shall be conducted under the rules of family court, the rules of civil procedure, and chapter 518. Pursuant to a contested administrative hearing, the administrative law judge shall make findings of fact, conclusions, and a final decision and issue an order. Orders issued by an administrative law judge entered pursuant to this subdivision are enforceable by the contempt powers of the county and district courts.

(g) The decision and order of the administrative law judge is appealable to the court of appeals in the same manner as a decision of the district court.

(h) The commissioner of human services shall distribute money for this purpose to counties to cover the costs of the administrative process, including the salaries of administrative law judges. If available appropriations are insufficient to cover the costs, the commissioner shall prorate the amount among the counties.

(i)(1) Notwithstanding any law or rule to the contrary, the administrative process established by this subdivision shall be implemented, in accordance with the provisions of this paragraph, effective July 1, 1994 and in accordance with the statewide implementation plan set forth by the commissioner of human services under paragraph (a). At county option, the administrative process established by this subdivision may include contempt motions or actions to establish parentage.

(2) The public authority shall give the parties written notice requesting the submission of information necessary to prepare a proposed order. The written notice shall be sent by first class mail to the parties' last known addresses. The written notice shall describe the information requested, state the purpose of the request, state the date by which the information must be postmarked or received, which must be at least 30 days from the date of the mailing of the written notice, and state that if the information is not postmarked or received by that date, the public authority will prepare a proposed order on the basis of the information available.

(3) A party may request in writing that the public authority begin the administrative process. If the public authority determines that the request is unfounded, a summary order denying the request for relief shall be issued. The denial shall not preclude a party from bringing an action in district court. If the action in district court results in a modification of a child support order, the modification may be made retroactive only from the date of the written request for public authority action, provided that the motion in district court is brought within 14 days of the issuance of the summary order denying the request. A denial of public authority action shall not prejudice an action on the matter in district court.

(4) Following the date for submission of information, the public authority shall, on the basis of all information available, prepare and sign a proposed order and notice. In preparing the proposed order, the public authority shall establish child support in the highest amount permitted under section 518.551, subdivision 5. The notice shall state that the proposed order will be entered as a final and binding default order unless one of the parties requests a conference within 14 days following the date of service of the proposed order. The method for requesting the conference shall be stated in the notice. The notice and proposed order shall be served under the rules of civil procedure. Service of the notice and proposed order commence the administrative process. An affidavit of service shall be retained in the public authority file.

(5) If a conference is not timely requested by a party, the public authority shall have the option to enter the proposed order as the default order, or to prepare and serve a new notice and proposed order pursuant to clause (4). The default order shall be a final order, shall be served under the rules of civil procedure, and shall be filed in district court, along with an affidavit of service.

(6) If a party timely requests a conference, the public authority shall schedule a conference, and shall serve written notice of the date, time, and place of the conference on the parties. The purpose of the conference is to review all available information and seek agreement to the entry of a consent order. The notice shall state the purpose of the conference, and that if the requesting party fails to appear at the conference, the proposed order may be entered as a final and binding default order. The notice shall be served on the parties by first-class mail at their last known address, and the service shall be documented in the public authority file. A party alleging domestic abuse by the other party shall not be required to participate in a conference. In such a case, the public authority shall meet separately with the parties in order to determine whether an agreement can be reached.

(7) If the party requesting the conference does not appear, the public authority shall proceed in accordance with the provisions of clause (4).

(8) If the party requesting the conference appears, the public authority shall seek agreement of the parties to the entry of a consent order which establishes child support in accordance with applicable law. The public authority shall advise the parties that if the consent order is not entered, the matter will be scheduled for a hearing, and the public authority will seek the establishment of child support at the hearing in accordance with the highest amount permitted under section 518.551, subdivision 5. If an agreement of the parties is reached at the conference, a consent order shall be prepared by the public authority, and shall be signed by the parties. The consent order shall be a final order, shall be served on the parties under the rules of civil procedure, and shall be filed in district court, along with an affidavit of service.

(9) If an agreement to the entry of a consent order is not reached at the conference, the public authority shall schedule the matter for a contested hearing pursuant to the provisions of paragraph (j). For the purposes of the contested hearing, and notwithstanding any rule to the contrary, the service of the proposed order pursuant to paragraph (i)(4) shall be deemed to have commenced a civil action and the judge, including an administrative law judge or referee, shall have jurisdiction over a contested hearing that is scheduled in accordance with this subdivision.

(j) In counties designated by the commissioner of human services pursuant to paragraph (a), contested hearings required under paragraph (i) shall be scheduled before administrative law judges, and shall be conducted in accordance with the provisions of paragraph (f). In counties not designated by the commissioner of human services pursuant to paragraph (a), contested hearings required under paragraph (i) shall be conducted in district court in accordance with the rules of civil procedure and the rules of family court.

(k) The commissioner of human services shall provide training to child support officers and other employees of the public authority involved in the administrative process. The commissioner of human services shall prepare simple and easy to understand forms for all notices and orders prescribed in paragraph (i), and the public authority shall use them. The commissioner of human services, in consultation with the commissioner's advisory committee for child support enforcement, shall continue to develop and implement a plan to restructure the administrative process which shall include contested hearings.

Sec. 6. Minnesota Statutes 1993 Supplement, section 518.551, subdivision 12, is amended to read:

Subd. 12. [OCCUPATIONAL LICENSE SUSPENSION.] (a) Upon petition of an obligee or public agency responsible for child support enforcement, if the court finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both, the court may direct the licensing board or other licensing agency to conduct a hearing under section 214.101 concerning suspension of the obligor's license. If the obligor is a licensed attorney, the court may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the court.

(b) If a public agency responsible for child support enforcement finds that the obligor is or may be licensed by a licensing board listed in section 214.01 or other state agency or board that issues an occupational license and the obligor is in arrears in court-ordered child support or maintenance payments or both, the public agency may direct the licensing board or other licensing agency to conduct a hearing under section 214.101 concerning suspension of the obligor's license. If the obligor is a licensed attorney, the public agency may report the matter to the lawyers professional responsibility board for appropriate action in accordance with the rules of professional conduct. The remedy under this subdivision is in addition to any other enforcement remedy available to the public agency.

Sec. 7. Minnesota Statutes 1993 Supplement, section 609.375, subdivision 2, is amended to read:

Subd. 2. If the violation of subdivision 1 continues for a period in excess of 90 days but not more than 180 days, the person is guilty of a gross misdemeanor and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

Sec. 8. Minnesota Statutes 1992, section 609.375, is amended by adding a subdivision to read:

Subd. 2a. If the violation of subdivision 1 continues for a period in excess of 180 days, the person is guilty of a felony and upon conviction may be sentenced to imprisonment for not more than two years or to payment of a fine of not more than \$5,000, or both.

Sec. 9. Minnesota Statutes 1992, section 609.375, is amended by adding a subdivision to read:

Subd. 5. [VENUE.] A person who violates this section may be prosecuted and tried in the county in which the support obligor resides or in the county in which the obligee or the child resides.

Sec. 10. Minnesota Statutes 1992, section 609.375, is amended by adding a subdivision to read:

Subd. 6. [DISMISSAL OF CHARGE.] A felony charge brought under subdivision 2a of this section shall be dismissed if:

(1) the support obligor provides the county child support enforcement agency with an affidavit attesting the obligor's present address, occupation, employer, and current income, and consents to service of an order for automatic income withholding; or

(2) the support obligor makes satisfactory arrangements for payment with the county child support enforcement agency of all accumulated arrearages and any ongoing support obligations. For purposes of this section, satisfactory arrangements shall be reasonably consistent with the obligor's ability to pay.

In any case for which dismissal is sought under this subdivision, the felony charge shall be continued for dismissal for a period of six months. If the obligor meets all requirements of the payment plan within that six-month period, the felony charge shall be dismissed.

Sec. 11. [EFFECTIVE DATE.]

Section 2 is effective July 1, 1994. Sections 7 to 10 are effective the day following final enactment and apply to crimes committed on and after that date."

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "modifying provisions dealing with the administration and enforcement of child support; amending Minnesota Statutes 1992, sections 214.101, as amended; and 609.375, by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 256.87, subdivision 5; 518.171, subdivision 1; 518.551, subdivisions 5, 10, and 12; and 609.375, subdivision 2;"

Rukavina, Farrell and Lourey moved to amend the Farrell et al amendment to S. F. No. 1662, as amended, as follows:

Page 20, after line 19, insert:

"ARTICLE 11

INCOME SHARES MODEL CHILD SUPPORT GUIDELINE

Section 1. [MODEL GUIDELINE.]

The department of human services, in consultation with the commissioner's advisory committee for child support enforcement, shall develop an income shares model child support guideline and present it and the plan for including contested hearings in the simple, statewide administrative process to the legislature no later than February 1, 1995."

Amend the title as follows:

Page 20, line 24, after the semicolon, insert "providing for development of an income shares model child support guideline;"

The motion prevailed and the amendment to the amendment was adopted.

The Speaker called Bauerly to the Chair.

Wejcman moved that S. F. No. 1662, as amended, be temporarily laid over on Special Orders. The motion prevailed.

The Speaker resumed the Chair.

Vellenga was excused between the hours of 1:25 p.m. and 2:00 p.m.

H. F. No. 2005 was reported to the House.

Frerichs offered an amendment to H. F. No. 2005.

POINT OF ORDER

Pugh raised a point of order pursuant to rule 3.09 that the Frerichs amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Olson, M., offered an amendment to H. F. No. 2005.

POINT OF ORDER

Greenfield raised a point of order pursuant to rule 3.09 that the Olson, M., amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Olson, M., offered an amendment to H. F. No. 2005.

POINT OF ORDER

Greenfield raised a point of order pursuant to rule 3.09 that the Olson, M., amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 2005, A bill for an act relating to traffic regulations; authorizing peace officers to stop drivers and issue citations for seat belt violations without first observing a moving violation; amending Minnesota Statutes 1993 Supplement, section 169.686, subdivision 1.

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 46 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Asch	Dauner	Gruenes	Kahn	Long	Morrison	Ness
Battaglia	Dempsey	Hausman	Kalis	Lourey	Mosel	Orenstein
Brown, C.	Garcia	Huntley	Kelley	Mariani	Munger	Orfield
Carruthers	Greenfield	Jaros	Kinkel	McColium	Murphy	Osthoff
Clark	Greiling	Johnson, A.	Lieder	McGuire	Neary	Ostrom

Pauly	Pugh	Skoglund	Wagenius
Pawlenty	Rodosovich	Swenson	Wejcman
Peterson	Sekhon	Trimble	

Those who voted in the negative were:

Abrams	Dawkins	Haukoos	Koppendrayner	Nelson	Rice	Van Dellen
Anderson, R.	Dehler	Holsten	Krinkie	Olson, E.	Rukavina	Van Engen
Beard	Dorn	Hugoson	Krueger	Olson, K.	Sarna	Vickerman
Bergson	Erhardt	Jacobs	Lasley	Olson, M.	Seagren	Waltman
Bertram	Evans	Jefferson	Leppik	Onnen	Smith	Weaver
Bettermann	Farrell	Jennings	Limmer	Opatz	Solberg	Wenzel
Bishop	Finseth	Johnson, R.	Lindner	Ozment	Stanis	Winter
Brown, K.	Frerichs	Johnson, V.	Lynch	Pelowski	Steensma	Wolf
Carlson	Girard	Kelso	Macklin	Perlt	Sviggum	Worke
Commers	Goodno	Klinzing	Mahon	Reding	Tomassoni	Workman
Cooper	Gutknecht	Knickerbocker	Milbert	Rest	Tompkins	Spk. Anderson, I.
Dauids	Hasskamp	Knight	Molnau	Rhodes	Tunheim	

The bill was not passed.

S. F. No. 1662, as amended, which was temporarily laid over earlier today was again reported to the House.

The Farrell et al amendment which was amended earlier today by the Rukavina et al amendment was again reported to the House.

The question was taken on the Farrell et al amendment, as amended. The motion prevailed and the amendment, as amended, was adopted.

S. F. No. 1662, A bill for an act relating to family; adopting the uniform interstate family support act; repealing the revised uniform reciprocal enforcement of support act; proposing coding for new law in Minnesota Statutes, chapter 518C; repealing Minnesota Statutes 1992, sections 518C.01 to 518C.36.

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

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

Those who voted in the affirmative were:

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

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

S. F. No. 1794, A bill for an act relating to insurance; prohibiting insurers from obtaining or using HIV antibody test results arising out of exposure and testing for emergency medical service personnel; amending Minnesota Statutes 1992, section 72A.20, subdivision 29.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2255, A bill for an act relating to insurance; requiring the commissioner of commerce to conduct a study of pollution coverage in Minnesota farm liability policies and 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 3022 was reported to the House.

Trimble moved that H. F. No. 3022 be continued on Special Orders. The motion prevailed.

H. F. No. 2410 was reported to the House.

Trimble moved to amend H. F. No. 2410, the first engrossment, as follows:

Page 2, line 9, after the period, insert "The commissioner may also sell native trees and shrubs in lots of ten or more to nonprofit groups and local units of government."

The motion prevailed and the amendment was adopted.

Rukavina moved that H. F. No. 2410, as amended, be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 2579, A bill for an act relating to commerce; restraint of trade; providing a civil remedy for injury to business reputation or dilution of quality of a mark; providing grounds for injunctive relief; proposing coding for new law in Minnesota Statutes, chapter 325D.

The bill was read for the 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 23 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Hausman	Knickerbocker	Mosel	Pugh	Tomassoni
Anderson, R.	Davids	Holsten	Knight	Munger	Reding	Trimble
Asch	Dawkins	Hugoson	Koppendrayer	Murphy	Rest	Tunheim
Battaglia	Delmont	Huntley	Krueger	Neary	Rhodes	Van Dellen
Bauerly	Dempsey	Jacobs	Lasley	Nelson	Rodosovich	Vellenga
Beard	Dorn	Jaros	Leppik	Olson, E.	Rukavina	Wagenius
Bergson	Erhardt	Jefferson	Lieder	Olson, K.	Sarna	Weaver
Bertram	Evans	Jennings	Long	Opatz	Seagren	Wejcman
Bettermann	Farrell	Johnson, A.	Lourey	Orenstein	Sekhon	Wenzel
Bishop	Finseth	Johnson, R.	Luther	Orfield	Skoglund	Winter
Brown, C.	Garcia	Johnson, V.	Lynch	Ostrom	Smith	Wolf
Brown, K.	Goodno	Kahn	Mahon	Ozment	Solberg	Spk. Anderson, I.
Carlson	Greenfield	Kalis	Mariani	Pauly	Stanis	
Carruthers	Greiling	Kelley	McCollum	Pawlenty	Steensma	
Clark	Gutknecht	Kinkel	McGuire	Perlt	Sviggum	
Commers	Hasskamp	Klinzing	Milbert	Peterson	Swenson	

Those who voted in the negative were:

Dauner	Gruenes	Lindner	Ness	Rice	Waltman
Dehler	Haukoos	Macklin	Olson, M.	Tompkins	Worke
Frerichs	Krinkie	Molnau	Onnen	Van Engen	Workman
Girard	Limmer	Morrison	Pelowski	Vickerman	

The bill was passed and its title agreed to.

S. F. No. 2081, A bill for an act relating to state agencies; providing that the open appointments act applies to certain appointments made by the governor and by legislators; authorizing the secretary of state to collect data regarding appointments to multimember agencies by electronic means; requiring multimember agencies to register with the secretary of state; requiring the secretary of state to publish information collected through registration; requiring the secretary of state to furnish copies of registration data to the legislative reference library; extending the expiration date of certain advisory councils; eliminating the family and group family day care task force; amending Minnesota Statutes 1992, sections 15.0597, subdivisions 1 and 5; 115A.072, subdivision 1; and 115A.12; Minnesota

Statutes 1993 Supplement, sections 15.0597, subdivisions 2 and 4; and 16B.61, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 15; repealing Minnesota Statutes 1992, section 256.9751, subdivision 2.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2410, as amended, which was temporarily laid over earlier today on Special Orders was again reported to the House.

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

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

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

Those who voted in the affirmative were:

Abrams	Clark	Frerichs	Jacobs	Koppendrayner	Mariani	Olson, M.
Anderson, R.	Commers	Garcia	Jaros	Krinkie	McCollum	Onnen
Asch	Cooper	Girard	Jefferson	Krueger	McGuire	Opatz
Battaglia	Dauner	Goodno	Jennings	Lasley	Milbert	Orenstein
Bauerly	Dauids	Greenfield	Johnson, A.	Leppik	Molnau	Osthoff
Beard	Dawkins	Greiling	Johnson, R.	Lieder	Morrison	Ostrom
Bergson	Dehler	Gruenes	Johnson, V.	Limmer	Mosel	Ozment
Bertram	Delmont	Gutknecht	Kahn	Lindner	Munger	Pauly
Bettermann	Dempsey	Hasskamp	Kalis	Long	Murphy	Pawenty
Bishop	Dorn	Haukoos	Kelley	Lourey	Neary	Pelowski
Brown, C.	Erhardt	Hausman	Kinkel	Luther	Nelson	Perlt
Brown, K.	Evans	Holsten	Klinzing	Lynch	Ness	Peterson
Carlson	Farrell	Hugoson	Knickerbocker	Macklin	Olson, E.	Pugh
Carruthers	Finseth	Huntley	Knight	Mahon	Olson, K.	Reding

Rest	Sarna	Solberg	Tomassoni	Van Engen	Weaver	Worke
Rhodes	Seagren	Stanius	Tompkins	Vellenga	Wejzman	Workman
Rice	Sekhon	Steensma	Trimble	Vickerman	Wenzel	Spk. Anderson, I.
Rodosovich	Skoglund	Svigum	Tunheim	Wagenius	Winter	
Rukavina	Smith	Swenson	Van Dellen	Waltman	Wolf	

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

S. F. No. 1766 was reported to the House.

Bishop moved to amend S. F. No. 1766, the unofficial engrossment, as follows:

Page 1, line 16, after "by" insert "nonprofit"

The motion prevailed and the amendment was adopted.

S. F. No. 1766, A bill for an act relating to attorneys; expanding remedies for the unauthorized practice of law; amending Minnesota Statutes 1992, section 481.02, subdivision 8.

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

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

Those who voted in the affirmative were:

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

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. 1914

A bill for an act relating to financial institutions; reciprocal interstate banking; reciprocal interstate savings and loan acquisitions and branching; removing the geographical limitation contained in the definition of reciprocating state; amending Minnesota Statutes 1992, sections 48.92, subdivision 7; 51A.58.

April 7, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 1914, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

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

House Conferees: LOREN JENNINGS, LEO J. REDING AND RON ABRAMS.

Senate Conferees: JAMES P. METZEN, SAM G. SOLON AND WILLIAM V. BELANGER, JR.

Jennings moved that the report of the Conference Committee on H. F. No. 1914 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 1914, A bill for an act relating to financial institutions; reciprocal interstate banking; reciprocal interstate savings and loan acquisitions and branching; removing the geographical limitation contained in the definition of reciprocating state; amending Minnesota Statutes 1992, sections 48.92, subdivision 7; 51A.58.

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 123 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Clark	Greenfield	Onnen	Skoglund
Dawkins	Mariani	Rice	Wagenius

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

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

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

H. F. No. 1835, A bill for an act relating to game and fish; agreements on taking and possession of fish taken from Ontario boundary waters; amending Minnesota Statutes 1993 Supplement, section 97A.531, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Tunheim moved that the House concur in the Senate amendments to H. F. No. 1835 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1835, A bill for an act relating to game and fish; agreements on taking and possession of fish taken from Ontario boundary waters; amending Minnesota Statutes 1993 Supplement, section 97A.531, 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 69 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Huntley	Lieder	Murphy	Ostrom	Solberg
Bauerly	Dorn	Jaros	Lindner	Nelson	Perlt	Tomassoni
Beard	Evans	Jefferson	Lourey	Ness	Peterson	Trimble
Brown, C.	Farrell	Johnson, A.	Luther	Olson, E.	Pugh	Tunheim
Brown, K.	Finseth	Kahn	Mahon	Olson, K.	Reding	Vellenga
Carlson	Garcia	Kalis	Mariani	Olson, M.	Rice	Wejcman
Carruthers	Greenfield	Kelley	McGuire	Opatz	Rodosovich	Wenzel
Clark	Hasskamp	Kinkel	Milbert	Orenstein	Rukavina	Winter
Cooper	Hausman	Klinzing	Mosel	Orfield	Sarna	Spk. Anderson, I.
Dauner	Holsten	Krueger	Munger	Osthoff	Skoglund	

Those who voted in the negative were:

Abrams	Dehler	Gutknecht	Koppendraye	Molnau	Seagren	Van Engen
Asch	Delmont	Haukoos	Krinkie	Morrison	Sekhon	Vickerman
Battaglia	Dempsey	Hugoson	Lasley	Neary	Smith	Wagenius
Bergson	Erhardt	Jacobs	Leppik	Onnen	Stanius	Waltman
Bertram	Frerichs	Jennings	Limmer	Ozment	Steensma	Weaver
Bettermann	Girard	Johnson, R.	Long	Pauly	Sviggum	Wolf
Bishop	Goodno	Johnson, V.	Lynch	Pawlenty	Swenson	Worke
Commers	Greiling	Knickerbocker	Macklin	Pelowski	Tompkins	Workman
Davids	Gruenes	Knight	McCollum	Rhodes	Van Dellen	

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

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today:

H. F. Nos. 3011, 2402 and 2892; S. F. No. 1694; H. F. No. 2519; and S. F. No. 1732.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today:

S. F. No. 1774; and H. F. Nos. 2603, 2651, 3136, 2636 and 2920.

SPECIAL ORDERS

H. F. No. 3011 was reported to the House.

Osthoff moved that H. F. No. 3011 be continued on Special Orders until Tuesday, April 19, 1994. The motion prevailed.

S. F. No. 1694 was reported to the House.

Dawkins and Lourey moved to amend S. F. No. 1694 as follows:

Page 6, after line 23, insert:

"Sec. 4. Minnesota Statutes 1992, section 253B.05, subdivision 2, is amended to read:

Subd. 2. [PEACE OR HEALTH OFFICER HOLD.] (a) A peace or health officer may take a person into custody and transport the person to a licensed physician or treatment facility if the officer has reason to believe, or there is probable cause to believe based on the person's recent behavior and public knowledge of past psychiatric hospitalization, that the person is mentally ill or mentally retarded and in imminent danger of injuring self or others if not immediately restrained. A peace or health officer or a person working under such officer's supervision, may take a person who is believed to be chemically dependent or is intoxicated in public into custody and transport the person to a treatment facility. If the person is intoxicated in public or is believed to be chemically dependent and is not in danger of causing self-harm or harm to any person or property, the peace or health officer may transport the person home. Written application for admission of the person to a treatment facility shall be made by the peace or health officer. The application shall contain a statement given by the peace or health officer specifying the reasons for and circumstances under which the person was taken into custody. If imminent danger to specific individuals is a basis for the emergency hold, the statement must include identifying information on those individuals, to the extent practicable. A copy of the statement shall be made available to the person taken into custody.

(b) A person may be admitted to a treatment facility for emergency care and treatment under this subdivision with the consent of the head of the facility under the following circumstances: a written statement is made by the medical officer on duty at the facility that after preliminary examination the person has symptoms of mental illness or mental retardation and appears to be in imminent danger of harming self or others; or, a written statement is made by the institution program director or the director's designee on duty at the facility that after preliminary examination the person has symptoms of chemical dependency and appears to be in imminent danger of harming self or others or is intoxicated in public.

Sec. 5. Minnesota Statutes 1992, section 253B.05, subdivision 3, is amended to read:

Subd. 3. [DURATION OF HOLD.] (a) Any person held pursuant to this section may be held up to 72 hours, exclusive of Saturdays, Sundays, and legal holidays, after admission unless a petition for the commitment of the person has been filed in the probate court of the county of the person's residence or of the county in which the treatment facility is located and the court issues an order pursuant to section 253B.07, subdivision 6. If the head of

the treatment facility believes that commitment is required and no petition has been filed, the head of the treatment facility shall file a petition for the commitment of the person. The hospitalized person may move to have the venue of the petition changed to the probate court of the county of the person's residence, if the person is a resident of Minnesota.

(b) The head of the treatment facility shall immediately notify the agency which employs the peace or health officer who transported the person to the treatment facility under this section, if the head of the treatment facility releases the person during the 72-hour hold period.

(c) During the 72-hour hold period, a court may not release a person held under this section unless the court has received a written petition for release and held a summary hearing regarding the release. The petition must include the name of the person being held, the basis for and location of the hold, and a statement as to why the hold is improper. The petition also must include copies of any written documentation under subdivision 1 or 2 in support of the hold, unless the person holding the petitioner refuses to supply the documentation. The hearing must be held as soon as practicable and may be conducted by means of a telephone conference call or similar method by which the participants are able to simultaneously hear each other. If the court decides to release the person, the court shall issue written findings supporting the decision, but may not delay the release. Before deciding to release the person, the court shall make every reasonable effort to provide notice of the proposed release to: (1) any specific individuals identified in a statement under subdivision 1 or 2 or in the record as individuals who might be endangered if the person was not held; and (2) the examiner whose written statement was a basis for a hold under subdivision 1 or the peace or health officer who applied for a hold under subdivision 2."

Page 13, line 13, strike the third comma and insert a period

Page 13, line 14, delete the new language

Page 13, line 15, after "electroshock," insert "neuroleptic medication"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1694, A bill for an act relating to civil commitment; modifying procedures relating to administering intrusive mental health treatment to persons committed as mentally ill and dangerous under the civil commitment act; modifying petition and prepetition procedures; amending Minnesota Statutes 1992, sections 13.42, subdivision 3; 253B.03, subdivisions 6b and 6c; 253B.07, subdivisions 1, 2, and 4, and by adding a subdivision; 253B.09, subdivision 2; 253B.12, subdivision 1; 253B.17, subdivision 1; and 525.56, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Greenfield	Johnson, V.	Long	Nelson	Peterson
Anderson, R.	Dauner	Greiling	Kahn	Lourey	Ness	Pugh
Asch	Davids	Gruenes	Kalis	Luther	Olson, E.	Reding
Battaglia	Dawkins	Gutknecht	Kelley	Lynch	Olson, K.	Rest
Bauerly	Dehler	Hasskamp	Kinkel	Macklin	Olson, M.	Rhodes
Beard	Delmont	Haukoos	Klinzing	Mahon	Onnen	Rodosovich
Bergson	Dempsey	Hausman	Knickerbocker	Mariani	Opatz	Rukavina
Bertram	Dorn	Holsten	Knight	McCollum	Orenstein	Sarna
Bettermann	Erhardt	Hugoson	Koppendrayer	McGuire	Orfield	Seagren
Bishop	Evans	Huntley	Krinkie	Milbert	Osthoff	Sekhon
Brown, C.	Farrell	Jacobs	Krueger	Molnau	Ostrom	Skoglund
Brown, K.	Finseth	Jaros	Lasley	Morrison	Ozment	Smith
Carlson	Frerichs	Jefferson	Leppik	Mosel	Pauly	Solberg
Carruthers	Garcia	Jennings	Lieder	Munger	Pawlenty	Stanisus
Clark	Girard	Johnson, A.	Limner	Murphy	Pelowski	Steensma
Commers	Goodno	Johnson, R.	Lindner	Neary	Perlt	Sviggum

Swenson	Trimble	Van Engen	Wagenius	Wejzman	Wolf	Spk. Anderson, I.
Tomassoni	Tunheim	Vellenga	Waltman	Wenzel	Worke	
Tompkins	Van Dellen	Vickerman	Weaver	Winter	Workman	

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

SUSPENSION OF RULES

Abrams moved that the rules be so far suspended that the House permit television cameras on the floor for ten minutes. The motion prevailed.

SPECIAL ORDERS, Continued

H. F. No. 2519, A bill for an act relating to prostitution; creating a civil cause of action for persons who are coerced into prostitution; proposing coding for new law in Minnesota Statutes, chapter 611A.

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

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

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1732 was reported to the House.

Wejzman moved that S. F. No. 1732 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 1774, A bill for an act relating to traffic regulations; permitting white strobe lights on rural mail carrier vehicles; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; and 169.64, subdivision 8; Minnesota Statutes 1993 Supplement, section 169.64, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 1732 which was temporarily laid over earlier today on Special Orders was again reported to the House.

There being no objection, S. F. No. 1732 was continued on Special Orders.

The Speaker called Bauerly to the Chair.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. Nos. 2624, 2120 and 2351.

H. F. No. 2624, A bill for an act relating to employee relations; ratifying labor agreements; making certain positions unclassified; changing duties of the legislative commission on employee relations; revising a salary range for a certain position in the judicial branch; modifying duties of the commissioner of employee relations; amending Minnesota Statutes 1992, sections 3.855, subdivisions 2, 3, and by adding a subdivision; 15A.081, subdivisions 7 and 7b; 43A.05, subdivision 5; 43A.08, subdivisions 1 and 1a; 43A.18, subdivisions 2, 3, and 5; 179A.10, subdivision 3; 179A.18, subdivision 1; and 179A.22, subdivision 4; Minnesota Statutes 1993 Supplement, sections 15A.081, subdivision 1; 15A.083, subdivision 4; and 43A.18, subdivision 4.

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

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

Those who voted in the affirmative were:

Abrams	Carlson	Erhardt	Hasskamp	Kahn	Leppik	Milbert
Anderson, R.	Carruthers	Evans	Haukoos	Kalis	Lieder	Molnau
Asch	Clark	Farrell	Hausman	Kelley	Limmer	Morrison
Battaglia	Commers	Finseth	Holsten	Kelso	Lindner	Mosel
Bauerly	Cooper	Frerichs	Hugoson	Kinkel	Long	Munger
Beard	Dauner	Garcia	Huntley	Klinzing	Lourey	Murphy
Bergson	Davids	Girard	Jacobs	Knickerbocker	Luther	Neary
Bertram	Dawkins	Goodno	Jefferson	Knight	Lynch	Nelson
Bettermann	Dehler	Greenfield	Jennings	Koppendrayner	Macklin	Ness
Bishop	Delmont	Greiling	Johnson, A.	Krinkie	Mahon	Olson, E.
Brown, C.	Dempsey	Gruenes	Johnson, R.	Krueger	McCollum	Olson, K.
Brown, K.	Dorn	Gutknecht	Johnson, V.	Lasley	McGuire	Olson, M.

Onnen	Pawlenty	Rhodes	Simoneau	Swenson	Vellenga	Winter
Opatz	Pelowski	Rice	Skoglund	Tomassoni	Vickerman	Wolf
Orenstein	Perl	Rodosovich	Smith	Tompkins	Wagenius	Worke
Osthoff	Peterson	Rukavina	Solberg	Trimble	Waltman	Workman
Ostrom	Pugh	Sarna	Stanis	Tunheim	Weaver	Spk. Anderson, I.
Ozment	Reding	Seagren	Steensma	Van Dellen	Wejman	
Pauly	Rest	Sekhon	Sviggum	Van Engen	Wenzel	

The bill was passed and its title agreed to.

H. F. No. 2120 was reported to the House.

Kelley and Greenfield offered an amendment to H. F. No. 2120, the third engrossment.

POINT OF ORDER

Sviggum raised a point of order pursuant to rule 3.09 that the Kelley and Greenfield amendment was not in order. Speaker pro tempore Bauerly ruled the point of order well taken and the amendment out of order.

Asch offered an amendment to H. F. No. 2120, the third engrossment.

POINT OF ORDER

Rice raised a point of order pursuant to rule 3.09 that the Asch amendment was not in order. Speaker pro tempore Bauerly ruled the point of order well taken and the amendment out of order.

Lynch moved to amend H. F. No. 2120, the third engrossment, as follows:

Page 3, delete lines 20 and 21

A roll call was requested and properly seconded.

The question was taken on the Lynch amendment and the roll was called. There were 49 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Bettermann	Frerichs	Hugoson	Lindner	Olson, E.	Seagren	Vickerman
Commers	Girard	Huntley	Lynch	Olson, M.	Steensma	Waltman
Dauner	Goodno	Johnson, V.	Molnau	Onnen	Sviggum	Weaver
Davids	Gruenes	Klinzing	Morrison	Ostrom	Swenson	Wenzel
Dehler	Gutknecht	Knight	Mosel	Ozment	Tompkins	Wolf
Dempsey	Haukoos	Koppendrayner	Nelson	Pauly	Van Dellen	Worke
Finseth	Holsten	Krinkie	Ness	Pawlenty	Van Engen	Workman

Those who voted in the negative were:

Abrams	Carruthers	Hausman	Knickerbocker	McGuire	Pugh	Solberg
Anderson, R.	Clark	Jacobs	Krueger	Milbert	Reding	Stanis
Asch	Dawkins	Jaros	Lasley	Munger	Rest	Tomassoni
Battaglia	Delmont	Jefferson	Leppik	Murphy	Rhodes	Trimble
Bauerly	Dorn	Jennings	Lieder	Neary	Rice	Tunheim
Beard	Erhardt	Johnson, A.	Limmer	Opatz	Rodosovich	Vellenga
Bergson	Evans	Johnson, R.	Long	Orenstein	Rukavina	Wagenius
Bertram	Farrell	Kahn	Lourey	Orfield	Sarna	Wejman
Bishop	Garcia	Kalis	Luther	Osthoff	Sekhon	Winter
Brown, C.	Greenfield	Kelley	Macklin	Pelowski	Simoneau	Spk. Anderson, I.
Brown, K.	Greiling	Kelso	Mahon	Perl	Skoglund	
Carlson	Hasskamp	Kinkel	McCollum	Peterson	Smith	

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

H. F. No. 2120, A bill for an act relating to occupations and professions; providing that health-related licensing boards may establish a program to protect the public from impaired regulated persons; providing for appointments; providing for rulemaking; appropriating money; amending Minnesota Statutes 1993 Supplement, section 214.06, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 214.

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 17 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Jacobs	Lasley	Mosel	Peterson	Tomassoni
Anderson, R.	Dempsey	Jefferson	Leppik	Munger	Pugh	Tompkins
Asch	Dorn	Jennings	Lieder	Murphy	Reding	Trimble
Battaglia	Erhardt	Johnson, A.	Limmer	Neary	Rest	Tunheim
Bauerly	Evans	Johnson, R.	Lindner	Nelson	Rhodes	Van Dellen
Beard	Farrell	Johnson, V.	Long	Olson, E.	Rodosovich	Van Engen
Bergson	Finseth	Kahn	Lourey	Olson, K.	Sarna	Vellenga
Bertram	Girard	Kalis	Luther	Opatz	Seagren	Vickerman
Bishop	Goodno	Kelley	Macklin	Orenstein	Sekhon	Wagenius
Brown, C.	Greenfield	Kelso	Mahon	Orfield	Simoneau	Weaver
Brown, K.	Greiling	Kinkel	Mariani	Osthoff	Skoglund	Wejcman
Carlson	Gruenes	Klinzing	McCollum	Ostrom	Smith	Wenzel
Carruthers	Hasskamp	Knickerbocker	McGuire	Ozment	Solberg	Winter
Clark	Hausman	Knight	Milbert	Pauly	Stanis	Wolf
Commers	Holsten	Koppendrayner	Molnau	Pawlenty	Steensma	Worke
Dawkins	Huntley	Krueger	Morrison	Pelowski	Swenson	Spk. Anderson, I.

Those who voted in the negative were:

Bettermann	Dehler	Haukoos	Lynch	Onnen	Waltman
Dauner	Frerichs	Hugoson	Ness	Perl	Workman
Dauids	Gutknecht	Krinkie	Olson, M.	Sviggum	

The bill was passed and its title agreed to.

Erhardt was excused between the hours of 4:50 p.m. and 9:25 p.m.

H. F. No. 2351 was reported to the House.

Skoglund moved to amend H. F. No. 2351, the second engrossment, as follows:

Page 4, line 1, delete "28,854,000" and insert "25,854,000"

Page 6, line 54, delete "2,770,000" and insert "2,370,000"

Page 6, line 57, delete "2,160,000" and insert "1,760,000"

Page 7, delete lines 20 to 21

Page 8, after line 46, insert:

"Sec. 14. CRIME INFORMATION REWARD FUND

-0-

400,000"

Page 82, line 20, delete "\$....." and insert "\$10,000" and delete the second blank and insert "seven".

Page 82, line 24, after the period, insert "The board shall select only those criminal investigations for which no other reward offer has been extended and for which, in the board's judgment, no reward offer would have been made but for the board's action."

Page 99, lines 1 and 2, delete the new language

Page 99, delete lines 26 to 34

Page 100, lines 2 to 4, delete the new language

Page 100, lines 9 and 10, delete the new language and reinstate the stricken language

Page 100, lines 21 and 22, delete the new language and reinstate the stricken language

Page 100, lines 25 and 32, delete the new language

The motion prevailed and the amendment was adopted.

Skoglund moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 3, line 7, delete "42,433,000" and insert "42,427,000"

Page 3, line 7, delete "43,982,000" and insert "43,976,000"

Page 3, line 37, delete "4,414,000" and insert "4,408,000"

Page 3, line 38, delete "4,386,000" and insert "4,380,000"

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Bishop, Skoglund, Dawkins and Swenson moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 153, line 5, before the period, insert "in a manner which has been demonstrated epidemiologically to transmit the HIV virus"

Page 153, line 8, after "professional" insert "who is trained to provide the counseling described in section 144.763,"

A roll call was requested and properly seconded.

The question was taken on the Bishop et al amendment and the roll was called. There were 90 yeas and 39 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Dauner	Garcia	Jefferson	Kinkel	Luther
Anderson, R.	Brown, C.	Dawkins	Greenfield	Jennings	Klinzing	Lynch
Battaglia	Brown, K.	Delmont	Greiling	Johnson, A.	Krueger	Mahon
Bauerly	Carlson	Dempsey	Hausman	Johnson, R.	Lasley	Mariani
Bergson	Carruthers	Dorn	Huntley	Kahn	Lieder	McCollum
Bertram	Clark	Evans	Jacobs	Kelley	Long	McGuire
Bettermann	Cooper	Farrell	Jaros	Kelso	Lourey	Milbert

Mosel	Olson, E.	Ostrom	Rest	Skoglund	Trimble	Wagenius
Munger	Olson, K.	Pelowski	Rhodes	Solberg	Tunheim	Weaver
Murphy	Opatz	Perlt	Rodosovich	Stanis	Van Dellen	Wejzman
Neary	Orenstein	Peterson	Rukavina	Steensma	Van Engen	Winter
Nelson	Orfield	Pugh	Sekhon	Swenson	Vellenga	Spk. Anderson, I.
Ness	Osthoff	Reding	Simoneau	Tomassoni	Vickerman	

Those who voted in the negative were:

Asch	Girard	Holsten	Krinkie	Morrison	Seagren	Wolf
Commers	Goodno	Hugoson	Leppik	Olson, M.	Smith	Worke
Davids	Gruenes	Johnson, V.	Limmer	Onnen	Swiggum	Workman
Dehler	Gutknecht	Kalis	Lindner	Ozment	Tompkins	
Finseth	Hasskamp	Knight	Macklin	Pauly	Waltman	
Frerichs	Haukoos	Koppendrayner	Molnau	Pawlenty	Wenzel	

The motion prevailed and the amendment was adopted.

Greiling, McGuire and Skoglund moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 18, line 17, after "(3)", insert "exclude the abusing party from the area surrounding the dwelling which the parties share or the residence of the petitioner, to a distance found necessary by the court to protect the safety of the petitioner and the family or household members;

(4)"

Pages 18 to 19, renumber the remaining clauses

Bettermann moved to amend the Greiling et al amendment as follows:

Page 1, line 7, before the semicolon, insert "not less than 300 feet, or one city block, whichever distance is greater"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Greiling et al amendment, as amended, to H. F. No. 2351, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Murphy moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 113, after line 35, insert:

"Sec. 42. Minnesota Statutes 1993 Supplement, section 626.861, subdivision 4, is amended to read:

Subd. 4. [PEACE OFFICERS TRAINING ACCOUNT.] (a) Receipts from penalty assessments must be credited to a peace officer training account in the special revenue fund. The peace officers standards and training board shall make the following allocations from appropriated funds, net of operating expenses:

(1) for fiscal year 1994:

(i) at least 25 percent for reimbursement to board-approved skills courses; and

(ii) at least 13.5 percent for the school of law enforcement;

(2) for fiscal year 1995:

(i) at least 17 percent to the community college system for one-time start-up costs associated with the transition to an integrated academic program;

- (ii) at least eight percent for reimbursement to board-approved skills courses in the technical college system; and
- (iii) at least 13.5 percent for the school of law enforcement.

The balance in each year may be used to pay each local unit of government an amount in proportion to the number of licensed peace officers and constables employed, at a rate to be determined by the board. The disbursed amount must be used exclusively for reimbursement of the cost of in-service training required under this chapter and chapter 214.

(b) The board must not reduce allocations to law enforcement agencies or higher education systems or institutions to fund legal costs or other board operating expenses not presented in the board's biennial legislative budget request."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Milbert and Skoglund moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 13, after line 36, insert:

"Sec. 9. Minnesota Statutes 1992, section 171.22, subdivision 2, is amended to read:

Subd. 2. [PENALTIES.] Any person who violates subdivision 1, clause (7) or (8) ~~or (9)~~, is guilty of a gross misdemeanor. Any person who violates any other provision of subdivision 1 is guilty of a misdemeanor."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Jefferson, Clark, Evans and Rice moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 43, after line 2, insert:

"Sec. 46. Minnesota Statutes 1992, section 609.52, subdivision 3, is amended to read:

Subd. 3. [SENTENCE.] Whoever commits theft may be sentenced as follows:

(1) to imprisonment for not more than 20 years or to payment of a fine of not more than \$100,000, or both, if the property is a firearm, or the value of the property or services stolen is more than \$35,000 and the conviction is for a violation of subdivision 2, clause (3), (4), (15), or (16); or

(2) to imprisonment for not more than ten years or to payment of a fine of not more than \$20,000, or both, if the value of the property or services stolen exceeds \$2,500, or if the property stolen was an article representing a trade secret, an explosive or incendiary device, or a controlled substance listed in schedule I or II pursuant to section 152.02 with the exception of marijuana; or

(3) to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both, if:

(a) the value of the property or services stolen is more than \$500 but not more than \$2,500; or

(b) the property stolen was a controlled substance listed in schedule III, IV, or V pursuant to section 152.02; or

(c) the value of the property or services stolen is more than \$200 but not more than \$500 and the person has been convicted within the preceding five years for an offense under this section, section 256.98; 268.18, subdivision 3; 609.24; 609.245; 609.53; 609.582, subdivision 1, 2, or 3; 609.625; 609.63; 609.631; or 609.821, or a statute from another state in conformity with any of those sections, and the person received a felony or gross misdemeanor sentence for the offense, or a sentence that was stayed under section 609.135 if the offense to which a plea was entered would allow imposition of a felony or gross misdemeanor sentence; or

(d) the value of the property or services stolen is not more than \$500, and any of the following circumstances exist:

(i) the property is taken from the person of another or from a corpse, or grave or coffin containing a corpse; or

(ii) the property is a record of a court or officer, or a writing, instrument or record kept, filed or deposited according to law with or in the keeping of any public officer or office; or

(iii) the property is taken from a burning, abandoned, or vacant building or upon its removal therefrom, or from an area of destruction caused by civil disaster, riot, bombing, or the proximity of battle; or

(iv) the property consists of public funds belonging to the state or to any political subdivision or agency thereof; or

(v) the property stolen is a motor vehicle; or

(4) to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both, if the value of the property or services stolen is more than \$200 but not more than \$500; or

(5) in all other cases where the value of the property or services stolen is \$200 or less, to imprisonment for not more than 90 days or to payment of a fine of not more than \$700, or both, provided, however, in any prosecution under subdivision 2, clauses (1), (2), (3), (4), and (13), the value of the money or property or services received by the defendant in violation of any one or more of the above provisions within any six-month period may be aggregated and the defendant charged accordingly in applying the provisions of this subdivision; provided that when two or more offenses are committed by the same person in two or more counties, the accused may be prosecuted in any county in which one of the offenses was committed for all of the offenses aggregated under this paragraph."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Hasskamp, Carruthers, Kalis, Garcia, Mahon, Bettermann, Dauner, Nelson, Bertram and Sviggum offered an amendment to H. F. No. 2351, the second engrossment, as amended.

POINT OF ORDER

Osthoff raised a point of order pursuant to rule 3.09 that the Hasskamp et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Dawkins, Skoglund and Carruthers moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 165, delete line 32, and insert "has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2)"

Page 165, line 33, delete "defender"

The motion prevailed and the amendment was adopted.

Smith moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 9, after line 48, insert:

"Sec. 2. Minnesota Statutes 1992, section 152.01, subdivision 19, is amended to read:

Subd. 19. [PUBLIC HOUSING ZONE.] "Public housing zone" means ~~any public~~:

(1) a housing project or development that receives the benefit of a direct, project-based federal housing subsidy and is administered by the Minnesota housing finance agency; or

(2) a public housing project or development that is administered by a local housing agency, ~~plus.~~

The public housing zone includes the area within 300 feet of the property's boundary, or one city block, whichever distance is greater."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Smith amendment and the roll was called. There were 57 yeas and 74 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Johnson, V.	Macklin	Pauly	Sviggum	Wolf
Bettermann	Girard	Knickerbocker	Mahon	Pawlenty	Swenson	Worke
Bishop	Goodno	Knight	Molnau	Peterson	Tomassoni	Workman
Brown, K.	Gruenes	Koppendrayner	Morrison	Pugh	Tompkins	
Commers	Gutknecht	Krinkie	Murphy	Rhodes	Van Dellen	
Davids	Hasskamp	Leppik	Olson, M.	Seagren	Van Engen	
Dehler	Haukoos	Limmer	Ornen	Smith	Vickerman	
Dempsey	Holsten	Lindner	Osthoff	Solberg	Waltman	
Finseth	Hugoson	Lynch	Ozment	Stanisus	Weaver	

Those who voted in the negative were:

Anderson, R.	Dauner	Jacobs	Klinzing	Mosel	Perlt	Trimble
Asch	Dawkins	Jaros	Krueger	Neary	Reding	Tunheim
Battaglia	Delmont	Jefferson	Lasley	Nelson	Rest	Vellenga
Bauerly	Dorn	Jennings	Lieder	Ness	Rice	Wagenius
Beard	Evans	Johnson, A.	Long	Olson, E.	Rodosovich	Wejzman
Bergson	Farrell	Johnson, R.	Lourey	Olson, K.	Rukavina	Wenzel
Brown, C.	Garcia	Kahn	Luther	Opatz	Sarna	Winter
Carlson	Greenfield	Kalis	Mariani	Orenstein	Sekhon	Spk. Anderson, I.
Carruthers	Greiling	Kelley	McCollum	Orfield	Simoneau	
Clark	Hausman	Kelso	McGuire	Ostrom	Skoglund	
Cooper	Huntley	Kinkel	Milbert	Pelowski	Steensma	

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

Kahn, Skoglund, Hasskamp, Murphy and Abrams moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 8, after line 14, insert:

"Subd. 4. Transfer of unexpended funds.

The commissioner may use unexpended funds appropriated under this section for the purchase of polymerase chain reaction DNA analysis kits."

The motion prevailed and the amendment was adopted.

Rhodes moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 170, delete lines 5 and 6 and insert:

"(a) The additional judgeship established in section 1 in the first judicial district and one judgeship in the fourth judicial district, one in the seventh judicial district, and one in the tenth judicial district are effective September 1, 1994.

(b) Two additional judgeships established in section 1 in the fourth judicial district, one judgeship in the seventh judicial district, and one in the tenth judicial district are effective July 1, 1995."

The question was taken on the Rhodes amendment and the roll was called. There were 51 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Hugoson	Limmer	Onnen	Stanius	Wolf
Bergson	Frerichs	Johnson, V.	Lindner	Opatz	Svigum	Worke
Bettermann	Girard	Klinzing	Lynch	Ozment	Swenson	Workman
Bishop	Goodno	Knickerbocker	Macklin	Pauly	Tompkins	
Commers	Gruenes	Knight	Molnau	Pawlenty	Van Engen	
Davids	Gutknecht	Koppendrayner	Morrison	Rhodes	Vickerman	
Dehler	Haukoos	Krinkie	Ness	Seagren	Waltman	
Dempsey	Holsten	Leppik	Olson, M.	Smith	Weaver	

Those who voted in the negative were:

Anderson, R.	Dauner	Jacobs	Lasley	Murphy	Pugh	Tomassoni
Asch	Dawkins	Jaros	Lieder	Neary	Reding	Trimble
Battaglia	Delmont	Jefferson	Long	Nelson	Rest	Tunheim
Bauerly	Dorn	Jennings	Lourey	Olson, E.	Rice	Vellenga
Beard	Evans	Johnson, A.	Luther	Olson, K.	Rodosovich	Wagenius
Bertram	Farrell	Johnson, R.	Mahon	Orenstein	Rukavina	Wejzman
Brown, C.	Garcia	Kahn	Mariani	Orfield	Sarna	Wenzel
Brown, K.	Greenfield	Kalis	McCollum	Osthoff	Sekhon	Winter
Carlson	Greiling	Kelley	McGuire	Ostrom	Simoneau	Spk. Anderson, I.
Carruthers	Hasskamp	Kelso	Milbert	Pelowski	Skoglund	
Clark	Hausman	Kinkel	Mosel	Perlt	Solberg	
Cooper	Huntley	Krueger	Munger	Peterson	Steensma	

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

Vellenga moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 115, line 35, before the period, insert "of public safety"

Page 116, line 1, after "commissioner" insert "of public safety"

Page 116, line 13, delete "commissioner" and insert "commissioners of public safety and education"

Page 116, line 16, delete "committee" and insert "and education committees"

Page 116, line 17, delete "committee" and insert "and education committees"

The motion prevailed and the amendment was adopted.

Opatz moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 18, after line 8, insert:

"Sec. 15. Minnesota Statutes 1993 Supplement, 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) harassment or stalking, within the meaning of section 609.749, terroristic threats, within the meaning of section 609.713, subdivision 1, or criminal sexual conduct, within the meaning of section 609.342, 609.343, 609.344, or 609.345, when any of these acts is committed against a family or household member by a family or household member.

(b) "Family or household members" means spouses, former spouses, parents and children, persons related by blood, and persons who are presently residing together or who have resided together in the past, and persons who have a child in common regardless of whether they have been married or have lived together at any time. "Family or household member" also includes a man and woman if the woman is pregnant and the man is alleged to be the father, regardless of whether they have been married or have lived together at any time. Issuance of an order for protection on this ground does not affect a determination of paternity under sections 257.51 to 257.74."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Carruthers; McGuire; Skoglund; Rest; Swenson; Bergson; Brown, C.; Lynch and Weaver moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 9, after line 48, insert:

"Sec. 2. Minnesota Statutes 1992, section 144.125, is amended to read:

144.125 [TESTS OF INFANTS FOR INBORN METABOLIC ERRORS.]

It is the duty of (1) the administrative officer or other person in charge of each institution caring for infants 28 days or less of age and (2) the person required in pursuance of the provisions of section 144.215, to register the birth of a child, to cause to have administered to every infant or child in its care tests for hemoglobinopathy, phenylketonuria, and other inborn errors of metabolism in accordance with rules prescribed by the state commissioner of health. In determining which tests must be administered, the commissioner shall take into consideration the adequacy of laboratory methods to detect the inborn metabolic error, the ability to treat or prevent medical conditions caused by the inborn metabolic error, and the severity of the medical conditions caused by the inborn metabolic error. Testing and the recording and reporting of the results of the tests shall be performed at the times and in the manner prescribed by the commissioner of health. ~~This section does not apply to an infant whose parents object on the grounds that the tests and treatment conflict with their religious tenets and practices.~~ The commissioner shall charge laboratory service fees for conducting the tests of infants for inborn metabolic errors so that the total of fees collected will approximate the costs of conducting the tests. Costs associated with capital expenditures and the development of new procedures may be prorated over a three-year period when calculating the amount of the fees."

Page 38, after line 32, insert:

"Sec. 41. Minnesota Statutes 1993 Supplement, section 609.378, subdivision 1, is amended to read:

Subdivision 1. [PERSONS GUILTY OF NEGLECT OR ENDANGERMENT.] (a) [NEGLECT.] (1) A parent, legal guardian, or caretaker who willfully deprives a child of necessary food, clothing, shelter, health care, or supervision appropriate to the child's age, when the parent, guardian, or caretaker is reasonably able to make the necessary provisions and the deprivation harms or is likely to substantially harm the child's physical, mental, or emotional health is guilty of neglect of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both. If the deprivation results in substantial harm to the child's physical, mental, or emotional health, the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both. ~~If a parent, guardian, or caretaker responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, this treatment or care is "health care," for purposes of this clause.~~

(2) A parent, legal guardian, or caretaker who knowingly permits the continuing physical or sexual abuse of a child is guilty of neglect of a child and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

(b) [ENDANGERMENT.] A parent, legal guardian, or caretaker who endangers the child's person or health by:

(1) intentionally or recklessly causing or permitting a child to be placed in a situation likely to substantially harm the child's physical, mental, or emotional health or cause the child's death; or

(2) knowingly causing or permitting the child to be present where any person is selling or possessing a controlled substance, as defined in section 152.01, subdivision 4, in violation of section 152.021, 152.022, 152.023, or 152.024; is guilty of child endangerment and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

If the endangerment results in substantial harm to the child's physical, mental, or emotional health, the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

This paragraph does not prevent a parent, legal guardian, or caretaker from causing or permitting a child to engage in activities that are appropriate to the child's age, stage of development, and experience, ~~or from selecting health care as defined in subdivision 1, paragraph (a).~~

(c) [ENDANGERMENT BY FIREARM ACCESS.] A person who intentionally or recklessly causes a child under 14 years of age to be placed in a situation likely to substantially harm the child's physical health or cause the child's death as a result of the child's access to a loaded firearm is guilty of child endangerment and may be sentenced to imprisonment for not more than one year or to payment of a fine of not more than \$3,000, or both.

If the endangerment results in substantial harm to the child's physical health, the person may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both."

Page 54, strike the sentence beginning on line 33

Page 56, after line 13, insert:

"Sec. 63. Minnesota Statutes 1992, section 626.556, subdivision 10e, is amended to read:

Subd. 10e. [DETERMINATIONS.] Upon the conclusion of every assessment or investigation it conducts, the local welfare agency shall make two determinations: first, whether maltreatment has occurred; and second, whether child protective services are needed.

(a) For the purposes of this subdivision, "maltreatment" means any of the following acts or omissions committed by a person responsible for the child's care:

(1) physical abuse as defined in subdivision 2, paragraph (d);

(2) neglect as defined in subdivision 2, paragraph (c);

(3) sexual abuse as defined in subdivision 2, paragraph (a); or

(4) mental injury as defined in subdivision 2, paragraph (k).

(b) For the purposes of this subdivision, a determination that child protective services are needed means that the local welfare agency has documented conditions during the assessment or investigation sufficient to cause a child protection worker, as defined in section 626.559, subdivision 1, to conclude that a child is at significant risk of maltreatment if protective intervention is not provided and that the individuals responsible for the child's care have not taken or are not likely to take actions to protect the child from maltreatment or risk of maltreatment.

~~(c) This subdivision does not mean that maltreatment has occurred solely because the child's parent, guardian, or other person responsible for the child's care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child, in lieu of medical care. However, if lack of medical care may result in imminent and serious danger to the child's health, the local welfare agency may ensure that necessary medical services are provided to the child.~~

Page 65, line 17, before "Sections" insert "Section 2 is effective August 1, 1994."

Page 65, line 17, delete "2 to 28 and 30 to 73" and insert "3 to 29, 31 to 40, and 42 to 75"

Page 65, line 18, after the period, insert "Section 41 is effective June 1, 1994 and applies to crimes committed on or after that date."

Page 65, line 19, delete "29" and insert "30"

A roll call was requested and properly seconded.

The question was taken on the Carruthers et al amendment and the roll was called. There were 65 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Jennings	Macklin	Ostrom	Seagren	Wagenius
Asch	Dauner	Johnson, R.	McCollum	Ozment	Simoneau	Weaver
Bauerly	Davids	Kahn	McGuire	Pawlenty	Skoglund	Wejcman
Beard	Dawkins	Kelso	Morrison	Pelowski	Swenson	Winter
Bergson	Delmont	Kinkel	Mosel	Perlt	Tomassoni	Spk. Anderson, I.
Bertram	Dempsey	Krueger	Munger	Reding	Trimble	
Brown, C.	Dorn	Lasley	Neary	Rest	Tunheim	
Carlson	Evans	Lindner	Olson, E.	Rhodes	Van Dellen	
Carruthers	Farrell	Luther	Onnen	Rukavina	Van Engen	
Commers	Finseth	Lynch	Opatz	Sarna	Vellenga	

Those who voted in the negative were:

Abrams	Goodno	Huntley	Koppendrayner	Molnau	Rodosovich	Wenzel
Battaglia	Greenfield	Jacobs	Krinkie	Murphy	Sekhon	Wolf
Bettermann	Greiling	Jefferson	Leppik	Nelson	Smith	Worke
Bishop	Gruenes	Johnson, A.	Lieder	Ness	Solberg	Workman
Brown, K.	Gutknecht	Johnson, V.	Limmer	Orenstein	Stanius	
Clark	Hasskamp	Kalis	Long	Orfield	Steensma	
Dehler	Haukoos	Kelley	Lourey	Osthoff	Sviggum	
Frerichs	Hausman	Klinzing	Mahon	Pauly	Tompkins	
Garcia	Holsten	Knickerbocker	Mariani	Peterson	Vickerman	
Girard	Hugoson	Knicht	Milbert	Pugh	Waltman	

The motion prevailed and the amendment was adopted.

Wejzman moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 5, line 50, after "of" insert "pupils age 21 or over participating in"

Page 5, line 51, delete "an" and insert "school districts and"

Page 5, line 52, delete "center" and insert "centers"

Page 170, after line 35, insert:

"Sec. 3. Minnesota Statutes 1992, section 123.3514, is amended by adding a subdivision to read:

Subd. 6d. [OIC PUPILS AGE 21 OR OVER.] For a pupil age 21 or over who is enrolled in a course at an opportunities industrialization center (OIC) according to this section, the department of education shall make payments according to subdivision 6b for courses taken to fulfill high school graduation requirements by pupils eligible for adult high school graduation aid, except that the payments shall be made from the appropriation for pupils age 21 or over attending an OIC under the post-secondary enrollment options program, not from the adult graduation aid appropriation.

The department shall make payments for a pupil age 21 or over attending an OIC only if the amount of appropriation remaining for the program is sufficient to make full payment to the school district and the OIC. The department shall develop and implement an application process for pupils age 21 or over who wish to attend an OIC under this section. A pupil must submit an application to the department before enrolling in an OIC. The department must determine specific dates by which applications must be received for each OIC term. If the department receives multiple applications for a term by the appropriate application deadline and the remaining appropriation is insufficient to make full payment to the school districts and OICs, pupils shall be selected by lot until the appropriation is gone. Within 10 days of receiving an application, the department must notify each pupil whether there is sufficient funding to pay for the pupil's enrollment in the OIC under this section. If the funding is not sufficient, the pupil may not enroll in the OIC under this section. The department must not make payments to a school district or OIC for a course taken for post-secondary credit only."

Renumber subsequent sections

Correct internal cross-references

The motion prevailed and the amendment was adopted.

Wenzel, Pugh, Hasskamp, Kinkel and Swenson moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 136, after line 18, insert:

"Sec. 6. Minnesota Statutes 1992, section 243.05, subdivision 1, is amended to read:

Subdivision 1. [CONDITIONAL RELEASE.] The 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 committing murder before May 1, 1980, 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 without having served 20 years, less the diminution that would have been allowed for good conduct had the sentence been for 20 years;

(b) no inmate serving a life sentence for committing murder before May 1, 1980, 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 without having served 25 years, less the diminution which would have been allowed for good conduct had the sentence been for 25 years;

(c) any inmate sentenced prior to September 1, 1963, who would be eligible for parole had the inmate been sentenced after September 1, 1963, shall be eligible for parole; and

(d) any new rule or policy or change of rule or policy adopted by the 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. Upon being paroled and released, an inmate is and remains in the legal custody and under the control of the 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 commissioner. The written order of the commissioner of corrections, is sufficient authority for any peace officer or state parole and probation agent to retake and place in actual custody any person on parole 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 commissioner for action. The written order of the commissioner of corrections is sufficient 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. 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 outside the boundaries of the state at the discretion of the commissioner of corrections or the court, and the limits fixed for these persons may be enlarged or reduced according to their conduct.

Except as otherwise provided in subdivision 1b, in considering applications for conditional release or discharge, the 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 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. The commissioner is authorized to administer oaths to witnesses for these purposes."

Page 136, after line 32, insert:

"Sec. 8. Minnesota Statutes 1992, section 243.05, is amended by adding a subdivision to read:

Subd. 1b. [VICTIM'S RIGHTS.] (a) This subdivision applies to parole decisions relating to inmates convicted of first degree murder who are described in subdivision 1, clauses (a) and (b). As used in this subdivision, "victim" means the murder victim's surviving spouse or next of kin.

(b) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's parole review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be paroled at that time. The commissioner must consider the victim's statement when making the parole decision.

Sec. 9. Minnesota Statutes 1993 Supplement, section 244.05, subdivision 5, is amended to read:

Subd. 5. [SUPERVISED RELEASE, LIFE SENTENCE.] (a) The commissioner of corrections may, under rules promulgated by the commissioner, give supervised release to an inmate serving a mandatory life sentence under section 609.185, clause (1), (3), (5), or (6); 609.346, subdivision 2a; or 609.385 after the inmate has served the minimum term of imprisonment specified in subdivision 4.

(b) The commissioner shall require the preparation of a community investigation report and shall consider the findings of the report when making a supervised release decision under this subdivision. The report shall reflect the sentiment of the various elements of the community toward the inmate, both at the time of the offense and at the present time. The report shall include the views of the sentencing judge, the prosecutor, any law enforcement personnel who may have been involved in the case, and any successors to these individuals who may have information relevant to the supervised release decision. The report shall also include the views of the victim and the victim's family unless the victim or the victim's family chooses not to participate.

(c) The commissioner shall make reasonable efforts to notify the victim, in advance, of the time and place of the inmate's supervised release review hearing. The victim has a right to submit an oral or written statement at the review hearing. The statement may summarize the harm suffered by the victim as a result of the crime and give the victim's recommendation on whether the inmate should be given supervised release at this time. The commissioner must consider the victim's statement when making the supervised release decision.

(d) As used in this subdivision, "victim" means the individual who suffered harm as a result of the inmate's crime or, if the individual is deceased, the deceased's surviving spouse or next of kin."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Wenzel et al amendment and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the amendment was adopted.

The Speaker called Bauerly to the Chair.

Dehler moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 165, line 4, after the period insert "The supreme court must abide by the minimum wage laws currently in effect at the time of required jury duty."

The question was taken on the Dehler amendment and the roll was called. There were 29 yeas and 101 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Gruenes	Koppendrayner	Olson, M.	Rukavina
Asch	Dempsey	Haukoos	Mahon	Onnen	Seagren
Commers	Frerichs	Hugoson	McCollum	Osthoff	Smith
Dauner	Girard	Jaros	Molnau	Ozment	Vickerman
Davids	Goodno	Knickerbocker	Morrison	Pauly	

Those who voted in the negative were:

Anderson, R.	Delmont	Johnson, A.	Limmer	Olson, E.	Rodosovich	Van Engen
Battaglia	Dorn	Johnson, R.	Long	Olson, K.	Sarna	Vellenga
Bauerly	Evans	Johnson, V.	Lourey	Opatz	Sekhon	Wagenius
Beard	Farrell	Kahn	Luther	Orenstein	Simoneau	Waltman
Bergson	Finseth	Kalis	Lynch	Orfield	Skoglund	Weaver
Bertram	Garcia	Kelley	Macklin	Ostrom	Solberg	Wejzman
Bettermann	Greenfield	Kelso	Mariani	Pawlenty	Stanius	Wenzel
Bishop	Greiling	Kinkel	McGuire	Pelowski	Steensma	Winter
Brown, C.	Hasskamp	Klinzing	Milbert	Perlt	Sviggum	Wolf
Brown, K.	Hausman	Knight	Mosel	Peterson	Swenson	Workman
Carlson	Holsten	Krinkie	Munger	Pugh	Tomassoni	Spk. Anderson, I.
Carruthers	Huntley	Krueger	Murphy	Reding	Tompkins	
Clark	Jacobs	Lasley	Neary	Rest	Trimble	
Cooper	Jefferson	Leppik	Nelson	Rhodes	Tunheim	
Dawkins	Jennings	Lieder	Ness	Rice	Van Dellen	

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

Krueger moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 170, line 19, after the period insert "Expenditures for these purposes must only be made from moneys specifically appropriated for these purposes."

Page 176, line 31, after the period insert "Expenditures for these purposes must only be made from moneys specifically appropriated for these purposes."

Page 177, line 7, after the period, insert "Expenditures for these purposes must only be made from moneys specifically appropriated for these purposes."

Page 178, line 9, after the period insert "Expenditures for these purposes must only be made from moneys specifically appropriated for these purposes."

The motion prevailed and the amendment was adopted.

Asch moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 89, after line 20, insert:

"Sec. 8. Minnesota Statutes 1993 Supplement, section 144.765, is amended to read:

144.765 [PATIENT'S RIGHT TO REFUSE TESTING.]

Upon notification of a significant exposure, the facility shall ask the patient to consent to blood testing to determine the presence of the HIV virus or the hepatitis B virus. The patient shall be informed that the test results without personally identifying information will be reported to the emergency medical services personnel. The patient shall be informed of the right to refuse to be tested. If the patient refuses to be tested, the patient's refusal will be forwarded to the emergency medical services agency and to the emergency medical services personnel. The right to refuse a blood test under the circumstances described in this section does not apply to a prisoner who is in the custody or under the jurisdiction of the commissioner of corrections or a local correctional authority as a result of a criminal conviction."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

The Speaker resumed the Chair.

Kahn offered an amendment to H. F. No. 2351, the second engrossment, as amended.

Krueger requested a division of the Kahn amendment to H. F. No. 2351, the second engrossment, as amended.

Asch requested a further division of the Kahn amendment to H. F. No. 2351, the second engrossment, as amended.

The first portion of the Kahn amendment, as divided by Krueger and Asch, reads as follows:

Page 3, after line 36, insert:

"Sec. 3. [DEPARTMENT OF ADMINISTRATION.]

.....-0-.....

1,500,000

This appropriation is from the special revenue fund for the purposes of implementing enhanced 911 telephone service as required by article 4."

Correct the totals and summaries accordingly

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first portion of the Kahn amendment, as divided by Krueger and Asch, and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the first portion of the Kahn amendment, as divided by Krueger and Asch, was adopted.

The second portion of the Kahn amendment, as divided by Krueger and Asch, reads as follows:

Page 108, line 16, delete everything after "service"

Page 108, line 17, delete "nonwire service"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the second portion of the Kahn amendment, as divided by Krueger and Asch, and the roll was called. There were 51 yeas and 78 nays as follows:

Those who voted in the affirmative were:

Abrams	Greenfield	Kahn	Long	Munger	Pauly	Trimble
Anderson, R.	Greiling	Kelso	Lourey	Neary	Pugh	Wagenius
Beard	Haukoos	Knickerbocker	Mahon	Olson, E.	Reding	Wejzman
Carlson	Hausman	Koppendrayner	Mariani	Orenstein	Rukavina	
Clark	Hugoson	Krueger	McCollum	Orfield	Sarna	
Dawkins	Jaros	Lasley	McGuire	Osthoff	Sekhon	
Evans	Jefferson	Leppik	Milbert	Ostrom	Skoglund	
Farrell	Johnson, A.	Limmer	Morrison	Ozment	Solberg	

Those who voted in the negative were:

Asch	Dauner	Gutknecht	Knight	Opatz	Steensma	Wenzel
Battaglia	Davids	Hasskamp	Krinkie	Pawlenty	Sviggum	Winter
Bauerly	Dehler	Holsten	Lieder	Pelowski	Swenson	Wolf
Bergson	Delmont	Huntley	Lindner	Perlt	Tomassoni	Worke
Bertram	Dempsey	Jacobs	Luther	Peterson	Tompkins	Workman
Bettermann	Dorn	Jennings	Lynch	Rest	Tunheim	Spk. Anderson, I.
Bishop	Finseth	Johnson, R.	Molnau	Rhodes	Van Dellen	
Brown, C.	Frerichs	Johnson, V.	Mosel	Rodosovich	Van Engen	
Brown, K.	Garcia	Kalis	Nelson	Seagren	Vellenga	
Carruthers	Girard	Kelley	Ness	Simoneau	Vickerman	
Commers	Goodno	Kinkel	Olson, M.	Smith	Waltman	
Cooper	Gruenes	Klinzing	Onnen	Stanis	Weaver	

The motion did not prevail and the second portion of the Kahn amendment, as divided by Krueger and Asch, was not adopted.

Kahn requested a division of the third portion of the Kahn amendment, as divided by Krueger and Asch, to H. F. No. 2351, the second engrossment, as amended.

Kahn further requested that the second part of the third portion of the divided Kahn amendment be voted on first.

The second part of the third portion of the divided Kahn amendment reads as follows:

Page 109, line 24, delete "After December 31, 1998,"

Page 109, line 25, after "is" insert "not"

Page 109, line 27, after "has" insert "not"

Page 109, line 28, before the period, insert "before December 31, 1998"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the second part of the third portion of the divided Kahn amendment and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The motion prevailed and the second part of the third portion of the divided Kahn amendment was adopted.

The first part of the third portion of the divided Kahn amendment reads as follows:

Page 109, line 23, delete "twice"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the first part of the third portion of the divided Kahn amendment and the roll was called. There were 42 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Asch	Evans	Johnson, A.	Leppik	Morrison	Reding	Swenson
Bergson	Greenfield	Kahn	Long	Neary	Rice	Tompkins
Carlson	Greiling	Knickerbocker	Mahon	Orenstein	Sarna	Trimble
Clark	Haukoos	Knight	McCollum	Osthoff	Seagren	Vellenga
Dawkins	Hausman	Koppendrayner	McGuire	Pauly	Skoglund	Wagenius
Dempsey	Holsten	Krinkie	Milbert	Pugh	Stanius	Wejcman

Those who voted in the negative were:

Abrams	Dehler	Huntley	Lasley	Nelson	Peterson	Van Engen
Anderson, R.	Delmont	Jacobs	Lieder	Ness	Rest	Vickerman
Bauerly	Dorn	Jaros	Limner	Olson, E.	Rhodes	Waltman
Beard	Farrell	Jefferson	Lindner	Olson, K.	Rodosovich	Weaver
Bertram	Finseth	Jennings	Lourey	Olson, M.	Rukavina	Wenzel
Bettermann	Frerichs	Johnson, R.	Luther	Onnen	Simoneau	Winter
Brown, C.	Garcia	Johnson, V.	Lynch	Opatz	Smith	Wolf
Brown, K.	Girard	Kalis	Macklin	Orfield	Solberg	Worke
Carruthers	Goodno	Kelley	Mariani	Ostrom	Steensma	Workman
Commers	Gruenes	Kelso	Molnau	Ozment	Sviggum	Spk. Anderson, I.
Cooper	Gutknecht	Kinkel	Mosel	Pawlenty	Tomassoni	
Dauner	Hasskamp	Klinzing	Munger	Pelowski	Tunheim	
Davids	Hugoson	Krueger	Murphy	Perlt	Van Dellen	

The motion did not prevail and the first part of the third portion of the divided Kahn amendment was not adopted.

Knickerbocker, Kahn, Haukoos and Osthoff moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 110, after line 28, insert:

"Subd. 6. [APPLICATION.] This section applies only in those counties that have not, prior to the effective date of this section, funded and fully implemented enhanced 911 service. A county that has funded and implemented enhanced service that decides, by action of the county board, to upgrade the service to automatic location identification or to add selective routing is governed by this section beginning 30 days after notice to the commissioner of administration and to all affected local telephone companies and communications carriers. Distribution of money under subdivision 2 to a county that becomes subject to this section by county board action and notice must be prorated for the year in which the county becomes qualified for the program."

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Abrams	Dehler	Johnson, A.	Lindner	Neary	Rhodes	Van Engen
Asch	Dempsey	Kahn	Long	Olson, M.	Sarna	Wagenius
Bauerly	Dorn	Kelso	Luther	Onnen	Seagren	Wejzman
Beard	Evans	Klinzing	Lynch	Opatz	Skoglund	Wolf
Bergson	Greenfield	Knickerbocker	Macklin	Orenstein	Smith	Workman
Bertram	Greiling	Knight	Mahon	Osthoff	Stanius	
Bishop	Gutknecht	Koppendrayner	McGuire	Pauly	Sviggum	
Carlson	Haukoos	Krinkie	Milbert	Pawlenty	Tompkins	
Commers	Hausman	Leppik	Molnau	Pugh	Trimble	
Dawkins	Holsten	Limner	Morrison	Rest	Van Dellen	

Those who voted in the negative were:

Anderson, R.	Cooper	Frerichs	Hugoson	Johnson, R.	Lasley	Murphy
Battaglia	Dauner	Garcia	Huntley	Johnson, V.	Lieder	Nelson
Bettermann	Davids	Girard	Jacobs	Kalis	Lourey	Ness
Brown, C.	Delmont	Goodno	Jaros	Kelley	Mariani	Olson, E.
Brown, K.	Farrell	Gruenes	Jefferson	Kinkel	Mosel	Olson, K.
Carruthers	Finseth	Hasskamp	Jennings	Krueger	Munger	Orfield

Ostrom	Peterson	Sekhon	Swenson	Vickerman	Winter
Ozment	Reding	Simoneau	Tomassoni	Waltman	Worke
Pelowski	Rodosovich	Solberg	Tunheim	Weaver	Spk. Anderson, I.
Perlt	Rukavina	Steensma	Vellenga	Wenzel	

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

Farrell; Orenstein; Dawkins; Skoglund; Pugh; Bishop; Carruthers; Weaver; Swenson; Johnson, V., and Abrams moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 47, after line 20, insert:

"Sec. 52. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 1f. [FELONY; POSSESSION IN A COURTHOUSE.] Whoever possesses a dangerous weapon within any courthouse without the express consent of the county sheriff is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of not more than \$10,000, or both.

Renumber the sections in sequence and correct internal references

Amend the title accordingly

Rhodes moved to amend the Farrell et al amendment to H. F. No. 2351, the second engrossment, as amended, as follows:

Page 1, line 8, after "sheriff" insert ", or in any state public building within the capitol area described in section 15.50, except the Veterans Affairs Building and the National Guard Armory, without the express consent of capitol security, except a licensed peace officer."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Farrell et al amendment, as amended, to H. F. No. 2351, the second engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Olson, M., moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 16, line 2, strike "609.184" and insert "609.185"

Page 16, line 4, strike everything after "section"

Page 16, line 5, strike everything before "609.346"

Page 16, line 17, strike everything after "section"

Page 16, line 18, strike "(5) or (6);"

Page 65, line 15, after the semicolon, insert "609.184."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olson, M., amendment and the roll was called. There were 9 yeas and 118 nays as follows:

Those who voted in the affirmative were:

Dehler	Gutknecht	Knight	Lindner	Vickerman
Frerichs	Haukoos	Koppendrayner	Stanius	

Those who voted in the negative were:

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

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

Gutknecht, Wenzel, Koppendrayner, Morrison, Molnau, Garcia, Ness, Knight, Commers, Seagren and Van Engen moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 69, after line 23, insert:

"Sec. 7. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 7, is amended to read:

Subd. 7. [PROSECUTOR SHALL ESTABLISH.] Whenever reasonable grounds exist to believe that the defendant or an accomplice used a firearm or other dangerous weapon or had in possession a firearm, at the time of commission of an offense listed in subdivision 9, the prosecutor shall, at the time of trial or at the plea of guilty, present on the record all evidence tending to establish that fact unless it is otherwise admitted on the record. The question of whether the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm shall be determined by the court on the record at the time of a verdict or finding of guilt at trial or the entry of a plea of guilty based upon the record of the trial or the plea of guilty. The court shall determine on the record at the time of sentencing whether the defendant has been convicted of a second or subsequent offense in which the defendant or an accomplice, at the time of commission of an offense listed in subdivision 9, used a firearm or other dangerous weapon or had in possession a firearm. The prosecutor may not enter into or agree to a plea or sentence negotiation under which the defendant agrees to plead guilty to an offense in exchange for the prosecutor's promise to: (1) reduce the charge to an offense that does not require proof of firearm use or possession; (2) forego presenting evidence tending to show that the defendant used or possessed a firearm during commission of the offense; or (3) make a motion to have the defendant sentenced without regard to the mandatory minimum sentences applicable to firearm use or possession under this section."

Page 81, after line 25, insert:

"Sec. 28. [EFFECTIVE DATE.]

Section 7 is effective August 1, 1994, and applies to crimes committed on or after that date."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Skoglund moved to amend the Gutknecht et al amendment to H. F. No. 2351, the second engrossment, as amended, as follows:

Page 2, line 8, after the period, insert "However, a prosecutor may enter into or agree to a plea or sentence negotiation if the negotiation is contingent on the defendant providing or agreeing to provide testimony necessary for the successful prosecution and conviction of another offender for an offense of equal or greater severity than the one with which the defendant was originally charged."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Gutknecht et al amendment, as amended, and the roll was called. There were 78 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Johnson, V.	Lindner	Olson, M.	Rhodes	Vickerman
Anderson, R.	Finseth	Kalis	Luther	Onnen	Rukavina	Waltman
Bauerly	Frerichs	Kelso	Lynch	Opatz	Sarna	Wenzel
Beard	Girard	Klinzing	Macklin	Osthoff	Seagren	Wolf
Bergson	Goodno	Knickerbocker	McCollum	Ozment	Smith	Worke
Bertram	Gruenes	Knight	Molnau	Pauly	Solberg	Workman
Bettermann	Gutknecht	Koppendrayner	Morrison	Pawlenty	Steensma	
Carlson	Hasskamp	Krinkie	Mosel	Pelowski	Sviggum	
Commers	Haukoos	Krueger	Munger	Peterson	Tompkins	
Cooper	Holsten	Leppik	Neary	Pugh	Tunheim	
Davids	Hugoson	Lieder	Nelson	Reding	Van Dellen	
Dehler	Jacobs	Limmer	Ness	Rest	Van Engen	

Those who voted in the negative were:

Asch	Dawkins	Hausman	Kelley	Milbert	Rice	Trimble
Battaglia	Delmont	Huntley	Kinkel	Murphy	Rodosovich	Vellenga
Bishop	Dorn	Jaros	Lasley	Olson, E.	Sekhon	Wagenius
Brown, C.	Evans	Jefferson	Long	Olson, K.	Simoneau	Weaver
Brown, K.	Farrell	Jennings	Lourey	Orenstein	Skoglund	Wejcman
Carruthers	Garcia	Johnson, A.	Mahon	Orfield	Stanis	Winter
Clark	Greenfield	Johnson, R.	Mariani	Ostrom	Swenson	Spk. Anderson, I.
Dauner	Greiling	Kahn	McGuire	Perlt	Tomassoni	

The motion prevailed and the amendment, as amended, was adopted.

Sviggum moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 6, line 48, delete "2,500,000" and insert "2,000,000"

Page 6, delete lines 51 to 53

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 37 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Hugoson	Lynch	Pauly	Van Dellen	Workman
Bettermann	Girard	Knight	Macklin	Seagren	Van Engen	
Commers	Goodno	Koppendrayner	Molnau	Smith	Vickerman	
Davids	Gruenes	Krinkie	Ness	Stanisus	Waltman	
Dehler	Gutknecht	Limmer	Olson, M.	Sviggum	Wolf	
Finseth	Haukoos	Lindner	Onnen	Tompkins	Worke	

Those who voted in the negative were:

Anderson, R.	Dawkins	Jaros	Lasley	Neary	Reding	Trimble
Asch	Delmont	Jefferson	Leppik	Nelson	Rest	Tunheim
Battaglia	Dempsey	Jennings	Lieder	Olson, E.	Rhodes	Vellenga
Bauerly	Dorn	Johnson, A.	Long	Olson, K.	Rice	Wagenius
Beard	Evans	Johnson, R.	Lourey	Opatz	Rodosovich	Weaver
Bergson	Farrell	Johnson, V.	Luther	Orenstein	Rukavina	Wejzman
Bertram	Garcia	Kahn	Mahon	Orfield	Sarna	Wenzel
Brown, C.	Greenfield	Kalis	Mariani	Osthoff	Sekhon	Winter
Brown, K.	Greiling	Kelley	McCollum	Ostrom	Simoneau	Spk. Anderson, I.
Carlson	Hasskamp	Kelso	McGuire	Pawlenty	Skoglund	
Carruthers	Hausman	Kinkel	Milbert	Pelowski	Solberg	
Clark	Holsten	Klinzing	Mosel	Perlt	Steensma	
Cooper	Huntley	Knickerbocker	Munger	Peterson	Swenson	
Dauner	Jacobs	Krueger	Murphy	Pugh	Tomassoni	

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

Bishop moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 16, line 14, after "SENTENCE" insert "; INDETERMINATE SENTENCES"

Page 16, line 20, after the period, insert "The commissioner may, under rules promulgated by the commissioner, give supervised release to an inmate serving a prison sentence for violating section 609.342 or 609.343 when, in the commissioner's judgment, the inmate can be released back into the community safely."

Page 16, after line 20, insert:

"Sec. 12. Minnesota Statutes 1993 Supplement, section 244.101, is amended by adding a subdivision to read:

Subd. 5. [INDETERMINATE SENTENCES; SEX OFFENDERS.] Notwithstanding any other law to the contrary, this section and the sentencing guidelines do not apply to persons convicted of violating section 609.342 or 609.343. Persons who are sentenced to prison for violating section 609.342 or 609.343 shall serve an indeterminate sentence and shall be eligible for supervised release only after having served at least the minimum presumptive or court imposed sentence whichever is longer and in accordance with section 244.05, subdivision 5."

A roll call was requested and properly seconded.

The question was taken on the Bishop amendment and the roll was called. There were 130 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carruthers	Cooper	Dawkins
Anderson, R.	Bauerly	Bertram	Brown, K.	Clark	Dauner	Dehler
Asch	Beard	Bettermann	Carlson	Commers	Davids	Delmont

Dempsey	Holsten	Knickerbocker	McCollum	Orenstein	Sarna	Van Engen
Dorn	Hugoson	Knight	McGuire	Orfield	Seagren	Vellenga
Erhardt	Huntley	Koppendraye	Milbert	Osthoff	Sekhon	Vickerman
Evans	Jacobs	Krinkie	Molnau	Ostrom	Simoneau	Wagenius
Farrell	Jaros	Krueger	Morrison	Ozment	Skoglund	Waltman
Finseth	Jefferson	Lasley	Mosel	Pauly	Smith	Weaver
Frerichs	Jennings	Leppik	Munger	Pawlenty	Solberg	Wejzman
Garcia	Johnson, A.	Lieder	Murphy	Pelowski	Stanis	Wenzel
Girard	Johnson, R.	Lindner	Neary	Perlt	Steensma	Winter
Goodno	Johnson, V.	Long	Nelson	Peterson	Sviggum	Wolf
Greiling	Kahn	Lourey	Ness	Pugh	Swenson	Worke
Gruenes	Kalis	Luther	Olson, E.	Reding	Tomassori	Workman
Gutknecht	Kelley	Lynch	Olson, K.	Rest	Tompkins	Spk. Anderson, I.
Hasskamp	Kelso	Macklin	Olson, M.	Rhodes	Trimble	
Haukoos	Kinkel	Mahon	Onnen	Rodosovich	Tunheim	
Hausman	Klinzing	Mariani	Opatz	Rukavina	Van Dellen	

Those who voted in the negative were:

Limmer

The motion prevailed and the amendment was adopted.

Workman, Limmer, Lynch, Knight, Wenzel, Hasskamp, Seagren, Morrison and Stanis moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 32, after line 27, insert:

"Sec. 35. Minnesota Statutes 1992, section 609.342, subdivision 2, is amended to read:

Subd. 2. [PENALTY.] Except as otherwise provided in section 609.346, subdivision 2a or 2b, a person convicted under subdivision 1, clause (a), (b), or (g), may be sentenced to imprisonment for not more than 30 years or to a payment of a fine of not more than \$40,000, or both. Notwithstanding section 243.05, 244.04, 609.11, 609.135, or 609.346, a person convicted under subdivision 1, clause (c), (d), (e), (f), or (h), shall be committed to the commissioner of corrections for a term of imprisonment of at least 20 years but not more than 30 years, and may be sentenced to payment of a fine of not more than \$40,000."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Workman et al amendment and the roll was called. There were 91 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Abrams	Carlson	Erhardt	Gruenes	Jennings	Klinzing	Limmer
Anderson, R.	Commers	Evans	Gutknecht	Johnson, A.	Knickerbocker	Lindner
Bauerly	Cooper	Farrell	Hasskamp	Johnson, R.	Knight	Long
Beard	Davids	Finseth	Haukoos	Johnson, V.	Koppendraye	Lynch
Bergson	Dehler	Frerichs	Holsten	Kalis	Krinkie	Macklin
Bertram	Delmont	Girard	Hugoson	Kelso	Krueger	Mahon
Bettermann	Dempsey	Goodno	Jacobs	Kinkel	Leppik	Milbert

Molnau	Ness	Ozment	Reding	Stanis	Tunheim	Wenzel
Morrison	Olson, K.	Pauly	Rest	Steensma	Van Dellen	Winter
Mosel	Olson, M.	Pawlenty	Rhodes	Svigum	Van Engen	Wolf
Munger	Onnen	Pelowski	Sarna	Swenson	Vickerman	Worke
Neary	Opatz	Peterson	Seagren	Tomassoni	Waltman	Workman
Nelson	Osthoff	Pugh	Smith	Tompkins	Weaver	Spk. Anderson, I.

Those who voted in the negative were:

Asch	Clark	Greiling	Lasley	McGuire	Perlt	Skoglund
Battaglia	Dauner	Hausman	Lieder	Murphy	Rice	Solberg
Bishop	Dawkins	Huntley	Lourey	Olson, E.	Rodosovich	Trimble
Brown, C.	Dorn	Jaros	Luther	Orenstein	Rukavina	Vellenga
Brown, K.	Garcia	Kahn	Mariani	Orfield	Sekhon	Wagenius
Carruthers	Greenfield	Kelley	McCollum	Ostrom	Simoneau	Wejzman

The motion prevailed and the amendment was adopted.

Olson, M., moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 5, after line 30, insert:

"Subd. 4. Recommendations

The commissioner shall make recommendations to the legislature by January 1, 1995, and January 1, 1996, on how the state can reduce prison operating costs by one-half of one percent each year after the recommendations."

A roll call was requested and properly seconded.

The question was taken on the Olson, M., amendment and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Haukoos	Koppendraye	Nelson	Reding	Tunheim
Asch	Dempsey	Holsten	Krinkie	Ness	Rhodes	Van Dellen
Beard	Dorn	Hugoson	Limmer	Olson, M.	Sarna	Van Engen
Bettermann	Erhardt	Jacobs	Lindner	Onnen	Seagren	Vickerman
Brown, C.	Finseth	Johnson, R.	Lynch	Osthoff	Smith	Waltman
Brown, K.	Frerichs	Johnson, V.	Mahon	Ostrom	Stanis	Weaver
Carlson	Girard	Kinkel	McCollum	Ozment	Steensma	Winter
Commers	Goodno	Klinzing	Molnau	Pauly	Svigum	Worke
Cooper	Gruenes	Krickerbocker	Morrison	Pawlenty	Swenson	Workman
Davids	Gutknecht	Knight	Mosel	Pelowski	Tompkins	

Those who voted in the negative were:

Anderson, R.	Delmont	Jefferson	Leppik	Neary	Rest	Trimble
Battaglia	Evans	Jennings	Long	Olson, E.	Rice	Vellenga
Bauerly	Farrell	Johnson, A.	Lourey	Olson, K.	Rodosovich	Wagenius
Bergson	Garcia	Kahn	Luther	Opatz	Rukavina	Wejzman
Bertram	Greenfield	Kalis	Mariani	Orenstein	Sekhon	Wenzel
Bishop	Greiling	Kelley	McGuire	Orfield	Simoneau	Wolf
Carruthers	Hausman	Kelso	Milbert	Perlt	Skoglund	Spk. Anderson, I.
Clark	Huntley	Krueger	Munger	Peterson	Solberg	
Dawkins	Jaros	Lasley	Murphy	Pugh	Tomassoni	

The motion prevailed and the amendment was adopted.

Van Engen; Finseth; Rukavina; Dauner; Stanius; Vickerman; Johnson, R., and Nelson moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 67, line 23, after "examiner" insert "or a law enforcement agency"

Page 67, lines 25 to 27, delete the new language

Pages 71 and 72, delete sections 10 to 12

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 3, line 12, delete "230,000" and insert "-0-"

Page 3, delete lines 13 to 15

Adjust the totals and summaries accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 48 yeas and 86 nays as follows:

Those who voted in the affirmative were:

Abrams	Evans	Johnson, V.	Lynch	Onnen	Smith	Vickerman
Commers	Frerichs	Knickerbocker	Macklin	Osthoff	Stanius	Waltman
Davids	Gruenes	Knight	Mahon	Ozment	Steensma	Weaver
Dehler	Gutknecht	Koppenderayer	Molnau	Pauly	Sviggum	Wolf
Delmont	Haukoos	Krinkie	Mosel	Pawlenty	Swenson	Worke
Dempsey	Holsten	Limmer	Ness	Rhodes	Tompkins	Workman
Erhardt	Hugoson	Lindner	Olson, M.	Seagren	Van Dellen	

Those who voted in the negative were:

Anderson, R.	Clark	Hausman	Klinzing	Munger	Pugh	Tunheim
Asch	Cooper	Huntley	Krueger	Murphy	Reding	Van Engen
Battaglia	Dauner	Jacobs	Lasley	Neary	Rest	Vellenga
Bauerly	Dawkins	Jaros	Leppik	Nelson	Rice	Wagenius
Beard	Dorn	Jefferson	Lieder	Olson, E.	Rodosovich	Wejzman
Bergson	Farrell	Jennings	Long	Olson, K.	Rukavina	Wenzel
Bertram	Finseth	Johnson, A.	Lourey	Opatz	Sarna	Winter
Bettermann	Garcia	Johnson, R.	Luther	Orenstein	Sekhon	Spk. Anderson, I.
Bishop	Girard	Kahn	Mariani	Orfield	Simoneau	
Brown, C.	Goodno	Kalis	McCollum	Ostrom	Skoglund	
Brown, K.	Greenfield	Kelley	McGuire	Pelowski	Solberg	
Carlson	Greiling	Kelso	Milbert	Perlt	Tomassoni	
Carruthers	Hasskamp	Kinkel	Morrison	Peterson	Trimble	

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

Olson, M., moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 16, line 2, strike "609.184" and insert "609.185"

Page 16, line 4, strike "609.185, clause"

Page 16, line 5, strike "(1), (3), (5), or (6); or"

Page 16, line 17, strike "609.185, clause (1), (3),"

Page 16, line 18, strike everything before "609.25"

Page 24, after line 25, insert:

"Sec. 21. Minnesota Statutes 1993 Supplement, section 609.184, subdivision 2, is amended to read:

Subd. 2. [LIFE WITHOUT RELEASE.] The court shall sentence a person to life imprisonment without possibility of release ~~under the following circumstances:~~

(1) when the person is convicted of first degree murder under section 609.185, ~~clause (2) or (4); or~~

(2) ~~the person is convicted of first degree murder under section 609.185, clause (1), (3), (5), or (6), and the court determines on the record at the time of sentencing that the person has one or more previous convictions for a heinous crime."~~

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Olson, M., amendment and the roll was called. There were 45 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Holsten	Lindner	Osthoff	Steensma	Wenzel
Bettermann	Girard	Hugoson	Lynch	Ozment	Sviggum	Worke
Commers	Goodno	Johnson, V.	Macklin	Pawlenty	Van Dellen	Workman
Dauids	Gruenes	Koppendrayner	Molnau	Peterson	Van Engen	
Dehler	Gutknecht	Krinkie	Ness	Seagren	Vickerman	
Dempsey	Hasskamp	Leppik	Olson, M.	Smith	Waltman	
Finseth	Haukoos	Limmer	Onnen	Stanis	Weaver	

Those who voted in the negative were:

Anderson, R.	Carlson	Evans	Jefferson	Klinzing	Mahon	Neary
Asch	Carruthers	Farrell	Jennings	Knickerbocker	Mariani	Nelson
Battaglia	Clark	Garcia	Johnson, A.	Knight	McCollum	Olson, E.
Bauerly	Cooper	Greenfield	Johnson, R.	Krueger	McGuire	Olson, K.
Beard	Dauner	Greiling	Kahn	Lasley	Milbert	Opatz
Bergson	Dawkins	Hausman	Kalis	Lieder	Morrison	Orenstein
Bertram	Delmont	Huntley	Kelley	Long	Mosel	Orfield
Brown, C.	Dorn	Jacobs	Kelso	Lourey	Munger	Ostrom
Brown, K.	Erhardt	Jaros	Kinkel	Luther	Murphy	Pauly

Pelowski	Rest	Rukavina	Skoglund	Tompkins	Wagenius	Spk. Anderson, I.
Perlt	Rhodes	Sarna	Solberg	Trimble	Wejzman	
Pugh	Rice	Sekhon	Swenson	Tunheim	Winter	
Reding	Rodosovich	Simoneau	Tomassoni	Vellenga	Wolf	

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

Stanius, Limmer, Molnau, Van Engen and Swenson moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 24, after line 25, insert:

"Sec. 21. Minnesota Statutes 1992, section 609.152, is amended by adding a subdivision to read:

Subd. 2a. [DANGEROUS REPEAT OFFENDERS; MANDATORY MINIMUM SENTENCE.] Unless a longer mandatory minimum sentence is otherwise required by law or a longer prison sentence is presumed under the sentencing guidelines, a person who is convicted of a violent crime must be committed to the commissioner of corrections for not less than 15 years, notwithstanding the statutory maximum sentence otherwise applicable to the offense, if the court determines on the record at the time of sentencing that the person has two or more prior convictions for violent crimes. Any person convicted and sentenced as required by this subdivision is not eligible for probation, parole, discharge, or work release, until that person has served the full term of imprisonment as provided by law, notwithstanding sections 241.26, 242.19, 243.05, 244.04, 609.12, and 609.135."

Page 65, line 17, delete "28 and 30 to 73" and insert "20, 22 to 29, and 31 to 74"

Page 65, line 18, after the period, insert "Section 21 is effective July 1, 1995."

Page 65, line 19, delete "29" and insert "30"

Page 65, line 22, delete "38" and insert "39"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Skoglund moved to amend the Stanius et al amendment to H. F. No. 2351, the second engrossment, as amended, as follows:

Page 1, line 24, after the period, insert:

"Minnesota Statutes, section 609.152, subdivision 2a, is effective as long as the commissioner of corrections certifies to the governor and the legislature that the state prison system has adequate capacity to imprison the number of offenders estimated by the sentencing guidelines commission and the commissioner of corrections to be sentenced to a mandatory minimum sentence under its provisions and will not result in the early release of another prison inmate in the future due to a shortage of prison capacity."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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 81 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Asch	Cooper	Huntley	Krueger	Murphy	Pugh	Tomassoni
Battaglia	Dauner	Jacobs	Lasley	Neary	Reding	Trimble
Bauerly	Dawkins	Jaros	Lieder	Nelson	Rest	Tunheim
Beard	Delmont	Jefferson	Long	Olson, E.	Rice	Vellenga
Bergson	Dorn	Jennings	Lourey	Olson, K.	Rodosovich	Wagenius
Bertram	Evans	Johnson, A.	Luther	Opatz	Rukavina	Wejcman
Bishop	Farrell	Johnson, R.	Mahon	Orenstein	Sarna	Wenzel
Brown, C.	Garcia	Kahn	Mariani	Orfield	Sekhon	Winter
Brown, K.	Greenfield	Kelley	McCollum	Ostrom	Simoneau	Spk. Anderson, I.
Carlson	Greiling	Kelso	McGuire	Pelowski	Skoglund	
Carruthers	Hasskamp	Kinkel	Mosel	Perlt	Solberg	
Clark	Hausman	Klinzing	Munger	Peterson	Steensma	

Those who voted in the negative were:

Abrams	Finseth	Hugoson	Limmer	Olson, M.	Smith	Waltman
Anderson, R.	Frerichs	Johnson, V.	Lindner	Ommen	Stanius	Weaver
Bettermann	Girard	Kalis	Lynch	Osthoff	Sviggum	Wolf
Commers	Goodno	Knickerbocker	Macklin	Ozment	Swenson	Worke
Davids	Gruenes	Knight	Milbert	Pauly	Tompkins	Workman
Dehler	Gutknecht	Koppendrayer	Molnau	Pawlenty	Van Dellen	
Dempsey	Haukoos	Krinkie	Morrison	Rhodes	Van Engen	
Erhardt	Holsten	Leppik	Ness	Seagren	Vickerman	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Stanius et al amendment, as amended, and the roll was called. There were 119 yeas and 14 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Brown, C.	Greenfield	Jaros	Lourey	Olson, K.	Rodosovich	Vellenga
Dawkins	Hausman	Kahn	Mariani	Rice	Trimble	Wejcman

The motion prevailed and the amendment, as amended, was adopted.

Sviggun moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 26, after line 22, insert:

"Sec. 24. [609.2241] [KNOWING TRANSFER OF HIV VIRUS.]

Subdivision 1. [DEFINITIONS.] As used in this section:

(1) "bodily fluid" means blood, semen, saliva, and vaginal secretion;

(2) "HIV virus" means the human immunodeficiency virus; and

(3) "transfer" means to engage in sexual intercourse; to permit reuse of a hypodermic needle, syringe, or similar device without sterilization; or to give blood or semen to a person, blood bank, or other medical facility for the purpose of transfusion or insemination.

Subd. 2. [CRIME.] Any person who transfers bodily fluid to another person, knowing or having reason to know that the bodily fluid is infected with the HIV virus, is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [AFFIRMATIVE DEFENSES.] If proven by a preponderance of the evidence, it is an affirmative defense to a prosecution under subdivision 2 that:

(1) the transfer involved consensual sexual intercourse between persons, after full disclosure of the risk of HIV virus infection;

(2) the transfer involved consensual sexual intercourse accompanied by the use of a condom, after full disclosure of the risk of HIV virus infection; or

(3) the transfer occurred after advice from a physician that the actor was noninfectious."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Skoglund moved to amend the Sviggun amendment to H. F. No. 2351, the second engrossment, as amended, as follows:

Page 1, delete everything after line 2, and insert:

"Sec. 24. [609.2241] [HIV TRANSMISSION.]

Subdivision 1. [DEFINITIONS.] As used in this section:

(a) "HIV virus" means the human immunodeficiency virus.

(b) "Counseling" means that the person infected with HIV had (1) been advised by a physician or other health professional of their diagnosis; (2) received educational information about behavior which might transmit HIV from a licensed health professional or employee of a state-funded counseling and testing site; and, (3) had been advised of how to prevent such transmission from a licensed health professional or an employee of a state-funded counseling and testing site.

(c) "Transfer" means, for a person infected with HIV, to engage in a behavior that has been demonstrated epidemiologically to transmit HIV. Such behaviors generally mean sexually transmitted behaviors, such as direct genital-to-genital contact, or blood-borne behaviors, such as the sharing of nonsterile syringes for the purposes of injecting drugs.

Subd. 2. [CRIME.] Any person who engages in behavior that has been demonstrated epidemiologically to transmit HIV and knew or had reason to know that such behavior might result in transmission of HIV is guilty of a felony and may be sentenced to imprisonment for not more than five years or to payment of a fine of not more than \$10,000, or both.

Subd. 3. [AFFIRMATIVE DEFENSES.] If proven by a preponderance of the evidence, it is an affirmative defense to a prosecution under subdivision 2 that:

(1) the transfer involved a consensual sexual act between persons, wherein the person exposed knew that the infected person was infected with HIV, knew that the action could result in an infection with HIV, and consented to the action with that knowledge;

(2) the transfer involved a consensual sexual act accompanied by the use of a latex barrier (condom) or a sterile syringe;

(3) the person infected with HIV had received faulty medical advice that they were not infected with HIV or had not been adequately counseled about what constituted behavior that might result in HIV transmission;

(4) the person infected with HIV knowingly attempts to or does donate blood, sperm, organ, or tissue, except as deemed necessary for medical research, or disclosed HIV status on donor screening forms;

(5) the person infected with HIV is a licensed health care provider who was following all accepted infection control procedures as established by the department of health and OSHA (the Occupational Safety and Health Administration).

Subd. 4. [PROSECUTION.] The department of health must assist the prosecutor in determining if (1) the actor had been properly counseled about transmission risk, and, (2) the actor's behavior did meet the epidemiological standards of possible HIV transfer."

Delete the remaining pages

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Greiling	Kahn	Long	Ness	Pugh
Anderson, R.	Dauner	Gruenes	Kalis	Lourey	Olson, E.	Reding
Asch	Davids	Gutknecht	Kelley	Luther	Olson, K.	Rest
Battaglia	Dehler	Hasskamp	Kelso	Lynch	Olson, M.	Rhodes
Bauerly	Delmont	Haukoos	Kinkel	Macklin	Onnen	Rice
Beard	Dempsey	Hausman	Klinzing	Mahon	Opatz	Rodosovich
Bergson	Dorn	Holsten	Knickerbocker	McCollum	Orenstein	Rukavina
Bertram	Erhardt	Hugoson	Knight	McGuire	Orfield	Sarna
Bettermann	Evans	Huntley	Koppendrayner	Milbert	Osthoff	Seagren
Bishop	Farrell	Jacobs	Krinkie	Molnau	Ostrom	Sekhon
Brown, C.	Finseth	Jaros	Krueger	Morrison	Ozment	Simoneau
Brown, K.	Frerichs	Jefferson	Lasley	Mosel	Pauly	Skoglund
Carlson	Garcia	Jennings	Leppik	Munger	Pawlenty	Smith
Carruthers	Girard	Johnson, A.	Lieder	Murphy	Pelowski	Solberg
Clark	Goodno	Johnson, R.	Limmer	Neary	Perlt	Stanislaus
Commers	Greenfield	Johnson, V.	Lindner	Nelson	Peterson	Steenasma

Sviggun	Tompkins	Van Dellen	Vickerman	Weaver	Winter	Workman
Swenson	Trimble	Van Engen	Wagenius	Wejcmán	Wolf	Spk. Anderson, I.
Tomassoni	Tunheim	Vellenga	Waltman	Wenzel	Worke	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Sviggun amendment, as amended, and the roll was called. There were 119 yeas and 14 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Clark	Garcia	Greiling	Jaros	Lourey	Rice	Vellenga
Dawkins	Greenfield	Hausman	Kahn	Mariani	Sekhon	Wejcmán

The motion prevailed and the amendment, as amended, was adopted.

Sviggun moved to amend H. F. No. 2351, the second engrossment, as amended, as follows:

Page 138, after line 3, insert:

"Sec. 10. [243.235] [INMATE CONTRIBUTION TO COSTS OF CONFINEMENT.]

An inmate of a correctional facility under the commissioner's management and control who has assets exclusive of any child support and restitution obligations shall contribute to the cost of the inmate's confinement in an amount determined by the commissioner.

The commissioner must, to the extent authorized pursuant to this section, adopt rules to implement this section. The commissioner shall develop proposed rules and submit them to the 1995 legislature. In developing the rules, the commissioner shall consider the living costs for a spouse and dependents in the community. The commissioner is without authority to adopt the rules unless the legislature during the 1995 legislative session grants the commissioner the authority to adopt them."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Bishop moved to amend the Sviggum amendment to H. F. No. 2351, the second engrossment, as amended, as follows:

Page 1, line 8 of the Sviggum amendment, after "obligations" insert "or victim's damages"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Sviggum amendment, as amended, and the roll was called. There were 116 yeas and 17 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Jacobs	Lieder	Nelson	Pugh	Trimble
Anderson, R.	Dorn	Jefferson	Limmer	Ness	Reding	Tunheim
Asch	Erhardt	Jennings	Lindner	Olson, E.	Rest	Van Dellen
Battaglia	Evans	Johnson, A.	Long	Olson, K.	Rhodes	Van Engen
Bauerly	Finseth	Johnson, R.	Lourey	Olson, M.	Sarna	Vickerman
Beard	Frerichs	Johnson, V.	Luther	Onnen	Seagren	Wagenius
Bergson	Garcia	Kalis	Lynch	Opatz	Sekhon	Waltman
Bertram	Girard	Kelley	Macklin	Orenstein	Simoneau	Weaver
Bettermann	Goodno	Kelso	Mahon	Orfield	Skoglund	Wenzel
Bishop	Greiling	Kinkel	McCollum	Osthoff	Smith	Winter
Carlson	Gruenes	Klinzing	McGuire	Ostrom	Solberg	Wolf
Carruthers	Gutknecht	Knickerbocker	Molnau	Ozment	Stanius	Worke
Commers	Hasskamp	Knight	Morrison	Pauly	Steensma	Workman
Cooper	Haukoos	Koppendraye	Mosel	Pawlenty	Sviggum	Spk. Anderson, I.
Dauner	Holsten	Krinkie	Munger	Pelowski	Swenson	
Dauids	Hugoson	Krueger	Murphy	Perlt	Tomassoni	
Dehler	Huntley	Leppik	Neary	Peterson	Tompkins	

Those who voted in the negative were:

Brown, C.	Dawkins	Greenfield	Kahn	Milbert	Rukavina
Brown, K.	Delmont	Hausman	Lasley	Rice	Wejzman
Clark	Farrell	Jaros	Mariani	Rodosovich	

The motion prevailed and the amendment, as amended, was adopted.

Bettermann, Limmer, Koppendraye, Haukoos, Waltman and Van Engen offered an amendment to H. F. No. 2351, the second engrossment, as amended.

POINT OF ORDER

Skoglund raised a point of order pursuant to rule 3.09 that the Bettermann et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Finseth; Sviggum; Workman; Johnson, V.; Stanius; Lynch; Weaver and Olson, M., offered an amendment to H. F. No. 2351, the second engrossment, as amended.

POINT OF ORDER

Skoglund raised a point of order pursuant to rule 3.09 that the Finseth et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Sviggunn 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 the Speaker stand as the judgment of the House?" and the roll was called. There were 83 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Asch	Cooper	Jaros	Lasley	Munger	Perlt	Solberg
Battaglia	Dauner	Jefferson	Lieder	Murphy	Peterson	Steensma
Bauerly	Dawkins	Jennings	Long	Neary	Pugh	Tomassoni
Beard	Delmont	Johnson, A.	Lourey	Nelson	Reding	Trimble
Bergson	Dorn	Johnson, R.	Luther	Olson, E.	Rest	Tunheim
Bertram	Evans	Kahn	Mahon	Olson, K.	Rice	Vellenga
Bishop	Farrell	Kalis	Mariani	Opatz	Rodosovich	Wagenius
Brown, C.	Garcia	Kelley	McCollum	Orenstein	Rukavina	Wejzman
Brown, K.	Greenfield	Kelso	McGuire	Orfield	Sarna	Wenzel
Carlson	Greiling	Kinkel	Milbert	Osthoff	Sekhon	Winter
Carruthers	Hausman	Knickerbocker	Morrison	Ostrom	Simoneau	Spk. Anderson, I.
Clark	Huntley	Krueger	Mosel	Pelowski	Skoglund	

Those who voted in the negative were:

Anderson, R.	Finseth	Holsten	Lindner	Ozment	Sviggunn	Weaver
Bettermann	Frerichs	Hugoson	Lynch	Pauly	Swenson	Wolf
Commers	Girard	Johnson, V.	Macklin	Pawlenty	Tompkins	Worke
Davids	Goodno	Knight	Molnau	Rhodes	Van Dellen	Workman
Dehler	Gruenes	Koppendrayner	Ness	Seagren	Van Engen	
Dempsey	Gutknecht	Krinkie	Olson, M.	Smith	Vickerman	
Erhardt	Haukoos	Limmer	Ornen	Starius	Waltman	

So it was the judgment of the House that the decision of the Speaker should stand.

H. F. No. 2351, A bill for an act relating to crime and crime prevention; appropriating money for the attorney general, department of administration, public defense, courts, corrections, criminal justice, and crime prevention and education programs; increasing penalties for a variety of violent crimes; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; enhancing 911 telephone service; providing a number of new investigative tools for law enforcement agencies; regulating explosives and blasting agents; modifying programs in state and local correctional facilities; increasing crime victim rights and protections; increasing court witness fees; requiring a study of civil commitment laws; completing the state takeover of public defender services; authorizing a variety of crime prevention programs; making it a crime to engage in behavior that transmits the HIV virus; requiring dangerous repeat offenders to serve mandatory minimum terms; requiring inmates to contribute to costs of confinement; providing mandatory minimum sentences for certain criminal sexual conduct offenses; providing that certain sex offenders shall serve indeterminate sentences; making it a crime to possess a dangerous weapon in any courthouse and certain state public buildings; mandating that parents are responsible for providing health care to children; amending Minnesota Statutes 1992, sections 2.722, subdivision 1; 8.06; 13.99, subdivision 79; 84.9691; 123.3514, subdivision 3, and by adding a subdivision; 126.02, subdivision 1; 144.125; 145A.05, by adding a subdivision; 152.01, by adding a subdivision; 152.021, subdivision 1; 152.024, subdivision 1; 169.89, subdivision 2; 171.18, subdivision 1; 171.22, subdivision 2; 241.26, subdivision 7; 243.05, subdivision 1, and by adding subdivisions; 243.166, subdivision 5; 243.18, subdivision 1; 243.23, subdivision 2; 243.24, subdivision 1; 244.09, by adding a subdivision; 244.12, subdivisions 1 and 2; 244.15, subdivision 4; 253B.19, subdivision 2; 260.161, by adding a subdivision; 299A.31; 299A.32, subdivision 3; 299A.38, subdivision 3; 299C.065, as amended; 299C.11; 299C.14; 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 299F.71; 299F.72, subdivision 2, and by adding subdivisions; 299F.73; 299F.74; 299F.75; 299F.77; 299F.78, subdivision 1; 299F.79; 299F.80; 299F.82; 299F.83; 352.91, by adding subdivisions; 352.92, subdivision 2; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 403.02, by adding a subdivision; 403.11,

subdivisions 1 and 4; 477A.012, by adding a subdivision; 480.09, by adding a subdivision; 485.06; 494.05; 508.11; 600.23, subdivision 1; 609.0331; 609.0332; 609.152, by adding a subdivision; 609.165, by adding a subdivision; 609.185; 609.2231, subdivision 2; 609.224, by adding a subdivision; 609.245; 609.25, subdivision 2; 609.321, subdivision 12; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 11, 12, and by adding subdivisions; 609.342, subdivisions 1 and 2; 609.3451, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.497, subdivision 1, and by adding a subdivision; 609.506, by adding subdivisions; 609.52, subdivision 3; 609.5315, subdivision 3; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1, 1b, 1c, and by adding a subdivision; 609.713, subdivision 3; 609.72, subdivision 1; 609.855; 609.87, by adding a subdivision; 609.88, subdivision 1; 609.89, subdivision 1; 611.21; 611.26, subdivisions 4 and 6; 611A.036; 611A.045, subdivision 3; 611A.19; 611A.53, subdivision 2; 617.23; 624.714, subdivision 3; 626.556, subdivisions 3a and 10e; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; and 631.425, subdivision 6; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 144.651, subdivisions 2, 21, and 26; 152.022, subdivision 1; 152.023, subdivision 2; 171.24; 242.51; 243.166, subdivisions 1, 2, 3, 4, 6, and 9; 243.18, subdivision 2; 244.05, subdivisions 4 and 5; 244.101, by adding a subdivision; 244.14, subdivision 3; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; 299C.10, subdivision 1; 299C.65, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 462A.202, by adding a subdivision; 473.407, subdivision 1; 480.30; 518B.01, subdivisions 2, 6, and 14; 593.48; 609.11, subdivisions 4, 5, 7, 8, and by adding a subdivision; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.378, subdivision 1; 609.531, subdivision 1; 609.66, subdivision 1a; 609.685, subdivision 3; 609.713, subdivision 1; 609.748, subdivision 5; 609.902, subdivision 4; 611.17; 611.20, subdivision 2; 611.27, subdivision 4; 611A.04, subdivision 1; 611A.06, subdivision 1; 611A.52, subdivision 8; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 1; 624.7132, subdivisions 1 and 12; 624.7181; 626.556, subdivision 2; and 626.861, subdivision 4; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 116J; 126; 144; 241; 243; 245; 253B; 268; 299C; 299F; 403; 609; 611A; 626; and 629; repealing Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815, as amended; 609.0332, subdivision 2; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; and 299F.811.

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

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Hausman	Jaros	Rodosovich	Rukavina
---------	-------	------------	----------

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

SPECIAL ORDERS

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

GENERAL ORDERS

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

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 1:00 p.m., Friday, April 15, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 1:00 p.m., Friday, April 15, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

NINETY-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 15, 1994

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

Prayer was offered by the Reverend James Fretheim, Bloomington Covenant Church, Bloomington, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Farrell was excused until 1:45 p.m. Carruthers was excused until 2:30 p.m.

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

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 13, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

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

H. F. No. 1934, relating to corporations; modifying provisions for the organization and operation of business corporations.

H. F. No. 2187, relating to state lands; authorizing the sale of certain lands in Mille Lacs county to resolve a trespass situation.

H. F. No. 2306, relating to the city of Minneapolis; providing that a levy for a contribution to the Minneapolis teachers retirement fund association is a special taxing district levy for property tax purposes.

H. F. No. 2562, relating to employment; modifying experience requirements for the labor and industry boiler inspection division chief.

H. F. No. 2646, relating to agriculture; expanding the restricted seed potato growing area.

H. F. No. 1890, relating to Lake of the Woods county; allowing the county to forgive the amount owing on a contract for deed.

H. F. No. 1886, relating to insurance; regulating insurers, investments, rehabilitations and liquidations, policy loans, and alternative coverage mechanisms.

H. F. No. 1964, relating to insurance; solvency; regulating reinsurance, loss reserve certifications and annual audits, and annual statements; regulating certain guaranty association coverages; modifying the incorporation requirements of domestic mutuals.

H. F. No. 2487, relating to local government; authorizing towns in Olmsted county to adopt and enforce the state building code.

Warmest regards,

ARNE H. CARLSON
Governor

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

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
2073		416	1:15 p.m. April 13	April 13
	1934	417	1:04 p.m. April 13	April 13
	2187	418	1:06 p.m. April 13	April 13
1692		419	1:17 p.m. April 13	April 13
	2306	420	1:03 p.m. April 13	April 13
	2562	421	1:07 p.m. April 13	April 13
	2646	422	1:08 p.m. April 13	April 13
	1890	423	1:09 p.m. April 13	April 13
1826		424	1:20 p.m. April 13	April 13
	1886	425	1:10 p.m. April 13	April 13
	1964	426	1:12 p.m. April 13	April 13
	2487	427	1:13 p.m. April 13	April 13
2671		428	1:22 p.m. April 13	April 13
2462		429	1:25 p.m. April 13	April 13
2464		430	1:24 p.m. April 13	April 13
2598		431	1:25 p.m. April 13	April 13
2135		432	1:27 p.m. April 13	April 13
2345		433	1:02 p.m. April 13	April 13
2572		434	1:31 p.m. April 13	April 13
2582		435	1:33 p.m. April 13	April 13
2503		436	1:35 p.m. April 13	April 13
1959		437	1:38 p.m. April 13	April 13

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Rest from the Committee on Taxes to which was referred:

H. F. No. 3193, A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt; authorizing the use of revenue recapture by certain housing agencies; clarifying a property tax exemption; providing procedures for use of obligations to satisfy unfunded pension liabilities; authorizing use of special assessments for on-site water contamination improvements; authorizing an increase in the membership of county housing and redevelopment authorities; amending Minnesota Statutes 1992, sections 270A.03, subdivision 2; 353A.09, subdivision 5; 383.06, subdivision 2; 423A.02, subdivision 1; 429.011, by adding a subdivision; 429.031, subdivision 3; 469.006, subdivision 1; 469.157; 469.158; 469.184, by adding a subdivision; 471.56, subdivision 5, and by adding a subdivision; 471.562, subdivision 3, and by adding a subdivision; 475.51, subdivision 4; 475.52, subdivisions 1 and 6; 475.53, subdivision 5; 475.54, subdivision 16; 475.60, by adding a subdivision; and 475.79; Minnesota Statutes 1993 Supplement, sections 272.02, subdivision 1; and 469.033, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 469.

Reported the same back with the following amendments:

Page 1, after line 25, insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 124.91, subdivision 3, is amended to read:

Subd. 3. [POST-JUNE 1992 LEASE PURCHASE, INSTALLMENT BUYS.] (a) Upon application to, and approval by, the commissioner in accordance with the procedures and limits in subdivision 1, a district, as defined in this subdivision, may:

(1) purchase real or personal property under an installment contract or may lease real or personal property with an option to purchase under a lease purchase agreement, by which installment contract or lease purchase agreement title is kept by the seller or vendor or assigned to a third party as security for the purchase price, including interest, if any; and

(2) annually levy the amounts necessary to pay the district's obligations under the installment contract or lease purchase agreement.

(b)(1) The obligation created by the installment contract or the lease purchase agreement must not be included in the calculation of net debt for purposes of section 475.53, and does not constitute debt under other law.

(2) An election is not required in connection with the execution of the installment contract or the lease purchase agreement.

(c) The proceeds of the levy authorized by this subdivision must not be used to acquire a facility to be primarily used for athletic or school administration purposes.

(d) In this subdivision, "district" means:

(1) a school district required to have a comprehensive plan for the elimination of segregation whose plan has been determined by the commissioner to be in compliance with the state board of education rules relating to equality of educational opportunity and school desegregation; or

(2) a school district that participates in a joint program for interdistrict desegregation with a district defined in clause (1) if the facility acquired under this subdivision is to be primarily used for the joint program.

(e) Notwithstanding subdivision 1, the prohibition against a levy by a district to lease or rent a district-owned building to itself does not apply to levies otherwise authorized by this subdivision.

(f) Projects may be approved under this section by the commissioner in fiscal years 1993, 1994, and 1995 only.

(g) For the purposes of this subdivision, any references in subdivision 1 to building or land shall be deemed to include personal property."

Pages 10 to 12, delete section 3

Pages 13 and 14, delete section 5

Page 16, after line 27, insert:

"Sec. 8. Minnesota Statutes 1992, section 469.015, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] (a) An authority need not require competitive bidding in the following circumstances:

(1) in the case of a contract for the acquisition of a low-rent housing project:

(i) for which financial assistance is provided by the federal government;

(ii) which does not require any direct loan or grant of money from the municipality as a condition of the federal financial assistance; and

(iii) for which the contract provides for the construction of the project upon land that is either owned by the authority for redevelopment purposes or not owned by the authority at the time of the contract but the contract provides for the conveyance or lease to the authority of the project or improvements upon completion of construction;

(2) with respect to a structured parking facility:

(i) constructed in conjunction with, and directly above or below, a development; and

(ii) financed with the proceeds of tax increment or parking ramp revenue bonds; and

(3) in the case of any building at least 75 percent of the useable square footage of which constitutes a housing development project if:

(i) the project is financed with the proceeds of bonds issued under section 469.034 or from nongovernmental sources;

(ii) the project is either located on land that is owned or is being acquired by the authority only for development purposes, or is not owned by the authority at the time the contract is entered into but the contract provides for conveyance or lease to the authority of the project or improvements upon completion of construction; and

(iii) the authority finds and determines that elimination of the public bidding requirements is necessary in order for the housing development project to be economical and feasible.

(b) An authority need not require a performance bond for the following projects:

(1) a contract described in paragraph (a), clause (1);

(2) a construction change order for a housing project in which 30 percent of the construction has been completed;

(3) a construction contract for a single-family housing project in which the authority acts as the general construction contractor; or

(4) a services or materials contract for a housing project.

For purposes of this paragraph, "services or materials contract" does not include construction contracts."

Pages 17 and 18, delete section 10

Page 20, delete section 15

Pages 21 and 22, delete section 18

Pages 22 and 23, delete section 20

Page 23, line 27, delete "AAA" and insert "A"

Pages 24 and 25, delete section 23

Page 25, after line 9, insert:

"Sec. 19. Minnesota Statutes 1992, section 475.66, subdivision 1, is amended to read:

Subdivision 1. All debt service funds shall be deposited and secured as provided in chapter 118, except for amounts invested as authorized in this section, and may be deposited in interest-bearing accounts, and such deposits may be evidenced by certificates of deposit with fixed maturities. Sufficient cash for payment of principal, interest, and redemption premiums when due with respect to the obligations for which any debt service fund is created shall be provided by crediting to the fund the collections of tax, special assessment, or other revenues appropriated for that purpose, and depositing all such receipts in a depository bank or banks duly qualified according to law or investing and reinvesting such receipts in securities authorized in this section. Time deposits shall be withdrawable and certificates of deposit and investments shall mature and shall bear interest payable at times and in amounts which, in the judgment of the governing body or its treasurer or other officer or committee to which it has delegated investment decisions, will provide cash at the times and in the amounts required for the purposes of the debt service fund, provided however, that the governing body may authorize the purchase of longer term investments subject to an agreement to repurchase such investments at times and prices sufficient to yield the amounts estimated to be so

required, provided that the exclusion as investments of mortgage-backed securities that are defined as high risk under subdivision 5 does not apply to repurchase agreements if the margin requirement under the repurchase agreement is 101 percent. Repurchase agreements may be entered into with

- (1) a bank qualified as depository of money held in the debt service fund;
- (2) any national or state bank in the United States which is a member of the federal reserve system and whose combined capital and surplus equals or exceeds \$10,000,000;
- (3) a primary reporting dealer in United States government securities to the federal reserve bank of New York; or
- (4) a securities broker-dealer having its principal executive office in Minnesota, licensed pursuant to chapter 80A, or an affiliate of it, regulated by the securities and exchange commission and maintaining a combined capital and surplus of \$40,000,000 or more, exclusive of subordinated debt."

Page 25, line 24, delete "1" and insert "2"

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

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "providing"

Page 1, delete line 6

Page 1, line 7, delete "pension liabilities" and insert "allowing school districts to make and levy for certain contract or lease purchases; changing contract requirements for certain projects; changing certain debt service fund requirements"

Page 1, line 12, delete everything after the semicolon

Page 1, line 13, delete "5;" and delete "423A.02, subdivision 1;"

Page 1, line 15, delete "469.157" and insert "469.015, subdivision 4"

Page 1, line 16, delete ", and by"

Page 1, line 17, delete "adding a subdivision"

Page 1, line 18, delete "475.51, subdivision 4;"

Page 1, line 19, delete "subdivisions 1 and 6" and insert "subdivision 1"

Page 1, line 20, delete "475.60, by adding a subdivision" and insert "475.66, subdivision 1"

Page 1, line 21, after "sections" insert "124.91, subdivision 3;"

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3210, A bill for an act relating to human services; appropriating money for the departments of human services and health, and the ombudsman for mental health and mental retardation; modifying certain provisions relating to health and human services programs and activities; amending Minnesota Statutes 1992, sections 62A.046;

62A.048; 62A.27; 62A.31, by adding a subdivision; 144.0721, by adding a subdivision; 144A.073, subdivisions 1, 3a, 4, 8, and by adding a subdivision; 245A.14, subdivision 7; 246.50, subdivision 5; 246.53, subdivision 1; 246.57, subdivision 1; 252.025, subdivision 1, and by adding a subdivision; 252.275, subdivisions 3, 4, and by adding a subdivision; 256.015, subdivisions 2 and 7; 256.045, subdivisions 3, 4, and 5; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.969, subdivisions 10 and 16; 256B.042, subdivision 2; 256B.056, by adding a subdivision; 256B.059, subdivision 1; 256B.06, subdivision 4; 256B.0625, subdivisions 8, 8a, 25, and by adding subdivisions; 256B.0641, subdivision 1; 256B.0913, subdivision 8, and by adding a subdivision; 256B.0915, subdivision 5; 256B.0917, subdivisions 6 and 8; 256B.15, subdivision 1a; 256B.431, subdivisions 3c and 17; 256B.432, subdivisions 1, 3, and 6; 256B.49, subdivision 4; 256B.501, subdivisions 1, 3, 3c, and by adding a subdivision; 256B.69, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3a and 3b; 256D.05, subdivisions 3 and 3a; 256D.16; 256D.425, by adding a subdivision; 256H.05, subdivision 6; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 261.04, subdivision 2; 518.171, subdivision 5; 518.613, subdivision 7; 524.3-803; 524.3-1201; 528.08; and 626.556, subdivisions 4, 10e, and by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 62A.045; 144.551, subdivision 1; 144A.071, subdivisions 3 and 4a; 144A.073, subdivisions 2 and 3; 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; 245.97, subdivision 6; 252.46, by adding a subdivision; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, and 6; 256.9362, subdivision 6; 256.9657, subdivisions 2 and 3; 256.9685, subdivision 1; 256.969, subdivision 1; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 19a, 20, and 37; 256B.0626; 256B.0911, subdivisions 2, 4, and 7; 256B.0913, subdivisions 5 and 12; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivisions 1, 2, and 5; 256B.15, subdivision 2; 256B.431, subdivisions 2b, 15, and 24; 256B.432, subdivision 5; 256B.501, subdivisions 3g, 5a, and 8; 256D.03, subdivisions 3 and 4; 256I.04, subdivision 3; 256I.06, subdivision 1; 257.55, subdivision 1; 257.57, subdivision 2; 514.981, subdivisions 2 and 5; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; 518.615, subdivision 3; and 626.556, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 137; 245; 246; 252; 253; and 256; repealing Minnesota Statutes 1992, sections 14.38; 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 252.275, subdivisions 4a and 10; and 256B.501.

Reported the same back with the following amendments:

Page 2, line 22, before "APPROPRIATIONS" insert "HUMAN SERVICES"

Page 3, line 6, delete "\$36,351,000" and insert "\$36,253,000"

Page 7, delete lines 54 to 62 and insert:

"Total Appropriation	-0-	\$185,000
Summary by Fund		
General	-0-	70,000
State Government Special Revenue	-0-	115,000

This appropriation is added to the appropriation in Laws 1993, First Special Session chapter 1, article 1, section 3.

[HEALTH CARE ACCESS OFFICE GRANTS.] Of this appropriation, \$50,000 in fiscal year 1995 is appropriated to the commissioner of health to award a grant to an existing health care access office and to a rural community to establish a health care access office. Recipients of the grants must provide a local match equal to 30 percent of the state grant. A health care access office is a nonprofit organization that provides direct client services that increase access to health care by providing a single point of access for financial assessment and assistance, information and assisted referral to existing public and private health care programs and services, advocacy, counseling, and case management."

Page 8, delete lines 1 to 12

Page 8, line 14, delete "the general fund money"

Page 8, delete lines 15 to 17 and insert "this appropriation, \$20,000 is appropriated to the commissioner of"

Page 8, line 25, delete "the" and after "\$115,000" insert "is"

Page 8, delete lines 28 and 29

Page 8, line 42, delete "act" and insert "article"

Page 91, line 26, after "(a)" insert "(1)"

Page 92, after line 8, insert:

"(2) Notwithstanding the limit in clause (1), the hospital cost index for admissions under the medical assistance program, but excluding admissions under the general assistance medical care program, shall include an additional 1.25 percent for changes in technology for admissions occurring on or after April 1, 1994."

Page 92, line 18, delete everything after the period

Page 92, delete lines 19 and 20

Page 193, line 19, delete "act" and insert "article"

Page 196, line 23, after "[ICF/MR REPEALER.]" insert "Minnesota Statutes 1992, section 256B.501, subdivisions 3d, 3e, and 3f, are repealed"

Page 196, line 26, delete everything after "law" and insert a period

Page 196, delete lines 27, 28, and 29

Page 196, after line 29, insert:

"Subd. 3. [HOSPITAL PEER GROUPS REPEALER.] Minnesota Statutes 1993 Supplement, section 256.969, subdivision 24, is repealed."

Page 198, line 7, delete "revise" and insert "revive"

Page 200, line 33, delete the new language

Page 200, line 34, delete the new language

Page 203, after line 15, insert:

"Sec. 12. Minnesota Statutes 1992, section 253.015, is amended by adding a subdivision to read:

Subd. 3a. [SERVICES FOR PERSONS WITH MENTAL ILLNESS AT VIRGINIA REGIONAL MEDICAL CENTER COMPLEX.] The commissioner shall locate the state-operated inpatient psychiatric program authorized in subdivision 3, paragraph (b), in space provided in the Virginia Regional Medical Center Complex, located in Virginia, notwithstanding any contrary provisions of subdivision 3, paragraph (b). The commissioner may enter into any necessary agreements with the governing authority of the Virginia Regional Medical Center Complex and may request assistance for capital improvements in order to locate these state-operated inpatient beds at the complex. Other state-operated mental health services, as determined by the commissioner, may also be located at the complex."

Page 208, line 1, delete "13" and insert "14"

Renumber the sections in sequence and correct internal references

Page 208, after line 2, insert:

"ARTICLE 5

HEALTH DEPARTMENT; VETERANS NURSING HOMES BOARD;
COUNCIL ON DISABILITY

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this article, to be available for the fiscal years indicated for each purpose. The figures "1994" and "1995" where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1994, or June 30, 1995, respectively. Where a dollar amount appears in parentheses, it means a reduction of an appropriation.

Sec. 2. [UNCODIFIED LANGUAGE.]

All uncodified language in this article expires on June 30, 1995, unless a different expiration is specified.

Sec. 3. [FUNDING SOURCE.]

All language in this article designating an appropriation refers to a general fund appropriation unless a different fund is specifically referenced.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$ 25,000	\$ 2,934,000	\$ 2,959,000
State Government Special Revenue	115,000	169,000	284,000
TOTAL	\$ 140,000	\$ 2,903,000	\$ 3,043,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994	1995
------	------

Sec. 4. COMMISSIONER OF HEALTH

Total Appropriation	\$ 140,000	\$ 2,396,000
---------------------	------------	--------------

Summary by Fund

General	25,000	2,227,000
State Government Special Revenue	115,000	169,000

This appropriation is added to the appropriation in Laws 1993, First Special Session chapter 1, article 1, section 3.

(a) Tuberculosis Control Drugs

Of this appropriation, \$150,000 is added for fiscal year 1995 to the appropriation in Laws 1993, First Special Session chapter 1, article 1, section 3, subdivision 2, for tuberculosis control drugs.

Local boards of health must use funds that otherwise would have been expended for tuberculosis drugs, for other tuberculosis control activities. For purposes of this rider, "funds that otherwise would have been expended for tuberculosis drugs" means the amount expended for tuberculosis drugs in calendar year 1993.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

The commissioner may utilize a portion of this appropriation to contract with a pharmacist to dispense the tuberculosis drugs.

(b) Women's Health Initiative

Of this appropriation, \$333,000 is added for fiscal year 1995 to the appropriation in Laws 1993, First Special Session chapter 1, article 1, section 3, subdivision 4, to be available on January 1, 1995, and is for women's health initiatives.

The appropriation to the commissioner of health for the purposes of the women's health center shall not become part of the base level funding for the 1995-1996 biennial budget. The commissioner shall report to the division the status of the center as part of the 1995-1996 biennial budget process.

(c) Vital Statistics System Reengineering

Of this appropriation, \$25,000 for fiscal year 1994 and \$125,000 for fiscal year 1995 is added to the appropriations in Laws 1993, First Special Session chapter 1, article 1, section 3, subdivision 5, and are for planning and pilot projects for automating systems for vital statistics.

(d) State Government Special Revenue (SGSR) Fund Adjustments

\$115,000 in fiscal year 1994 and \$115,000 in fiscal year 1995 is appropriated from the SGSR fund for SGSR fund adjustments.

(e) Feasibility Study on Enhancing Ambulance Services

Of this appropriation, \$35,000 is appropriated for fiscal year 1995 to the commissioner of health for the purpose of a grant to West Central Minnesota EMS Corporation, the current contract holder under Minnesota Statutes, section 144.8093, to conduct a study to determine the feasibility of expanding the scope of services provided by ambulance service providers to better address the out-of-hospital health care needs of rural Minnesota populations.

The grantee may itself undertake the study or may contract with another entity to undertake the study.

The study must be undertaken in consultation with community health services, hospitals, physicians, and nurses to consider potential areas for expanded ambulance personnel roles and responsibilities. The study must include, but is not limited to, analyzing:

- (1) ways of supporting current health care provider services and personnel;
- (2) additional training needs;
- (3) statutory issues;

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

- (4) potential liability;
- (5) third-party reimbursement consequences; and
- (6) the unique needs of the sick and injured in rural areas.

The study must consider only the out-of-hospital health care needs of the rural population in Minnesota.

The commissioner shall report the findings and recommendations of the study to the legislature no later than January 1, 1995.

(f) Home Visiting Program

Of this appropriation, \$500,000 is to the commissioner of health for the purposes of the home visiting program.

(g) Strep Study

Of this appropriation, \$75,000 is to the commissioner of health for fiscal year 1995 to be awarded as a grant to an entity which will conduct a feasibility study to determine the efficacy of conducting throat cultures for evidence of streptococcal infection in selected symptomatic students. The study must be conducted in three schools, one of which is in rural Minnesota and one of which is in a core city. The study must be conducted with students in grades K-12.

The grantee must be a Minnesota institution of higher learning which is affiliated with a university hospital which has a relationship with the World Health Organization. The grantee shall develop the protocol for the study.

(h) Lead Abatement

Of this appropriation, \$500,000 is appropriated to the commissioner of health for fiscal year 1995 for lead abatement activities. \$275,000 must be used to subsidize the cost of the lead abatement training as required under Minnesota Statutes, section 144.876, subdivision 1, and rules adopted under Minnesota Statutes, section 144.878, subdivision 5. The commissioner shall give preference for subsidies provided through this appropriation to training small business owners and employees of nonprofit organizations. \$225,000 must be used to create five staff positions assigned to lead abatement responsibilities under Minnesota Statutes, sections 144.871 to 144.879. These positions must include one lead research analyst, one health educator, one remediation coordinator, one lead abatement training specialist, and one clerical support position. These positions must supplement and not replace current staff assigned to lead abatement activities within the department.

(i) CHILD Program

Of this appropriation, \$59,000 is appropriated to the commissioner of health for fiscal year 1995 for the CHILD program under Minnesota Statutes, section 145.951.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

(j) Childhood Screenings

Of this appropriation, \$200,000 is appropriated to the commissioner of health for the childhood screening grant program under Minnesota Statutes, section 145A.14, subdivision 5.

(k) Manufactured Housing Study

Of this appropriation, \$50,000 is appropriated to the commissioner of health for transfer to the management analysis division of the department of administration for the manufacturing home study required under this article.

(l) Acupuncture Practitioner Certification

Of this appropriation, \$54,000 is appropriated to the commissioner of health from the state government special revenue fund for fiscal year 1995 to administer Minnesota Statutes, sections 148.63 to 148.637.

(m) Hotels; Resorts; Restaurants

Of this appropriation \$200,000 is appropriated to the commissioner of health for fiscal year 1995 for the purposes of the programs in Minnesota Statutes, chapter 157. This appropriation shall not become part of the base level funding for the 1995-1996 biennial budget.

(n) Collaboration with Culturally Appropriate Groups

The commissioner of health shall collaborate with culturally appropriate groups to carry out appropriate education, prevention, and outreach activities in communities that traditionally practice female circumcision, excision, or infibulation to inform people in those communities about the health risks and emotional trauma inflicted by these practices. The commissioner also shall make reasonable efforts to inform the medical community of the criminal penalties applicable to these practices. The commissioner shall work with culturally appropriate groups to obtain private funds to help finance these education, prevention, and outreach efforts.

Sec. 5. VETERANS NURSING HOMES BOARD

-0-

-0-

The general fund appropriations made to the veterans homes board in Laws 1993, First Special Session chapter 1, article 1, section 4, shall be transferred to a veterans homes special revenue account in the special revenue fund in the same manner as other receipts are deposited in accordance with Minnesota Statutes, section 198.34, and are appropriated to the veterans homes board of directors for the operation of board facilities and programs.

Sec. 6. COUNCIL ON DISABILITY

-0-

707,000

This appropriation is added to the appropriation in Laws 1993, First Special Session chapter 1, article 1, section 6.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Of this appropriation, \$200,000 is appropriated from the general fund to the council on disability for fiscal year 1995 for the purpose of a grant to the Fergus Falls Center for the Arts, Inc. to complete renovations of a local theater necessary to bring it into compliance with the federal Americans with Disabilities Act.

Sec. 7. CARRYOVER LIMITATION

None of the appropriations in this article and article 6 which are allowed to be carried forward from fiscal year 1994 to fiscal year 1995 shall become part of the base level funding for the 1995-1997 biennial budget.

Sec. 8. Minnesota Statutes 1992, section 16A.124, subdivision 1, is amended to read:

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

(a) "Commissioner" means the commissioner of finance.

(b) "State agency" has the meaning assigned to it in section 16B.01.

(c) "Grantee" means the regional emergency medical services systems receiving funding under section 144.8093.

Sec. 9. Minnesota Statutes 1992, section 16A.124, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER SUPERVISION.] The commissioner shall exercise constant supervision over state agencies to insure the prompt payment of vendor and grantee obligations.

Sec. 10. Minnesota Statutes 1992, section 16A.124, subdivision 3, is amended to read:

Subd. 3. [PAYMENT REQUIRED.] State agencies must pay each valid vendor and grantee obligation so that the vendor or grantee receives payment within the vendor's or grantee's early payment discount period. If there is no early payment discount period, the state agency must pay the vendor or grantee within 30 days following the receipt of the invoice for the completed delivery of the product or service.

Sec. 11. Minnesota Statutes 1992, section 16A.124, subdivision 4, is amended to read:

Subd. 4. [INVOICE ERRORS.] If an invoice is incorrect, defective, or otherwise improper, the agency must notify the vendor or grantee within ten days of discovering the error. Upon receiving a corrected invoice, the agency must pay the bill within the time limitation contained in subdivision 3.

Sec. 12. Minnesota Statutes 1992, section 16A.124, subdivision 5, is amended to read:

Subd. 5. [PAYMENT OF INTEREST ON LATE PAYMENTS REQUIRED.] (a) A state agency shall pay interest to a vendor or grantee for undisputed billings when the agency has not paid the billing within 30 days following receipt of the invoice, merchandise, or service whichever is later. A negotiated contract or agreement between a vendor or grantee and a state agency which requires an audit by the state agency prior to acceptance and payment of the vendor's or grantee's invoice shall not be considered past due until 30 days after the completion of the audit by the state agency. Before any interest payment is made, the vendor or grantee must invoice the state agency for such interest.

(b) The rate of interest paid by the agency on undisputed bills not paid within 30 days shall be 1-1/2 percent per month or any part thereof.

(c) All interest penalties and collection costs must be paid from the agency's current operating budget. No agency may seek to increase its appropriation for the purpose of obtaining funds to pay interest penalties or collection costs.

(d) Any vendor or grantee who prevails in a civil action to collect interest penalties from a state agency shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the actions.

(e) No interest penalties may accrue against an agency that delays payment of a bill due to a disagreement with the vendor or grantee; provided, that the dispute must be settled within 30 days after the bill became overdue. Upon the resolution of the dispute, the agency must pay the vendor or grantee accrued interest on all proper invoices for which payment was not received within the applicable time limit contained in subdivision 3.

(f) The minimum monthly interest penalty payment that a state agency shall pay a vendor or grantee for the unpaid balance for any one overdue bill equal to or in excess of \$100 is \$10. For unpaid balances of less than \$100, the state agency shall pay the actual penalty due to the vendor or grantee.

Sec. 13. Minnesota Statutes 1992, section 16A.124, subdivision 6, is amended to read:

Subd. 6. [AUTHORITY TO REDUCE AGENCY ALLOTMENT.] The commissioner shall have the authority to reduce the allotment of any state agency by the amount of any vendor or grantee obligations that are paid later than 30 days following the receipt of the invoice for completed delivery of the products or services.

Sec. 14. Minnesota Statutes 1992, section 16B.75, is amended to read:

16B.75 [INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS.]

The state of Minnesota ratifies and approves the following compact:

INTERSTATE COMPACT ON INDUSTRIALIZED/MODULAR BUILDINGS

ARTICLE I

FINDINGS AND DECLARATIONS OF POLICY

(1) The compacting states find that:

(a) Industrialized/modular buildings are constructed in factories in the various states and are a growing segment of the nation's affordable housing and commercial building stock.

(b) The regulation of industrialized/modular buildings varies from state to state and locality to locality, which creates confusion and burdens state and local building officials and the industrialized/modular building industry.

(c) Regulation by multiple jurisdictions imposes additional costs, which are ultimately borne by the owners and users of industrialized/modular buildings, restricts market access and discourages the development and incorporation of new technologies.

(2) It is the policy of each of the compacting states to:

(a) Provide the states which regulate the design and construction of industrialized/modular buildings with a program to coordinate and uniformly adopt and administer the states' rules and regulations for such buildings, all in a manner to assure interstate reciprocity.

(b) Provide to the United States Congress assurances that would preclude the need for a voluntary preemptive federal regulatory system for modular housing, as outlined in Section 572 of the Housing and Community Development Act of 1987, including development of model standards for modular housing construction, such that design and performance will insure quality, durability and safety; will be in accordance with life-cycle cost-effective energy conservation standards; all to promote the lowest total construction and operating costs over the life of such housing.

ARTICLE II

DEFINITIONS

As used in this compact, unless the context clearly requires otherwise:

- (1) "Commission" means the interstate industrialized/modular buildings commission.
- (2) "Industrialized/modular building" means any building which is of closed construction, i.e. constructed in such a manner that concealed parts or processes of manufacture cannot be inspected at the site, without disassembly, damage or destruction, and which is made or assembled in manufacturing facilities, off the building site, for installation, or assembly and installation, on the building site. "Industrialized/modular building" includes, but is not limited to, modular housing which is factory-built single-family and multifamily housing (including closed wall panelized housing) and other modular, nonresidential buildings. "Industrialized/modular building" does not include any structure subject to the requirements of the National Manufactured Home Construction and Safety Standards Act of 1974.
- (3) "Interim reciprocal agreement" means a formal reciprocity agreement between a noncompacting state wherein the noncompacting state agrees that labels evidencing compliance with the model rules and regulations for industrialized/modular buildings, as authorized in Article VIII, section (9), shall be accepted by the state and its subdivisions to permit installation and use of industrialized/modular buildings. Further, the noncompacting state agrees that by legislation or regulation, and appropriate enforcement by uniform administrative procedures, the noncompacting state requires all industrialized/modular building manufacturers within that state to comply with the model rules and regulations for industrialized/modular buildings.
- (4) "State" means a state of the United States, territory or possession of the United States, the District of Columbia, or the Commonwealth of Puerto Rico.
- (5) "Uniform administrative procedures" means the procedures adopted by the commission (after consideration of any recommendations from the rules development committee) which state and local officials, and other parties, in one state, will utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard of requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies.
- (6) "Model rules and regulations for industrialized/modular buildings" means the construction standards adopted by the commission (after consideration of any recommendations from the rules development committee) which govern the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The construction standards and any amendments thereof shall conform insofar as practicable to model building codes and referenced standards generally accepted and in use throughout the United States.

ARTICLE III

CREATION OF COMMISSION

The compacting states hereby create the Interstate Industrialized/Modular Buildings Commission, hereinafter called commission. Said commission shall be a body corporate of each compacting state and an agency thereof. The commission shall have all the powers and duties set forth herein and such additional powers as may be conferred upon it by subsequent action of the respective legislatures of the compacting states.

ARTICLE IV

SELECTION OF COMMISSIONERS

The commission shall be selected as follows. As each state becomes a compacting state, one resident shall be appointed as commissioner. The commissioner shall be selected by the governor of the compacting state, being designated from the state agency charged with regulating industrialized/modular buildings or, if such state agency does not exist, being designated from among those building officials with the most appropriate responsibilities in the state. The commissioner may designate another official as an alternate to act on behalf of the commissioner at commission meetings which the commissioner is unable to attend.

Each state commissioner shall be appointed, suspended, or removed and shall serve subject to and in accordance with the laws of the state which said commissioner represents; and each vacancy occurring shall be filled in accordance with the laws of the state wherein the vacancy exists.

~~When For every three state commissioners who have been appointed in the manner described, those state commissioners shall select one additional commissioner who shall be a representative of manufacturers of industrial-residential- or commercial-use industrialized/modular buildings. When For every six state commissioners who have been appointed in the manner described, the state commissioners shall select a second one additional commissioner who shall be a representative of consumers of industrialized/modular buildings. With each addition of three state commissioners, the state commissioners shall appoint one additional representative commissioner, alternating between a representative of manufacturers of industrialized/modular buildings and consumers of industrialized/modular buildings. The ratio between state commissioners and representative commissioners shall be three to one. In the event states withdraw from the compact or, for any other reason, the number of state commissioners is reduced, the state commissioners shall remove the last added representative commissioner as necessary to maintain a the ratio of state commissioners to representative commissioners of three to one described herein.~~

Upon a majority vote of the state commissioners, the state commissioners may remove, fill a vacancy created by, or replace any representative commissioner, provided that any replacement is made from the same representative group and ~~a three to one ratio~~ the ratio described herein is maintained. Unless provided otherwise, the representative commissioners have the same authority and responsibility as the state commissioners.

In addition, the commission may have as a member one commissioner representing the United States government if federal law authorizes such representation. Such commissioner shall not vote on matters before the commission. Such commission shall be appointed by the President of the United States, or in such other manner as may be provided by Congress.

ARTICLE V

VOTING

Each commissioner (except the commissioner representing the United States government) shall be entitled to one vote on the commission. A majority of the commissioners shall constitute a quorum for the transaction of business. Any business transacted at any meeting of the commission must be by affirmative vote of a majority of the quorum present and voting.

ARTICLE VI

ORGANIZATION AND MANAGEMENT

The commission shall elect annually, from among its members, a chairman, a vice chairman and a treasurer. The commission shall also select a secretariat, which shall provide an individual who shall serve as secretary of the commission. The commission shall fix and determine the duties and compensation of the secretariat. The commissioners shall serve without compensation, but shall be reimbursed for their actual and necessary expenses from the funds of the commission.

The commission shall adopt a seal.

The commission shall adopt bylaws, rules, and regulations for the conduct of its business, and shall have the power to amend and rescind these bylaws, rules, and regulations.

The commission shall establish and maintain an office at the same location as the office maintained by the secretariat for the transaction of its business and may meet at any time, but in any event must meet at least once a year. The chairman may call additional meetings and upon the request of a majority of the commissioners of three or more of the compacting states shall call an additional meeting.

The commission annually shall make the governor and legislature of each compacting 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.

ARTICLE VII

COMMITTEES

The commission will establish such committees as it deems necessary, including, but not limited to, the following:

(1) An executive committee which functions when the full commission is not meeting, as provided in the bylaws of the commission. The executive committee will ensure that proper procedures are followed in implementing the commission's programs and in carrying out the activities of the compact. The executive committee shall be elected by vote of the commission. It shall be comprised of at least three and no more than nine commissioners, selected from those commissioners who are representatives of the governor of their respective state the state commissioners and one member of the industry commissioners and one member of the consumer commissioners.

(2) A rules development committee appointed by the commission. The committee shall be consensus-based and consist of not less than seven nor more than 21 members. Committee members will include state building regulatory officials; manufacturers of industrialized/modular buildings; private, third-party inspection agencies; and consumers. This committee may recommend procedures which state and local officials, and other parties, in one state, may utilize to assure state and local officials, and other parties, in other states, of the substantial compliance of industrialized/modular building construction with the construction standard requirements of such other states; to assess the adequacy of building systems; and to verify and assure the competency and performance of evaluation and inspection agencies. This committee may also recommend construction standards for the design, manufacture, handling, storage, delivery and installation of industrialized/modular buildings and building components. The committee will submit its recommendations to the commission, for the commission's consideration in adopting and amending the uniform administrative procedures and the model rules and regulations for industrialized/modular buildings. The committee may also review the regulatory programs of the compacting states to determine whether those programs are consistent with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings and may make recommendations concerning the states' programs to the commission. In carrying out its functions, the rules committee may conduct public hearings and otherwise solicit public input and comment.

(3) Any other advisory, coordinating or technical committees, membership on which may include private persons, public officials, associations or organizations. Such committees may consider any matter of concern to the commission.

(4) Such additional committees as the commission's bylaws may provide.

ARTICLE VIII

POWER AND AUTHORITY

In addition to the powers conferred elsewhere in this compact, the commission shall have power to:

(1) Collect, analyze and disseminate information relating to industrialized/modular buildings.

(2) Undertake studies of existing laws, codes, rules and regulations, and administrative practices of the states relating to industrialized/modular buildings.

(3) Assist and support committees and organizations which promulgate, maintain and update model codes or recommendations for uniform administrative procedures or model rules and regulations for industrialized/modular buildings.

(4) Adopt and amend uniform administrative procedures and model rules and regulations for industrialized/modular buildings.

(5) Make recommendations to compacting states for the purpose of bringing such states' laws, codes, rules and regulations and administrative practices into conformance with the uniform administrative procedures or the model rules and regulations for industrialized/modular buildings, provided that such recommendations shall be made to the appropriate state agency with due consideration for the desirability of uniformity while also giving appropriate consideration to special circumstances which may justify variations necessary to meet unique local conditions.

(6) Assist and support the compacting states with monitoring of plan review programs and inspection programs, which will assure that the compacting states have the benefit of uniform industrialized/modular building plan review and inspection programs.

(7) Assist and support organizations which train state and local government and other program personnel in the use of uniform industrialized/modular building plan review and inspection programs.

(8) Encourage and promote coordination of state regulatory action relating to manufacturers, public or private inspection programs.

(9) Create and sell labels to be affixed to industrialized/modular building units, constructed in or regulated by compacting states, where such labels will evidence compliance with the model rules and regulations for industrialized/modular buildings, enforced in accordance with the uniform administrative procedures. The commission may use receipts from the sale of labels to help defray the operating expenses of the commission.

(10) Assist and support compacting states' investigations into and resolutions of consumer complaints which relate to industrialized/modular buildings constructed in one compacting state and sited in another compacting state.

(11) Borrow, accept or contract for the services of personnel from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, association, person, firm or corporation.

(12) Accept for any of its purposes and functions under this compact any and all donations, and grants of money, equipment, supplies, materials and services (conditional or otherwise) from any state or the United States or any subdivision or agency thereof, from any interstate agency, or from any institution, person, firm or corporation, and may receive, utilize and dispose of the same.

(13) Establish and maintain such facilities as may be necessary for the transacting of its business. The commission may acquire, hold, and convey real and personal property and any interest therein.

(14) Enter into contracts and agreements, including but not limited to, interim reciprocal agreements with noncompacting states.

ARTICLE IX

FINANCE

The commission shall submit to the governor or designated officer or officers of each compacting 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.

Each of the commission's budgets of estimated expenditures shall contain specific recommendations of the amounts to be appropriated by each of the compacting states. The total amount of appropriations requested under any such budget shall be apportioned among the compacting states as follows: one-half in equal shares; one-fourth among the compacting states in accordance with the ratio of their populations to the total population of the compacting states, based on the last decadal federal census; and one-fourth among the compacting states in accordance with the ratio of industrialized/modular building units manufactured in each state to the total of all units manufactured in all of the compacting states.

The commission shall not pledge the credit of any compacting state. The commission may meet any of its obligations in whole or in part with funds available to it by donations, grants, or sale of labels: 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 by donations, grants or sale of labels, the commission shall not incur any obligation prior to the allotment of funds by the compacting states adequate to meet the same.

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.

The accounts of the commission shall be open at any reasonable time for inspection by duly constituted officers of the compacting states and any person authorized by the commission.

Nothing contained in this article shall be construed to prevent commission compliance relating to audit or inspection of accounts by or on behalf of any government contributing to the support of the commission.

ARTICLE X

ENTRY INTO FORCE AND WITHDRAWAL

This compact shall enter into force when enacted into law by any three states. Thereafter, this compact shall become effective as to any other state upon its enactment thereof. The commission shall arrange for notification of all compacting states whenever there is a new enactment of the compact.

Any compacting 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 compacting state prior to the time of such withdrawal.

ARTICLE XI

RECIPROCITY

If the commission determines that the standards for industrialized/modular buildings prescribed by statute, rule or regulation of compacting state are at least equal to the commission's model rules and regulations for industrialized/modular buildings, and that such state standards are enforced by the compacting state in accordance with the uniform administrative procedures, industrialized/modular buildings approved by such a compacting state shall be deemed to have been approved by all the compacting states for placement in those states in accordance with procedures prescribed by the commission.

ARTICLE XII

EFFECT ON OTHER LAWS AND JURISDICTION

Nothing in this compact shall be construed to:

(1) 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 pursuant to this compact, is expressly conferred upon another agency or body.

(2) Supersede or limit the jurisdiction of any court of the United States.

ARTICLE XIII

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 circumstances 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. 15. [MANUFACTURED HOUSING STUDY; STATE ADMINISTRATION AND REGULATION.]

The commissioner of administration shall study the current state and local oversight of manufactured housing and manufactured home parks, the regulation of manufactured housing and manufactured home parks, and the statewide enforcement of state laws on manufactured housing and manufactured home parks. Based on the findings, the commissioner shall recommend to the legislature by January 10, 1995, a plan to consolidate administrative responsibilities, regulatory duties, and enforcement of regulations for manufactured housing and manufactured home parks. In conducting the study, the commissioner shall consult with other state agencies, manufactured home park

residents, associations representing manufactured home park residents, manufactured home park owners, associations representing park owners, local governments, and associations representing local governments. State agencies shall cooperate with the commissioner in conducting the study and developing the recommendations. State agencies shall provide any information necessary to complete the study as required under this section. The study shall include:

(1) an inventory of the responsibilities for manufactured homes by agency and level of government including, but not limited to, manufactured home construction and installation standards, licensing of parks, brokers, dealers, and installers, manufactured home park standards, emergency weather procedures, other public safety concerns, consumer protection, and sales of manufactured housing;

(2) an assessment of delegated powers, and the effect, if any, of delegation on statewide standards and statewide application of manufactured housing laws;

(3) an inventory of the existing powers of state agencies and local government units to fulfill their administrative or regulatory responsibility for manufactured homes and manufactured home parks, including authority to inspect housing, parks, and severe weather shelters with an assessment of the effect, if any, of delegated powers;

(4) an assessment of current enforcement practices to achieve public health and safety goals; and

(5) an evaluation of how accessible and understandable the current system of administration and regulation is for residents of manufactured homes, park owners, local governments, and state and local officials.

The proposal must present a plan to coordinate the administration, regulation, and enforcement of laws on manufactured housing and manufactured home parks so that the services are delivered in a way that increases public safety and confidence, increases administrative efficiency, reduces costs, eliminates duplication of services, promotes access for residents and park owners, increases clarity in the system, and promotes accountability.

Sec. 16. Minnesota Statutes 1992, section 62J.05, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) [NUMBER.] The Minnesota health care commission consists of ~~25~~ 26 members, as specified in this subdivision. A member may designate a representative to act as a member of the commission in the member's absence. The governor and legislature shall coordinate appointments under this subdivision to ensure gender balance and ensure that geographic areas of the state are represented in proportion to their population.

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

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

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

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

(f) [EMPLOYEE UNIONS.] The commission includes three representatives of labor unions, including two appointed by the AFL-CIO Minnesota and one appointed by the governor to represent other unions.

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

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

Sec. 17. [144.394] [CHILDREN AND SECONDHAND SMOKE; MASS MEDIA PROGRAM.]

The commissioner shall conduct a long-term mass media program to educate the public on the effects of secondhand smoke on children. The program must include, but is not limited to, the creation and use of television and radio media messages. The mass media program must be designed to last at least five years.

Sec. 18. Minnesota Statutes 1992, section 144.801, is amended by adding a subdivision to read:

Subd. 11. [FIRST RESPONDER.] "First responder" means an individual who is certified by the commissioner to perform, at a minimum, basic emergency skills before the arrival of a licensed ambulance service, and is

(1) a member of an organized service recognized by a local political subdivision whose primary responsibility is to respond to medical emergencies to provide initial medical care before the arrival of a licensed ambulance service; or

(2) a member of an organized industrial medical first response team.

Sec. 19. Minnesota Statutes 1992, section 144.804, subdivision 1, is amended to read:

Subdivision 1. [DRIVERS AND ATTENDANTS.] No publicly or privately owned basic ambulance service shall be operated in the state unless its drivers and attendants possess a current emergency care course certificate authorized by rules adopted by the commissioner of health according to chapter 14. Until August 1, 1994 1996, a licensee may substitute a person currently certified by the American Red Cross in advanced first aid and emergency care or a person who has successfully completed the United States Department of Transportation first responder curriculum, and who has also been trained to use basic life support equipment as required by rules adopted by the commissioner under section 144.804, subdivision 3, for one of the persons on a basic ambulance, provided that person will function as the driver while transporting a patient. The commissioner may grant a variance to allow a licensed ambulance service to use attendants certified by the American Red Cross in advanced first aid and emergency care and, until August 1, 1996, to use attendants who have successfully completed the United States Department of Transportation first responder curriculum, and who have been trained to use basic life support equipment as required by rules adopted by the commissioner under subdivision 3, in order to ensure 24-hour emergency ambulance coverage. The commissioner shall study the roles and responsibilities of first responder units and report the findings by January 1, 1991. This study shall address at a minimum:

- (1) education and training;
- (2) appropriate equipment and its use;
- (3) medical direction and supervision; and
- (4) supervisory and regulatory requirements.

Sec. 20. [145.91] [WOMEN'S HEALTH CENTER.]

Subdivision 1. [ESTABLISHED.] The commissioner of health shall establish a women's health center. The center shall promote and improve the health status of women of all ages and shall provide a focal point for women's health advocacy, research, and dissemination of information. The center shall be responsible for investigating women's health needs, creating a statewide coalition on women's health, developing a resource inventory of services and support systems available for women, convening conferences on women's health, assuring effective dissemination of current research results, and other activities that promote the health status of women of all ages.

Subd. 2. [WOMEN'S HEALTH CENTER ADVISORY COUNCIL.] (a) The women's health center advisory council is created and is composed of 14 members. The advisory council consists of:

- (1) four public members appointed by the governor;
- (2) two nurses licensed under chapter 148 appointed by the governor;
- (3) one biochemical research scientist and one physician licensed under chapter 147, appointed by the chief physician of the Mayo Clinic;

(4) one biochemical research scientist and one physician licensed under chapter 147, appointed by the vice president for health affairs of the University of Minnesota;

(5) two health providers from rural Minnesota appointed by the governor;

(6) one state representative appointed by the speaker of the house of representatives; and

(7) one state senator, appointed by the senate subcommittee on committees of the committee on rules and administration.

(b) The advisory council is established and administered under section 15.059. The advisory council shall advise the women's health center on all of the center's activities undertaken under subdivision 1.

Sec. 21. [145.951] [CHILDREN HELPED IN LONG-TERM DEVELOPMENT.]

The commissioner of health shall recommend to the legislature a plan for statewide implementation of a volunteer mentor home visiting program for the prevention of child abuse. This plan shall outline necessary state and private partnerships, home visiting program standards, mechanisms for reaching families for whom the program would be beneficial, volunteer screening, training, and ongoing support criteria, coordination of activities between home visiting programs, possible data systems and evaluation designs, as well as the fiscal impact for statewide implementation.

In developing recommendations for this program, the commissioner shall propose methods to ensure local administration of the program and coordination with local agencies in health, human services, and education, and careful screening and training of volunteers to provide program services. Training must prepare volunteers to:

- (1) identify signs of abuse or other indications that a child may be at risk of abuse;
- (2) help families develop communications skills;
- (3) teach and reinforce healthy discipline techniques;
- (4) provide other support a family needs to cope with stresses that increase the risk of abuse; and
- (5) refer the family to other appropriate social services.

The commissioner's plan shall also include procedures whereby the local agency will provide ongoing support, supervision, and training for all volunteers. Training must be culturally appropriate and community-based and must incorporate input from parents who will be using the mentor services. The commissioner's plan shall be presented to the legislature no later than February 15, 1995, to be considered in the biennial budget plan for the department of health.

Sec. 22. Minnesota Statutes 1992, section 145A.14, is amended by adding a subdivision to read:

Subd. 5. [COORDINATION OF CHILDHOOD SCREENINGS; GRANTS.] (a) The commissioner of health shall award grants to community health boards to establish or operate programs that centralize and coordinate service delivery for childhood screenings, including those screenings required by the early childhood screening program, the early and periodic screening and treatment program, and the head start program.

(b) Grants must be awarded, using a request for proposal system, to community health boards with programs designed to:

- (1) coordinate and contract with school districts, social service agencies, public health agencies, head start programs, and health providers to provide centralized delivery of all required childhood screenings;
- (2) eliminate unnecessary duplication of childhood screenings;
- (3) establish a centralized record keeping system;
- (4) achieve increased childhood screening participation;

(5) foster early intervention to achieve specific public health goals, including, but not limited to, increased immunization rates; and

(6) fully access all available sources for funding of childhood screenings.

(c) Grant recipients must report to the commissioner of health within 45 days of the end of each year grant award period on the expenditure of the grant money and progress toward achieving the objectives under paragraph (b).

Sec. 23. [148.631] [PURPOSE.]

It is in the public interest to ensure that acupuncture practitioners meet the generally accepted standards of competence in the profession. The purpose of sections 148.632 to 148.637 is to limit the practice of acupuncture to those persons who meet standards of competence.

Sec. 24. [148.632] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 148.631 to 148.637.

Subd. 2. [ACUPUNCTURE PRACTICE.] "Acupuncture practice" means a system of health care using Oriental medical theory and its unique methods of diagnosis and treatment. Its treatment techniques include the insertion of acupuncture needles through the skin, and the use of other biophysical methods of acupuncture point stimulation, including, but not limited to, the use of moxibustion, Oriental massage techniques, electrical stimulation, laser stimulation, herbal therapies, dietary guidelines, breathing techniques, and exercise on the basis of Oriental medical principles. The object of the system is to maintain or restore health, improve physiological function, and relieve pain.

Subd. 3. [ACUPUNCTURE NEEDLE.] "Acupuncture needle" means a needle designed exclusively for acupuncture purposes. It has a solid core, with a tapered point, and is approximately 28-36 gauge in thickness.

Subd. 4. [ACUPUNCTURE POINTS.] "Acupuncture points" means specific anatomically described locations as defined by the National Commission for the Certification of Acupuncturists (NCCA) recognized acupuncture reference texts. The locations are particularly effective in influencing the body's function and health when stimulated according to Oriental theory and practice.

Subd. 5. [ACUPUNCTURE PRACTITIONER.] "Acupuncture practitioner" means a person certified to practice acupuncture as set forth under section 148.633.

Subd. 6. [ADVISORY COUNCIL.] "Advisory council" means the advisory council for acupuncture, established in section 148.634.

Subd. 7. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 8. [DIPLOMATE IN ACUPUNCTURE.] "Diplomate in acupuncture" means a person is certified by the NCCA as having met the standards of competence established by the NCCA, subscribes to the NCCA code of ethics, and has a current and active NCCA certification.

Current and active NCCA certification indicates successful completion of continued professional development and specified eligibility and academic requirements.

Subd. 9. [ELECTRICAL STIMULATION.] "Electrical stimulation" means a method of stimulating acupuncture points by the use of very low amperage electrical current. Electrical stimulation may be used by attachment of a device to an acupuncture needle or may be used transcutaneously without penetrating the skin.

Subd. 10. [MOXIBUSTION.] "Moxibustion" means the use of artemisia vulgaris alone or in combination with other herbs as a warming agent to affect acupuncture points.

Subd. 11. [NATIONAL COMMISSION FOR THE CERTIFICATION OF ACUPUNCTURISTS.] "NCCA" means the National Commission for the Certification of Acupuncturists, a nonprofit corporation organized under section 501(c)(6) of the Internal Revenue Code for scientific, educational, and testing purposes, including:

(1) establishing standards of competence for safe and effective practice of acupuncture and Oriental medicine;

(2) evaluating applicants' qualifications in relation to these established standards through the establishment and administration of national board examinations;

(3) certifying practitioners who are found to meet these standards; and

(4) acting as a consultant to state agencies in regulating, certifying, and licensing practitioners of acupuncture and Oriental medicine.

Subd. 12. [ORIENTAL MEDICINE.] "Oriental medicine" means the system of healing arts that perceives the circulation and balance of energy in the body as being fundamental to the well-being of the individual. It implements the theory through specialized methods of analyzing the energy status of the body and treating the body with acupuncture and other related modalities for the purpose of strengthening the body, improving energy balance, maintaining or restoring health, improving physiological function, and reducing pain.

Sec. 25. [148.633] [CERTIFICATION.]

Subdivision 1. [CERTIFICATION REQUIRED.] Except as provided under subdivision 2, it is unlawful for any person to engage in the practice of acupuncture after September 1, 1995, without a valid certification. Each certified acupuncture practitioner shall conspicuously display the certification in the place of practice.

Subd. 2. [EXCEPTIONS.] (a) The following persons may practice acupuncture within the scope of their practice without certification:

(1) physicians licensed under chapter 147;

(2) osteopaths licensed under chapter 147; and

(3) chiropractors licensed under chapter 148.

(b) A person who is (1) studying in a formal course of study or tutorial intern program approved by the advisory council if the acupuncture practice is limited to studying and providing an intern program supervised by a certified acupuncturist; or (2) a visiting acupuncture expert practicing acupuncture within an instructional setting for the sole purpose of teaching at a school registered with the Minnesota higher education coordinating board, may practice without a certificate for a period of one year, with two one-year extensions permitted.

Subd. 3. [QUALIFICATIONS.] An applicant must:

(1) be at least 21 years of age;

(2) have current and active certification as a diplomate in acupuncture by the NCCA by passing the NCCA examination or being certified by the NCCA credential documentation review, or have within the first two years of enactment of this law qualified for certification by meeting the following criteria:

(i) have an equivalent status from another country established by documentation of graduation from an acupuncture program of at least 1,350 hours at a school on the California acupuncture committee's list of approved foreign schools; and

(ii) has engaged in acupuncture practice for at least two years within the four years prior to application at a rate of a minimum of 500 treatments per year, which must be verifiable by patient records maintained by the applicant;

(3) provide documentation of successful completion of an approved clean needle technique course; and

(4) meet any other requirements established by the commissioner.

Subd. 4. [CERTIFICATION EXPIRATION.] Certifications issued under this section shall expire:

(1) as determined by the commissioner; or

(2) when the certificant is decertified by the NCCA.

Subd. 5. [CERTIFICATION RENEWAL.] (a) [RENEWAL REQUIREMENTS.] To renew a certification an applicant must:

(1) annually complete a renewal application on a form provided by the commissioner;

(2) submit the annual renewal fee;

(3) provide documentation of current and active NCCA certification, or in the case of those certified under the criteria for foreign acupuncture school graduates, meet the then current NCCA requirements for recertification; and

(4) submit any additional information requested by the commissioner to clarify information presented in the renewal application. The information must be submitted within 30 days after the commissioner's request.

(b) [PENALTY FEE.] An application submitted after the renewal deadline date must be accompanied by a penalty fee as established under section 148.637, subdivision 3.

(c) [CERTIFICATION RENEWAL NOTICE.] Certification renewal shall be on an annual basis or as determined by the commissioner. At least 30 days before the certification renewal date, the commissioner shall send out a renewal notice to the last known address of the certificant. The notice shall include a renewal application and a notice of fees required for renewal. If the certificant does not receive the renewal notice, the certificant is still required to make the deadline for renewal to qualify for continuous certification status.

(d) [RENEWAL DEADLINE.] The renewal application and fee must be postmarked on or before July 31 on the year of renewal or as determined by the commissioner.

Subd. 6. [CERTIFICATE BY RECIPROCITY.] The commissioner shall issue an acupuncture certification to a person who holds a current license or certificate as an acupuncturist from another jurisdiction if the commissioner determines that the standards for certification or licensure in the other jurisdiction meet or exceed the requirements for certification in Minnesota.

Subd. 7. [INACTIVE STATUS.] (a) A certification may be placed in inactive status upon application to the commissioner and upon payment of an inactive status fee equal to one-half the annual renewal fee.

(b) An inactive certification may be reactivated by the certification holder upon application to the commissioner. The application must include:

(1) evidence of current active NCCA certification;

(2) evidence of the certificate holder's payment of an inactive status fee; and

(3) an annual renewal fee.

Subd. 8. [APPLICATION FOR CERTIFICATION.] (a) An applicant for certification must:

(1) submit a completed application for certification on forms provided by the commissioner. The application must include the applicant's name, business address and phone number, home address and phone number, and a certified copy of a current NCCA certification. The commissioner may ask the applicant to provide additional information necessary to clarify information submitted in the application;

(2) sign a statement that the information in the application is true and correct to the best of the applicant's knowledge and belief;

(3) submit with the application all fees required; and

(4) sign a waiver authorizing the commissioner to obtain access to the applicant's records in this state or any state in which the applicant has engaged in the practice of acupuncture.

(b) The commissioner may investigate information provided by an applicant to determine whether the information is accurate and complete. The commissioner shall notify an applicant of action taken on the application and of the reasons for denying certification if certification is denied.

Subd. 9. [USE OF TITLE.] Only a person certified under this section shall use the title "acupuncturist" or the initials "C.A." and be allowed to advertise and represent themselves as such.

Sec. 26. [148.634] [ADVISORY COUNCIL.]

Subdivision 1. [CREATION.] An advisory council for acupuncture is created within the department of health. The advisory council shall consist of five members appointed by the commissioner. Each member shall serve a term of three years. Three members shall be certified acupuncture practitioners as defined under section 148.632; one member shall be a licensed physician or osteopath who also practices acupuncture; and one member shall be a member of the public who has received acupuncture from a diplomate of acupuncture.

Subd. 2. [INITIAL ADVISORY COUNCIL APPOINTED.] (a) The four members of the advisory council required by subdivision 1 to be acupuncture practitioners, who are appointed to the initial advisory council, need not be certified under section 148.633 but must satisfy the qualifications for certification provided in section 148.633, subdivision 3, and must have been engaged in acupuncture practice a minimum of three years.

(b) One member of the initial advisory council appointed shall have an initial term of one year, two members an initial term of two years, and two members an initial term of three years.

Subd. 3. [ADMINISTRATION; COMPENSATION; REMOVAL; QUORUM.] The advisory council is established and administered under section 15.059. Notwithstanding section 15.059, subdivision 5, the council shall not expire.

Subd. 4. [DUTIES.] The advisory council shall:

(1) advise the commissioner on issuance, renewal, revocation for cause, or placement of probationary restrictions on certifications to practice acupuncture;

(2) advise the commissioner on issues related to receiving, investigating, conducting hearings, and imposing disciplinary action in relation to complaints against acupuncture practitioners;

(3) maintain a register of acupuncture practitioners certified under section 148.633;

(4) maintain a record of all advisory council actions; and

(5) perform other duties authorized for advisory councils under chapter 214, as directed by the commissioner.

Sec. 27. [148.635] [PROFESSIONAL CONDUCT.]

Subdivision 1. [PRACTICE STANDARDS.] (a) Before a treatment of a patient, an acupuncture practitioner certified under section 148.633 shall ask whether the patient has been examined by a licensed physician or other professional, as defined by section 145.61, subdivision 2, with regard to the patient's illness or injury, and shall review the diagnosis as reported.

(b) An acupuncture practitioner must use sterilized equipment that meets the standards of the national Centers for Disease Control.

(c) An acupuncture practitioner shall comply with all applicable state and municipal requirements regarding public health.

(d) An acupuncture practitioner shall compile and maintain patient records. Data maintained on an acupuncture patient by an acupuncture practitioner is subject to section 144.335.

Subd. 2. [GROUNDS FOR SANCTIONS OR DENIAL OF CERTIFICATION.] The commissioner may discipline an acupuncture practitioner or deny an application for certification under procedures in subdivision 3 upon evidence of conduct prohibited by one or more of the following:

(1) violates any provision of sections 148.632 to 148.637 or other statutes or rules that relate to the practice of acupuncture;

(2) intentionally furnishes false, misleading, or incompetent information to the commissioner, the advisory council, or to the public;

(3) refuses to allow the commissioner to conduct inspections at reasonable times or refuses to cooperate with any investigation conducted by the commissioner or a representative of the commissioner, or fails to provide information within 30 days in response to a written request of the commissioner or representative of the commissioner;

(4) engages in unethical conduct, which includes conduct likely to deceive, defraud, or harm the public;

(5) demonstrates a willful or careless disregard for the health, safety, or welfare of a patient;

(6) aids or abets persons practicing acupuncture without certification, except as allowed in section 148.633, subdivision 2;

(7) is habitually intemperate or addicted to the use of alcohol or habit-forming drugs that impair the ability to practice acupuncture safely;

(8) engages in sexual conduct with a patient or in conduct that may reasonably be interpreted by the patient as sexual, or in verbal behavior that is seductive or sexually demeaning to a patient; or

(9) decertification by NCCA.

Subd. 3. [PROCEDURE FOR SANCTIONS OR DENIAL OF CERTIFICATION.] The commissioner shall refuse to issue or renew a certificate to an acupuncture practitioner who fails to satisfy the requirements for certification under sections 148.632 to 148.637. The commissioner may suspend, revoke, or impose probationary conditions on the certification of an acupuncture practitioner whom the commissioner determines has violated the standards of subdivision 1 or 2 or the rules promulgated by the commissioner. The commissioner shall establish a procedure for reinstating a certificate after a period of suspension. As a condition of reinstatement the commissioner may impose disciplinary or corrective measures.

Subd. 4. [PENALTY.] (a) A person who knowingly violates sections 148.632 to 148.637 is guilty of a misdemeanor.

(b) The commissioner or a county attorney may bring an action in the district court where the violation occurred to restrain a person from violating sections 148.632 to 148.637.

(c) The remedies in this section are in addition to other remedies or penalties provided by law.

Sec. 28. [148.636] [NONDISCRIMINATION.]

Nothing in sections 148.632 to 148.637 shall be interpreted as discriminating against, nor shall the commissioner discriminate against any person by reason of nationality, language facility, race, religion, sex or sexual preference, physical disability, except where a disability might interfere with the competent practice of acupuncture, or age, except for the minimum requirement established in section 148.633.

Sec. 29. [148.637] [FEES.]

Subdivision 1. [FIRST-TIME CERTIFICATION AND APPLICANTS FOR CERTIFICATION RENEWAL.] The commissioner shall prorate the certification fee for first-time certificants and applicants for certification renewal according to the number of months that have elapsed between the date certification is issued and the date the certificate must be renewed.

Subd. 2. [ANNUAL CERTIFICATION FEE.] The fee for initial certification and annual certification renewal is \$783.

Subd. 3. [PENALTY FEE FOR LATE RENEWALS.] The penalty fee for late submission of a renewal application shall be ten percent of the annual certification fee.

Sec. 30. Minnesota Statutes 1993 Supplement, section 153A.14, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF CERTIFICATE.] The commissioner shall issue a certificate to each dispenser of hearing instruments who applies under subdivision 1 if the commissioner determines that the applicant is in compliance with this chapter, has passed an examination administered by the commissioner, and has paid the fee set by the commissioner. Audiologists who are registered by the commissioner of health may be issued a certificate without participating in the examination process. A certificate must be renewed by November 1 of each year. If the

commissioner finds that a registered audiologist has performed the services of a certified hearing instrument dispenser in an incompetent or negligent manner, the commissioner may require that the audiologist pass an examination before renewing a certificate.

Sec. 31. [EFFECTIVE DATE.]

Section 14 is effective upon ratification by all signatory states to the interstate compact on industrialized/modular buildings. Section 20 is effective January 1, 1995.

Sections 23 to 29 are effective the day following final enactment.

ARTICLE 6

DEPARTMENT OF JOBS AND TRAINING;
MINNESOTA HOUSING FINANCE AGENCY

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this article, to be available for the fiscal years indicated for each purpose. The figures "1994" and "1995" where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1994, or June 30, 1995, respectively. Where a dollar amount appears in parentheses, it means a reduction in appropriation.

Sec. 2. [UNCODIFIED LANGUAGE.]

All uncodified language in this article expires on June 30, 1995, unless a different expiration is specified.

Sec. 3. [FUNDING SOURCE.]

All language in this article designating an appropriation refers to a general fund appropriation unless a different fund is specifically referenced.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$ -0-	\$ 1,105,000	\$ 1,105,000
TOTAL	\$ -0-	\$ 1,105,000	\$ 1,105,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994	1995
------	------

Sec. 4. JOBS AND TRAINING

Total Appropriation	-0-	675,000
---------------------	-----	---------

This appropriation is added to the appropriation in Laws 1993, chapter 369, section 5.

(a) Opportunities Industrialization Centers

Of this appropriation, \$125,000 is appropriated from the general fund to the commissioner of jobs and training for fiscal year 1995 for an increase to the state grant for opportunities industrialization centers under Minnesota Statutes, sections 268.60 to 268.66. Of this appropriation, \$58,299 must be used for three grants of \$19,433 each

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

for the Twin Cities, the American Indian, and the Ramsey county opportunities industrialization center; \$20,000 for two grants of \$10,000 each to the Anishinabe and the Fond Du Lac opportunities industrialization centers; \$10,000 for a start-up grant for new opportunities industrialization center development; \$25,000 for a grant for the Bemidji area opportunities industrialization center; and \$11,701 for state council administration. This appropriation does not cancel but is available until expended.

(b) Displaced Homemaker Program

Of this appropriation, \$300,000 is appropriated from the general fund to the commissioner of jobs and training for fiscal year 1995 for the purposes of the displaced homemaker program under Minnesota Statutes, section 268.96.

(c) Employment Services for Persons With Mental Illness

Of this appropriation, \$50,000 is appropriated from the general fund to the commissioner of jobs and training for fiscal year 1995 for the grants under Minnesota Statutes, section 268A.13, and the development of a statewide plan for establishing a statewide system to reimburse providers for employment support services for persons with mental illness.

(d) Supported Employment

Of this appropriation, \$200,000 is to the commissioner of jobs and training for fiscal year 1995 for the purposes of the extended employment program within the division of rehabilitation services. All of this appropriation must be used to fund direct services to persons with severe disabilities.

Sec. 5. HOUSING FINANCE AGENCY

-0-

430,000

This appropriation is added to the appropriation in Laws 1993, chapter 369, section 6.

(a) Blighted Housing

Of this appropriation, \$400,000 is appropriated from the general fund to the commissioner of the housing finance agency for fiscal year 1995 for the community rehabilitation fund account created pursuant to Minnesota Statutes, section 462A.206. Notwithstanding the requirements of Minnesota Statutes, section 462A.206, subdivision 3, the commissioner must use the appropriation to make grants to cities for projects that meet the following criteria:

(1) will acquire, remove, or rehabilitate large multiunit residential blighted housing located in a redeveloped project area established under Minnesota Statutes, section 469.002, subdivision 12. For purposes of this section, "large" means a building or complex of buildings containing at least 80 residential units;

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

(2) will stabilize the tax capacity of the neighborhood in which the project is located;

(3) will provide housing opportunities for persons and households of income levels determined by the governing body of the city to be needed within the city; and

(4) will be located in a city that has implemented a program to acquire, demolish, or rehabilitate multiunit residential housing within three years of the effective date of this section.

"City" has the meaning given it in Minnesota Statutes, section 462A.03, subdivision 21. The commissioner must award grants under this appropriation by September 1, 1994.

(b) Septic Systems Treatment Program

Of this appropriation, \$30,000 for fiscal year 1995 is added to the appropriation in Laws 1993, chapter 369, section 6, subdivision 1, and is to administer a septic systems treatment program. This appropriation is contingent upon passage of enabling legislation to provide financial assistance for cleanup of nonpoint source water pollution.

Sec. 6. Minnesota Statutes 1993 Supplement, section 16B.06, subdivision 2a, is amended to read:

Subd. 2a. [EXCEPTION.] The requirements of subdivision 2 do not apply to state contracts of the department of jobs and training distributing state and federal funds for the purpose of subcontracting the provision of program services to eligible recipients. For these contracts, the commissioner of jobs and training is authorized to directly enter into state contracts and encumber available funds. For contracts distributing state or federal funds pursuant to the federal Economic Dislocation and Worker Adjustment Assistance Act, United States Code, title 29, section 1651 et seq.; or Minnesota Statutes, sections 268.977, 268.9771, 268.978, 268.9781, and 268.9782. ~~For these contracts, the commissioner of jobs and training is authorized to directly enter into state contracts with approval of the governor's job training council and encumber available funds to ensure a rapid response to the needs of dislocated workers. The commissioner of jobs and training shall adopt internal procedures to administer and monitor funds distributed under these contracts.~~

Sec. 7. Minnesota Statutes 1993 Supplement, section 239.785, subdivision 2, is amended to read:

Subd. 2. [DUE DATES FOR FILING OF RETURNS AND PAYMENT.] The fee must be remitted monthly on a form prescribed by the commissioner of revenue for deposit in the general fund liquefied petroleum gas account established in subdivision 6. The fee must be paid and the return filed on or before the 23rd day of each month following the month in which the liquefied petroleum gas was delivered or received.

Sec. 8. Minnesota Statutes 1993 Supplement, section 239.785, is amended by adding a subdivision to read:

Subd. 6. [LIQUEFIED PETROLEUM GAS ACCOUNT.] A liquefied petroleum gas account in the special revenue fund is created in the state treasury. Fees and penalties collected under this section must be deposited in the state treasury and credited to the liquefied petroleum gas account. Money in that account, including interest earned, is appropriated to the commissioner of jobs and training to improve the energy efficiency of residential liquefied petroleum gas heating equipment in low-income households, and, when necessary, to provide weatherization services to the homes.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Sec. 9. Laws 1993, chapter 369, section 11, is amended to read:

Sec. 11. PUBLIC SERVICE

Subdivision 1. Total Appropriation

9,090,000

8,950,000

8,730,000

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

Subd. 2. Telecommunications

730,000

752,000

Subd. 3. Weights and Measures

2,948,000

2,845,000

Subd. 4. Information and Operations Management

1,540,000

1,440,000

\$84,000 the first year is for an electronic imaging system. This appropriation must not be allotted until the commissioner certifies that all of the information policy office requirements for this project have been met or will be met. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Subd. 5. Energy

3,872,000

~~3,913,000~~3,693,000

\$588,000 the first year and \$588,000 the second year are for transfer to the energy and conservation account established in Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of jobs and training to improve the energy efficiency of residential oil-fired heating plants in low-income households, and when necessary, to provide weatherization services to the homes.

\$220,000 the first year and ~~\$220,000 the second year~~ are is for transfer to the energy and conservation account established by Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of jobs and training to improve the energy efficiency of residential liquefied petroleum gas heating equipment in low-income households, and, when necessary, to provide weatherization services to the homes.

Of this appropriation, \$284,000 in the first year and \$326,000 in the second year are for alternative energy engineering activities. In employing persons to perform these activities, the department shall first offer any positions to persons previously employed by the department of public service during fiscal year 1993 in that capacity. No part of this appropriation may be used for outside consulting.
* (The preceding paragraph beginning "Of" was vetoed by the governor.)

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Subd. 6. Rental Energy Loan and Rebate Program Appropriation

All money, including interest and loan repayments, remaining from the Exxon Oil overcharge money appropriated to the commissioner of public service by Laws 1988, chapter 686, article 1, section 38, that was allocated to the Minnesota housing finance agency is reappropriated to the commissioner for the purposes of this subdivision and is available until spent.

\$1,600,000 is for a contract with an appropriate nonprofit organization, without public bidding, to provide revolving loan funds for a rental energy loan program in metropolitan counties as defined in Minnesota Statutes, section 473.121, subdivision 4. The program is to be marketed and delivered in coordination with other energy services.

The balance is for any purpose consistent with the state energy conservation program.

Sec. 10. [268.56] [MINNESOTA YOUTH PROGRAM; DEFINITIONS.]

For the purposes of sections 268.56 and 268.561, the terms defined in this section have the meanings given them.

Subdivision 1. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 2. [ELIGIBLE APPLICANT.] "Eligible applicant" means an individual who is:

(1) between the ages of 14 and 21;

(2) economically disadvantaged; and

(3) an at-risk youth who may be classified as a family of one for purposes of eligibility determination. The following individuals are considered at risk:

(a) a pregnant or parenting youth;

(b) a youth with limited English proficiency;

(c) a potential or actual school dropout;

(d) a youth in an offender or diversion program;

(e) a public assistance recipient or a recipient of group home services;

(f) a youth with disabilities including learning disabilities;

(g) a chemically dependent youth or children of drug or alcohol abusers;

(h) a homeless or runaway youth;

(i) a youth with basic skills deficiency;

(j) a youth with an educational attainment of one or more levels below grade level appropriate to age; or

(k) a foster child.

Subd. 3. [EMPLOYER.] "Employer" means a private or public employer.

Sec. 11. [268.561] [MINNESOTA YOUTH PROGRAM.]

Subdivision 1. [PURPOSE.] The Minnesota youth program is established to:

- (1) improve the employability of low-income youth through exposure to public or private sector work;
- (2) enhance the basic educational skills of youth;
- (3) encourage the completion of high school or equivalency;
- (4) assist youth to enter employment, school-to-work transition programs, the military, or post-secondary education or training;
- (5) enhance the citizenship skills of youth through community service and service learning; and
- (6) provide educational, career, and life skills counseling.

Subd. 2. [WAGE RATE.] The rate of pay for Minnesota youth program positions with public, private nonprofit, and private for-profit employers is the minimum wage. Employers are encouraged to use their own funds to increase the participants' hourly wage rates. Youths designated as supervisors may be paid at a higher level to be determined by the local contractor.

Subd. 3. [CONTRACT ADMINISTRATION.] Special consideration will be given to local contractors with experience in administering youth employment and training programs and those who have demonstrated efforts to coordinate state and federal youth programs locally.

Subd. 4. [ALLOCATION FORMULA.] Seventy percent of funds must be allocated based on the county's share of economically disadvantaged youth. The remaining 30 percent must be allocated based on the county's share of population ages 14 to 21.

Subd. 5. [ALLOWABLE COST CATEGORIES.] Of the total allocation, up to 15 percent may be used for administrative purposes and the remaining 85 percent may be used for a combination of training and participant support activities.

Subd. 6. [REPORTS.] Each entity shall report to the commissioner on a quarterly basis in a format to be determined by the commissioner.

Data collected on individuals under this subdivision are private data on individuals as defined in section 13.02, subdivision 12, except that summary data may be provided under section 13.05, subdivision 7.

Subd. 7. [PART-TIME EMPLOYMENT.] Wages and subsidies under this section may be paid for part-time employment.

Subd. 8. [LAYOFFS; WORKER REDUCTIONS.] An employer may not lay off, terminate, or reduce the working hours of an employee for the purpose of hiring an individual with funds provided by this section. An employer may not hire an individual with funds available under this section if any other individual is laid off from the same or a substantially equivalent job.

Subd. 9. [RULES.] The commissioner may adopt rules to implement this section.

Sec. 12. [268A.13] [EMPLOYMENT SUPPORT SERVICES FOR PERSONS WITH MENTAL ILLNESS.]

The commissioner of jobs and training, in cooperation with the commissioner of human services, shall develop a statewide program of grants to provide services for persons with mental illness in supported employment. Projects funded under this section must: (1) assist persons with mental illness in obtaining and retaining employment; (2) emphasize individual community placements for clients; (3) ensure interagency collaboration at the local level between vocational rehabilitation field offices, county service agencies, community support programs operating under the authority of section 245.4712, and community rehabilitation providers, in assisting clients; and (4) involve clients in the planning, development, oversight, and delivery of support services. Project funds may not be used to provide services in segregated settings such as long-term employment or work activity programs as defined in section 268A.01.

The commissioner of jobs and training, in consultation with the commissioner of human services, shall develop a request for proposals which is consistent with the requirements of this section and which specifies the types of services that must be provided by grantees. Projects shall be funded for state fiscal year 1995 and priority for funding shall be given to organizations with experience in developing innovative employment support services for persons with mental illness. Each applicant for funds under this section shall submit an evaluation protocol as part of the grant application.

Sec. 13. Laws 1993, chapter 369, section 5, subdivision 4, is amended to read:

Subd. 4. Community Services

27,579,000

25,678,000

The money appropriated for the youth wage subsidy program for the second year of the biennium must be used for programs authorized under Minnesota Statutes, sections 268.31 to 268.36.

\$880,000 is appropriated from the general fund to the commissioner of jobs and training for operating costs of transitional housing programs under Minnesota Statutes, section 268.38. Of this appropriation, \$440,000 is for the first year and \$440,000 is for the second year.

\$4,200,000 for the first year and \$5,550,000 for the second year is appropriated from the general fund to the commissioner of the department of jobs and training for Minnesota economic opportunity grants to community action agencies. This appropriation is to replace federal funds that are no longer available to community action agencies because of new federal restrictions on the authority to transfer block grant money from the federal Low-Income Home Energy Assistance program to the federal Community Services Block grant.

For the biennium ending June 30, 1995, the commissioner shall transfer to the low-income home weatherization program at least five percent of money received under the low-income home energy assistance block grant in each year of the biennium and shall spend all of the transferred money during the year of the transfer or the year following the transfer. Up to 1.63 percent of the transferred money may be used by the commissioner for administrative purposes.

For the biennium ending June 30, 1995, no more than 1.63 percent of money remaining under the low-income home energy assistance program after transfers to the weatherization program may be used by the commissioner for administrative purposes.

The state appropriation for the temporary emergency food assistance program may be used to meet the federal match requirements.

Of the money appropriated for the summer youth employment programs for fiscal year 1994, \$750,000 is immediately available. Any remaining balance of the immediately available money is available for the year in which it is appropriated. If the appropriation for either year of the biennium is insufficient, money may be transferred from the appropriation for the other year.

Notwithstanding Minnesota Statutes, section 268.022, subdivision 2, the commissioner of finance shall transfer to the general fund from the dedicated fund \$3,054,000 in the first year and \$2,303,000 in the second year of the money collected through the special assessment established in Minnesota Statutes, section 268.022, subdivision 1.

Of this appropriation, \$5,554,000 the first year and \$2,303,000 the second year are for summer youth employment programs.

Of this appropriation, \$100,000 is to train and certify community action agency weatherization programs to comply with the requirements of Minnesota Statutes, section 144.878, subdivision 5.

* (The preceding sentence starting "Of" was vetoed by the governor.) Of this appropriation, \$400,000 is to be used for swab teams with priority to be given to those swab teams in greater Minnesota which are affiliated with community action agencies and to those swab teams in cities of the first class which are affiliated with community action agencies or neighborhood-based nonprofit organizations. 3.75 percent of the allocation may be used for administrative costs. Any unencumbered balance remaining in the first year does not cancel but is available for the second year.

Of this appropriation, \$1,200,000 is for the food shelf program.

Of this appropriation, \$400,000 is for youth employment and for housing for the homeless through the YOUTHBUILD program.

Of the appropriation for the Minnesota economic opportunity grant, the commissioner may use up to nine percent each year for state operations.

Of the appropriation for Head Start, the commissioner of the department of jobs and training may use up to two percent each year for state operations.

Sec. 14. [645.443] [HEAD START AND SCHOOL BUS DRIVER DAY.]

The second Monday in January is designated Head Start and School Bus Driver Day in recognition of the responsibilities borne and the dedication demonstrated by Minnesota's Head Start and other school bus drivers for the safe delivery of our school children. The governor may take any action necessary to promote and encourage the observance of Head Start and School Bus Driver Day. The public schools may offer instruction and programs honoring and fostering appreciation and respect for Minnesota Head Start and school bus drivers.

Sec. 15. [PLAN FOR A STATEWIDE REIMBURSEMENT SYSTEM.]

The commissioner of jobs and training, in cooperation with the commissioner of human services, shall develop a detailed plan for establishing a statewide system to reimburse providers for employment support services for persons with mental illness. The plan must include the following: (1) protocols for certifying eligible providers; (2) standards for determining client eligibility for the service; (3) a list of reimbursable services with the proposed reimbursement level for each service; and (4) a description of the systems, including necessary computer systems, that will be used by the state agency for payment of reimbursement to eligible providers. The plan must also include projected total biennial costs for the new reimbursement system, recommendations on the nature of appeal rights which shall be provided to clients and providers, and recommendations on the necessity for agency rulemaking prior to implementation of the new reimbursement system.

Sec. 16. [REPEALER.]

Minnesota Statutes 1992, sections 268.32; 268.551; and 268.552, are repealed.

Minnesota Rules, parts 3300.0100; 3300.0200; 3300.0300; 3300.0400; 3300.0500; 3300.0600; and 3300.0700, are repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 10, 11, 13, and 16 are effective the day following final enactment.

ARTICLE 7

DEPARTMENT OF VETERANS AFFAIRS;
DEPARTMENT OF HUMAN RIGHTS

Section 1. [APPROPRIATIONS.]

The sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other fund named, to the agencies and for the purposes specified in the following sections of this article, to be available for the fiscal years indicated for each purpose. The figures "1994" and "1995" where used in this article, mean that the appropriation or appropriations listed under them are available for the year ending June 30, 1994, or June 30, 1995, respectively. Where a dollar amount appears in parentheses, it means a reduction of an appropriation.

Sec. 2. [UNCODIFIED LANGUAGE.]

All uncodified language in this article expires on June 30, 1995, unless a different expiration is specified.

Sec. 3. [FUNDING SOURCE.]

All language in this article designating an appropriation refers to a general fund appropriation unless a different fund is specifically referenced.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$ -0-	\$ 851,000	\$ 851,000
State Government Special Revenue	-0-	251,000	251,000
Total	\$ -0-	\$ 1,102,000	\$ 1,102,000

APPROPRIATIONS
Available for the Year
Ending June 30

1994	1995
------	------

Sec. 4. VETERANS AFFAIRS

\$ -0-	\$ 852,000
--------	------------

This appropriation is added to the appropriation in Laws 1993, chapter 192, section 23.

(a) County Veterans Services Officers

Of this appropriation, \$150,000 is to the commissioner of veterans affairs for fiscal year 1995 for the funding of county veterans services officers.

(b) Soldiers Assistance Fund

Of this appropriation, \$200,000 is to the commissioner of veterans affairs for fiscal year 1995 for the purpose of the state soldier's assistance program.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

(c) Veterans' Cemetery

Of this appropriation, \$250,000 is appropriated from the general fund to the department of veterans affairs for fiscal year 1995 to be placed in the veterans' cemetery development and maintenance account of the special revenue fund of the state treasury for use in the development, operation, and maintenance of the state veterans' cemetery established in Minnesota Statutes, section 197.236. This amount is available until expended.

Of this appropriation, \$1,000 is appropriated from the general fund to the department of veterans affairs for fiscal year 1995 to be placed in the veterans' cemetery trust account of the special revenue fund of the state treasury where it shall remain permanently as principal for use as specified in Minnesota Statutes, section 197.236, subdivision 6.

Sec. 5. COMMISSIONER OF HUMAN RIGHTS

-0-

250,000

This appropriation is added to the appropriation in Laws 1993, chapter 192, section 21.

Of this appropriation, \$250,000 for fiscal year 1995 is added to the appropriation in Laws 1993, chapter 192, section 21, and is to enhance information systems and to implement the strategic information plan submitted to the information policy office.

Sec. 6. [197.236] [VETERANS' CEMETERY.]

Subdivision 1. [ADVISORY COUNCIL; PURPOSE.] The veterans' cemetery advisory council is established for the purpose of managing the fundraising for the veterans' cemetery trust account established in subdivision 7. The council consists of seven members appointed by and serving at the pleasure of the governor. Members serve without per diem and without reimbursement for expenses. The council and the terms of members expire December 31, 1996.

Subd. 2. [MEMBERSHIP.] Members must be persons experienced in policy development, civic and community affairs, forms of public service, or legal work. At least two members must be veterans. At least three, but no more than four of the members must be residents of the metropolitan area, as defined in section 473.121, subdivision 2. No more than four of the members may be of the same gender.

Subd. 3. [OPERATION AND MAINTENANCE.] The commissioner of veterans affairs shall supervise and control the veterans' cemetery established under this section. The commissioner may contract for the maintenance and operation of the cemetery. All personnel, equipment, and support necessary for maintenance and operation of the cemetery, must be included in the department's budget.

Subd. 4. [ACQUISITION OF PROPERTY.] By August 1, 1994, or as soon thereafter as practicable, the department of veterans affairs shall receive by gift and establish ownership of the site of approximately 36 acres adjacent to Camp Ripley in Morrison county that has been prepared for the purpose of a state veterans' cemetery by the Minnesota state veterans' cemetery association. Prior to the acquisition of this land, the department must obtain the approval of the Morrison county board. The department may also receive any equipment and materials granted to the state or any of its political subdivisions for this purpose.

Subd. 5. [RULES.] If practicable, the commissioner shall require that upright granite markers be used to mark all gravesites.

Subd. 6. [PERMANENT DEVELOPMENT AND MAINTENANCE ACCOUNT.] A veterans' cemetery development and maintenance account is established in the special revenue fund of the state treasury. Receipts for burial fees, earnings from the veterans' cemetery trust account, designated appropriations, and any other cemetery receipts must be deposited into this account. This account must be used for the development, operation, maintenance, and improvement of the cemetery. To the extent practicable, the commissioner of veterans affairs must apply for available federal grants for the development and operation of the cemetery.

Subd. 7. [PERMANENT TRUST ACCOUNT.] A veterans' cemetery trust account is established in the special revenue fund of the state treasury. All designated appropriations and monetary donations to the cemetery must be placed in this account. The principal of this account must be invested by the state board of investment and may not be spent. The income from this account must be transferred as directed by the account manager to the veterans' cemetery development and maintenance account.

Subd. 8. [ELIGIBILITY FOR BURIAL.] The following persons are eligible for burial in the state veterans' cemetery:

(1) a veteran who has been discharged, under other than dishonorable conditions, from the armed forces of the United States;

(2) a person who has completed qualified service for retirement from, or died in the line of duty for, the Minnesota national guard or any Minnesota reserve component of the United States military forces; and

(3) the spouse or dependent child of a person in clause (1) or (2).

Subd. 9. [BURIAL FEES.] The commissioner of veterans affairs shall establish a fee schedule, which may be adjusted from time to time, for the interment of eligible family members. The fees shall cover as nearly as practicable the actual costs of interment, excluding the value of the plot. The department may accept the social security burial allowance, if any, of the eligible family members in an amount not to exceed the actual cost of the interment. The commissioner may waive the fee in the case of an indigent eligible person.

No plot or interment fees may be charged for the burial of eligible veterans, members of the national guard, or military reservists, except that funds available from the social security or veterans burial allowances, if any, must be paid to the commissioner in an amount not to exceed the actual cost of the interment, excluding the value of the plot.

Prior to the interment of an eligible person, the commissioner shall request the cooperation of the eligible person's next of kin in applying to the appropriate federal agencies for payment to the cemetery of any allowable interment allowance.

Subd. 10. [ALLOCATION OF PLOTS.] A person, or survivor of a person, eligible for interment in the state veterans' cemetery may apply for a burial plot for the eligible person by submitting a request to the commissioner of veterans affairs on a form supplied by the department. The department shall allot plots on a first-come, first-served basis. To the extent that it is practical, plots must be allocated in a manner permitting the burial of eligible family members above, below, or adjacent to the eligible veteran, member of the national guard, or military reservist.

Sec. 7. [REPEALER.]

Minnesota Statutes 1992, section 197.235, is repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 6 and 7 are effective July 1, 1994.

ARTICLE 8

HEALTH DEPARTMENT TECHNICAL

Section 1. Minnesota Statutes 1992, section 126A.02, subdivision 2, is amended to read:

Subd. 2. [BOARD MEMBERS.] A ~~17-member~~ 18-member board shall advise the director. The board is made up of the commissioners of the department of natural resources; the pollution control agency; the department of agriculture; the department of education; the department of health; the director of the office of strategic and

long-range planning; the chair of the board of water and soil resources; the executive director of the higher education coordinating board; the executive secretary of the board of teaching; the director of the extension service; and eight citizen members representing diverse interests appointed by the governor. The governor shall appoint one citizen member from each congressional district. The citizen members are subject to section 15.0575. Two of the citizen members appointed by the governor must be licensed teachers currently teaching in the K-12 system. The governor shall annually designate a member to serve as chair for the next year.

Sec. 2. Minnesota Statutes 1992, section 144.0723, subdivision 1, is amended to read:

Subdivision 1. [CLIENT REIMBURSEMENT CLASSIFICATIONS.] The commissioner of health shall establish ~~reimbursement~~ classifications based upon the assessment of each client in intermediate care facilities for the mentally retarded conducted after December 31, 1988, under section 256B.501, subdivision 3g, ~~or under rules established by the commissioner of human services under section 256B.501, subdivision 3j.~~ The reimbursement classifications established by the commissioner must conform to the rules established by the commissioner of human services to set payment rates for intermediate care facilities for the mentally retarded beginning on or after October 1, 1990 1995.

Sec. 3. Minnesota Statutes 1992, section 144.0723, subdivision 2, is amended to read:

Subd. 2. [NOTICE OF CLIENT REIMBURSEMENT CLASSIFICATION.] The commissioner of health shall notify each client and intermediate care facility for the mentally retarded in which the client resides of the reimbursement classification classifications established under subdivision 1 for each client residing in the facility. The notice must inform the client intermediate care facility for the mentally retarded of the classification classifications that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the commissioner, and the opportunity to request a reconsideration of the classification any classifications assigned. The notice of classification must be sent by first-class mail. ~~The individual client notices may be sent to the client's intermediate care facility for the mentally retarded for distribution to the client. The facility must distribute the notice to the client's case manager and to the client or to the client's representative. This notice must be distributed within three working days after the facility receives the notices from the department. For the purposes of this section, "representative" includes the client's legal representative as defined in Minnesota Rules, part 9525.0015, subpart 18, the person authorized to pay the client's facility expenses, or any other individual designated by the client.~~

Sec. 4. Minnesota Statutes 1992, section 144.0723, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR RECONSIDERATION.] ~~The client, client's representative, or the intermediate care facility~~ for the mentally retarded may request that the commissioner reconsider the assigned classification. The request for reconsideration must be submitted in writing to the commissioner within 30 days after the receipt of the notice of client classification. The request for reconsideration must include the name of the client, the name and address of the facility in which the client resides, the reasons for the reconsideration, the requested classification changes, and documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the client and services provided to the client at the time of the assessment resulting in the disputed classification justify a change of classification.

Sec. 5. Minnesota Statutes 1992, section 144.0723, subdivision 4, is amended to read:

Subd. 4. [ACCESS TO INFORMATION.] Annually, at the interdisciplinary team meeting, the intermediate care facility for the mentally retarded shall inform the client or the client's representative and case manager of the client's most recent classification as determined by the department of health. Upon written request, the intermediate care facility for the mentally retarded must give the client's case manager, the client, or the client's representative a copy of the assessment form and the other documentation that was given to the department to support the assessment findings. ~~The facility shall also provide access to and a copy of other information from the client's record that has been requested by or on behalf of the client to support a client's reconsideration request. A copy of any requested material must be provided within three working days after the facility receives a written request for the information. If the facility fails to provide the material within this time, it is subject to the issuance of a correction order and penalty assessment. Notwithstanding this section, any order issued by the commissioner under this subdivision must require that the facility immediately comply with the request for information and that as of the date the order is issued, the facility shall forfeit to the state a \$100 fine the first day of noncompliance, and an increase in the \$100 fine by \$50 increments for each day the noncompliance continues.~~

Sec. 6. Minnesota Statutes 1992, section 144.0723, subdivision 6, is amended to read:

Subd. 6. [RECONSIDERATION.] The commissioner's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the commissioner under ~~subdivisions~~ subdivision 3 and 5. If necessary for evaluating the reconsideration request, the commissioner may conduct on-site reviews. At the commissioner's discretion, the commissioner may review the ~~reimbursement~~ classifications assigned to all clients in the facility. Within 15 working days after receiving the request for reconsideration, the commissioner shall affirm or modify the original client classification. The original classification must be modified if the commissioner determines that the assessment resulting in the classification did not accurately reflect the status of the client at the time of the assessment. ~~The client and the intermediate care facility for the mentally retarded shall be notified within five working days after the decision is made.~~ The commissioner's decision under this subdivision is the final administrative decision of the agency.

Sec. 7. [144.1222] [PUBLIC POOLS.]

The commissioner of health shall be responsible for the promulgation of rules and the enforcement of standards relating to the operation, maintenance, design, installation, and construction of public pools and facilities related to them. The commissioner shall promulgate rules governing the collection of fees pursuant to section 144.122 to cover the cost of pool construction plan review, monitoring, and inspections.

Sec. 8. Minnesota Statutes 1992, section 144.414, subdivision 3, is amended to read:

Subd. 3. [HEALTH CARE FACILITIES AND CLINICS.] (a) Smoking is prohibited in any area of a hospital, health care clinic, doctor's office, or other health care-related facility, other than a nursing home, boarding care facility, or licensed residential facility, except as allowed in this subdivision.

(b) Smoking by patients in a chemical dependency treatment program or mental health program may be allowed in a separated well-ventilated area pursuant to a policy established by the administrator of the program that identifies circumstances in which prohibiting smoking would interfere with the treatment of persons recovering from chemical dependency or mental illness.

(c) Smoking by participants in peer reviewed scientific studies related to the health effects of smoking may be allowed in a separated well-ventilated area pursuant to a policy established by the administrator of the program to minimize exposure of nonsmokers to smoke.

Sec. 9. Minnesota Statutes 1992, section 144.417, subdivision 1, is amended to read:

Subdivision 1. [RULES.] The state commissioner of health shall adopt rules necessary and reasonable to implement the provisions of sections 144.411 to 144.417, except as provided for in section 144.414.

~~The state commissioner of health may, upon request, waive the provisions of sections 144.411 to 144.417 if the commissioner determines there are compelling reasons to do so and a waiver will not significantly affect the health and comfort of nonsmokers.~~

Sec. 10. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 21, is amended to read:

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. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident.~~ This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who

may seek to communicate with the patient or resident. To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. 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.

Sec. 11. Minnesota Statutes 1993 Supplement, section 144.651, subdivision 26, is amended to read:

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. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident.~~ To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility.

Sec. 12. Minnesota Statutes 1993 Supplement, section 144.872, subdivision 4, is amended to read:

Subd. 4. [LEAD CLEANUP EQUIPMENT AND MATERIAL GRANTS.] (a) Within the limits of available state or federal appropriations, funds shall be made available under a grant program to nonprofit community-based organizations in areas at high risk for toxic lead exposure. Grantees shall use the money to purchase lead cleanup equipment and to pay for training for staff and volunteers for lead abatement certification. Grantees may work with licensed lead abatement contractors and certified trainers sponsors of approved training courses in order to receive training necessary for certification under section 144.876, subdivision 1. Lead cleanup equipment shall include: high efficiency particle accumulator and wet vacuum cleaners, drop cloths, secure containers, respirators, scrapers, dust and particle containment material, and other cleanup and containment materials to remove loose paint and plaster, patch plaster, control household dust, wax floors, clean carpets and sidewalks, and cover bare soil.

(b) Upon certification, the grantee's staff and volunteers may make equipment and educational materials available to residents and property owners and instruct them on the proper use. Equipment shall be made available to low-income households on a priority basis at no fee, and other households on a sliding fee scale. Equipment shall not be made available to any person, ~~licensed lead abatement contractor, or certified trainer~~ who charges or intends to charge a fee for services performed using equipment or materials purchased by a nonprofit community-based organization through a grant obtained under this subdivision.

Sec. 13. Minnesota Statutes 1993 Supplement, section 144.873, subdivision 1, is amended to read:

Subdivision 1. [REPORT REQUIRED.] Medical laboratories performing blood lead analyses must report to the commissioner finger stick and venipuncture blood lead results and the method used to obtain these results. Boards of health must report to the commissioner the results of analyses from residential samples of paint, soil, dust, and drinking water. The commissioner shall require the type of blood sample tested and the date of the test, and the current address and birthdate of the patient, the gender and race of the patient, and other related information from medical laboratories and boards of health as may be needed to monitor and evaluate blood lead levels in the public. Clinic staff and physicians who collect blood samples for lead analyses must provide the information in this subdivision to the medical laboratory performing the analyses. If a clinic or physician sends a blood lead test to a medical laboratory outside of Minnesota, that clinic or physician must meet the reporting requirements under this subdivision.

Sec. 14. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 1, is amended to read:

Subdivision 1. [RESIDENCE ASSESSMENT.] (a) A board of health must conduct ~~a timely an~~ assessment of a residence and all common areas, ~~if the residence is located in a building with two or more residential units, within five working days of~~ within ten working days of receiving notification that the criteria in this subdivision have been met, as confirmed by lead analysis of a venous blood sample, to determine sources of lead exposure if:

(1) a pregnant woman in the residence is identified as having a blood lead level of at least ten micrograms of lead per deciliter of whole blood;

(2) a child in the residence is identified as having a blood lead level at or above 20 micrograms per deciliter; or

(3) a child in the residence is identified as having a blood lead level that persists in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification. In a building with two or more residential units, a board of health must inspect the individual unit in which the conditions of this subdivision are met and must also inspect all common areas in the building. Assessments must be conducted by a board of health regardless of the availability of state or federal appropriations for assessments.

(b) Within the limits of available state and federal appropriations, a board of health shall also conduct home assessments for children whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter. A board of health may assess a residence even if none of the three criteria in this subdivision are met.

(c) If a child regularly spends several hours at one or more other sites such as another residence, or a residential or commercial child care facility, the board of health must also assess the other sites. The board of health shall have one additional day to complete the assessment for each additional site.

(d) Sections 144.871 to 144.879 neither authorize nor prohibit a board of health from charging a property owner for the cost of assessment.

(e) The board of health must conduct the residential assessment according to rules adopted by the commissioner under section 144.878. A board of health must have residence assessments performed by lead inspectors licensed by the commissioner according to rules adopted under section 144.878. A board of health may observe the performance of lead abatement in progress and may enforce the provisions of sections 144.871 to 144.879 under section 144.878.1. The staff complement of the department of health shall be increased by two full-time equivalent positions who shall be lead inspectors.

Sec. 15. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 3a, is amended to read:

Subd. 3a. [SWAB TEAM SERVICES.] After issuing abatement orders for a residence of a child or pregnant women with elevated blood lead levels, the commissioner or a board of health must send a swab team ~~within five working days~~ within ten working days to the residence to perform swab team services as defined in section 144.871, subdivision 9. If the commissioner or board of health provides swab team services after an assessment, but before the issuance of an abatement order, swab team services do not need to be repeated after the issuance of an abatement order. Swab team services are not considered completed until the reassessment required under subdivision 6 shows no violation of one or more of the standards under section 144.878, subdivision 2. If assessments and abatement orders are conducted at times when weather or soil conditions do not permit the assessment or abatement of lead in soil, the residences shall have their soil assessed and abated, if necessary, at the first opportunity that weather and soil conditions allow.

Sec. 16. Minnesota Statutes 1993 Supplement, section 144.8771, subdivision 2, is amended to read:

Subd. 2. [LICENSE APPLICATION.] (a) An application for a license and for renewal of a license must be on a form provided by the commissioner and be accompanied by:

(1) the fee set by the commissioner; and

(2) evidence that the applicant has successfully completed a lead inspection training course approved by the commissioner or, within the previous 180 days, an initial lead inspection training course.

(b) The fee required by this subdivision is waived for an employee of ~~a board of health~~ the federal, state, or local government within Minnesota.

Sec. 17. Minnesota Statutes 1992, section 144.878, is amended by adding a subdivision to read:

Subd. 2b. [PRIORITIES FOR RESPONSE ACTION.] The commissioner of health must establish, by publication in the State Register, a priority list of census tracts at high risk for toxic lead exposure for primary prevention response actions. In establishing the list, the commissioner shall award points under this subdivision to each census tract on

which information is available. The priority for primary prevention response actions in census tracts at high risk for toxic lead exposure shall be based on the cumulative points awarded to each census tract. A greater number of points means a higher priority. If a tie occurs in the number of points, priority shall be given to the census tract with the higher percentage of population with blood lead levels greater than ten micrograms of lead per deciliter. All local governmental units and boards of health shall follow the priorities under this subdivision. The commissioner shall revise and update the priority list at least every five years. Points shall be awarded to each census tract for each criteria, considered independently, as described in section 144.871, subdivision 7a. Points shall be awarded as follows:

(a) In a census tract where at least 20 children have been screened in the last five years, one point shall be awarded for each five percent of children who were under six years old at the time they were screened for lead in blood and whose blood lead level exceeds ten micrograms of lead per deciliter. An additional point shall be awarded if one percent of the children had blood levels greater than 20 micrograms per deciliter of blood. Two points shall be awarded to a census tract, where the blood lead screening has been inadequate, that is contiguous with a census tract where more than ten percent of the children under six years of age have blood lead levels exceeding ten micrograms per deciliter.

(b) One point shall be awarded for every five percent of housing that is defined as dilapidated or deteriorated by the planning department or similar agency of the city in which the housing is located. Where data is available by neighborhood or section within a city, the percent of dilapidated or deteriorated housing shall apply equally to each census tract within the neighborhood or section.

(c) One point shall be awarded for every 100 parts per million of lead soil, based on the median soil lead values of foundation soil samples, calculated on 100 parts per million intervals, or fraction thereof. For the cities of St. Paul and Minneapolis, the commissioner shall use the June 1988 census tract version of the houseside map entitled "Distribution of Household Lead Content of Soil Dust in the Twin Cities," prepared by the Center for Urban and Regional Affairs. Where the map displays a census tract that is crossed by two or more intervals, the commissioner shall make a reasoned determination of the median foundation soil lead value for that tract. Values for census tracts may be updated by surveying the tract according to the procedures under Minnesota Rules, part 4761.0400, subpart 8.

Sec. 18. Minnesota Statutes 1993 Supplement, section 144.99, subdivision 1, is amended to read:

Subdivision 1. [REMEDIES AVAILABLE.] The provisions of chapters 103I and 157 and sections 115.71 to 115.82; 144.12, subdivision 1, paragraphs (1), (2), (5), (6), (10), (12), (13), (14), and (15); 144.121; 144.1222; 144.35; 144.381 to 144.385; 144.411 to 144.417; 144.491; 144.495; 144.71 to 144.76; 144.871 to 144.878; 144.992; 326.37 to 326.45; 326.57 to 326.785; 327.10 to 327.131; and 327.14 to 327.28 and all rules, orders, stipulation agreements, settlements, compliance agreements, licenses, registrations, certificates, and permits adopted or issued by the department or under any other law now in force or later enacted for the preservation of public health may, in addition to provisions in other statutes, be enforced under this section.

Sec. 19. Minnesota Statutes 1993 Supplement, section 144.99, subdivision 6, is amended to read:

Subd. 6. [CEASE AND DESIST.] The commissioner, or an employee of the department designated by the commissioner, may issue an order to cease an activity covered by subdivision 1 if continuation of the activity would result in an immediate risk to public health. An order issued under this paragraph is effective for a maximum of 72 hours. In conjunction with the issuance of the cease and desist order, the commissioner may post a tag to cease use of or cease continuation of the activity until the cease and desist order is lifted and the tag is removed by the commissioner. The commissioner must seek an injunction or take other administrative action authorized by law to restrain activities for a period beyond 72 hours. The issuance of a cease and desist order does not preclude the commissioner from pursuing any other enforcement action available to the commissioner.

Sec. 20. Minnesota Statutes 1993 Supplement, section 157.08, is amended to read:

157.08 [LINENS, OTHER FURNISHINGS, PROSECUTION.]

All hotels and motels in this state shall hereafter provide each bedroom with at least two clean towels daily for each guest and provide the main public washroom with clean individual towels. Individual towels shall not be less than nine inches wide and 13 inches long after being washed. This shall not prohibit the use of other acceptable hand drying devices.

All hotels, motels, lodging houses and resorts where linen is provided, hereafter shall provide each bed, bunk, cot, or sleeping place for the use of guests with pillowslips and under and top sheets; each sheet shall be not less than 99 inches long nor less than 24 inches wider than the mattress. A sheet shall not be used which measures less than 90 inches in length after being laundered; these sheets and pillowslips to be made of materials acceptable to the state commissioner of health, and all sheets and pillowslips, after being used by one guest, must be laundered in a manner acceptable to the commissioner before they are used by another guest, a clean set being furnished each succeeding guest.

All bedding, including mattresses, quilts, blankets, pillows, sheets, and comforts used in any hotel, motel, resort, or lodging house in this state must be kept clean. No bedding, including mattresses, quilts, blankets, pillows, sheets, or comforts, shall be used which are worn out or unfit for further use.

Effective measures shall be taken to eliminate any vermin infestation in any establishment licensed under this chapter. All rugs and carpets in all sleeping rooms shall be kept in good repair and maintained in a clean condition.

All tables, table linens, chairs, and other furniture, all hangings, draperies, curtains, carpets, and floors in all lodging houses, resorts, hotels, restaurants, boarding houses, or places of refreshment, shall be kept in good repair and in a clean and sanitary condition.

~~The county attorney of each county in this state shall, upon complaint on oath of the commissioner, or a duly authorized deputy, prosecute to termination before any court of competent jurisdiction, in the name of the state, a proper action or proceeding against any person or persons violating the provisions of this chapter or rules of the state commissioner of health.~~

Sec. 21. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 3, is amended to read:

Subd. 3. [VISITORS AND PHONE CALLS.] Subject to the general rules of the treatment facility, a patient has the right to receive visitors and make phone calls. The head of the treatment facility may restrict visits and phone calls on determining that the medical welfare of the patient requires it. Any limitation imposed on the exercise of the patient's visitation and phone call rights and the reason for it shall be made a part of the clinical record of the patient. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident.~~ To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility.

Sec. 22. Minnesota Statutes 1993 Supplement, section 253B.03, subdivision 4, is amended to read:

Subd. 4. [SPECIAL VISITATION; RELIGION.] A patient has the right to meet with or call a personal physician, spiritual advisor, and counsel at all reasonable times. Upon admission to a facility, ~~a patient or resident, or the patient's or resident's legal guardian or conservator, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility, to callers or visitors who may seek to communicate with the patient or resident. This disclosure option must be made available in all cases where federal law prohibits unauthorized disclosure of patient or resident identifying information to callers and visitors, the patient or resident, or the legal guardian or conservator of the patient or resident, shall be given the opportunity to authorize disclosure of the patient's or resident's presence in the facility to callers and visitors who may seek to communicate with the patient or resident.~~ To the extent possible, the legal guardian or conservator of a patient or resident shall consider the opinions of the patient or resident regarding the disclosure of the patient's or resident's presence in the facility. The patient has the right to continue the practice of religion.

Sec. 23. Minnesota Statutes 1993 Supplement, section 326.71, subdivision 4, is amended to read:

Subd. 4. [ASBESTOS-RELATED WORK.] "Asbestos-related work" means the enclosure, repair, removal, or encapsulation of asbestos-containing material in a quantity that meets or exceeds 260 lineal feet of friable asbestos-containing material on pipes, 160 square feet of friable asbestos-containing material on other facility components, or a total of 35 cubic feet of friable asbestos-containing material ~~on or off~~ all facility components in one

facility. In the case of single or multifamily residences, "asbestos-related work" also means the enclosure, repair, removal, or encapsulation of greater than ten but less than 260 lineal feet of friable asbestos-containing material on pipes or ducts or greater than six but less than 160 square feet of friable asbestos-containing material on other facility components. This provision excludes asbestos-containing vinyl floor tiles and sheeting under 160 square feet. Asbestos-related work includes asbestos abatement area preparation; enclosure, removal, encapsulation, or repair operations; and an air quality monitoring specified in rule to assure that the abatement and adjacent areas are not contaminated with asbestos fibers during the project and after completion.

Sec. 24. Minnesota Statutes 1993 Supplement, section 326.75, subdivision 3, is amended to read:

Subd. 3. [PERMIT FEE.] One Five calendar day days before beginning asbestos-related work, a person shall pay a project permit fee to the commissioner equal to one percent of the total costs of the asbestos-related work. For asbestos-related work performed in single or multifamily residences, of greater than ten but less than 260 linear feet of asbestos-containing material on pipes, or greater than six but less than 160 square feet of asbestos-containing material on other facility components, a person shall pay a project permit fee of \$35 to the commissioner.

Sec. 25. [OPTIONS REGARDING DISCHARGE OF NURSING HOME RESIDENTS FOR NONPAYMENT.]

The commissioner of health shall submit to the legislature by February 15, 1995, options for amending Minnesota Statutes, section 144A.135, regarding discharge hearings for nursing home residents for nonpayment by a resident or responsible party. The options must take into consideration:

- (1) a method for a shorter appeal process in nonpayment cases;
- (2) a mechanism for addressing problems of financial exploitation of vulnerable adults;
- (3) steps facilities should take to obtain payment prior to issuing a discharge notice;
- (4) provision of services for residents facing discharge for nonpayment; and
- (5) the feasibility of establishing an emergency fund to pay for services on a short-term basis when a discharge for nonpayment has been issued.

Sec. 26. [TICK-BORNE DISEASE REPORT.]

The commissioner, after consulting with representatives of local health departments, the lyme disease coalition of Minnesota, other affected state agencies, the tourist industry, medical providers, and health plans, shall report to the legislature by December 15, 1994, a description of the scope and magnitude of tick-borne diseases in Minnesota, the appropriateness of current definitions of lyme disease used in Minnesota, propose measures to provide public and provider education to reduce the incidence of new tick-borne disease infections, and recommend mechanisms to fund increased tick and disease surveillance and prevention activities.

Sec. 27. [REPEALER.]

Minnesota Statutes 1992, section 144.0723, subdivision 5, is repealed. Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; and 157.09, are repealed.

Laws 1993, chapter 286, section 11; and Laws 1993, First Special Session chapter 1, article 9, section 49, are repealed."

Renumber the sections in sequence and correct internal references

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the departments of human services and health, the ombudsman for mental health and mental retardation, the council on disability, veterans nursing homes board, jobs and training, housing finance, veterans affairs, human rights, and other purposes with certain conditions; establishing and modifying certain programs; modifying the compact on industrialized/modular buildings; providing for appointments; amending Minnesota Statutes 1992, sections 16A.124,

subdivisions 1, 2, 3, 4, 5, and 6; 16B.75; 62A.046; 62A.048; 62A.27; 62A.31, by adding a subdivision; 62J.05, subdivision 2; 126A.02, subdivision 2; 144.0721, by adding a subdivision; 144.0723, subdivisions 1, 2, 3, 4, and 6; 144.414, subdivision 3; 144.417, subdivision 1; 144.801, by adding a subdivision; 144.804, subdivision 1; 144.878, by adding a subdivision; 144A.073, subdivisions 1, 3a, 4, 8, and by adding a subdivision; 145A.14, by adding a subdivision; 245A.14, subdivision 7; 246.50, subdivision 5; 246.53, subdivision 1; 246.57, subdivision 1; 252.025, subdivision 1, and by adding a subdivision; 252.275, subdivisions 3, 4, and by adding a subdivision; 253.015, by adding a subdivision; 256.015, subdivisions 2 and 7; 256.045, subdivisions 3, 4, and 5; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.969, subdivisions 10 and 16; 256B.042, subdivision 2; 256B.056, by adding a subdivision; 256B.059, subdivision 1; 256B.06, subdivision 4; 256B.0625, subdivisions 8, 8a, 25, and by adding subdivisions; 256B.0641, subdivision 1; 256B.0913, subdivision 8, and by adding a subdivision; 256B.0915, subdivision 5; 256B.0917, subdivisions 6 and 8; 256B.15, subdivision 1a; 256B.431, subdivisions 3c and 17; 256B.432, subdivisions 1, 3, and 6; 256B.49, subdivision 4; 256B.501, subdivisions 1, 3, 3c, and by adding a subdivision; 256B.69, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3a and 3b; 256D.05, subdivisions 3 and 3a; 256D.16; 256D.425, by adding a subdivision; 256H.05, subdivision 6; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 261.04, subdivision 2; 518.171, subdivision 5; 518.613, subdivision 7; 524.3-803; 524.3-1201; 528.08; and 626.556, subdivisions 4, 10e, and by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 16B.06, subdivision 2a; 62A.045; 144.551, subdivision 1; 144.651, subdivisions 21 and 26; 144.872, subdivision 4; 144.873, subdivision 1; 144.874, subdivisions 1 and 3a; 144.8771, subdivision 2; 144.99, subdivisions 1 and 6; 144A.071, subdivisions 3 and 4a; 144A.073, subdivisions 2 and 3; 153A.14, subdivision 2; 157.08; 239.785, subdivision 2, and by adding a subdivision; 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; 245.97, subdivision 6; 252.46, by adding a subdivision; 253B.03, subdivisions 3 and 4; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, and 6; 256.9362, subdivision 6; 256.9657, subdivisions 2 and 3; 256.9685, subdivision 1; 256.969, subdivision 1; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 19a, 20, and 37; 256B.0626; 256B.0911, subdivisions 2, 4, and 7; 256B.0913, subdivisions 5 and 12; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivisions 1, 2, and 5; 256B.15, subdivision 2; 256B.431, subdivisions 2b, 15, and 24; 256B.432, subdivision 5; 256B.501, subdivisions 3g, 5a, and 8; 256D.03, subdivisions 3 and 4; 256I.04, subdivision 3; 256I.06, subdivision 1; 257.55, subdivision 1; 257.57, subdivision 2; 326.71, subdivision 4; 326.75, subdivision 3; 514.981, subdivisions 2 and 5; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; 518.615, subdivision 3; and 626.556, subdivision 11; Laws 1993, chapter 369, sections 5, subdivision 4; and 11; proposing coding for new law in Minnesota Statutes, chapters 137; 144; 145; 148; 197; 245; 246; 252; 253; 256; 268; 268A; and 645; repealing Minnesota Statutes 1992, sections 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 144.0723, subdivision 5; 197.235; 252.275, subdivisions 4a and 10; 256.969, subdivision 24; 256B.501, subdivisions 3d, 3e, and 3f; 268.32; 268.551; and 268.552; Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; and 157.09; Laws 1993, chapter 286, section 11; and Laws 1993, First Special Session chapter 1, article 9, section 49; Minnesota Rules, parts 3300.0100; 3300.0200; 3300.0300; 3300.0400; 3300.0500; 3300.0600; and 3300.0700."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 3193 and 3210 were read for the second 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 H. F. No. 3210 be given its third reading and be placed upon its final passage. The motion prevailed.

Greenfield moved that the Rules of the House be so far suspended that H. F. No. 3210 be given its third reading and be placed upon its final passage. The motion prevailed.

Gruenes moved to amend H. F. No. 3210, the first engrossment, as follows:

Page 147, after line 10, insert:

"Sec. 90. [256B.201] [NOTIFICATION BY COUNTY OF FINANCIAL RESPONSIBILITY.]

When an individual receives services in a facility licensed by the department of health as a nursing facility, boarding care facility, supervised living facility, board and lodging facility, or board and lodging facility with special services, the individual's county of financial responsibility shall provide written notice to the county in which services are provided whether the county of financial responsibility will pay for the cost of those services. If the county of financial responsibility does not provide such written notice within 30 days of notification that services have been provided, it shall be responsible to pay for the cost of services provided to the individual during the first 90 days that the individual is a resident in the facility."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Kelley moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 47, after line 14, insert:

"Sec. 4. Minnesota Statutes 1992, section 144A.46, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

Page 61, after line 21, insert:

"Sec. 14. Minnesota Statutes 1992, section 148B.23, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTION FROM EXAMINATION.] (a) For two years 12 months from July 1, 1987 1994, the board shall issue a license without examination to an applicant who practiced social work, as defined by section 148B.18, subdivision 11, in a hospital or a nursing home licensed under chapters 144 and 144A. The applicant must have practiced social work in a hospital or a nursing home licensed under chapters 144 and 144A at some time between July 1, 1984 and July 1, 1995, and the applicant must meet the qualifications for the requested level of licensure as follows:

(1) for a licensed social worker, if the board determines that the applicant has received a baccalaureate degree from an accredited program of social work, or that the applicant has at least a baccalaureate degree from an a nationally or regionally accredited college or university and two years in full-time employment or 4,000 hours of experience in the supervised practice of social work within the five years before July 1, 1989, or within a longer time period as specified by the board;

(2) for a licensed graduate social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline related to social work, as approved by the board, from a nationally or regionally accredited college or university;

(3) for a licensed independent social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline related to social work, as approved by the board, from a nationally or regionally accredited college or university; and, after receiving the degree, has practiced social work for at least two years in full-time employment or for 4,000 hours of part-time employment under the supervision of a social worker meeting these requirements, or of another qualified professional; and

(4) for a licensed independent clinical social worker, if the board determines that the applicant has received a master's degree from an accredited program of social work or doctoral degree in social work; or a master's or doctoral degree from a graduate program in a human service discipline related to social work, as approved by the board, from a nationally or regionally accredited college or university; and, after receiving the degree, has practiced clinical social work for at least two years in full-time employment or for 4,000 hours of part-time employment under the supervision of a clinical social worker meeting these requirements, or of another qualified mental health professional.

~~(b) During the period beginning August 1, 1991, and ending September 30, 1991, the board shall issue a license without examination to an applicant who was licensed as a school social worker by the board of teaching between July 1, 1987, and July 1, 1989. To qualify for a license under this paragraph, the applicant must:~~

~~(1) provide evidence, as determined by the board, of meeting all other licensure requirements under paragraph (a);~~

~~(2) provide evidence, as determined by the board, of practicing social work between July 1, 1987, and July 1, 1989, at the level of licensure being applied for;~~

~~(3) provide verification, on a form provided by the board, that the license held with the board of teaching was in good standing while licensed under their jurisdiction; and~~

~~(4) provide a completed application, including all information required in this paragraph, by September 30, 1991.~~

~~(c) The board shall allow an applicant who became licensed as a school social worker by the board of teaching between July 1, 1989, and July 1, 1990, to take the social work licensure examination and, upon passing the examination, to receive a license. To qualify for a license under this paragraph, the applicant must:~~

~~(1) take and pass one of the next two regularly scheduled social work licensure examinations administered after June 5, 1991;~~

~~(2) provide verification, on a form provided by the board, that the license held with the board of teaching is in good standing; and~~

~~(3) provide a completed application, including all information required in this paragraph, by the board's examination application deadline for the February 1992 licensure examination.~~

Sec. 15. Minnesota Statutes 1992, section 148B.23, subdivision 2, is amended to read:

Subd. 2. [OTHER REQUIREMENTS.] An applicant licensed under this section must also agree to:

(1) engage in social work practice only under the applicable supervision requirements provided in section 148B.21 for each category of licensees, except that the supervised social work experience which an applicant licensed as a licensed social worker must demonstrate may have been obtained before initial licensure, provided that the supervision was obtained after receiving the degree required for licensure; and

(2) conduct all professional activities as a social worker in accordance with standards for professional conduct established by the rules of the board by rule.

Sec. 16. Minnesota Statutes 1992, section 148B.27, subdivision 2, is amended to read:

Subd. 2. [USE OF TITLES.] After the board adopts rules, no individual shall be presented to the public by any title incorporating the words "social work" or "social worker" unless that individual holds a valid license issued under sections 148B.18 to 148B.28. City, county, and state agency social workers who are not licensed under sections 148B.18 to 148B.28 may use the title city agency social worker or county agency social worker or state agency social worker. ~~Hospital social workers who are not licensed under sections 148B.18 to 148B.28 may use the title hospital social worker while acting within the scope of their employment.~~

Sec. 17. Minnesota Statutes 1992, section 148B.27, is amended by adding a subdivision to read:

Subd. 2b. [USE OF HOSPITAL SOCIAL WORKER TITLE.] Individuals employed as social workers on June 30, 1995, by a hospital licensed under chapter 144 who do not qualify for licensure under section 148B.21 or 148B.23, subdivision 1, may use the title "hospital social worker" for as long as they continue to be employed by the hospital by which they are employed on June 30, 1995. Individuals covered by this subdivision may not use the title "social worker" or "hospital social worker" in Minnesota in another hospital or in another setting for which licensure is required after June 30, 1995, unless licensed under section 148B.21.

Sec. 18. Minnesota Statutes 1992, section 148B.60, subdivision 3, is amended to read:

Subd. 3. [UNLICENSED MENTAL HEALTH PRACTITIONER OR PRACTITIONER.] "Unlicensed mental health practitioner" or "practitioner" means a person who provides or purports to provide, for remuneration, mental health services as defined in subdivision 4. It does not include persons licensed by the board of medical practice under chapter 147; the board of nursing under sections 148.171 to 148.285; the board of psychology under sections 148.88 to 148.98; the board of social work under sections 148B.18 to 148B.28; the board of marriage and family therapy under sections 148B.29 to 148B.39; or another licensing board if the person is practicing within the scope of the license; or members of the clergy who are providing pastoral services in the context of performing and fulfilling the salaried duties and obligations required of a member of the clergy by a religious congregation. For the purposes of complaint investigation or disciplinary action relating to an individual practitioner, the term includes:

~~(1) hospital and nursing home social workers exempt from licensure by the board of social work under section 148B.28, subdivision 6, including hospital and nursing home social workers acting within the scope of their employment by the hospital or nursing home;~~

~~(2) persons employed by a program licensed by the commissioner of human services who are acting as mental health practitioners within the scope of their employment;~~

~~(3) (2) persons employed by a program licensed by the commissioner of human services who are providing chemical dependency counseling services; persons who are providing chemical dependency counseling services in private practice; and~~

~~(4) (3) clergy who are providing mental health services that are equivalent to those defined in subdivision 4."~~

Page 198, after line 35, insert:

"Sec. 137. [STUDY.]

The board of social work, in consultation with the Minnesota Hospital Association, shall review the effects of social worker licensure on rural hospitals and report its findings to the house health and human services committee and the senate health care committee by January 1, 1996.

Sec. 138. [REPEALER.]

Minnesota Statutes 1992, sections 148B.23, subdivision 1a; and 148B.28, subdivision 6, are repealed effective July 1, 1995.

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Greenfield moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Article 3, page 194, line 5, delete "article" and insert "section"

Article 3, page 198, after line 35, insert:

"Subd. 14. The amendment in section 100 to Minnesota Statutes, section 256B.501, subdivision 3, creating clause (7) in paragraph (e), is effective the day after final enactment. Sections 104 and 105 are effective October 1, 1994. However, if any required federal approval has not been received before that date, the amendments made by sections 104 and 105 may not be implemented until federal approval is received."

The motion prevailed and the amendment was adopted.

Tompkins moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 232, line 12, after "one" insert "female"

A roll call was requested and properly seconded.

The question was taken on the Tompkins amendment and the roll was called. There were 55 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Bettermann	Girard	Johnson, R.	Lindner	Onnen	Smith	Van Engen
Clark	Goodno	Johnson, V.	Lynch	Ozment	Stanis	Vellenga
Davids	Gruenes	Knickerbocker	Macklin	Pauly	Steensma	Vickerman
Dehler	Gutknecht	Knight	Molnau	Pelowski	Sviggum	Waltman
Dempsey	Hasskamp	Koppendrayner	Morrison	Perlt	Swenson	Weaver
Erhardt	Haukoos	Krinkie	Neary	Peterson	Tompkins	Worke
Finseth	Holsten	Leppik	Ness	Rhodes	Trimble	Workman
Frerichs	Hugoson	Limmer	Olson, M.	Seagren	Van Dellen	

Those who voted in the negative were:

Abrams	Commers	Hausman	Kinkel	McGuire	Ostrom	Skoglund
Anderson, R.	Cooper	Huntley	Klinzing	Milbert	Pawlenty	Solberg
Asch	Dauner	Jacobs	Krueger	Mosel	Pugh	Tomassoni
Battaglia	Dawkins	Jaros	Lasley	Munger	Reding	Tunheim
Bauerly	Delmont	Jefferson	Lieder	Murphy	Rest	Wagenius
Beard	Dorn	Jernings	Long	Nelson	Rice	Wejzman
Bergson	Evans	Johnson, A.	Lourey	Olson, E.	Rodosovich	Wenzel
Bertram	Farrell	Kahn	Luther	Opatz	Rukavina	Winter
Bishop	Garcia	Kalis	Mahon	Orenstein	Sarna	Wolf
Brown, K.	Greenfield	Kelley	Mariani	Orfield	Sekhon	Spk. Anderson, I.
Carlson	Greiling	Kelso	McCollum	Osthoff	Simoneau	

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

The Speaker called Bauerly to the Chair.

Pugh moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 151, after line 21, insert:

"Sec. 91. Minnesota Statutes 1993 Supplement, section 256B.431, subdivision 2r, is amended to read:

Subd. 2r. [PAYMENT RESTRICTIONS ON LEAVE DAYS.] Effective July 1, 1993, the commissioner shall limit payment for leave days in a nursing facility to 79 percent of that nursing facility's total payment rate for the involved resident. Effective July 1, 1994, the commissioner shall determine eligibility for payment of hospital or therapeutic leave days by using 80 percent as the minimum occupancy requirement for a nursing facility that:

(1) was in existence on and has not relocated its total facility since July 1, 1994;

(2) has below 95 percent occupancy; and

(3) is located within a six mile radius of a nursing facility formed as a result of the transfer of 117 nursing home beds to a former hospital site authorized by section 144A.071, subdivision 4a."

Page 151, after line 32, insert:

"Sec. 93. Minnesota Statutes 1992, section 256B.431, subdivision 3f, is amended to read:

Subd. 3f. [PROPERTY COSTS AFTER JULY 1, 1988.] (a) [INVESTMENT PER BED LIMIT.] For the rate year beginning July 1, 1988, the replacement-cost-new per bed limit must be \$32,571 per licensed bed in multiple bedrooms and \$48,857 per licensed bed in a single bedroom. For the rate year beginning July 1, 1989, the replacement-cost-new per bed limit for a single bedroom must be \$49,907 adjusted according to Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1990, the replacement-cost-new per bed limits must be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1). Beginning January 1, 1991, the replacement-cost-new per bed limits will be adjusted annually as specified in Minnesota Rules, part 9549.0060, subpart 4, item A, subitem (1), except that the index utilized will be the Bureau of the Census: Composite fixed-weighted price index as published in the Survey of Current Business.

(b) [RENTAL FACTOR.] For the rate year beginning July 1, 1988, the commissioner shall increase the rental factor as established in Minnesota Rules, part 9549.0060, subpart 8, item A, by 6.2 percent rounded to the nearest 100th percent for the purpose of reimbursing nursing facilities for soft costs and entrepreneurial profits not included in the cost valuation services used by the state's contracted appraisers. For rate years beginning on or after July 1, 1989, the rental factor is the amount determined under this paragraph for the rate year beginning July 1, 1988.

(c) [OCCUPANCY FACTOR.] For rate years beginning on or after July 1, 1988, in order to determine property-related payment rates under Minnesota Rules, part 9549.0060, for all nursing facilities except those whose average length of stay in a skilled level of care within a nursing facility is 180 days or less, the commissioner shall

use 95 percent of capacity days. For a nursing facility whose average length of stay in a skilled level of care within a nursing facility is 180 days or less, the commissioner shall use the greater of resident days or 80 percent of capacity days but in no event shall the divisor exceed 95 percent of capacity days. For rate years beginning on or after July 1, 1994, the commissioner shall use the greater of resident days or 80 percent of capacity days, without allowing the divisor to exceed 95 percent of capacity days, in order to determine property related payment rates under Minnesota Rules, part 9549.0060, for a nursing facility that:

(1) was in existence on and has not relocated its total facility since July 1, 1994;

(2) has below 95 percent occupancy; and

(3) is located within a six mile radius of a nursing facility formed as a result of the transfer of 117 nursing home beds to a former hospital site authorized by section 144A.071, subdivision 4a.

(d) [EQUIPMENT ALLOWANCE.] For rate years beginning on July 1, 1988, and July 1, 1989, the commissioner shall add ten cents per resident per day to each nursing facility's property-related payment rate. The ten-cent property-related payment rate increase is not cumulative from rate year to rate year. For the rate year beginning July 1, 1990, the commissioner shall increase each nursing facility's equipment allowance as established in Minnesota Rules, part 9549.0060, subpart 10, by ten cents per resident per day. For rate years beginning on or after July 1, 1991, the adjusted equipment allowance must be adjusted annually for inflation as in Minnesota Rules, part 9549.0060, subpart 10, item E. For the rate period beginning October 1, 1992, the equipment allowance for each nursing facility shall be increased by 28 percent. For rate years beginning after June 30, 1993, the allowance must be adjusted annually for inflation.

(e) [POST CHAPTER 199 RELATED-ORGANIZATION DEBTS AND INTEREST EXPENSE.] For rate years beginning on or after July 1, 1990, Minnesota Rules, part 9549.0060, subpart 5, item E, shall not apply to outstanding related organization debt incurred prior to May 23, 1983, provided that the debt was an allowable debt under Minnesota Rules, parts 9510.0010 to 9510.0480, the debt is subject to repayment through annual principal payments, and the nursing facility demonstrates to the commissioner's satisfaction that the interest rate on the debt was less than market interest rates for similar arms-length transactions at the time the debt was incurred. If the debt was incurred due to a sale between family members, the nursing facility must also demonstrate that the seller no longer participates in the management or operation of the nursing facility. Debts meeting the conditions of this paragraph are subject to all other provisions of Minnesota Rules, parts 9549.0010 to 9549.0080.

(f) [BUILDING CAPITAL ALLOWANCE FOR NURSING FACILITIES WITH OPERATING LEASES.] For rate years beginning on or after July 1, 1990, a nursing facility with operating lease costs incurred for the nursing facility's buildings shall receive its building capital allowance computed in accordance with Minnesota Rules, part 9549.0060, subpart 8."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Macklin moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 18, after line 11, insert:

"Sec. 10. Minnesota Statutes 1992, section 256F.09, is amended to read:

256F.09 [GRANTS FOR CHILDREN'S ~~SAFETY CENTERS~~ SUPERVISED VISITATION FACILITIES.]

Subdivision 1. [PURPOSE.] The commissioner shall issue a request for proposals from existing local nonprofit, nongovernmental organizations, to use existing local facilities as pilot children's ~~safety centers supervised visitation facilities~~. The commissioner shall award grants in amounts up to \$50,000 for the purpose of creating children's ~~safety~~

~~centers supervised visitation facilities~~ to reduce children's vulnerability to violence and trauma related to family visitation, where there has been a history of domestic violence or abuse within the family. At least one of the pilot projects shall be located in the seven-county metropolitan area and at least one of the projects shall be located outside the seven-county metropolitan area, and the commissioner shall award the grants to provide the greatest possible number of ~~safety-centers children's supervised visitation facilities~~ and to locate them to provide for the broadest possible geographic distribution of the ~~centers facilities~~ throughout the state.

Each children's ~~safety-center~~ visitation facility must use existing local facilities to provide a healthy interactive environment for parents who are separated or divorced and for parents with children in foster homes to visit with their children. The ~~centers facilities~~ must be available for use by district courts who may order visitation to occur at a ~~safety-center supervised visitation facility~~. The ~~centers facilities~~ may also be used as drop-off sites, so that parents who are under court order to have no contact with each other can exchange children for visitation at a neutral site. Each ~~center facility~~ must provide sufficient security to ensure a safe visitation environment for children and their parents. A grantee must demonstrate the ability to provide a local match, which may include in-kind contributions.

Subd. 2. [PRIORITIES.] In awarding grants under the program, the commissioner shall give priority to:

- (1) areas of the state where no children's ~~safety-center supervised visitation facility~~ or similar facility exists;
- (2) applicants who demonstrate that private funding for the ~~center facility~~ is available and will continue; and
- (3) facilities that are adapted for use to care for children, such as day care centers, religious institutions, community centers, schools, technical colleges, parenting resource centers, and child care referral services.

Subd. 3. [ADDITIONAL SERVICES.] Each ~~center supervised visitation facility~~ may provide parenting and child development classes, and offer support groups to participating custodial parents and hold regular classes designed to assist children who have experienced domestic violence and abuse.

Subd. 4. [REPORT.] The commissioner shall evaluate the operation of the pilot children's ~~safety-centers supervised visitation facilities~~ and report to the legislature by February 1, 1994, with recommendations.

Subd. 5. [ADMINISTRATION.] In administering the grants authorized by this section, the commissioner shall ensure that the term "children's supervised visitation facility" is used in all applications, publicity releases, requests for proposals and other materials of like nature.

Renumber the sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Sviggum and Finseth moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 18, after line 11, insert:

"Sec. 10. [256D.066] [GENERAL ASSISTANCE AND WORK READINESS PAYMENTS.]

Notwithstanding other provisions of sections 256D.01 to 256D.21 otherwise eligible applicants without children must have resided in this state for at least 60 consecutive days before applying for work readiness or general assistance benefits. This requirement does not apply if the person resides in this state and meets any of the following conditions:

- (1) The person was born in this state.
- (2) The person has, in the past, resided in this state for at least 365 consecutive days.

(3) The person came to this state to join a close relative who has resided in this state for at least 180 days before the arrival of the person. For purposes of this section, "close relative" means the person's parent, grandparent, brother, sister, spouse or child.

(4) The person came to this state to accept a bona fide offer of employment and the person was eligible to accept the employment.

A county agency may waive this requirement in cases of medical emergency or where unusual misfortune or hardship would result from denial of assistance. All waivers under this section shall be reported to the commissioner within 30 days."

Page 41, after line 7, insert:

"Sec. 39. [REPEALER; GENERAL ASSISTANCE FOR NEW RESIDENTS.]

Minnesota Statutes 1992, section 256D.065, is repealed."

Renumber sections in this article

A roll call was requested and properly seconded.

The question was taken on the Sviggum and Finseth amendment and the roll was called. There were 97 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Huntley	Limmer	Nelson	Peterson	Tompkins
Asch	Dempsey	Jacobs	Lindner	Ness	Pugh	Tunheim
Bauerly	Dorn	Jennings	Long	Olson, E.	Reding	Van Dellen
Bergson	Erhardt	Johnson, R.	Luther	Olson, K.	Rest	Van Engen
Bertram	Finseth	Johnson, V.	Lynch	Olson, M.	Rhodes	Vickerman
Bettermann	Frerichs	Kalis	Macklin	Onnen	Rice	Waltman
Bishop	Girard	Kinkel	Mahon	Opatz	Sarna	Weaver
Brown, C.	Goodno	Klinzing	McCollum	Osthoff	Seagren	Wenzel
Carlson	Gruenes	Knickerbocker	McGuire	Ostrom	Smith	Winter
Carruthers	Gutknecht	Knight	Milbert	Ozment	Solberg	Wolf
Commers	Hasskamp	Koppendrayner	Molnau	Pauly	Stanius	Worke
Cooper	Haukoos	Krinkie	Morrison	Pawlenty	Steensma	Workman
Dauner	Holsten	Leppik	Mosel	Pelowski	Sviggum	Spk. Anderson, I.
Davids	Hugoson	Lieder	Murphy	Perlt	Swenson	

Those who voted in the negative were:

Anderson, R.	Dawkins	Greiling	Kahn	Lourey	Orfield	Tomassoni
Battaglia	Evans	Hausman	Kelley	Mariani	Rodosovich	Trimble
Beard	Farrell	Jaros	Kelso	Munger	Sekhon	Vellenga
Brown, K.	Garcia	Jefferson	Krueger	Neary	Simoneau	Wagenius
Clark	Greenfield	Johnson, A.	Lasley	Orenstein	Skoglund	Wejcman

The motion prevailed and the amendment was adopted.

Carruthers moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 41, line 32, after "law" insert ", except as otherwise provided in clause (vi)"

Page 42, line 9, delete everything after "one" and insert "percentage point on July 1 of each even-numbered year, beginning on July 1, 1994, until July 1, 1998, for a total increase of three percentage points"

Page 42, line 10, delete everything before the semicolon

Page 42, line 15, after the semicolon, insert "and"

Page 43, line 18, after "(iv)" insert "or that is described in clause (vi);" and delete the period

Page 43, after line 18, insert:

"(vi) health maintenance organizations may increase premium rates for contracts governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq., and for other contracts governed by federal law, on January 1 without complying with clause (iv) and without the prior approval of the commissioner of health. A rate increase permitted under this clause is not final until approved by the commissioner of health and is subject to all requirements and procedures required under this subdivision, except as expressly exempted in this subdivision. If the commissioner of health later disapproves all or part of a proposed rate increase that went into effect under this clause, the health maintenance organization shall promptly refund the excess premiums to the enrollees with interest at five percent per year."

The motion prevailed and the amendment was adopted.

Onnen moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 41, line 21, after the headnote, insert "(a)"

Page 42, delete lines 7 to 10

Page 42, line 11, delete "(4)" and insert "(3)"

Page 42, line 15, delete the semicolon and insert a period

Page 42, delete lines 16 to 36, and insert:

"(b) No coverage regulated under paragraph (a) shall be issued or renewed to a Minnesota resident unless it provides an open enrollment period during the month of January of each year. During the open enrollment period, a covered person must be allowed to move from any coverage regulated under paragraph (a) to any other coverage regulated under paragraph (a), whether the new coverage is with the same health carrier or a different health carrier, on a guaranteed issue basis and without any new preexisting limitation, exclusion, or exclusionary rider, except that a covered person need not be allowed to:

(1) move from coverage that does not include prescription drugs to coverage that does include prescription drugs;

(2) move to coverage that is closed to new enrollment; or

(3) move from coverage, or between coverages, provided by the Minnesota comprehensive health association."

Page 43, delete lines 1 to 18

Page 197, line 21, before "Section" insert "Paragraph (a) of"

Page 197, line 23, after the period, insert "Paragraph (b) of section 1 is effective January 1, 1995."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Onnen amendment and the roll was called. There were 18 yeas and 112 nays as follows:

Those who voted in the affirmative were:

Abrams	Kalis	Lindner	Olson, K.	Stanis	Van Engen
Bettermann	Krinkie	Lynch	Olson, M.	Sviggum	Waltman
Girard	Limmer	Ness	Onnen	Swenson	Winter

Those who voted in the negative were:

Anderson, R.	Dawkins	Haukoos	Knickerbocker	Molnau	Pelowski	Solberg
Asch	Dehler	Hausman	Knight	Morrison	Perlt	Steensma
Battaglia	Delmont	Holsten	Koppendrayner	Mosel	Peterson	Tomassoni
Bauerly	Dempsey	Huntley	Krueger	Munger	Pugh	Tompkins
Beard	Dorn	Jacobs	Lasley	Murphy	Reding	Trimble
Bergson	Erhardt	Jaros	Leppik	Neary	Rest	Tunheim
Bertram	Evans	Jefferson	Lieder	Nelson	Rhodes	Van Dellen
Brown, C.	Farrell	Jennings	Long	Olson, E.	Rice	Vellenga
Brown, K.	Finseth	Johnson, A.	Lourey	Opatz	Rodosovich	Vickerman
Carlson	Frerichs	Johnson, R.	Luther	Orenstein	Rukavina	Wagenius
Carruthers	Garcia	Johnson, V.	Macklin	Orfield	Sarna	Weaver
Clark	Goodno	Kahn	Mahon	Osthoff	Seagren	Wejcman
Commers	Greenfield	Kelley	Mariani	Ostrom	Sekhonor	Wenzel
Cooper	Greiling	Kelso	McCollum	Ozment	Simoneau	Wolf
Dauner	Gruenes	Kinkel	McGuire	Pauly	Skoglund	Workman
Davids	Gutknecht	Klinzing	Milbert	Pawlenty	Smith	Spk. Anderson, I.

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

Van Engen and Bettermann moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 4, after line 63, insert:

"[RESPITE CARE FOR DEVELOPMENTALLY DISABLED PERSONS.] Of this appropriation, \$75,000 is appropriated to the commissioner of human services for the fiscal year ending June 30, 1995, for the purpose of hiring one FTE staff person to assist counties in finding appropriate respite care services for persons with developmental disabilities who have been screened under section 256B.092 as needing these services."

Page 211, delete lines 51 to 55

Page 212, delete lines 1 to 15

Reletter the paragraphs in section 4 of Article 5

Adjust the totals in Articles 1 and 5

The question was taken on the Van Engen and Bettermann amendment and the roll was called. There were 50 yeas and 83 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Hugoson	Macklin	Ozment	Swenson	Worke
Bettermann	Girard	Knickerbocker	Molnau	Pauly	Tompkins	Workman
Commers	Goodno	Koppendrayner	Morrison	Pawlenty	Van Dellen	
Davids	Gruenes	Krinkie	Ness	Rhodes	Van Engen	
Dehler	Gutknecht	Leppik	Olson, M.	Seagren	Vickerman	
Dempsey	Hasskamp	Limmer	Onnen	Smith	Waltman	
Erhardt	Haukoos	Lindner	Opatz	Steensma	Weaver	
Finseth	Holsten	Lynch	Osthoff	Sviggum	Wolf	

Those who voted in the negative were:

Anderson, R.	Bauerly	Bertram	Carlson	Cooper	Delmont	Farrell
Asch	Beard	Brown, C.	Carruthers	Dauner	Dorn	Garcia
Battaglia	Bergson	Brown, K.	Clark	Dawkins	Evans	Greenfield

Greiling	Johnson, V.	Lasley	Milbert	Orfield	Rodosovich	Trimble
Hausman	Kahn	Lieder	Mosel	Ostrom	Rukavina	Tunheim
Huntley	Kalis	Long	Munger	Pelowski	Sarna	Vellenga
Jacobs	Kelley	Lourey	Murphy	Perlt	Sekhon	Wagenius
Jaros	Kelso	Luther	Neary	Peterson	Simoneau	Wejcman
Jefferson	Kinkel	Mahon	Nelson	Pugh	Skoglund	Wenzel
Jennings	Klinzing	Mariani	Olson, E.	Reding	Solberg	Winter
Johnson, A.	Knight	McCollum	Olson, K.	Rest	Stanis	Spk. Anderson, I.
Johnson, R.	Krueger	McGuire	Orenstein	Rice	Tomassoni	

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

Asch moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 61, after line 21, insert:

"Sec. 13. Minnesota Statutes 1993 Supplement, section 147.02, subdivision 1, is amended to read:

Subdivision 1. [UNITED STATES OR CANADIAN MEDICAL SCHOOL GRADUATES.] The board shall issue a license to practice medicine to a person who meets the requirements in paragraphs (a) to (h).

(a) An applicant for a license shall file a written application on forms provided by the board, showing to the board's satisfaction that the applicant is of good moral character and satisfies the requirements of this section.

(b) The applicant shall present evidence satisfactory to the board of being a graduate of a medical or osteopathic school located in the United States, its territories or Canada, and approved by the board based upon its faculty, curriculum, facilities, accreditation by a recognized national accrediting organization approved by the board, and other relevant data, or is currently enrolled in the final year of study at the school.

(c) The applicant must have passed an examination as described in paragraph (1) or (2).

(1) The applicant must have passed a comprehensive examination for initial licensure prepared and graded by the National Board of Medical Examiners or the Federation of State Medical Boards. The board shall by rule determine what constitutes a passing score in the examination.

(2) The applicant taking the United States Medical Licensing Examination (USMLE) must have passed steps one, two, and three within a seven-year period. This seven-year period begins when the applicant first passes either step one or two, as applicable. The applicant must pass each of steps one, two, and three with passing scores as recommended by the USMLE program within three attempts. The applicant taking combinations of Federation of State Medical Boards, National Board of Medical Examiners, and USMLE may be accepted only if the combination is approved by the board as comparable to existing comparable examination sequences and all examinations are completed prior to the year 2000.

(d) The applicant shall present evidence satisfactory to the board of the completion of one year of graduate, clinical medical training in a program accredited by a national accrediting organization approved by the board or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization.

(e) The applicant shall make arrangements with the executive director to appear in person before the board or its designated representative to show that the applicant satisfies the requirements of this section. The board may establish as internal operating procedures the procedures or requirements for the applicant's personal presentation.

(f) The applicant shall pay a fee established by the board by rule. The fee may not be refunded. Upon application or notice of license renewal, the board must provide notice to the applicant and to the person whose license is scheduled to be issued or renewed of any additional fees, surcharges, or other costs which the person is obligated to pay as a condition of licensure. The notice must:

(1) state the dollar amount of the additional costs;

(2) clearly identify to the applicant the payment schedule of additional costs; and

(3) advise the applicant of the right to apply to be excused from the surcharge if a waiver is granted under section 256.9657, subdivision 1b, or relinquish the license to practice medicine in lieu of future payment if applicable.

(g) The applicant must not be under license suspension or revocation by the licensing board of the another state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(h) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (g). If the applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions and limitations the board considers appropriate.

Sec. 14. Minnesota Statutes 1993 Supplement, section 147.037, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] The board shall issue a license to practice medicine to any person who satisfies the requirements in paragraphs (a) to (g).

(a) The applicant shall satisfy all the requirements established in section 147.02, subdivision 1, paragraphs (a), (e), (f), (g), and (h).

(b) The applicant shall present evidence satisfactory to the board that the applicant is a graduate of a medical or osteopathic school approved by the board as equivalent to accredited United States or Canadian schools based upon its faculty, curriculum, facilities, accreditation, or other relevant data.

(c) The applicant shall present evidence satisfactory to the board that the applicant has been awarded a certificate by the educational council for foreign medical graduates, and the applicant has a working ability in the English language sufficient to communicate with patients and physicians and to engage in the practice of medicine.

(d) The applicant shall present evidence satisfactory to the board of the completion of two years of graduate, clinical medical training in a program located in the United States, its territories, or Canada and accredited by a national accrediting organization approved by the board or other graduate training approved in advance by the board as meeting standards similar to those of a national accrediting organization. This requirement does not apply (1) to an applicant who is admitted as a permanent immigrant to the United States as a person of exceptional ability in the sciences or (2) to an applicant issued a permanent immigrant visa after October 1, 1991, as a person of extraordinary ability or as an outstanding professor or researcher provided that a person under clause (1) or (2) is admitted pursuant to rules of the United States Department of Labor and has completed one year of the graduate, clinical medical training required by this paragraph.

(e) The applicant must:

(1) within ten years prior to application have passed an examination prepared and graded by the Federation of State Medical Boards, the United States Medical Licensing Examination program, or the Medical Council of Canada; or

(2) have a current license from the equivalent licensing agency in another state or Canada; and

(i) pass the Special Purpose Examination of the Federation of State Medical Boards with a score of 75 or better within three attempts; or

(ii) have a current certification by a specialty board of the American Board of Medical Specialties, of the American Osteopathic Association Bureau of Professional Education, or of the Royal College of Physicians and Surgeons of Canada.

(f) The applicant must not be under license suspension or revocation by the licensing board of the another state or jurisdiction in which the conduct that caused the suspension or revocation occurred.

(g) The applicant must not have engaged in conduct warranting disciplinary action against a licensee, or have been subject to disciplinary action other than as specified in paragraph (f). If an applicant does not satisfy the requirements stated in this paragraph, the board may issue a license only on the applicant's showing that the public will be protected through issuance of a license with conditions or limitations the board considers appropriate."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

Frerichs moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 245, delete lines 32 to 60

Page 246, delete lines 1 to 12, and insert:

"(a) Accessibility Grants and Loans

Of this appropriation, \$400,000 is appropriated from the general fund to the commissioner of the housing finance agency for fiscal year 1995 for housing rehabilitation grants and loans under section 462A.05, subdivision 15a to retrofit housing to improve its accessibility for handicapped occupants."

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Frerichs amendment and the roll was called. There were 51 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Holsten	Leppik	Ness	Stanisus	Wolf
Bettermann	Finseth	Hugoson	Limmer	Olson, M.	Sviggum	Worke
Brown, K.	Frerichs	Johnson, R.	Lindner	Pauly	Swenson	Workman
Commers	Girard	Johnson, V.	Lynch	Pawlenty	Tompkins	
Cooper	Goodno	Knickerbocker	Macklin	Peterson	Van Dellen	
Dauids	Gruenes	Knight	Molnau	Rhodes	Van Engen	
Dehler	Hasskamp	Koppendrayner	Morrison	Seagren	Waltman	
Dempsey	Haukoos	Krinkie	Mosel	Smith	Weaver	

Those who voted in the negative were:

Anderson, R.	Dawkins	Jefferson	Long	Olson, E.	Rest	Tunheim
Asch	Delmont	Jennings	Lourey	Olson, K.	Rice	Vellenga
Battaglia	Dorn	Johnson, A.	Luther	Onnen	Rodosovich	Vickerman
Bauerly	Evans	Kahn	Mahon	Opatz	Rukavina	Wagenius
Beard	Farrell	Kalis	Mariani	Orenstein	Sarna	Wejcmian
Bergson	Garcia	Kelley	McCollum	Orfield	Sekhon	Wenzel
Bertram	Greenfield	Kelso	McGuire	Osthoff	Simoneau	Winter
Brown, C.	Greiling	Kinkel	Milbert	Ostrom	Skoglund	Spk. Anderson, I.
Carlson	Hausman	Klinzing	Munger	Ozment	Solberg	
Carruthers	Huntley	Krueger	Murphy	Perlt	Steensma	
Clark	Jacobs	Lasley	Neary	Pugh	Tomassoni	
Dauner	Jaros	Lieder	Nelson	Reding	Trimble	

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

Sviggum moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 3, delete lines 29 to 41

Correct the subdivision and section totals and the summaries by fund accordingly

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

Seagren moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 38, line 3, after the second comma, insert "representatives of religious organizations,"

The motion prevailed and the amendment was adopted.

Haukoos moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 7, after line 14, insert:

"[GRANTS FOR PROGRAMS FOR BATTERED WOMEN.] Of this appropriation, \$200,000 is appropriated to the commissioner of human services for the fiscal year ending June 30, 1995, to be transferred to the commissioner of corrections, to be added to the appropriation for grants for programs for battered women under sections 611A.31 to 611A.36."

Page 213, delete lines 58 to 61

Page 214, delete lines 1 to 5

Adjust the totals accordingly

A roll call was requested and properly seconded.

The question was taken on the Haukoos amendment and the roll was called. There were 61 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Hugoson	Leppik	Olson, M.	Seagren	Waltman
Bergson	Erhardt	Johnson, R.	Limmer	Onnen	Smith	Weaver
Bettermann	Finseth	Johnson, V.	Lindner	Ostrom	Stanius	Wenzel
Bishop	Frerichs	Kelso	Lynch	Ozment	Sviggum	Winter
Brown, C.	Girard	Knickerbocker	Macklin	Pauly	Swenson	Wolf
Commers	Gruenes	Knight	Molnau	Pawlenty	Tompkins	Worke
Davids	Gutknecht	Koppendrayner	Morrison	Pelowski	Van Dellen	Workman
Dehler	Haukoos	Krinkie	Ness	Peterson	Van Engen	
Dempsey	Holsten	Krueger	Olson, K.	Rhodes	Vickerman	

Those who voted in the negative were:

Anderson, R.	Bertram	Cooper	Farrell	Hasskamp	Jefferson	Kelley
Asch	Brown, K.	Dauner	Garcia	Hausman	Jennings	Kinkel
Battaglia	Carlson	Dawkins	Goodno	Huntley	Johnson, A.	Lieder
Bauerly	Carruthers	Delmont	Greenfield	Jacobs	Kahn	Long
Beard	Clark	Evans	Greiling	Jaros	Kalis	Lourey

Luther	Milbert	Nelson	Osthoff	Rodosovich	Solberg	Vellenga
Mahon	Mosel	Olson, E.	Perlt	Rukavina	Steensma	Wagenius
Mariani	Munger	Opatz	Pugh	Sekhon	Tomassoni	Wejcman
McCollum	Murphy	Orenstein	Reding	Simoneau	Trimble	Spk. Anderson, I
McGuire	Neary	Orfield	Rest	Skoglund	Tunheim	

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

Olson, K., moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 4, after line 17, insert:

"[CHILD SUPPORT; COLLECTION CHARGES.] The difference between the monthly gross amount collected by a public agency for child support and the monthly net amount received by the recipient must not be more than ten percent of the monthly gross amount."

The motion prevailed and the amendment was adopted.

Opatz, Bergson and Kahn moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 240, line 10, delete everything after the period

Page 240, delete line 11

The motion prevailed and the amendment was adopted.

Asch, Bertram, Davids and Gruenes moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 1, delete lines 6 to 10 of the Carruthers amendment, and insert:

Page 42, line 8, delete everything after "62A.36" and insert a semicolon

Page 42, delete lines 9 and 10

Page 1, after line 29 of the Carruthers amendment, insert:

Page 197, after line 4, insert:

"Sec. 130. [STUDY OF LOSS RATIOS: MEDICARE RELATED COVERAGE.]

The commissioner of commerce and the commissioner of health shall jointly study the loss ratios experienced with respect to all coverages regulated under Minnesota Statutes, section 62A.36, subdivision 1. The commissioners shall determine, using sound actuarial analysis, the effects of increasing the minimum loss ratios for those coverages by one percentage point per year for seven years. The commissioners shall jointly report their findings, analysis, and conclusions to the legislature, in compliance with Minnesota Statutes, section 3.195, no later than December 15, 1994. The commissioners shall conduct the entire study jointly and attempt to arrive at and report unified consistent findings, analysis, and conclusions; the commissioners shall not study separately only the coverages that each commissioner respectively regulates."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Clark moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 212, line 17, after the comma, insert "a total of"

Page 212, line 19, before "lead" insert "the"

Page 212, line 20, before the period, insert "specified in this paragraph"

Page 212, line 20, delete everything after the period

Page 212, delete lines 21 to 29

Page 212, line 30, delete everything before "\$225,000"

Page 212, line 43, after the period, insert:

"At least \$40,000 must be used for safe housing grants under Minnesota Statutes, section 144.872, subdivision 3. At least \$35,000 must be used for lead cleanup equipment grants under Minnesota Statutes, section 144.872, subdivision 4, with no individual grant to exceed \$5,000. The grants under Minnesota Statutes, section 144.872, subdivisions 3 and 4 must be awarded to achieve geographically diverse distribution, and with priority given to communities at high risk for toxic lead exposure. The remaining appropriation must be used for proactive lead education under Minnesota Statutes, section 144.872, subdivision 1, and to subsidize the cost of the lead abatement training as required under Minnesota Statutes, section 144.876, subdivision 1, and rules adopted under Minnesota Statutes, section 144.878, subdivision 5. The commissioner shall give preference for subsidies provided through this appropriation to training small business owners and employees of nonprofit organizations."

The motion prevailed and the amendment was adopted.

Kahn moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 213, after line 37, insert:

"(o) The commissioner of health shall study the effect of establishing a policy in support of and encouragement of infant breast feeding by removing any subsidy for formula except when necessary for health purposes and establishing a monetary subsidy for mothers who nurse their infants. The commissioner shall report the results of the study to the legislature by January 15, 1995."

Orenstein and Farrell moved to amend the Kahn amendment to H. F. No. 3210, the first engrossment, as amended, as follows:

Page 1, line 5, delete "the effect of"

Page 1, line 7, delete "by removing" and insert "including"

Page 1, delete lines 8 and 9

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Kahn amendment, as amended, to H. F. No. 3210, the first engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Abrams and Skoglund moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 37, delete lines 17 to 26

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 212, delete lines 56 to 62

Reduce the appropriations by \$50,000 and correct the subdivision and section totals and the summaries by fund accordingly

Renumber the remaining paragraphs

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

Wenzel; Koppendrayner; Anderson, I., and Anderson, R., moved to amend H. F. No. 3210, the first engrossment, as amended, as follows:

Page 258, delete lines 8 to 18, and insert:

"Subd. 8. [ELIGIBILITY.] Any person who is eligible for burial in a national veterans' cemetery is eligible for burial in the state veterans' cemetery."

The motion prevailed and the amendment was adopted.

H. F. No. 3210, A bill for an act relating to the organization and operation of state government; appropriating money for the departments of human services and health, the ombudsman for mental health and mental retardation, the council on disability, veterans nursing homes board, jobs and training, housing finance, veterans affairs, human rights, and other purposes with certain conditions; establishing and modifying certain programs; modifying the compact on industrialized/modular buildings; providing for appointments; amending Minnesota Statutes 1992, sections 16A.124, subdivisions 1, 2, 3, 4, 5, and 6; 16B.75; 62A.046; 62A.048; 62A.27; 62A.31, by adding a subdivision; 62J.05, subdivision 2; 126A.02, subdivision 2; 144.0721, by adding a subdivision; 144.0723, subdivisions 1, 2, 3, 4, and 6; 144.414, subdivision 3; 144.417, subdivision 1; 144.801, by adding a subdivision; 144.804, subdivision 1; 144.878, by adding a subdivision; 144A.073, subdivisions 1, 3a, 4, 8, and by adding a subdivision; 144A.46, subdivision 2; 145A.14, by adding a subdivision; 148B.23, subdivisions 1 and 2; 148B.27, subdivision 2, and by adding a subdivision; 148B.60, subdivision 3; 245A.14, subdivision 7; 246.50, subdivision 5; 246.53, subdivision 1; 246.57, subdivision 1; 252.025, subdivision 1, and by adding a subdivision; 252.275, subdivisions 3, 4, and by adding a subdivision; 253.015, by adding a subdivision; 256.015, subdivisions 2 and 7; 256.045, subdivisions 3, 4, and 5; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256.969, subdivisions 10 and 16; 256B.042, subdivision 2; 256B.056, by adding a subdivision; 256B.059, subdivision 1; 256B.06, subdivision 4; 256B.0625, subdivisions 8, 8a, 25, and by adding subdivisions; 256B.0641, subdivision 1; 256B.0913, subdivision 8, and by adding a subdivision; 256B.0915, subdivision 5; 256B.0917, subdivisions 6 and 8; 256B.15, subdivision 1a; 256B.431, subdivisions 3c, 3f, and 17; 256B.432, subdivisions 1, 3, and 6; 256B.49, subdivision 4; 256B.501, subdivisions 1, 3, 3c, and by adding a subdivision; 256B.69, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3a and 3b; 256D.05, subdivisions 3 and 3a; 256D.16; 256D.425, by adding a subdivision; 256F.09; 256H.05, subdivision 6; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 261.04, subdivision 2; 518.171, subdivision 5; 518.613, subdivision 7; 524.3-803; 524.3-1201; 528.08; and 626.556, subdivisions 4, 10e, and by adding subdivisions; Minnesota Statutes 1993 Supplement,

sections 16B.06, subdivision 2a; 62A.045; 144.551, subdivision 1; 144.651, subdivisions 21 and 26; 144.872, subdivision 4; 144.873, subdivision 1; 144.874, subdivisions 1 and 3a; 144.8771, subdivision 2; 144.99, subdivisions 1 and 6; 144A.071, subdivisions 3 and 4a; 144A.073, subdivisions 2 and 3; 153A.14, subdivision 2; 157.08; 239.785, subdivision 2, and by adding a subdivision; 245.492, subdivisions 2, 6, 9, and 23; 245.493, subdivision 2; 245.4932, subdivisions 1, 2, 3, and 4; 245.494, subdivisions 1 and 3; 245.495; 245.496, subdivision 3, and by adding a subdivision; 245.97, subdivision 6; 252.46, by adding a subdivision; 253B.03, subdivisions 3 and 4; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, and 6; 256.9362, subdivision 6; 256.9657, subdivisions 2 and 3; 256.9685, subdivision 1; 256.969, subdivision 1; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 13, 19a, 20, and 37; 256B.0626; 256B.0911, subdivisions 2, 4, and 7; 256B.0913, subdivisions 5 and 12; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivisions 1, 2, and 5; 256B.15, subdivision 2; 256B.431, subdivisions 2b, 2r, 15, and 24; 256B.432, subdivision 5; 256B.501, subdivisions 3g, 5a, and 8; 256D.03, subdivisions 3 and 4; 256I.04, subdivision 3; 256I.06, subdivision 1; 257.55, subdivision 1; 257.57, subdivision 2; 326.71, subdivision 4; 326.75, subdivision 3; 514.981, subdivisions 2 and 5; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; 518.615, subdivision 3; and 626.556, subdivision 11; Laws 1993, chapter 369, sections 5, subdivision 4; and 11; proposing coding for new law in Minnesota Statutes, chapters 137; 144; 145; 148; 197; 245; 246; 252; 253; 256; 256B; 256D; 268; 268A; and 645; repealing Minnesota Statutes 1992, sections 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 144.0723, subdivision 5; 148B.23, subdivision 1a; 148B.28, subdivision 6; 197.235; 252.275, subdivisions 4a and 10; 256.969, subdivision 24; 256B.501, subdivisions 3d, 3e, and 3f; 256D.065; 268.32; 268.551; and 268.552; Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; and 157.09; Laws 1993, chapter 286, section 11; and Laws 1993, First Special Session chapter 1, article 9, section 49; Minnesota Rules, parts 3300.0100; 3300.0200; 3300.0300; 3300.0400; 3300.0500; 3300.0600; and 3300.0700.

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 23 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dehler	Huntley	Leppik	Neary	Perlt	Steensma
Asch	Delmont	Jacobs	Lieder	Nelson	Peterson	Tomassoni
Battaglia	Dempsey	Jaros	Long	Ness	Pugh	Trimble
Bauerly	Dorn	Jefferson	Lourey	Olson, E.	Reding	Tunheim
Beard	Erhardt	Jennings	Luther	Olson, K.	Rest	Vellenga
Bergson	Evans	Johnson, A.	Lynch	Olson, M.	Rhodes	Vickerman
Bertram	Farrell	Johnson, R.	Macklin	Onnen	Rice	Wagenius
Bishop	Finseth	Kahn	Mahon	Opatz	Rodosovich	Weaver
Brown, C.	Garcia	Kalis	Mariani	Orenstein	Rukavina	Wejcman
Brown, K.	Goodno	Kelley	McCollum	Orfield	Sarna	Wenzel
Carlson	Greenfield	Kelso	McGuire	Osthoff	Seagren	Winter
Carruthers	Greiling	Kinkel	Milbert	Ostrom	Sekhon	Wolf
Clark	Gruenes	Klinzing	Morrison	Ozment	Simoneau	Worke
Cooper	Gutknecht	Knickerbocker	Mosel	Pauly	Skoglund	Spk. Anderson, I.
Dauner	Hasskamp	Krueger	Munger	Pawlenty	Smith	
Dawkins	Hausman	Lasley	Murphy	Pelowski	Solberg	

Those who voted in the negative were:

Abrams	Frerichs	Hugoson	Krinkie	Stanis	Van Engen
Bettermann	Girard	Johnson, V.	Limmer	Sviggum	Waltman
Commers	Haukoos	Knight	Lindner	Swenson	Workman
Davids	Holsten	Koppendrayner	Molnau	Van Dellen	

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

Rest from the Committee on Taxes to which was referred:

H. F. No. 3041, A bill for an act relating to metropolitan government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 423A.02, subdivision 1; 423B.01, subdivision 9; 423B.15, subdivision 3; 473.551; 473.552; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Laws 1989, chapter 319, article 9, section 7, subdivisions 1, as amended, and 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

Reported the same back with the following amendments:

Page 2, line 4, after "\$4,305,000" delete the comma

Page 2, line 5, delete the new language

Page 3, delete lines 1 to 16

Page 4, line 7, after the period, insert "If this second one-half of excess investment income is greater than the combined total state amortization aid and supplementary amortization aid otherwise payable to the city of Minneapolis for the police relief association after the statutory reduction under section 423A.02, subdivision 1, paragraph (c), then the balance shall be applied as a reduction to the city's minimum obligation to the fund for the following calendar year. The commissioner of revenue shall certify to the city of Minneapolis and the relief association the amount of any reduction to be applied to the city's minimum obligation, and this information must be incorporated in the next actuarial valuation of the fund for determination of the subsequent calendar year contribution requirement."

Page 32, after line 19, insert:

"Subd. 2. [EXAMINATION AND DISCLOSURE OF LOAN TERMS.] Before making a final decision to acquire the basketball and hockey arena, the commission must obtain and examine all the terms, conditions, covenants, and other provisions of any loan agreements between the owners of the arena and third parties that provided financing secured by mortgages on or other security interests in the basketball and hockey arena. These terms specifically include any agreements that require a professional team affiliated with the owner to lease or use the arena or that restrict or limit the authority of the team owners or affiliates to relocate the team. The commission shall make the terms of the agreements available for public inspection."

Page 32, line 20, delete "2" and insert "3"

Page 33, line 29, delete "3" and insert "4"

Page 45, line 24, after "year." insert "If this second one-half of excess investment income for the Minneapolis fire department relief association is greater than the combined total state amortization aid and supplementary amortization aid otherwise payable to the city of Minneapolis for the relief association after the statutory reduction under section 423A.02, subdivision 1, paragraph (c), then the balance shall be applied as a reduction to the city's minimum obligation to the fund for the following calendar year. The commissioner of revenue shall certify to the city of Minneapolis and the relief association the amount of any reduction to be applied to the city's minimum obligation, and this information must be incorporated in the next actuarial valuation of the fund for determination of the subsequent calendar year contribution requirement."

Page 47, line 5, before "This" insert "(a)"

Page 47, after line 7, insert:

"(b) In no event may the reduction in the amortization state aid maximum in section 1 cause a reduction in the amortization state aid or the supplementary amortization state aid paid or payable to any municipality other than the city of Minneapolis."

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

The report was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Greenfield and Rukavina introduced:

H. F. No. 3220, A bill for an act relating to taxation; increasing the rate of tax on the income of certain individuals, estates, and trusts; abolishing the tax on hospitals and health care providers; appropriating the revenue from the rate increase to the health care access fund; amending Minnesota Statutes 1992, sections 290.06, subdivisions 2c and 2d; and 290.62; Minnesota Statutes 1993 Supplement, sections 62P.04, subdivision 1; 214.16, subdivision 3; and 270B.01, subdivision 8; repealing Minnesota Statutes 1992, sections 295.50, as amended; 295.52, as amended; and 295.55, as amended; Minnesota Statutes 1993 Supplement, sections 144.1484, subdivision 2; 295.51, subdivision 1; 295.53; 295.54; 295.57; 295.58; 295.582; and 295.59.

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

Peterson and Anderson, I., introduced:

H. F. No. 3221, A bill for an act relating to motor fuels; ethanol development and production; tax credits; trunk highway bonding authority; amending Minnesota Statutes 1992, sections 41A.09, subdivisions 2 and 5; and 296.02, subdivision 7; Minnesota Statutes 1993 Supplement, section 41A.09, subdivision 3.

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 Files, herewith returned:

H. F. No. 524, A bill for an act relating to traffic regulations; authorizing rural postal carriers to operate rural mail delivery vehicles equipped with tires having metal studs, with restrictions; requiring permit from commissioner of transportation; providing a penalty; amending Minnesota Statutes 1992, section 169.72, by adding a subdivision.

H. F. No. 2360, A bill for an act relating to transportation; authorizing commissioner of transportation to contract with state of Wisconsin to build and operate truck inspection station in Wisconsin.

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. 1416, A bill for an act relating to retirement; Austin fire department relief association; modifying health insurance benefit coverage for the spouses of certain retired firefighters; providing survivor benefit coverage for the spouses of certain retired firefighters; amending Laws 1992, chapter 455, section 2.

H. F. No. 1909, A bill for an act relating to retirement; local police and salaried firefighters relief associations and consolidation accounts; requiring continuation of surviving spouse benefits upon remarriage; amending Minnesota Statutes 1992, section 423A.17; Minnesota Statutes 1993 Supplement, section 353B.11, subdivision 6.

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. 1659, A bill for an act relating to probate; updating article 2 on intestacy, wills, and donative transfers; correcting a reference; recodifying the Minnesota multiparty accounts act; amending Minnesota Statutes 1992, sections 524.1-201; 524.2-101; 524.2-102; 524.2-103; 524.2-104; 524.2-105; 524.2-106; 524.2-108; 524.2-109; 524.2-110; 524.2-111; 524.2-113; 524.2-114; 524.2-301; 524.2-302; 524.2-502; 524.2-504; 524.2-505; 524.2-507; 524.2-508; 524.2-509; 524.2-512; 524.2-602; 524.2-603; 524.2-604; 524.2-605; 524.2-606; 524.2-607; 524.2-608; 524.2-609; and 524.2-701; proposing coding for new law in Minnesota Statutes, chapter 524; repealing Minnesota Statutes 1992, sections 524.2-112; 524.2-201; 524.2-202; 524.2-203; 524.2-204; 524.2-205; 524.2-206; 524.2-207; 524.2-503; 524.2-610; 524.2-612; 524.3-905; 525.15; 525.151; 525.22; 525.221; and 525.223.

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. 2299, A bill for an act relating to retirement; the Duluth joint police and firefighters consolidation account; clarifying certain language relating to calculation of pension benefits contained in the bylaws of the Duluth firefighters relief association; amending Minnesota Statutes 1993 Supplement, section 353B.02, subdivision 10.

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. 2433, A bill for an act relating to the city of Duluth; authorizing the issuance of general obligation bonds to finance improvements to the Duluth entertainment convention center.

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. 2666, A bill for an act relating to local government; prohibiting the adoption of certain zoning ordinances by municipalities, counties, and towns; amending Minnesota Statutes 1992, sections 394.25, by adding a subdivision; and 462.357, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 366.

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. 3053, A bill for an act relating to unemployment compensation; changing its name; modifying provisions relating to reporting requirements, eligibility conditions, and liability for benefits; amending Minnesota Statutes 1992, sections 268.03; 268.08, subdivision 1; and 268.10, subdivision 1; Minnesota Statutes 1993 Supplement, sections 268.08, subdivision 6; 268.09, subdivision 1; 268.10, subdivision 2; and 268.161, subdivision 9.

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. 936, A bill for an act relating to the department of jobs and training; changing its name to the department of economic security.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1094, A bill for an act relating to insurance; regulating fees, data collection, coverages, notice provisions, enforcement provisions, the Minnesota joint underwriting association, and the liquor liability assigned risk plan; enacting the NAIC model regulation relating to reporting requirements for licensees seeking to do business with certain unauthorized multiple employer welfare arrangements; making various technical changes; appropriating money; amending Minnesota Statutes 1992, sections 13.71, by adding subdivisions; 45.024, subdivision 2; 59A.12, by adding a subdivision; 60A.02, by adding a subdivision; 60A.03, subdivisions 5 and 6; 60A.052, subdivision 2; 60A.082; 60A.085; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.206, subdivision 3; 60A.21, subdivision 2; 60A.36, by adding a subdivision; 60C.22; 60K.06; 60K.14, subdivision 4; 60K.19, subdivision 5; 61A.02, subdivision 2; 61A.031; 61A.04; 61A.07; 61A.071; 61A.073; 61A.074, subdivision 1; 61A.08; 61A.09, subdivision 1; 61A.092, by adding a subdivision; 61A.12, subdivision 1; 61A.282, subdivision 2; 62A.047; 62A.148; 62A.153; 62A.43, subdivision 4; 62E.19, subdivision 1; 62H.01; 62I.02; 62I.03; 62I.07; 62I.13, subdivisions 1 and 2; 62I.20; 65A.01, subdivision 1; 65A.29, subdivision 7; 65B.49, subdivision 3; 72A.20, subdivision 29, and by adding a subdivision; 72A.201, subdivision 9; 72A.41, subdivision 1; 72B.03, subdivision 1; 72B.04, subdivision 2; 176.181, subdivision 2; and 340A.409, subdivisions 2 and 3; proposing coding for new law in Minnesota Statutes, chapters 45; 61A; 62A; and 62H; repealing Minnesota Statutes 1992, sections 70A.06, subdivision 5; 72A.45; and 72B.07; Minnesota Rules, parts 2780.4800; 2783.0010; 2783.0020; 2783.0030; 2783.0040; 2783.0050; 2783.0060; 2783.0070; 2783.0080; 2783.0090; and 2783.0100.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 1914, A bill for an act relating to financial institutions; reciprocal interstate banking; reciprocal interstate savings and loan acquisitions and branching; removing the geographical limitation contained in the definition of reciprocating state; amending Minnesota Statutes 1992, sections 48.92, subdivision 7; 51A.58.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2248, A bill for an act relating to agriculture; changing certain pesticide posting requirements; amending Minnesota Statutes 1992, section 18B.07, 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 refuses to concur in the House amendments to the following Senate File:

S. F. No. 1766, A bill for an act relating to attorneys; expanding remedies for the unauthorized practice of law; amending Minnesota Statutes 1992, section 481.02, subdivision 8.

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

Ms. Reichgott Junge, Messrs. Betzold 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

Bishop 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. 1766. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1662, A bill for an act relating to family; adopting the uniform interstate family support act; repealing the revised uniform reciprocal enforcement of support act; proposing coding for new law in Minnesota Statutes, chapter 518C; repealing Minnesota Statutes 1992, sections 518C.01 to 518C.36.

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

Ms. Piper; Messrs. Cohen, Betzold, Knutson and Ms. Robertson.

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

Wejcman 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. 1662. 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. 2882, A bill for an act relating to motor carriers; exempt carriers; providing an exemption for transportation of potatoes; amending Minnesota Statutes 1993 Supplement, section 221.025.

PATRICK E. FLAHAVEN, Secretary of the Senate

Olson, E., moved that the House refuse to concur in the Senate amendments to H. F. No. 2882, 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. 2500, 2210, 2232, 2617, 1735 and 2577.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2500, A bill for an act relating to retirement; St. Paul teachers retirement fund association; requiring proportional representation for various membership groups on the association board of trustees; proposing coding for new law in Minnesota Statutes, chapter 354A.

The bill was read for the first time.

Trimble moved that S. F. No. 2500 and H. F. No. 3022, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2210, A bill for an act relating to health; Ramsey Health Care, Inc.; authorizing the public corporation to incorporate as a nonprofit corporation; terminating its status as a public corporation; providing for the care of the indigent of Ramsey county and other counties; providing for certain of its powers and duties; repealing Minnesota Statutes 1992, sections 246A.01; 246A.02; 246A.03; 246A.04; 246A.05; 246A.06; 246A.07; 246A.08; 246A.09; 246A.10; 246A.11; 246A.12; 246A.13; 246A.14; 246A.15; 246A.16; 246A.17; 246A.18; 246A.19; 246A.20; 246A.21; 246A.22; 246A.23; 246A.24; 246A.25; 246A.26; and 246A.27.

The bill was read for the first time.

McGuire moved that S. F. No. 2210 and H. F. No. 2296, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2232, A bill for an act relating to counties; providing for the filling by appointment of certain offices in counties previously elective; providing for conforming changes; amending Minnesota Statutes 1992, sections 375A.10, subdivision 2; and 375A.12, subdivision 2.

The bill was read for the first time.

McGuire moved that S. F. No. 2232 and H. F. No. 2645, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2617, A bill for an act relating to transportation; establishing and providing for appointments to an advisory council on major transportation projects.

The bill was read for the first time and referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

S. F. No. 1735, A bill for an act relating to children; modifying certain provisions concerning foster care and adoption; amending Minnesota Statutes 1992, section 260.141, subdivision 1; Minnesota Statutes 1993 Supplement, sections 245A.03, subdivisions 2 and 2a; 257.071, subdivision 3; 257.072, subdivision 9; 259.255; and 260.191, subdivision 3b.

The bill was read for the first time.

Wejcman moved that S. F. No. 1735 and H. F. No. 2176, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2577, A bill for an act relating to the human rights act; expanding and clarifying scope of business discrimination protections; amending Minnesota Statutes 1993 Supplement, section 363.03, subdivision 8a.

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2710:

Kahn, Krueger and Krinkie.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2882:

Olson, E.; Lieder and Tunheim.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of S. F. No. 2913.

S. F. No. 2913 was reported to the House.

Solberg moved to amend S. F. No. 2913 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

ENVIRONMENT AND NATURAL RESOURCES

Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this article, the sums set forth in the columns designated "1994 and 1995 APPROPRIATION CHANGE" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this article and are to be added to or reduced from appropriations for the fiscal years ending June 30, 1994 and June 30, 1995, in Laws 1993, chapter 172, or another named law. Amounts to be reduced are designated by parentheses.

APPROPRIATION CHANGE

1994

1995

Sec. 2. POLLUTION CONTROL

\$ -0-

\$ 2,499,000

\$1,970,000 is appropriated in fiscal year 1995, for feedlot compliance and local assistance. Of this amount, \$1,000,000 is for grants to counties that have delegated county feedlot programs.

Grants for county administration of the feedlot permit program are to be administered by the board of water and soil resources in accordance with Minnesota Statutes, section 103B.3369, in cooperation with the pollution control agency. Grants must be matched with a combination of local cash or in-kind contributions. Counties receiving these grants shall submit an annual report to the pollution control agency regarding activities conducted under the grant, expenditure made and local match contributions. First priority for funding shall be given to counties that have requested and received delegation from the pollution control agency for processing of animal feedlot permit applications under Minnesota Statutes, section 116.07, subdivision 7. Delegated counties shall be eligible to receive a grant based on either of the following formulas:

$\$5,000 + (\text{number of farms with livestock or poultry as reported in the 1992 Census of Agriculture, published by the United States Department of Commerce}) \times \5 ; or

$\$5,000 + (\text{number of feedlots with greater than 10 animal units as determined by a level 2 or level 3 feedlot inventory conducted in accordance with the "Feedlot Inventory Guidebook" published by the board of water and soil resources, dated June 1991}) \times \15 .

To receive the additional funding that is based on the county feedlot inventory, the county shall submit a copy of the inventory to the board of water and soil resources.

Any remaining money shall be distributed by the board of water and soil resources to counties on a competitive basis through the challenge grant process for the conducting of feedlot inventories, development of delegated county feedlot programs, and for information and education or technical assistance efforts to reduce feedlot related pollution hazards.

APPROPRIATION CHANGE
1994 1995

\$300,000 is appropriated in fiscal year 1995, for administrative support for nonpoint source pollution activities, including storm water assistance, individual septic tank systems, and partnerships with local entities to abate nonpoint source pollution.

The city of Morton need not repay money advanced to the city under the municipal litigation loan pilot project established in Laws 1988, chapter 686, article 1, section 69.

\$75,000 is appropriated for the fiscal year ending June 30, 1995, to continue the citizens lake-monitoring program and the electronic lakes bulletin board.

\$154,000 is appropriated in fiscal year 1995 to the city of Eagle Lake to pay for an interceptor connection to the wastewater treatment plant in the city of Mankato. This appropriation is available until expended.

Sec. 3. NATURAL RESOURCES

Subdivision 1. Total Appropriation Change

(2,080,000)

(663,000)

Summary by Fund

General	-0-	2,544,000
Game and Fish	(2,080,000)	(3,207,000)

The unallotment by the commissioner, as presented to the legislature in the commissioner's March 14, 1994, correspondence; to the game and fish fund appropriation for fiscal year 1994 is void.

Subd. 2. Water Resources Management

-0-

145,000

\$50,000 is appropriated in fiscal year 1995 to the commissioner of natural resources for a grant to the southwest regional development commission to pay for the activities described in clause (1), items (i) to (iv).

The governor or an agency designated by the governor may enter into negotiations with appropriate officials and agencies of the United States for purposes of obtaining financial support for the construction of the proposed Lewis and Clark rural water system in southwestern Minnesota.

The governor or designated agency shall cooperate with local project sponsors of the Lewis and Clark rural water system to coordinate state water policy issues and respond to proposals to establish federal financial participation. Local sponsors shall contribute funds in combination with the state in order to match funds provided by the United States. The state cost share shall not exceed 50 percent of the total nonfederal match required for Minnesota project features. The amount contributed by the state of Minnesota for project construction shall be subject to the express appropriation of the legislature.

(1) The southwest regional development commission shall submit a work program for approval by the commissioner before spending any money appropriated by this subdivision. The work program

APPROPRIATION CHANGE
1994 1995

shall indicate the activities to be undertaken by the Lewis and Clark rural water system and the four participating Minnesota systems in the following areas:

(i) water conservation activities including leak detection, water use restrictions, water pricing policies, and public education;

(ii) groundwater protection activities, including public education programs and technical assistance provided to local water systems;

(iii) reporting and coordination of water exploration activity with the Minnesota geological survey and the department of natural resources;

(iv) evaluation of constructed or restored wetlands options to address wastewater disposal and interbasin transfer issues at the city of Worthington. The options to be evaluated shall, at a minimum, include establishment of constructed or restored wetlands in the Okabena-Ocheda and Middle Des Moines watershed districts.

(2) An annual progress report on the work program elements shall be prepared by the southwest regional development commission in cooperation with the Lewis and Clark rural water system and the participating Minnesota systems and shall be submitted to the commissioner of natural resources and the legislative water commission by February 15 each year.

\$35,000 is appropriated in fiscal year 1995 for reimbursement of the cost of emergency flood damage repairs to the dike on the Root river in Houston county.

\$60,000 is appropriated in fiscal year 1995 under Minnesota Statutes, section 103G.701, to the commissioner of natural resources for a grant, requiring no local match, to Morrison county for improving water flow along the easterly shoreline of the Mississippi river near Highway 10 in Morrison county, notwithstanding Minnesota Statutes, section 103G.701, subdivision 4.

The commissioner of natural resources shall conduct a study of dams on waters of the state. The study must investigate the type and number of impoundments that exist, their condition, and their probable future life span. The study also must examine dam issues and make recommendations for policies regarding Minnesota dams, including renovation versus removal, the impact on the ecology of the waterway, any need for additional construction, and the potential for hydropower or drinking water supplies. The commissioner must report back to the house and senate environment committees by February 15, 1995.

Subd. 3. Forest Management

-0-

75,000

\$75,000 is appropriated to the commissioner of natural resources from the general fund to plan and begin restoration and enhancement of Oak Forest and Oak Savannah natural communities in St. Paul's Mounds Park and Battle Creek regional park.

Subd. 4. Parks and Recreation

-0-

618,000

Subd. 5. Trails and Waterways

(25,000)

1,050,000

APPROPRIATION CHANGE
1994 1995

Summary by Fund

General	-0-	1,075,000
Game and Fish	(25,000)	(25,000)

\$1,000,000 is appropriated in fiscal year 1995 from the general fund for grant-in-aid snowmobile trail maintenance and construction during the fiscal year ending June 30, 1995; \$750,000 for grant-in-aid snowmobile trail maintenance; and \$250,000 for snowmobile trail construction. This amount shall not be considered a base increase for fiscal year 1996.

\$75,000 is appropriated in fiscal year 1995 for completion of the shore and pier fishing project on the Mississippi River in South St. Paul.

Subd. 6. Fish and Wildlife Management

(1,812,000)

(1,881,000)

Summary by Fund

General	-0-	493,000
Game and Fish	(1,812,000)	(2,374,000)

\$96,000 is appropriated in fiscal year 1995 for forest and prairie ecologists, to provide research, inventory, and analysis services necessary in the natural heritage program of the department of natural resources.

\$200,000 is appropriated in fiscal year 1995 to accelerate the county biological survey program to enter more counties in order to assess their rare and endangered plants, animals, and natural communities in a timely fashion.

\$17,000 is appropriated in fiscal year 1995 for purchase of an airboat at Lac qui Parle WMA.

\$874,000 in 1994 and \$874,000 in 1995 are reduced from the game and fish fund appropriation for in lieu payments.

\$180,000 is appropriated in fiscal year 1995 for field resource ecologists. These positions shall work with local units of government to aid in protecting rare and endangered natural areas where development pressure and resource use is high. They also shall interpret county biological survey data for local units.

Subd. 7. Operations Support

(243,000)

(670,000)

Summary by Fund

General	-0-	138,000
Game and Fish	(243,000)	(808,000)

\$100,000 is appropriated in fiscal year 1995 for transfer to the environmental quality board. The money is for the implementation of recommendations in support of Minnesota's environment based on sustainable human and economic development.

\$38,000 is appropriated in fiscal year 1995 to the commissioner of natural resources to pay Marshall county road reimbursement costs under Laws 1993, chapter 172, section 89, and Minnesota Statutes, section 84A.32, subdivision 1, paragraph (d).

APPROPRIATION CHANGE

1994

1995

Sec. 4. BOARD OF SOIL AND WATER RESOURCES

-0-

1,280,000

Of this amount, \$1,100,000 is for local implementation of the state revolving fund, which provides grants to soil and water conservation districts (SWCDs). The SWCDs must use the grants to hire staff to assist landowners to implement a variety of conservation practices.

Whenever feasible, the best management practices program shall encourage the use of planting native trees, shrubs, and grasses whenever creation of filter strips, ponding areas, and other planted areas is part of the plan.

Sec. 5. AGRICULTURE

-0-

3,406,000

\$1,050,000 is appropriated in fiscal year 1995 and is added to the appropriation in Laws 1993, chapter 172, section 7. The appropriation in subdivision 2 of section 7 is increased by \$425,000 and the appropriation in subdivision 4 of section 7 is increased by \$625,000 to provide assistance to feedlot operators, and to implement best management practices for animal waste and sound nutrient management practices. Of the amount added to the appropriation in subdivision 4 of section 7, \$150,000 is for grants.

\$200,000 is appropriated in fiscal year 1995 and is for the administrative costs of implementing a rural and agriculture loan program for water quality improvement practices.

\$2,000,000 is appropriated in fiscal year 1995 for use by the rural finance authority for purposes of assisting in the finance of ethanol production facilities in Minnesota. This appropriation shall be transferred to the ethanol production facilities account in the special revenue fund.

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, and Laws 1993, chapter 172, section 7, subdivision 3, the total payments from the ethanol development account to all producers may not exceed \$14,800,000 for the biennium ending June 30, 1995.

\$56,000 is appropriated in fiscal year 1995 for support of legal challenges to discriminatory aspects of the federal milk market order system. Some or all of this amount may be used at the commissioner's discretion as a contribution to the costs of initiating or continuing court challenges in cooperation with Minnesota or regional dairy organizations.

\$100,000 is appropriated for fiscal year 1995 for use in the enforcement and management of the recombinant bovine growth hormone labeling program under Minnesota Statutes, section 32.75.

The department of agriculture and the department of natural resources shall jointly conduct an assessment and report recommendations on developing an integrated pest management program for urban areas. The department shall submit its report to the environment and natural resources finance division of the senate and the environment and natural resources finance committee of the house of representatives by February 15, 1995.

APPROPRIATION CHANGE
1994 1995

The department of agriculture shall involve technical colleges and other institutions of higher learning in the planning process for the manure-testing program and shall assess the feasibility of including their current or potentially updated laboratories in the future testing program and also study potential curricula for training technicians in the future.

Sec. 6. OFFICE OF STRATEGIC AND LONG RANGE PLANNING

-0-

250,000

This appropriation from the general fund to the director of the office of strategic and long range planning for the fiscal year ending June 30, 1995. The money is to be used for a grant to the Northern Counties Land Use Coordinating Board, a joint powers board formed pursuant to Minnesota Statutes, section 471.59, contingent on the board receiving \$125,000 in local matching funds. The grant is to be used for developing a coordinated planning process and comprehensive land use plans pursuant to policy goals in the National Environmental Policy Act, United States Code, title 42, section 4331. The planning process must, in addition to those goals, be designed to:

- (1) sustain development of environmental and natural resources based on sound scientific principles;
- (2) achieve social balance concurrent with ecological integrity, including harmonious coexistence of all life forms;
- (3) enhance viable economic conditions throughout the region; and
- (4) provide for broad public input through an open process and cooperation with all stakeholders within and outside of the region.

Sec. 7. CITIZEN'S COUNCIL ON VOYAGEURS NATIONAL PARK

-0-

60,000

Sec. 8. OFFICE OF WASTE MANAGEMENT

-0-

70,000

\$70,000 is appropriated in fiscal year 1995 for the purposes of conducting the annual solid waste composition studies.

Sec. 9. MINNESOTA RESOURCES

2,750,000

Summary by Fund

Minnesota Future Resources Fund
1,404,000

Minnesota Environment and Natural Resources Trust Fund
1,346,000

The following amounts are appropriated from the Minnesota future resources fund and the Minnesota environment and natural resources trust fund. The appropriations are available immediately following enactment and are otherwise subject to the provisions of Laws 1993, chapter 172, section 14.

State Park Betterment

404,000

This amount is added to the appropriation contained in Laws 1993, chapter 172, section 14, subdivision 10, paragraph (a).

APPROPRIATION CHANGE
1994 1995

Lake Minnetonka Water Access Acquisition

1,000,000

This amount is added to the appropriation contained in Laws 1993, chapter 172, section 14, subdivision 10, paragraph (n).

Trail Linkages, Metropolitan Regional Network

638,000

This amount is added to the appropriation contained in Laws 1993, chapter 172, section 14, subdivision 10, paragraph (c).

State Trail Development

708,000

This appropriation is from the trust fund to the commissioner of natural resources for state trail development and rehabilitation.

Sec. 10. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 6a. [AGRICULTURE BEST MANAGEMENT PRACTICES LOAN PROGRAM.] Data collected by the commissioner on applicants or borrowers for the agriculture best management practices loan program are governed by section 17.117.

Sec. 11. [17.117] [AGRICULTURE BEST MANAGEMENT PRACTICES LOAN PROGRAM.]

Subdivision 1. [PURPOSE.] The purpose of the agriculture best management practices loan program is to provide low- or no-interest financing to farmers, agriculture supply businesses, and rural landowners for the implementation of agriculture best management practices.

Subd. 2. [AUTHORITY.] The commissioner shall establish a program to work with local units of government, federal authorities, lending institutions, and other appropriate organizations to provide loans to landowners and businesses for facilities, fixtures, equipment, or other sustainable practices that prevent or mitigate sources of nonpoint source water pollution. The commissioner shall establish pilot projects effective until January 1, 1996, for implementing the program. The commissioner shall adopt emergency and permanent rules to implement the pilot projects and the program. The rules shall contain, but not be limited to, application procedures, eligibility criteria, conditions of the loan, and repayment procedures.

Subd. 3. [APPROPRIATION.] Funds from the water pollution control revolving fund in section 446A.07 provided by the public facilities authority shall be appropriated to the commissioner for the establishment of this program.

Subd. 4. [DEFINITIONS.] (a) For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(b) "Applicant" means a county or the designee of the county applying on behalf of a county. Applicant may mean a soil and water conservation district or an organization formed for the joint exercise of power.

(c) "Authority" means the Minnesota public facilities authority as established in section 446A.03.

(d) "Best management practices" has the meaning given in sections 103F.711, subdivision 3, and 103H.151, subdivision 2.

(e) "Borrower" means an individual farmer, an agriculture supply business, or rural landowner applying for a low-interest loan.

(f) "Chair" means the chair of the board of water and soil resources or the designee of the chair.

(g) "Commissioner" means the commissioner of agriculture or the designee of the commissioner.

(h) "Comprehensive water management plan" means a state approved and locally adopted plan authorized under section 103B.231, 103B.255, 103B.311, 103C.331, 103D.401, or 103D.405.

(i) "County allocation request" means a loan allocation request from an applicant to implement agriculturally related best management practices defined in paragraph (d).

(j) "Lender agreement" means an agreement entered into between the commissioner and a local lender. The agreement will contain terms and conditions of the loan that will include, but need not be limited to, general loan provisions, loan management requirements, application of payments, loan term limits, allowable expenses, and fee limitations.

(k) "Local government unit" means a county, soil and water conservation district, or an organization formed for the joint exercise of powers under section 471.59.

(l) "Local lender" means a local government unit as defined in paragraph (k), a state or federally chartered bank, a savings and loan association, or Farm Credit Services.

(m) "Nonpoint source" has the meaning given in section 103F.711, subdivision 6.

Subd. 5. [USES OF FUNDS.] Use of funds under this section must be in compliance with the federal Water Pollution Control Act, section 446A.07, and eligible activities listed in the intended use plan authorized in section 446A.07, subdivision 4.

Subd. 6. [APPLICATION.] (a) The commissioner must prescribe forms and establish an application process for applicants to apply for a county allocation request. The application must include but need not be limited to: (1) the geographic area served; (2) the type and estimated cost of activities or projects for which they are seeking a loan allocation; (3) a ranking of proposed activities or projects; and (4) the designation of the local lender and lending practices the applicant intends to use to issue the loans to the borrowers.

(b) In an area of the state where a county allocation request has not been requested or has been rejected, application forms must be available for a borrower to apply directly to the commissioner for a loan under this program.

(c) If a county allocation request is rejected, the applicant must be notified in writing as to the reasons for the rejection and given 30 days to submit a revised application. The revised application shall be reviewed according to the same procedure used to review the initial application.

Subd. 7. [PAYMENTS.] Payments made from the water pollution control revolving fund must be made in accordance with applicable state and federal laws and rules governing the payments.

Subd. 8. [APPLICANT; BORROWERS.] (a) A county may submit a county allocation request as defined in subdivision 4, paragraph (i). A county or a group of counties may designate another local government unit as defined in subdivision 4, paragraph (k), to submit a county allocation request.

(b) If a county does not submit a county allocation request, and does not designate another local government unit, a soil and water conservation district may submit a county allocation request. In all instances, there may be only one request from a county. The applicant must coordinate and submit requests on behalf of other units of government within the geographic jurisdiction of the applicant.

(c) Borrowers may apply directly to the commissioner if the commissioner does not receive or approve a county allocation request from the county, designated local government unit, or soil and water conservation district in which the proposed activities would be carried out.

Subd. 9. [REVIEW AND RANKING OF ALLOCATION REQUESTS.] (a) The commissioner shall chair the subcommittee established in section 103F.761 for purposes of reviewing and ranking county allocation requests. The rankings must be in order of priority and shall provide financial assistance within the limits of the funds available. In carrying out the review and ranking, the subcommittee must consist of, at a minimum, the chair, representatives of the pollution control agency, United States Department of Agriculture Agricultural Stabilization and Conservation Service, United States Department of Agriculture Soil Conservation Service, Association of Minnesota Counties, and other agencies or associations as the commissioner, the chair, and agency determine are appropriate. The review and ranking shall take into consideration other related state or federal programs.

(b) The subcommittee shall use the criteria listed below in carrying out the review and ranking:

(1) whether the proposed activities are identified in a comprehensive water management plan as priorities;

- (2) the potential that the proposed activities have for improving or protecting surface and groundwater quality;
- (3) the extent that the proposed activities support areawide or multijurisdictional approaches to protecting water quality based on defined watershed;
- (4) whether the activities are needed for compliance with existing water related laws or rules;
- (5) whether the proposed activities demonstrate participation, coordination, and cooperation between local units of government and other public agencies;
- (6) whether there is coordination with other public and private funding sources and programs; and
- (7) whether there are off-site public benefits such as preventing downstream degradation and siltation.

Subd. 10. [BORROWER ELIGIBILITY; TERMS; REPAYMENT.] (a) Local lenders shall use the following criteria in addition to other criteria they deem necessary in determining the eligibility of borrowers for loans:

- (1) whether the activity is certified by a local unit of government as meeting priority needs identified in a comprehensive water management plan and is in compliance with accepted standards, specifications, or criteria;
- (2) whether the activity is certified as eligible under Environmental Protection Agency or other applicable guidelines; and
- (3) whether the repayment is assured from the borrower.

(b) Local lenders shall set the terms and conditions of loans. In all instances, local lenders must provide for sufficient collateral or protection for the loan principal. They are responsible for collecting repayments by borrowers. For direct loans, the borrower must provide sufficient collateral and repay the loan according to a mutually prearranged schedule with the commissioner.

(c) A local lender is responsible for repaying the principal of a loan to the commissioner. The terms of repayment will be identified in the lender agreement. If defaults occur, it is the responsibility of the local lender to obtain repayment from the borrower.

Subd. 11. [DATA PRIVACY.] The following data on applicants or borrowers collected by the commissioner under this section, are private for data on individuals as provided in section 13.02, subdivision 12, or nonpublic for data not on individuals as provided in section 13.02, subdivision 9: financial information, including, but not limited to, credit reports, financial statements, tax returns and net worth calculations received or prepared by the commissioner.

Subd. 12. [ESTABLISHMENT OF ACCOUNT.] The authority shall establish an account called the agriculture best management practices revolving fund to provide loans and other forms of financial assistance authorized under section 446A.07. The fund must be credited with repayments.

Subd. 13. [FEES; LOAN SERVICES.] Origination fees charged directly to borrowers by local lenders upon executing a loan shall not exceed one-half of one percent of the loan amount. Servicing fees assessed to loan repayments must not exceed two percent interest on outstanding principal amounts if the local lender is a local government unit, or three percent interest on outstanding principal amounts if the local lender is a state or federally chartered bank, savings and loan association, or an entity of Farm Credit Services.

Subd. 14. [REPORT.] (a) The commissioner and chair shall prepare and submit a report to the legislative water commission by October 15, 1994, and October 15, 1995. thereafter, the report shall be submitted by October 15 of each odd-numbered year.

(b) The report shall include, but need not be limited to, matters such as loan allocations and uses, the extent to which the financial assistance is helping implement local water planning priorities, the integration or coordination that has occurred with related programs, and other matters deemed pertinent to the implementation of the program.

Sec. 12. [17.118] [FEEDLOT AND MANURE MANAGEMENT ADVISORY COMMITTEE.]

(a) The commissioner of agriculture and the commissioner of the pollution control agency shall establish a feedlot and manure management advisory committee to identify needs, goals, and suggest policies for research, monitoring, and regulatory activities regarding feedlot and manure management.

(b) The committee must include representation from beef, dairy, pork, turkey, chicken, and egg producer organizations. The committee shall not exceed 15 members, but must include representatives from at least three environmental organizations not associated with production agriculture, eight livestock producers, and four experts in soil and water science, nutrient management, and animal husbandry. No more than eight members may be of one gender. In addition, the department of agriculture, the pollution control agency, the board of water and soil resources, the United States Department of Agriculture Soil Conservation Service, and the United States Department of Agriculture Agricultural Stabilization and Conservation Service shall serve on the committee as ex officio nonvoting members.

(c) The advisory committee shall be chaired by a member of the committee selected by the committee. The department and the agency shall provide staff support to the committee.

(d) The commissioner of agriculture and the commissioner of the pollution control agency shall consult with the advisory committee during the development of any policies, rules, or funding proposals or recommendations relating to feedlots or feedlot-related manure management.

(e) The commissioner of agriculture shall consult with the advisory committee on establishing a list of manure management research needs and priorities.

(f) The advisory committee shall advise the commissioners on other matters as deemed appropriate.

(g) Nongovernment members of the advisory committee shall not receive per diem but may receive reimbursement for actual expenses, in accordance with section 15.059, subdivision 6. The advisory committee expires on June 30, 1997.

Sec. 13. Minnesota Statutes 1992, section 17B.15, subdivision 1, is amended to read:

Subdivision 1. [ADMINISTRATION; APPROPRIATION.] The fees for inspection and weighing shall be fixed by the commissioner and be a lien upon the grain. The commissioner shall set fees for all inspection and weighing in an amount adequate to pay the expenses of carrying out and enforcing the purposes of sections 17B.01 to 17B.23, including the portion of general support costs and statewide indirect costs of the agency attributable to that function, with a reserve sufficient for up to six months. The commissioner shall review the fee schedule twice each year. Fee adjustments are not subject to chapter 14. Payment shall be required for services rendered. If the grain is in transit, the fees shall be paid by the carrier and treated as advance charges, and, if received for storage, the fees shall be paid by the warehouse operator, and added to the storage charges.

All fees collected and all fines and penalties for violation of any provision of this chapter shall be deposited in the grain inspection and weighing account, which is created in the state treasury for carrying out the purpose of sections 17B.01 to 17B.23. The money in the account, including interest earned on the account, is annually appropriated to the commissioner of agriculture to administer the provisions of sections 17B.01 to 17B.23.

Sec. 14. Minnesota Statutes 1992, sections 32.103, is amended to read:

32.103 [INSPECTION OF DAIRIES.]

(a) At times the commissioner determines proper, the commissioner shall cause to be inspected all places where dairy products are made, stored, or served as food for pay, and all places where cows are kept by persons engaged in the sale of milk, and shall require the correction of all insanitary conditions and practices found. The commissioner shall inspect for evidence of use of rBGH in violation of section 32.75, by producers providing affidavits of nontreatment under that section and shall verify the physical separation of milk and dairy products from non-rBGH-treated cows if required by section 32.75.

(b) A refusal or physical threat that prevents the completion of an inspection or neglect to obey a lawful direction of the commissioner or the commissioner's agent given while carrying out this section may result in the suspension of the offender's permit or certification. The offender is required to meet with a representative of the offender's plant or marketing organization and a representative of the commissioner within 48 hours excluding holidays or weekends or the suspension will take effect. A producer may request a hearing before the commissioner or the commissioner's agent if a serious concern exists relative to the retention of the offender's permit or certification to sell milk.

Sec. 15. [32.75] [RECOMBINANT BOVINE GROWTH HORMONE LABELING.]

Subdivision 1. [DEFINITION.] For purposes of this section and sections 32.103, 151.01, and 151.15, "recombinant bovine growth hormone" or "rBGH" means a growth hormone, intended for use in bovine animals, that has been produced through recombinant DNA techniques, described alternately as recombinant bovine somatotropin, or rBST.

Subd. 2. [LABELING.] (a) Products offered for wholesale or retail sale in this state which contain milk, cream, or any product or by-product of milk or cream, which have been processed and handled pursuant to the requirements of this section, may be labeled: "Milk in this product is from cows not treated with rBGH." Labeling of dairy products under this section which are offered for sale within this state may also include an indication that the milk used is "farmer certified rBGH-free." Products offered for wholesale or retail sale in this state need not contain any further label information relative to the use of rBGH in milk production.

(b) The label described in paragraph (a) may appear on the principal display panel, as defined in section 31.01, subdivision 22, of a packaged product, be conspicuously attached to the container of a bulk product, or appear in any advertisement, as defined in section 31.01, subdivision 26, for a product, including displays or placards posted in retail stores.

Subd. 3. [AFFIDAVIT; RECORDS.] (a) A dairy plant purchasing milk or cream to be used in products labeled pursuant to subdivision 2 shall require an affidavit from producers supplying such milk. This affidavit must be signed by the producer or authorized representative and state that cows providing the supplied milk have not and will not be treated with rBGH, without advanced written notice of at least 30 days to the dairy plant. This affidavit must further state that the producer has taken measures necessary to keep fully separate non-rBGH-treated cows, and milk or cream received from such cows, as required by subdivision 4. A dairy plant may require the producer providing an affidavit to notify the dairy plant in writing up to 90 days in advance of the use of rBGH in milk production.

(b) Dairy plants shall keep original affidavits on file for a period of not less than two years after receiving written notice from the producer of anticipated rBGH use, as provided in paragraph (a). These affidavits and corresponding records must be made available for inspection by the commissioner. Dairy plants supplying milk or cream to a processor or manufacturer of a product to be labeled pursuant to subdivision 2, for use in that product, shall supply a certification to that processor or manufacturer stating that producers of the supplied milk or cream have executed and delivered affidavits pursuant to paragraph (a).

Subd. 4. [SEPARATION OF NONTREATED COWS AND MILK.] (a) All milk or cream from non-rBGH-treated cows used in manufacturing or processing of products labeled pursuant to subdivision 2, or milk or cream supplied by a producer under an affidavit pursuant to subdivision 3, must be kept fully separate from any other milk or cream through all stages of storage, transportation, and processing until the milk or resulting dairy products are in final packaged form in a properly labeled container. Records of the separation must be kept by the dairy plant and product processor or manufacturer at all stages and made available to the commissioner for inspection.

(b) When providing milk or cream under an affidavit pursuant to subdivision 3, producers shall, at all times, physically segregate all non-rBGH-treated cows from rBGH-treated cows and provide separate milking facilities and storage containers for milk or cream received from non-rBGH-treated cows.

Sec. 16. Minnesota Statutes 1993 Supplement, section 84.872, is amended to read:

84.872 [YOUTHFUL SNOWMOBILE OPERATORS; PROHIBITIONS.]

Subdivision 1. [RESTRICTIONS ON OPERATION.] Notwithstanding anything in section 84.87 to the contrary, no person under 14 years of age shall make a direct crossing of a trunk, county state-aid, or county highway as the operator of a snowmobile, or operate a snowmobile upon a street or highway within a municipality. A person 14 years of age or older, but less than 18 years of age, may make a direct crossing of a trunk, county state-aid, or county highway only if the person has in immediate possession a valid snowmobile safety certificate issued by the commissioner or a valid motor vehicle operator's license issued by the commissioner of public safety or the drivers license authority of another state. No person under the age of 14 years shall operate a snowmobile on any public land, public easements, or water under the jurisdiction of the commissioner unless accompanied by one of the following listed persons on the same or an accompanying snowmobile, or on a device towed by the same or an accompanying snowmobile: the person's parent, legal guardian, or other person 18 years of age or older. However, a person 12 years of age or older may operate a snowmobile on public lands, public easements, and waters under the jurisdiction of the commissioner if the person has in immediate possession a valid snowmobile safety certificate issued by the commissioner.

Subd. 2. [OWNER DUTIES.] It is unlawful for any person who is the owner or in lawful control of a snowmobile to permit the snowmobile to be operated contrary to the provisions of this section.

Subd. 3. [REPORTING CONVICTIONS; SUSPENSIONS.] When the judge of a juvenile court, or any of its duly authorized agents, shall determine that any person, while less than 18 years of age, has violated the provisions of sections 84.81 to 84.88, or any other state or local law or ordinance regulating the operation of snowmobiles, the judge, or duly authorized agent, shall immediately report ~~such~~ this determination to the commissioner and may recommend the suspension of the person's snowmobile safety certificate. The commissioner is hereby authorized to suspend the certificate, without a hearing.

Sec. 17. Minnesota Statutes 1992, section 85.015, subdivision 1, is amended to read:

Subdivision 1. [ACQUISITION.] (a) The commissioner of natural resources shall establish, develop, maintain, and operate the trails designated in this section. Each trail shall have the purposes assigned to it in this section. The commissioner of natural resources may acquire lands by gift or purchase, in fee or easement, for the trail and facilities related to the trail.

(b) Notwithstanding the offering to public entities, referral to executive council, public sale and related notice and publication requirements of sections 94.09 to 94.165, the commissioner of natural resources, in the name of the state, may sell surplus lands not needed for trail purposes at private sale to adjoining property owners and leaseholders. The conveyance must be by quitclaim in a form approved by the attorney general for a consideration not less than the appraised value.

Sec. 18. Minnesota Statutes 1992, section 94.09, subdivision 5, is amended to read:

Subd. 5. On or before November 15 of each even numbered year the commissioner of administration shall report to the governor and the legislature for the two-year period immediately preceding the following:

(a) The lands which state departments and agencies have certified as no longer needed.

(b) The lands which have been determined to be no longer needed for state purposes, regarding which the executive council has been formally notified.

(c) The lands which have been publicly sold.

(d) The trail lands which have been privately sold to adjoining property owners and leaseholders under section 85.015, subdivision 1, paragraph (b).

Sec. 19. Minnesota Statutes 1992, section 97A.061, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY; AMOUNT.] (a) The commissioner shall annually make a payment ~~from the game and fish fund~~ to each county having public hunting areas and game refuges, and money is annually appropriated for the payment from the general fund. This section does not apply to state trust fund land and other state land not purchased for game refuge or public hunting purposes. The payment shall be the greatest of:

(1) 35 percent of the gross receipts from all special use permits and leases of land acquired for public hunting and game refuges;

(2) 50 cents per acre on land purchased actually used for public hunting or game refuges; or

(3) three-fourths of one percent of the appraised value of purchased land actually used for public hunting and game refuges.

(b) The payment must be reduced by the amount paid under subdivision 3 for croplands managed for wild geese.

(c) The appraised value is the purchase price for five years after acquisition. The appraised value shall be determined by the county assessor every five years after acquisition.

Sec. 20. Minnesota Statutes 1993 Supplement, section 97A.061, subdivision 3, is amended to read:

Subd. 3. [GOOSE MANAGEMENT CROPLANDS.] (a) The commissioner shall make a payment on July 1 of each year ~~from the game and fish fund,~~ to each county where the state owns more than 1,000 acres of crop land, for wild goose management purposes, and money is annually appropriated for the payment from the general fund. The payment shall be equal to the taxes assessed on comparable, privately owned, adjacent land. The county treasurer shall allocate and distribute the payment as provided in subdivision 2.

(b) The land used for goose management under this subdivision is exempt from taxation as provided in sections 272.01 and 273.19.

Sec. 21. Minnesota Statutes 1992, section 97A.165, is amended to read:

97A.165 [SOURCE OF PAYMENTS FOR INDIAN AGREEMENT.]

Money to make payments to the Leech Lake Band, the 1854 treaty area agreement, and White Earth Band special license account under sections 94.16, 97A.151, subdivision 4, and 97A.157, subdivision 4, is annually appropriated for that purpose ~~in a ratio of 20 percent from the game and fish fund and 80 percent from the general fund.~~

Sec. 22. Minnesota Statutes 1992, section 97A.441, subdivision 6, is amended to read:

Subd. 6. [TAKING DEER; DISABLED VETERANS.] A person authorized to issue licenses must issue, without a fee, a license to take deer or small game with firearms or by archery to a resident that is a veteran, as defined in section 197.447, and that has a 100 percent service connected disability as defined by the United States Veterans Administration upon being furnished satisfactory evidence.

Sec. 23. Minnesota Statutes 1992, section 97A.485, subdivision 8, is amended to read:

Subd. 8. [REDEMPTION OF UNSOLD LICENSES.] The commissioner must redeem unsold licenses submitted within the redemption time prescribed by the commissioner. Licenses that are not submitted for redemption within the prescribed time are considered to have been sold and the auditor or county to whom the licenses were furnished are accountable for them. A county auditor must refund the license fees prepaid by the auditor's subagent for unsold licenses submitted within a time period established by the commissioner. Unsold resident and nonresident 24-hour angling licenses held by a subagent must not be returned prior to the end of the license year.

Sec. 24. Minnesota Statutes 1993 Supplement, section 97B.071, is amended to read:

97B.071 [BLAZE ORANGE REQUIREMENTS.]

A person may not hunt or trap during the open season in a zone or area where deer may be taken by firearms, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange, except that the commissioner may, by rule, prescribe an alternative color for persons qualifying under the Religious Freedom Restoration Act of 1993 (Public Law Number 103-141). Blaze orange includes a camouflage pattern of at least 50 percent blaze orange within each foot square. This section does not apply to migratory waterfowl hunters on waters of this state or in a stationary shooting location.

This section is effective for the 1994 firearms deer season and subsequent firearms deer seasons. The commissioner of natural resources shall, by way of public service announcements and other means, inform the public of the provisions of this section.

Sec. 25. Minnesota Statutes 1992, section 97B.601, subdivision 4, is amended to read:

Subd. 4. [EXCEPTION TO LICENSE REQUIREMENTS.] (a) A resident under age 16 may take small game without a small game license, and a resident under age 13 may trap without a trapping license, as provided in section 97A.451, subdivision 3.

(b) A person may take small game without a small game license on land occupied by the person as a principal residence.

(c) An owner or occupant may take certain small game causing damage without a small game or trapping license as provided in section 97B.655.

(d) A person may use dogs to pursue and tree raccoons under section 97B.621, subdivision 2, during the closed season without a license.

(e) A person may take turkey without a small game license.

(f) A disabled veteran, as provided in section 97A.441, subdivision 6, may take small game without a small game license.

Sec. 26. Minnesota Statutes 1992, section 103F.725, is amended by adding a subdivision to read:

Subd. 1a. [FINANCIAL ASSISTANCE; LOANS.] (a) Funds from the water pollution control revolving fund in section 446A.07 provided by the public facilities authority shall be appropriated to the commissioner for the establishment of a clean water partnership loan program.

(b) The agency may award loans for up to 100 percent of the costs associated with activities identified by the agency as best management practices pursuant to section 319 and section 320 of the federal Water Quality Act of 1987, as amended, including associated administrative costs.

(c) Loans may be used to finance clean water partnership grant project eligible costs not funded by grant assistance.

(d) The interest rate, at or below market rate, and the term, not to exceed 20 years, shall be determined by the agency in consultation with the public facilities authority.

(e) The repayment must be deposited in the water pollution control revolving fund under section 446A.07.

(f) The local unit of government receiving the loan is responsible for repayment of the loan.

Sec. 27. Minnesota Statutes 1992, section 103F.745, is amended to read:

103F.745 [RULES.]

(a) The agency shall adopt rules necessary to implement sections 103F.701 to 103F.761. The rules shall contain at a minimum:

- (1) procedures to be followed by local units of government in applying for technical or financial assistance or both;
- (2) conditions for the administration of assistance;
- (3) procedures for the development, evaluation, and implementation of best management practices;
- (4) requirements for a diagnostic study and implementation plan;
- (5) criteria for the evaluation and approval of a diagnostic study and implementation plan;
- (6) criteria for the evaluation of best management practices;
- (7) criteria for the ranking of projects in order of priority for assistance;
- (8) criteria for defining and evaluating eligible costs and cost-sharing by local units of government applying for assistance; and
- (9) other matters as the agency and the commissioner find necessary for the proper administration of sections 103F.701 to 103F.761, including any rules determined by the commissioner to be necessary for the implementation of federal programs to control nonpoint source water pollution.

(b) For financial assistance by loan under section 103F.725, subdivision 1a, criteria established by rule for the clean water partnership grants program shall guide requirements and administrative procedures for the loan program until January 1, 1996, or the effective date of the administrative rules for the clean water partnership loan program, whichever occurs first.

Sec. 28. Minnesota Statutes 1992, section 103F.761, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] (a) The project coordination team shall advise the agency in preparation of rules, evaluate projects, and recommend to the commissioner those projects that the team believes should receive financial or technical assistance or both from the agency. After approval of assistance for a project by the agency, the team shall review project activities and assist in the coordination of the state program with other state and federal resource management programs.

(b) For state agencies or departments receiving funding under section 446A.07, subdivision 6, the project coordination team shall provide guidance for the allocation of water pollution control fund nonpoint source pollution funding with consideration to statewide environmental priorities including priorities for types of projects and geographic or watershed priorities. A subcommittee of the project coordination team will be formed for each of the separate funding areas under section 446A.07, subdivision 6, and shall be chaired by the appropriate lead state agency or department. Each subcommittee shall evaluate and rank projects within its area with consideration given to the guidance provided by the project coordination team.

Sec. 29. Minnesota Statutes 1992, section 115A.5501, subdivision 2, is amended to read:

Subd. 2. [MEASUREMENT; PROCEDURES.] To measure the overall percentage of packaging in the statewide solid waste stream, the ~~commissioner~~ director and the chair of the metropolitan council, in consultation with the ~~director~~ commissioner, shall each conduct an annual ~~four-season~~ solid waste composition study in the nonmetropolitan and metropolitan areas respectively or shall develop an alternative method that is as statistically reliable as a waste composition study to measure the percentage of packaging in the waste stream.

~~Beginning in 1993,~~ The chair of the council shall submit the results from the metropolitan area to the ~~commissioner~~ director by ~~March~~ May 1 of each year. The ~~commissioner~~ director shall average the nonmetropolitan and metropolitan results and submit the statewide percentage, along with a statistically reliable margin of error, to the ~~director~~ by April 1 of each year. ~~The director shall report the information to the legislative commission on waste management by July 1 of each year.~~

Sec. 30. Minnesota Statutes 1992, section 116.182, subdivision 2, is amended to read:

Subd. 2. [APPLICABILITY.] This section governs the commissioner's certification of applications for projects seeking financial assistance under section 103F.725, subdivision 1a, 446A.07, or 446A.071.

Sec. 31. Minnesota Statutes 1992, section 116.182, subdivision 3, is amended to read:

Subd. 3. [PROJECT REVIEW.] The commissioner shall review a municipality's proposed project ~~and financial assistance application~~ to determine whether ~~they meet~~ it meets the criteria in this section and the rules adopted under this section. The review must include a determination of the essential project components for wastewater treatment projects.

Sec. 32. Minnesota Statutes 1992, section 116.182, subdivision 4, is amended to read:

Subd. 4. [CERTIFICATION OF APPROVED PROJECTS.] The commissioner shall certify to the authority each approved ~~application project~~, including for wastewater treatment projects a statement of the essential project components and associated costs.

Sec. 33. Minnesota Statutes 1992, section 116.182, subdivision 5, is amended to read:

Subd. 5. [RULES.] The agency shall adopt rules for the administration of the financial assistance program. For wastewater treatment projects, the rules must include:

- (1) application requirements;
- (2) criteria for the ranking of projects in order of priority based on factors including the type of project and the degree of environmental impact, and scenic and wild river standards; and
- (3) criteria for determining essential project components.

Sec. 34. Minnesota Statutes 1992, section 116G.15, is amended to read:

116G.15 [MISSISSIPPI RIVER CRITICAL AREA.]

The federal Mississippi National River and Recreation Area established pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of critical concern in accordance with this chapter. The governor shall review the existing Mississippi river critical area plan and specify any additional standards and guidelines to affected communities in accordance with section 116G.06, subdivision 2, paragraph (b), clauses (3) and (4), needed to insure preservation of the area pending the completion of the federal plan.

The results of an environmental impact statement prepared under chapter 116D and completed after the effective date of this section for a proposed project that is located in the Mississippi river critical area must be reported to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate for legislative review of the proposed project and alternatives to the project prior to the issuance of any state or local permits and the authorization for an issuance of any bonds for the project. A report made under this paragraph must list alternatives to the project that are environmentally superior to the proposed project and identify any legislative actions that may assist in the implementation of environmentally superior alternatives.

Sec. 35. Minnesota Statutes 1993 Supplement, section 116P.11, is amended to read:

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

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

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

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

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

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

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

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

(4) for the 1995-1997 biennium, up to ~~ten~~ 25 percent of the revenue deposited in the fund in fiscal year 1996.

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

Sec. 36. Minnesota Statutes 1992, section 151.01, subdivision 28, is amended to read:

Subd. 28. [VETERINARY LEGEND DRUG.] "Veterinary legend drug" means ~~biosynthetic bovine somatotropin (BST) until June 12, 1992, or~~ a drug that is required by federal law to bear the following statement: "Caution: Federal law restricts this drug to use by or on the order of a licensed veterinarian."

Sec. 37. Minnesota Statutes 1992, section 151.15, subdivision 3, is amended to read:

Subd. 3. [UNLICENSED PERSONS; VETERINARY LEGEND DRUGS.] It shall be unlawful for any person other than a licensed veterinarian or pharmacist to compound or dispense veterinary legend drugs except as provided in this chapter. ~~Until June 12, 1992, a veterinarian or veterinarian's assistant may use biosynthetic bovine somatotropin (BST) for medical or research purposes only. Biosynthetic bovine somatotropin (BST) may not be dispensed to, used by, or administered by a person who is not a licensed veterinarian or a veterinarian's assistant under the veterinarian's supervision.~~

Sec. 38. Minnesota Statutes 1992, section 151.25, is amended to read:

151.25 [REGISTRATION OF MANUFACTURERS; FEE; PROHIBITIONS.]

The board shall require and provide for the annual registration of every person engaged in manufacturing drugs, medicines, chemicals, or poisons for medicinal purposes, now or hereafter doing business with accounts in this state. Upon a payment of a fee as set by the board, the board shall issue a registration certificate in such form as it may prescribe to such manufacturer. Such registration certificate shall be displayed in a conspicuous place in such manufacturer's or wholesaler's place of business for which it is issued and expire on the date set by the board. It shall be unlawful for any person to manufacture drugs, medicines, chemicals, or poisons for medicinal purposes unless such a certificate has been issued to the person by the board. It shall be unlawful for any person engaged in the manufacture of drugs, medicines, chemicals, or poisons for medicinal purposes, or the person's agent, to sell legend drugs ~~or biosynthetic bovine somatotropin (BST) until June 12, 1992,~~ to other than a pharmacy, except as provided in this chapter.

Sec. 39. Minnesota Statutes 1992, section 446A.02, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] For the purposes of ~~sections 446A.01 to 446A.09~~ this chapter, the terms in this section have the meanings given them.

Sec. 40. Minnesota Statutes 1992, section 446A.02, is amended by adding a subdivision to read:

Subd. 1a. [AGENCY.] "Agency" means the Minnesota pollution control agency.

Sec. 41. Minnesota Statutes 1993 Supplement, section 446A.03, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The Minnesota public facilities authority consists of the commissioner of trade and economic development, the commissioner of finance, the commissioner of the pollution control agency, ~~the commissioner of the department of agriculture, and three additional members appointed by the governor from the general public with the advice and consent of the senate~~ the commissioner of the department of health.

Sec. 42. Minnesota Statutes 1992, section 446A.03, subdivision 3, is amended to read:

Subd. 3. [MEMBERSHIP TERMS; DELEGATION.] The membership terms, compensation, removal, and filling of vacancies of public members of the authority are as provided in section 15.0575. In addition to any powers or authority to delegate that members have as commissioners, they may delegate their responsibilities as members of the authority for reviewing and approving financing of eligible projects that have been certified to the authority to the commissioner of the department of trade and economic development.

Sec. 43. Minnesota Statutes 1992, section 446A.07, subdivision 4, is amended to read:

Subd. 4. [INTENDED USE PLAN.] The pollution control agency shall annually prepare and submit to the United States Environmental Protection Agency an intended use plan. The plan must identify the intended uses of the amounts available to the water pollution control revolving fund, including a list of wastewater treatment and storm water projects and all other eligible activities to be funded during the fiscal year. Information regarding eligible activities must be submitted to the agency by the appropriate state agency or department within 30 days of written notification by the agency. The agency may not submit the plan until it has received the review and comment of the authority or until 30 days have elapsed since the plan was submitted to the authority, whichever occurs first.

Sec. 44. Minnesota Statutes 1992, section 446A.07, subdivision 6, is amended to read:

Subd. 6. [AWARD AND TERMS OF LOANS.] The authority shall award loans to those municipalities and other entities certified by the agency: or shall provide funding for the appropriate state agency or department to make loans for eligible activities certified by the agency provided the use of funds and the terms and conditions of the loans must be in conformance with the Federal Water Pollution Control Act, this section, and rules of the agency, and authority adopted under this section.

Sec. 45. Minnesota Statutes 1992, section 446A.07, subdivision 8, is amended to read:

Subd. 8. [OTHER USES OF REVOLVING FUND.] The water pollution control revolving fund may be used as provided in title VI of the Federal Water Pollution Control Act, including the following uses:

(1) to buy or refinance the debt obligation of governmental units for treatment works where debt was incurred and construction begun after March 7, 1985, at or below market rates;

(2) to guarantee or purchase insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loan guarantees, loans, or set-aside for similar revolving funds established by a governmental unit other than state agencies, or state agencies under sections 17.117, 103F.725, subdivision 1a, 116J.403, 116J.617, and 462A.05;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the agency of administering the fund and conducting activities required under the Federal Water Pollution Control Act, including water quality management planning under section 205(j) of the act and water quality standards continuing planning under section 303(e) of the act.

Amounts spent under clause (6) may not exceed the amount allowed under the Federal Water Pollution Control Act.

Sec. 46. Minnesota Statutes 1992, section 446A.07, subdivision 9, is amended to read:

Subd. 9. [PAYMENTS.] Payments from the fund must be made in accordance with the applicable state and federal law governing the payments, except that with the exception of payments made under sections 17.117, 103F.725, subdivision 1a, 116J.403, 116J.617, and 462A.05, no payment for a project may be made to a governmental unit until and unless the authority has determined the total estimated cost of the project and ascertained that financing of the project is assured by:

(1) a loan authorized by state law or the appropriation of proceeds of bonds or other money of the governmental unit to a fund for the construction of the project; and

(2) an irrevocable undertaking, by resolution of the governing body of the governmental unit, to use all money made available for the project exclusively for the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction fund of additional money or the proceeds of additional bonds to be issued by the governmental unit.

Sec. 47. Minnesota Statutes 1992, section 446A.07, subdivision 11, is amended to read:

Subd. 11. [RULES OF THE AGENCY.] The agency shall adopt rules relating to the procedure for preparation of the annual intended use plan and other matters that the agency considers necessary for proper loan administration. Eligible activities are those required under the federal Water Pollution Control Act of 1987, as amended.

Sec. 48. Minnesota Statutes 1992, section 446A.071, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT OF THE PROGRAM.] (a) The authority shall establish the wastewater infrastructure funding program to provide supplemental assistance, as provided in rules of the authority, to municipalities that receive loans or other assistance from the water pollution control revolving fund under section 446A.07 for wastewater treatment projects excluding storm water projects.

(b) The authority may secure funds for the wastewater infrastructure funding program through state appropriations; any source identified in section 446A.04 which may be designated by the authority for the purposes of this section; and any federal funding appropriated by Congress that may be used for the purposes of this section.

(c) The authority may set aside up to ten percent of the money appropriated to the wastewater infrastructure funding program for wastewater projects that are necessary to accommodate economic development projects.

Sec. 49. [446A.081] [DRINKING WATER REVOLVING FUND.]

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

(b) "Act" means the federal Drinking Water Infrastructure Financing Act.

(c) "Department" means the department of health.

Subd. 2. [ESTABLISHMENT OF FUND.] The authority shall establish a drinking water revolving fund to provide loans and other forms of financial assistance authorized by the act, as determined by the authority under the rules adopted under this section for the purposes and eligible costs authorized under the act. The fund must be credited with repayments. The act requires that the fund corpus must be managed so as to be available in perpetuity for the financing of drinking water systems in the state. At a minimum, 15 percent of the funds received each federal fiscal year shall be available solely for providing loans to public water systems which regularly serve fewer than 10,000 individuals.

Subd. 3. [STATE FUNDS.] A state matching fund is established to be used in compliance with federal matching requirements specified in the act.

Subd. 4. [CAPITALIZATION GRANT AGREEMENT.] The authority shall enter into an agreement with the administrator of the United States Environmental Protection Agency to receive capitalization grants for the fund. The authority and the department may exercise the powers necessary to comply with the requirements specified in the agreement.

Subd. 5. [INTENDED USE PLAN.] The authority shall annually prepare and submit to the United States Environmental Protection Agency an intended use plan. The plan must identify the intended uses of the amounts available to the drinking water revolving loan fund. The department shall provide a prioritized list of drinking water projects and other eligible activities to be considered for funding by the authority. The plan may be amended by the authority and include additional eligible projects proposed by the department.

Subd. 6. [APPLICATIONS.] Applications by municipalities, privately owned public water systems, and eligible entities identified in the annual intended use plan for loans from the fund must be made to the authority on the forms prescribed by the rules of the authority and the rules of the department adopted under this section. The authority shall forward the application to the department within ten days of receipt. The department shall approve those applications that appear to meet the criteria in the act, this section, and the rules of the department or the authority.

Subd. 7. [AWARD AND TERMS OF LOANS.] The authority shall award loans to those municipalities, privately owned public water systems, and other eligible entities approved by the department, provided that the applicant is able to comply with the terms and conditions of the authority loan, which must be in conformance with the act, this section, and the rules of the authority adopted under this section.

Subd. 8. [LOAN CONDITIONS.] (a) When making loans from the drinking water revolving fund, the authority shall comply with the conditions of the act, including the criteria in paragraphs (b) to (e).

(b) Loans must be made at or below market interest rates, including zero interest loans, for terms not to exceed 20 years.

(c) The annual principal and interest payments must begin no later than one year after completion of the project. Loans must be amortized no later than 20 years after project completion.

(d) A loan recipient must identify and establish a dedicated source of revenue for repayment of the loan, and provide for a source of revenue to properly operate, maintain, and repair the water system.

(e) The fund must be credited with all payments of principal and interest on all loans, except the costs as permitted under section 446A.04, subdivision 5, paragraph (a).

Subd. 9. [OTHER USES OF FUND.] The drinking water revolving loan fund may be used as provided in the act, including the following uses:

(1) to buy or refinance the debt obligations, at or below market rates, of public water systems for drinking water systems, where such debt was incurred after the date of enactment of the act, for the purposes of construction of the necessary improvements to comply with the national primary drinking water regulations under the federal Safe Drinking Water Act;

(2) to purchase or guarantee insurance for local obligations to improve credit market access or reduce interest rates;

(3) to provide a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the authority if the bond proceeds are deposited in the fund;

(4) to provide loans or loan guarantees for similar revolving funds established by a governmental unit or state agency;

(5) to earn interest on fund accounts; and

(6) to pay the reasonable costs incurred by the authority and the department for conducting activities as authorized and required under the act up to the limits authorized under the act.

Subd. 10. [PAYMENTS.] Payments from the fund to borrowers must be in accordance with the applicable state and federal laws governing such payments, except no payment for a project may be made to a borrower until and unless the authority has determined that the total estimated cost of the project and the financing of the project are assured by:

(1) a loan authorized by state law or appropriation of proceeds of bonds or other money of the borrower to a fund for the construction of the project; and

(2) an irrevocable undertaking, by resolution of the governing body of the borrower, to use all money made available for the project exclusively for the project, and to pay any additional amount by which the cost of the project exceeds the estimate by the appropriation to the construction fund of additional money or proceeds of additional bonds to be issued by the borrower.

Subd. 11. [RULES OF THE AUTHORITY.] The commissioner of trade and economic development shall adopt rules containing the procedures for the administration of the authority's duties as provided by this section that include: setting of interest rates, which shall take into account the financial need of the applicant; the amount of project financing to be provided; the collateral required for public drinking water systems and for privately owned public water systems; dedicated sources of revenue or income streams to ensure repayment of loans; and the requirements to ensure proper operation, maintenance, and repair of the water systems financed by the authority.

Subd. 12. [RULES OF THE DEPARTMENT.] The department shall adopt rules relating to the procedures for administration of the department's duties under the act and this section. The department and the commissioner of the department of trade and economic development may adopt a single set of rules for the program.

Sec. 50. Minnesota Statutes 1992, section 446A.11, subdivision 1, is amended to read:

Subdivision 1. [POWERS.] In implementing the purposes and the programs transferred to the authority by section 446A.10, subdivision 2 described in this chapter, the authority has the powers in this section.

Sec. 51. Minnesota Statutes 1992, section 446A.12, subdivision 1, is amended to read:

Subdivision 1. [BONDING AUTHORITY.] The authority may issue negotiable bonds in a principal amount that the authority determines necessary to provide sufficient funds for achieving its purposes, including the making of loans and purchase of securities, the payment of interest on bonds of the authority, the establishment of reserves to secure its bonds, the payment of fees to a third party providing credit enhancement, and the payment of all other expenditures of the authority incident to and necessary or convenient to carry out its corporate purposes and powers, but not including the making of grants. Bonds of the authority may be issued as bonds or notes or in any other form authorized by law. The principal amount of bonds issued and outstanding under this section at any time may not exceed \$250,000,000 \$350,000,000.

Sec. 52. Minnesota Statutes 1992, section 446A.15, subdivision 6, is amended to read:

Subd. 6. [CERTIFICATION AND BUDGET REQUEST.] To assure the payment of the principal of and interest on bonds of the authority issued prior to January 1, 1994, and the continued maintenance of all debt service reserve funds created and established for that payment, the authority shall annually determine and certify to the governor, on or before December 1, the following amounts:

(1) the amount then needed to restore each debt service reserve fund securing in whole or in part the payment of principal of and interest on bonds of the authority issued prior to January 1, 1994, to the minimum amount required by the resolution or indenture establishing the fund, but not exceeding the maximum amount of principal and interest to become due and payable in any later year on all bonds issued prior to January 1, 1994, that are then outstanding and secured by the fund; and

(2) the amount determined by the authority to be needed in the immediately ensuing fiscal year, with other funds pledged and estimated to be received during that year, for the payment of the principal and interest due and payable in that year on all then outstanding bonds secured by a debt service reserve fund securing in whole or in part the payment of principal of and interest on bonds of the authority issued prior to January 1, 1994, the amount of which is then less than the minimum amount agreed, but not exceeding the maximum amount of principal and interest to become due and payable in the immediately ensuing fiscal year on bonds prior to January 1, 1994.

The governor shall include in the proposed biennial budget for the following fiscal year, or in a supplemental budget if the biennial budget has previously been approved, the amounts certified by the authority in accordance with this subdivision.

Sec. 53. [WINONA COUNTY SOLID WASTE GRANT OR LOAN FORGIVEN.]

Notwithstanding Minnesota Statutes 1992, section 115A.54, subdivision 3, the awarding resolution, or the agreement between Winona county and the state acting through the office of waste management, formerly the waste management board, Winona county need not repay the outstanding balance of the grant or loan made to it under Minnesota Statutes, section 115A.54, subdivision 2.

Sec. 54. [ST. LOUIS COUNTY WASTE LOANS.]

Any outstanding St. Louis county obligations for grants and loans for construction or operation of the Babbitt waste tire facility under Minnesota Statutes 1986, section 116M.07, or Minnesota Statutes, section 115A.54, subdivision 2a, or 298.22, are canceled and need not be repaid.

Sec. 55. [REQUIRED ENVIRONMENTAL IMPACT STATEMENT; METAL PROCESSING IN CRITICAL AREA.]

Until completion of environmental impact statement that is found adequate under Minnesota Statutes, chapter 116D for any proposed project for which final permits have not been issued by the effective date of this section, a state or local agency may not issue a permit for construction or operation of a metal materials processing project that:

(1) would be located in or adjacent to the Mississippi river critical area, as described in Minnesota Statutes 1992, section 116G.15; and

(2) would have a processing capacity in excess of 20,000 tons per month.

The pollution control agency is the responsible government unit for preparation of an environmental impact statement required under this section.

Sec. 56. [OVERHEAD POWER LINE RELOCATION.]

An electric public utility company having overhead electric power lines within Indian Mounds Park in the city of Saint Paul must remove the support structures and remove, relocate, or bury the power lines. Power line support structures located within the protective fences must be removed by October 1, 1994. The remainder of the support structures and power lines must be removed, relocated, or buried by October 1, 1995.

Sec. 57. [REPEALER.]

Minnesota Statutes 1992, section 446A.08, is repealed.

Sec. 58. [EFFECTIVE DATE.]

Sections 1 to 57 are effective the day following final enactment.

ARTICLE 2

COMMUNITY DEVELOPMENT

Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this article, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this article and are added to appropriations for the fiscal years ending June 30, 1994 and June 30, 1995, in Laws 1993, chapter 369, or another named law.

SUMMARY BY FUND

	1994	1995
General Fund	\$ 656,000	\$ 1,752,000
Special Revenue Fund	-0-	4,000
Workers' Compensation Fund	-0-	50,000
TOTAL	\$ 656,000	\$ 1,806,000

 APPROPRIATIONS
 Available for the Year
 Ending June 30

1994	1995
Sec. 2. TRADE AND ECONOMIC DEVELOPMENT	\$ 1,164,000

SUMMARY BY FUND

General Fund	\$ 500,000	\$ 1,160,000
Special Revenue Fund	-0-	4,000
(a) Minnesota Film Board		40,000

This appropriation is added to the appropriation in Laws 1993, chapter 369, section 2, subdivision 4, for the Minnesota film board. This appropriation is available only upon receipt by the board of \$1 in matching money or in-kind contributions from nonstate sources for every \$3 provided by this appropriation.

(b) Community Development

The \$6,000,000 to be transferred under the appropriation in Laws 1993, chapter 369, section 2, subdivision 2, in fiscal year 1994 to the regional revolving loan fund account in the special revenue fund is to be transferred instead to the rural rehabilitation account in the special revenue fund.

(c) Job Skills Partnership	500,000	500,000
----------------------------	---------	---------

These appropriations are added to the appropriations made in Laws 1993, chapter 369, section 2, subdivision 5. The additions are to be added to the \$1,088,000 each year for the job skills partnership grants and the purpose for both the original \$1,088,000 each year and the additional \$500,000 each year is for the job skills partnership program under Minnesota Statutes, chapter 116L.

(d) Study of Women-owned Businesses		35,000
-------------------------------------	--	--------

This appropriation is for a study, to be conducted in consultation with the commissioner of commerce, of the status of women-owned business in Minnesota. The commissioner shall:

- (1) identify and compile information on trends in women business ownership and trends in the size of women-owned businesses;
- (2) identify the distribution of women-owned businesses by industry and the demographic profile of women business owners;

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

(3) identify the current and prospective needs of women-owned businesses for all types of credit and capital, including start-up capital, expansion capital, and working capital, considering the number and type of women-owned businesses and the rate of formation of women-owned businesses;

(4) identify and document the availability of all types of credit and financing for women-owned businesses;

(5) describe any barriers that exist that limit access to capital and credit by women-owned businesses;

(6) examine and document the use of publicly funded capital subsidy programs by women-owned businesses, including business loan and grant programs, interest subsidy programs, and loan insurance and loan guarantee programs;

(7) evaluate the effectiveness of the Community Reinvestment Act in Minnesota as one method of addressing the credit needs of women-owned businesses;

(8) compare the relative access to credit of women-owned businesses in Minnesota and women-owned businesses in other states or regions;

(9) provide recommendations to improve, as necessary, access to credit by, and the availability of credit for, women-owned businesses;

(10) identify the level of participation by women-owned businesses in state procurement programs; and

(11) identify methods of assisting women-owned business in other states.

The commissioner shall use the most current and reliable information available, including information the commissioner obtains through a survey of Minnesota's women-owned corporations, partnerships, limited liability companies, and sole proprietorships. Any state agency with information or expertise required for the study shall cooperate by supplying data or assistance as requested by the commissioner. The commissioner shall prepare a report summarizing the findings and recommendations including preliminary recommendations for addressing the barriers based on the study and the identification of assistance provided in other states and present it to the legislature by January 30, 1995.

(e) North Metro Business Retention and Development Commission

-0-

50,000

This appropriation is added to the grant authorized in Laws 1993, chapter 369, section 2, subdivision 5, for the North Metro Business Retention and Development Commission, and is for the purpose of including the cities of New Brighton and Mounds View in the pilot project. This grant is available only on a demonstration of a dollar-for-dollar cash match from the commission.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

(f) Capital Access Program

-0-

500,000

This appropriation is for use in the department's capital access program. The commissioner shall place this appropriation in a separate account to be known as the agricultural product processing account. The commissioner shall transfer money in this account as needed to fund separate reserve fund accounts established with lenders to cover any losses sustained by those lenders who (1) enroll in the capital access program, and (2) make loans to farmers to finance the purchase of stock in a cooperative that proposes to construct and operate an agricultural product processing facility that is located in Minnesota and costs over \$1,000,000. Money in the agricultural product processing account reverts to the general fund on July 1, 1997, if not needed by the commissioner to fund separate reserve accounts established with lenders.

(g) International Protocol

35,000

This appropriation is for the international protocol function.

Sec. 3. LABOR INTERPRETIVE CENTER

45,000

190,000

These general fund appropriations for operational expenditures are in addition to the appropriations transferred in Laws 1993, chapter 369, section 26.

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

The commissioner of administration shall manage and control the land acquired pursuant to Laws 1987, chapter 400, section 61, until funds are appropriated and construction is authorized by the legislature to begin on the labor interpretive center.

Sec. 4. MINNESOTA TECHNOLOGY INCORPORATED

-0-

250,000

This appropriation is added to the appropriation for transfer from the general fund to the Minnesota Technology, Inc. fund in Laws 1993, chapter 369, section 3, and is for state match for the first year of a federal grant for a defense conversion consortium.

Sec. 5. WORLD TRADE CENTER CORPORATION

111,000

-0-

This appropriation is for the purpose of retiring the debt of the world trade center corporation, and is available until spent.

Sec. 6. LABOR AND INDUSTRY

-0-

74,000

SUMMARY BY FUND

General Fund

\$ -0-

\$ 24,000

Workers' Compensation Special fund

-0-

50.000

(a) OSHA supplement fund

50,000

This appropriation is from the special compensation fund and is added to the appropriation in Laws 1993, chapter 369, section 9, subdivision 3.

APPROPRIATIONS
Available for the Year
Ending June 30

	1994	1995
(b) Enforcement of Record Review		24,000
This appropriation is from the general fund, and is for enforcement of employee rights to review personnel records.		
Sec. 7. COMMERCE	-0-	8,000
This appropriation is for a study, in consultation with the attorney general, of the pawnbroker industry in Minnesota. The commissioner shall study:		
(1) current licensing and regulation of pawnbrokers by political subdivisions, the effectiveness of that licensing, and the need, if any, for licensing and regulation by the state; and		
(2) rates of interest or fees charged on pawnbroker loans in Minnesota and other states, and whether the state should establish a maximum rate of interest or fee for such loans.		
The commissioner shall report findings, conclusions, and recommendations of the study to the legislature by December 1, 1994.		
Sec. 8. PUBLIC SERVICE	-0-	(220,000)
This reduction is to the appropriation in Laws 1993, chapter 369, section 11, subdivision 5, for transfer to the energy and conservation account under Minnesota Statutes, section 216B.241, subdivision 2a, for programs administered by the commissioner of jobs and training to improve the energy efficiency of residential LP gas heating equipment in low-income households, and when necessary, to provide weatherization services to the homes.		
Sec. 9. MINNESOTA HISTORICAL SOCIETY	-0-	175,000
(a) Archaeology		75,000
This appropriation is for the state archaeology function and purpose.		
(b) Museum of the National Guard		25,000
This appropriation is for a contribution from the state to the Museum of the National Guard in Washington D.C.		
(c) Grand Meadow Chert Quarry		35,000
This appropriation is for a grant to the Mower county historical society for acquisition of the historic Grand Meadow chert quarry.		
(d) Minnesota Transportation Museum		10,000
This appropriation is for restoration of a president's conference committee street car, and must be matched on a one-for-one basis from private sources, including in-kind contributions.		

APPROPRIATIONS
Available for the Year
Ending June 30

	1994	1995
(e) St. Anthony Falls Area		60,000
Of this appropriation, \$35,000 is for a grant to the Minneapolis parks and recreation board, to be used by the board as a grant to further develop the great river road project in the central Mississippi riverfront park. A grant made by the board from this appropriation is not subject to the matching requirements of Minnesota Statutes, section 138.766. Of this appropriation, \$25,000 is for a grant to the St. Anthony Falls heritage board for board operating costs.		
(f) Hinckley Fire Museum		10,000
This appropriation is for a grant to the Pine county historical society for renovation of the Hinckley fire museum.		
(g) Kee Theatre		10,000
This appropriation is for a grant for the restoration of the Kee theatre in Kiester.		
(h) Cloquet-Moose Lake Forest Fire Center		(50,000)
The appropriation in Laws 1993, chapter 369, section 12, subdivision 6, paragraph (g), is canceled.		
Sec. 10. BOARD OF THE ARTS	-0-	125,000
This appropriation is for a grant to the city of Minneapolis for capital improvements to the Hennepin center for the arts. The city may give this money as a grant to the governing body of the Hennepin center for the arts.		
Sec. 11. COUNCIL ON AFFAIRS OF SPANISH SPEAKING PEOPLE	-0-	10,000
This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.		
Sec. 12. COUNCIL ON BLACK MINNESOTANS	-0-	10,000
This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.		
Sec. 13. COUNCIL ON ASIAN-PACIFIC MINNESOTANS	-0-	10,000
This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.		
Sec. 14. INDIAN AFFAIRS COUNCIL	-0-	10,000
This appropriation is for (1) making the position of the council's ombudsperson for families a full-time position, and (2) statewide outreach.		

Sec. 15. [MICRO BUSINESS LOANS.]

The commissioner of trade and economic development shall evaluate ways to encourage micro business loans for small start-up businesses. The commissioner shall report to the legislature as part of the biennial budget process on ways to meet the capital needs of small start-up businesses, including proposed measures of the effectiveness of these loans.

Sec. 16. [REQUIRED ENVIRONMENTAL IMPACT STATEMENT; METAL PROCESSING IN CRITICAL AREA.]

Until completion of an environmental impact statement that is found adequate under Minnesota Statutes, chapter 116D, a state or local agency may not issue a permit for construction or operation of a metal materials processing project that:

(1) would be located in or adjacent to the Mississippi river critical area, as described in Minnesota Statutes 1992, section 116G.15; and

(2) would have a processing capacity in excess of 20,000 tons per month.

The pollution control agency is the responsible government unit for preparation of an environmental impact statement required under this section.

Sec. 17. Minnesota Statutes 1993 Supplement, section 16B.08, subdivision 7, is amended to read:

Subd. 7. [SPECIFIC PURCHASES.] (a) The following may be purchased without regard to the competitive bidding requirements of this chapter:

(1) merchandise for resale at state park refectories or facility operations;

(2) farm and garden products, which may be sold at the prevailing market price on the date of the sale;

(3) meat for other state institutions from the technical college maintained at Pipestone by independent school district No. 583; and

(4) products and services from the Minnesota correctional facilities.

(b) Supplies, materials, equipment, and utility services for use by a community-based residential facility operated by the commissioner of human services may be purchased or rented without regard to the competitive bidding requirements of this chapter.

(c) Supplies, materials, or equipment to be used in the operation of a hospital licensed under sections 144.50 to 144.56 that are purchased under a shared service purchasing arrangement whereby more than one hospital purchases supplies, materials, or equipment with one or more other hospitals, either through one of the hospitals or through another entity, may be purchased without regard to the competitive bidding requirements of this chapter if the following conditions are met:

(1) the hospital's governing authority authorizes the arrangement;

(2) the shared services purchasing program purchases items available from more than one source on the basis of competitive bids or competitive quotations of prices; and

(3) the arrangement authorizes the hospital's governing authority or its representatives to review the purchasing procedures to determine compliance with these requirements.

(d) Supplies, materials, equipment, and utility services to be used or purchased by the iron range resources and rehabilitation board are subject to the competitive bidding requirements of this chapter only as described in section 298.2211, subdivision 3a.

Sec. 18. Minnesota Statutes 1993 Supplement, section 44A.025, is amended to read:

44A.025 [DUTIES.]

The board shall:

- (1) promote and market the Minnesota world trade center corporation;
- (2) sponsor conferences or other promotional events in the conference and service center;
- (3) adopt bylaws governing operation of the corporation by November 1, 1987;
- (4) conduct public relations, marketing, and liaison activities between the corporation, the Minnesota trade office, and the international business community;
- (5) establish and maintain an office in the Minnesota world trade center; and
- (6) not duplicate programs or services provided by the ~~commissioner of trade and economic development, the Minnesota trade division, or the commissioner of agriculture; and~~
- (7) enter into administrative, programming, and service partnerships with the commissioner of trade and economic development.

Sec. 19. Minnesota Statutes 1992, section 44A.0311, is amended to read:

44A.0311 [WORLD TRADE CENTER CORPORATION ACCOUNT.]

The world trade center corporation account is in the special revenue fund. All money received by the corporation, including money generated from the use of the conference and service center, ~~except money generated from the use of the center by the Minnesota trade division and by the sale of the assets or ownership of the corporation under section 44A.12,~~ must be deposited in the account. Money in the account including interest earned is appropriated to the board and must be used exclusively for corporation purposes. Any money remaining in the account after sale of the assets or ownership of the corporation under section 44A.12 shall revert to the general fund.

Sec. 20. Minnesota Statutes 1992, section 60A.14, subdivision 1, is amended to read:

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

(a) by township mutual fire insurance companies:

- (1) for filing certificate of incorporation \$25 and amendments thereto, \$10;
- (2) for filing annual statements, \$15;
- (3) for each annual certificate of authority, \$15;
- (4) for filing bylaws \$25 and amendments thereto, \$10.

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

- (1) for filing certified copy of certificate of articles of incorporation, \$100;
- (2) for filing annual statement, \$225;
- (3) for filing certified copy of amendment to certificate or articles of incorporation, \$100;
- (4) for filing bylaws, \$75 or amendments thereto, \$75;
- (5) for each company's certificate of authority, \$575, annually.

(c) the following general fees apply:

(1) for each certificate, including certified copy of certificate of authority, renewal, valuation of life policies, corporate condition or qualification, \$25;

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

(3) for license to procure insurance in unadmitted foreign companies, \$575;

~~(4) for receiving and forwarding each notice, proof of loss, summons, complaint or other process served upon the commissioner of commerce, as attorney for service of process upon any nonresident agent or insurance company, including reciprocal exchanges, \$15 plus the cost of effectuating service by certified mail, which amount must be paid by the party serving the notice and may be taxed as other costs in the action;~~

(5) for valuing the policies of life insurance companies, one cent per \$1,000 of insurance so valued, provided that the fee shall not exceed \$13,000 per year for any company. The commissioner may, in lieu of a valuation of the policies of any foreign life insurance company admitted, or applying for admission, to do business in this state, accept a certificate of valuation from the company's own actuary or from the commissioner of insurance of the state or territory in which the company is domiciled;

~~(6)~~ (5) for receiving and filing certificates of policies by the company's actuary, or by the commissioner of insurance of any other state or territory, \$50;

~~(7) for issuing an initial license to an individual agent, \$30 per license, for issuing an initial agent's license to a partnership or corporation, \$100, and for issuing an amendment (variable annuity) to a license, \$50, and for renewal of amendment, \$25;~~

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

~~(9) for renewing an individual agent's license, \$30 per year per license, and for renewing a license issued to a corporation or partnership, \$60 per year;~~

(10) for issuing and renewing a surplus lines agent's license, \$250;

(11) for issuing duplicate licenses, \$10;

~~(12) for issuing licensing histories, \$20;~~

~~(13)~~ (7) for filing forms and rates, \$50 per filing;

(14) (8) for annual renewal of surplus lines insurer license, \$300.

The commissioner shall adopt rules to define filings that are subject to a fee.

Sec. 21. Minnesota Statutes 1992, section 60A.19, subdivision 4, is amended to read:

Subd. 4. [FEES SERVICE OF PROCESS.] ~~The commissioner shall be entitled to charge and receive a fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4), for each notice, proof of loss, summons, or other process served under the provisions of this subdivision and subdivision 3, to be paid by the persons serving the same. The service of process authorized by this section shall be made in compliance with section 45.028, subdivision 2.~~

Sec. 22. Minnesota Statutes 1993 Supplement, section 60A.198, subdivision 3, is amended to read:

Subd. 3. [PROCEDURE FOR OBTAINING LICENSE.] A person licensed as an 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 an agent's 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 the applicant in the immediately preceding five years; and

(d) agreeing to file with the commissioner of revenue 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;

(e) ~~annually~~ paying a fee as prescribed by section ~~60A.14~~ 60K.06, subdivision ~~1~~ 2, paragraph (e) ~~(a)~~, clause ~~(4)~~ (4); and

(f) paying penalties imposed under section 289A.60, subdivision 1, as it relates to withholding and sales or use taxes, if the tax due under clause (d) is not timely paid.

Sec. 23. Minnesota Statutes 1992, section 60A.21, subdivision 2, is amended to read:

Subd. 2. [SERVICE OF PROCESS UPON UNAUTHORIZED INSURER.] (1) Any of the following acts in this state effected by mail or otherwise by an unauthorized foreign or alien insurer: (a) the issuance or delivery of contracts of insurance to residents of this state or to corporations authorized to do business therein; (b) the solicitation of applications for such contracts; (c) the collection of premiums, membership fees, assessments, or other considerations for such contracts; or (d) any other transaction of insurance business, is equivalent to and shall constitute an appointment by such insurer of the commissioner of commerce and the commissioner's successor or successors in office to be its true and lawful attorney upon whom may be served all lawful process in any action, suit, or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such contract of insurance and any such act shall be signification of its agreement that such service of process is of the same legal force and validity as personal service of process in this state upon such insurer.

(2) Such service of process shall be made in compliance with section 45.028, subdivision 2 ~~and the payment of a filing fee as prescribed by section 60A.14, subdivision 1, paragraph (c), clause (4).~~

(3) Service of process in any such action, suit, or proceeding shall in addition to the manner provided in clause (2) of this subdivision be valid if served upon any person within this state who, in this state on behalf of such insurer, is: (a) soliciting insurance, or (b) making, issuing, or delivering any contract of insurance, or (c) collecting or receiving any premium, membership fee, assessment, or other consideration for insurance; and if a copy of such process is sent within ten days thereafter by certified mail by the plaintiff or plaintiff's attorney to the defendant at the last known principal place of business of the defendant and the defendant's receipt, or the receipt issued by the post office with which the letter is certified showing the name of the sender of the letter and the name and address of the person to whom the letter is addressed, and the affidavit of the plaintiff or plaintiff's attorney showing a compliance herewith are filed with the administrator of the court in which such action is pending on or before the date the defendant is required to appear or within such further time as the court may allow.

(4) No plaintiff or complainant shall be entitled to a judgment by default under this subdivision until the expiration of 30 days from the date of the filing of the affidavit of compliance.

(5) Nothing in this subdivision contained shall limit or abridge the right to serve any process, notice, or demand upon any insurer in any other manner now or hereafter permitted by law.

(6) The provisions of this section shall not apply to surplus line insurance lawfully effectuated under Minnesota law, or to reinsurance, nor to any action or proceeding against an unauthorized insurer arising out of:

(a) Wet marine and transportation insurance;

(b) Insurance on or with respect to subjects located, resident, or to be performed wholly outside this state, or on or with respect to vehicles or aircraft owned and principally garaged outside this state;

(c) Insurance on property or operations of railroads engaged in interstate commerce; or

(d) Insurance on aircraft or cargo of such aircraft, or against liability, other than employer's liability, arising out of the ownership, maintenance, or use of such aircraft, where the policy or contract contains a provision designating the commissioner as its attorney for the acceptance of service of lawful process in any action or proceeding instituted by or on behalf of an insured or beneficiary arising out of any such policy, or where the insurer enters a general appearance in any such action.

Sec. 24. Minnesota Statutes 1992, section 60K.03, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] An application for a license to act as an insurance agent shall be made to the commissioner by the person who seeks to be licensed. The application for license shall be accompanied by a written appointment from an admitted insurer authorizing the applicant to act as its agent under one or both classes of license. The insurer must also submit its check payable to the state treasurer for the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9) (6), at the time the agent becomes licensed. The application and appointment must be on forms prescribed by the commissioner.

If the applicant is a natural person, no license shall be issued until that natural person has become qualified.

If the applicant is a partnership or corporation, no license shall be issued until at least one natural person who is a partner, director, officer, stockholder, or employee shall be licensed as an insurance agent.

Sec. 25. Minnesota Statutes 1992, section 60K.03, subdivision 5, is amended to read:

Subd. 5. [SUBSEQUENT APPOINTMENTS.] A person who holds a valid agent's license from this state may solicit applications for insurance on behalf of an admitted insurer with which the licensee does not have a valid appointment on file with the commissioner; provided that the licensee has permission from the insurer to solicit insurance on its behalf and, provided further, that the insurer upon receipt of the application for insurance submits a written notice of appointment to the commissioner accompanied by its check payable to the state treasurer in the amount of the appointment fee prescribed by section 60A.14, subdivision 1, paragraph (c), clause (9) (6). The notice of appointment must be on a form prescribed by the commissioner.

Sec. 26. Minnesota Statutes 1992, section 60K.03, subdivision 6, is amended to read:

Subd. 6. [AMENDMENT OF LICENSE.] An application to the commissioner to amend a license to reflect a change of name, or to include an additional class of license, or for any other reason, shall be on forms provided by the commissioner and shall be accompanied by the applicant's surrendered license and a check payable to the state treasurer for the amount of fee specified in section 60A.14 60K.06, subdivision 1 2, paragraph (e) (a).

An applicant who surrenders an insurance license pursuant to this subdivision retains licensed status until an amended license is received.

Sec. 27. Minnesota Statutes 1992, section 60K.06, is amended to read:

60K.06 [RENEWAL FEE FEES.]

Subdivision 1. [RENEWAL FEES.] (a) Each agent licensed pursuant to section 60K.03 shall ~~annually~~ pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by ~~section 60A.14, subdivision 1, paragraph (e), clause (10) 2.~~

(b) Every agent, corporation, limited liability company, and partnership renewal license expires on October 31 of the year for which period a license is issued is valid for a period of 24 months. The commissioner may stagger the implementation of the 24-month licensing program so that approximately one-half of the licenses will expire on October 31 of each even-numbered year and the other half on October 31 of each odd-numbered year. Those licensees who will receive a 12-month license on November 1, 1994, because of the staggered implementation schedule, will pay for the license a fee reduced by an amount equal to one-half the fee for renewal of the license.

(c) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1. Applications for renewal of a license are timely filed if received by the commissioner on or before October 15 of the year due, on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked by October 15.

~~(d) The commissioner may issue licenses for agents, corporations, or partnerships for a three-year period. If three-year licenses are issued, the fee is three times the annual license fee.~~

Subd. 2. [LICENSING FEES.] (a) In addition to the fees and charges provided for examinations, each agent licensed pursuant to section 60K.03 shall pay to the commissioner:

- (1) a fee of \$60 per license for an initial license issued to an individual agent, and a fee of \$60 for each renewal;
- (2) a fee of \$160 for an initial license issued to a partnership, limited liability company, or corporation, and a fee of \$120 for each renewal;
- (3) a fee of \$75 for an initial amendment (variable annuity) to a license, and a fee of \$50 for each renewal;
- (4) a fee of \$500 for an initial surplus lines agent's license, and a fee of \$500 for each renewal;
- (5) for issuing a duplicate license, \$10; and
- (6) for issuing licensing histories, \$20.

(b) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are approved for renewal and may continue to transact business whether or not the renewed license has been received on or before November 1 of the renewal year. Applications for renewal of a license are timely filed if received by the commissioner on or before the 15th day preceding the license renewal date of the applicant on forms duly executed and accompanied by appropriate fees. An application mailed is considered timely filed if addressed to the commissioner, with proper postage, and postmarked on or before the 15th day preceding the licensing renewal date of the applicant.

(c) Initial licenses issued under this section must be valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on October 31 of the expiration year assigned by the commissioner.

(d) All fees shall be retained by the commissioner and are nonreturnable, except that an overpayment of any fee must be refunded upon proper application.

Subd. 3. [INITIAL LICENSE EXPIRATION; FEE REDUCTION.] If an initial license issued under subdivision 2, paragraph (a), expires less than 12 months after issuance, the license fee must be reduced by an amount equal to one-half the fee for a renewal of the license.

Sec. 28. Minnesota Statutes 1992, section 60K.19, subdivision 8, is amended to read:

Subd. 8. [MINIMUM EDUCATION REQUIREMENT.] Each person subject to this section shall complete annually a minimum of 45 30 credit hours of courses accredited by the commissioner during each 24-month licensing period after the expiration of his or her initial licensing period. At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period. Any person whose initial licensing period extends more than six months shall complete 15 hours of courses accredited by the commissioner during the initial license period. 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. No more than 7-1/2 15 credit hours per year licensing period may be credited to a person for courses sponsored by, offered by, or affiliated with an insurance company or its agents. Continuing education must be earned no later than September 30 of the renewal year. Courses sponsored by, offered by, or affiliated with an insurance company or agent may restrict its students to agents of the company or agency.

Sec. 29. Minnesota Statutes 1992, section 82.20, subdivision 7, is amended to read:

Subd. 7. [EFFECTIVE DATE OF LICENSE.] Every license issued Licenses renewed pursuant to this chapter shall expire on the June 30 next following the issuance of said license. are valid for a period of 24 months. New licenses issued during a 24-month licensing period will expire on June 30 of the expiration year assigned to the license. Implementation of the 24-month licensing program must be staggered so that approximately one-half of the licenses will expire on June 30 of each even-numbered year and the other one-half on June 30 of each odd-numbered year. Those licensees who will receive a 12-month license on July 1, 1995, because of the staggered implementation schedule will pay for the license a fee reduced by an amount equal to one-half the fee for renewal of the license.

Sec. 30. Minnesota Statutes 1992, section 82.20, subdivision 8, is amended to read:

Subd. 8. [RENEWALS.] (a) Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are deemed to have been approved for renewal and may continue to transact business either as a real estate broker, salesperson, or closing agent whether or not the renewed license has been received on or before July 1 of the renewal year. Application for renewal of a license shall be deemed to have been timely filed if received by the commissioner by, or mailed with proper postage and postmarked by, June 15 ~~in each of the renewal~~ year. Applications for renewal shall be deemed properly filed if made upon forms duly executed and sworn to, accompanied by fees prescribed by this chapter and contain any information which the commissioner may require.

(b) Persons who have failed to make a timely application for renewal of a license and who have not received the renewal license as of July 1 of the renewal year, shall be unlicensed until such time as the license has been issued by the commissioner and is received.

Sec. 31. Minnesota Statutes 1993 Supplement, section 82.21, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees shall be paid to the commissioner:

(a) A fee of ~~\$100 per year~~ \$150 for each initial individual broker's license, and a fee of ~~\$50 per year~~ \$100 for each renewal thereof;

(b) A fee of ~~\$50 per year~~ \$70 for each initial salesperson's license, and a fee of ~~\$20 per year~~ \$40 for each renewal thereof;

(c) A fee of ~~\$55 per year~~ \$85 for each initial real estate closing agent license, and a fee of ~~\$30 per year~~ \$60 for each renewal thereof;

(d) A fee of ~~\$100 per year~~ \$150 for each initial corporate, limited liability company, or partnership license, and a fee of ~~\$50 per year~~ \$100 for each renewal thereof;

(e) A fee of ~~\$40 per year~~ for payment to the education, research and recovery fund in accordance with section 82.34;

(f) A fee of \$20 for each transfer;

(g) A fee of \$50 for a corporation, limited liability company, or partnership name change;

(h) A fee of \$10 for an agent name change;

(i) A fee of \$20 for a license history;

(j) A fee of \$10 for a duplicate license;

(k) A fee of \$50 for license reinstatement;

(l) A fee of \$20 for reactivating a corporate, limited liability company, or partnership license without land;

(m) A fee of \$100 for course coordinator approval; and

(n) A fee of \$20 for each hour or fraction of one hour of course approval sought.

Sec. 32. Minnesota Statutes 1992, section 82.21, is amended by adding a subdivision to read:

Subd. 4. [INITIAL LICENSE EXPIRATION; FEE REDUCTION.] If an initial license issued under subdivision 1, paragraph (a), (b), (c), or (d) expires less than 12 months after issuance, the license fee shall be reduced by an amount equal to one-half the fee for a renewal of the license.

Sec. 33. Minnesota Statutes 1993 Supplement, section 82.22, subdivision 6, is amended to read:

Subd. 6. [INSTRUCTION; NEW LICENSES.] (a) Every applicant for a salesperson's license shall be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner before taking the examination specified in subdivision 1. Every applicant for a salesperson's license shall be required to successfully complete an additional course of study in the real estate field consisting of 60 hours

of instruction approved by the commissioner, of which three hours shall consist of training in state and federal fair housing laws, regulations, and rules, and of which two hours must consist of training in laws and regulations on agency representation and disclosure, before filing an application for the license. Every salesperson shall, within one year of licensure, be required to successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner.

(b) The commissioner may approve courses of study in the real estate field offered in educational institutions of higher learning in this state or courses of study in the real estate field developed by and offered under the auspices of the national association of realtors, its affiliates, or private real estate schools. The commissioner shall not approve any course offered by, sponsored by, or affiliated with any person or company licensed to engage in the real estate business. The commissioner may by rule prescribe the curriculum and qualification of those employed as instructors.

(c) An applicant for a broker's license must successfully complete a course of study in the real estate field consisting of 30 hours of instruction approved by the commissioner, of which three hours shall consist of training in state and federal fair housing laws, regulations, and rules. The course must have been completed within six months prior to the date of application for the broker's license.

(d) An applicant for a real estate closing agent's license must successfully complete a course of study relating to closing services consisting of eight hours of instruction approved by the commissioner.

Sec. 34. Minnesota Statutes 1993 Supplement, section 82.22, subdivision 13, is amended to read:

Subd. 13. [CONTINUING EDUCATION.] (a) After their first renewal date, all real estate salespersons and all real estate brokers shall be required to successfully complete ~~15~~ 30 hours of real estate continuing education, either as a student or a lecturer, in courses of study approved by the commissioner, ~~each year after their initial annual renewal date or after the expiration of their currently assigned three year continuing education due date during each 24-month license period.~~ At least 15 of the 30 credit hours must be completed during the first 12 months of the 24-month licensing period. Salespersons and brokers whose initial license period extends more than 12 months are required to complete 15 hours of real estate continuing education during the initial license period. All salespersons and brokers shall report continuing education on an annual basis must be earned no later than May 31 of the renewal year. Hours in excess of 15 earned in any one year may be carried forward to the following year. Those licensees who will receive a 12-month license on July 1, 1995, because of the staggered implementation schedule must complete 15 hours of real estate continuing education as a requirement for renewal on July 1, 1996.

(b) The commissioner shall adopt rules defining the standards for course and instructor approval, and may adopt rules for the proper administration of this subdivision.

(c) Any program approved by Minnesota continuing legal education shall be approved by the commissioner of commerce for continuing education for real estate brokers and salespeople if the program or any part thereof relates to real estate.

(d) As part of the continuing education requirements of this section, the commissioner shall require that all real estate brokers and salespersons receive:

(1) at least two hours of training ~~every year~~ during each license period in courses in laws or regulations on agency representation and disclosure; and

(2) at least two hours of training ~~every even-numbered year~~ during each license period in courses in state and federal fair housing laws, regulations, and rules, or other antidiscrimination laws.

Clause (1) does not apply to real estate salespersons and real estate brokers engaged solely in the commercial real estate business who file with the commissioner a verification of this status ~~on an annual basis no later than May 31 as part of the annual report along with the continuing education report required~~ under paragraph (a).

Sec. 35. Minnesota Statutes 1993 Supplement, section 82.34, subdivision 3, is amended to read:

Subd. 3. [FEE FOR REAL ESTATE FUND.] Each real estate broker, real estate salesperson, and real estate closing agent entitled under this chapter to renew a license shall pay in addition to the appropriate renewal fee a further fee of ~~\$25 per year~~ \$50 per licensing period which shall be credited to the real estate education, research, and recovery fund. Any person who receives an initial license shall pay ~~the fee of \$50~~, in addition to all other fees payable, a fee of \$75 if the license expires more than 12 months after issuance, \$50 if the license expires less than 12 months after issuance.

Sec. 36. Minnesota Statutes 1992, section 82B.08, subdivision 4, is amended to read:

Subd. 4. [EFFECTIVE DATE OF LICENSE.] ~~A license~~ Initial licenses issued under this chapter ~~expires on the August 31 next following the issuance of the license~~ are valid for a period not to exceed two years. The commissioner shall assign an expiration date to each initial license so that approximately one-half of all licenses expire each year. Each initial license must expire on August 31 of the expiration year assigned by the commissioner.

Sec. 37. Minnesota Statutes 1992, section 82B.08, subdivision 5, is amended to read:

Subd. 5. [RENEWALS.] (a) Licenses renewed under this chapter are valid for a period of 24 months. Persons whose applications have been properly and timely filed who have not received notice of denial of renewal are considered to have been approved for renewal and may continue to transact business as a real estate appraiser whether or not the renewed license has been received on or before September 1 of the renewal year. Application for renewal of a license is considered to have been timely filed if received by the commissioner by, or mailed with proper postage and postmarked by, August 1 in each of the renewal year. Applications for renewal are considered properly filed if made upon forms duly executed and sworn to, accompanied by fees prescribed by this chapter and containing information the commissioner requires.

(b) Persons who have failed to make a timely application for renewal of a license and who have not received the renewal license as of September 1 of the renewal year are unlicensed until the time the license has been issued by the commissioner and is received.

Sec. 38. Minnesota Statutes 1992, section 82B.09, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] The following fees must be paid to the commissioner:

(1) ~~a fee of \$100 for each initial individual real estate appraiser's license; \$150 if the license expires more than 12 months after issuance, \$100 if the license expires less than 12 months after issuance; and a fee of \$50~~ \$100 for each annual renewal;

(2) a fee of \$10 for a change in personal name or trade name or personal address or business location;

(3) a fee of \$10 for a license history;

(4) a fee of \$25 for a duplicate license;

(5) a fee of \$100 for appraiser course coordinator approval; and

(6) a fee of \$10 for each hour or fraction of one hour of course approval sought.

Sec. 39. Minnesota Statutes 1992, section 82B.19, subdivision 1, is amended to read:

Subdivision 1. [LICENSE RENEWALS.] A licensed real estate appraiser shall present evidence satisfactory to the commissioner of having met the continuing education requirements of this chapter before the commissioner renews a license.

The basic continuing education requirement for renewal of a license is the completion by the applicant either as a student or as an instructor, during the immediately preceding term of licensing, of at least ~~45~~ 30 classroom hours per year, of instruction in courses or seminars that have received the approval of the commissioner. If the applicant's immediately preceding term of licensing consisted of 12 or more months, but fewer than 24 months, the applicant must provide evidence of completion of 15 hours of instruction during the license period. If the immediately preceding term of licensing consisted of fewer than 12 months, no continuing education need be reported.

Sec. 40. Minnesota Statutes 1992, section 83.25, is amended to read:

83.25 [LICENSE REQUIRED.]

Subdivision 1. No person shall offer or sell in this state any interest in subdivided lands without having obtained:

(1) a license under chapter 82; and

(2) an additional license to offer or dispose of subdivided lands. This license may be obtained by submitting an application in writing to the commissioner upon forms prepared and furnished by the commissioner. Each application shall be signed and sworn to by the applicant and accompanied by a license fee of \$10 per year. The commissioner may also require an additional examination for this license.

Subd. 2. Every license issued pursuant to this section ~~expires on June 30 following the date of issuance. It may~~ must be renewed, transferred, suspended, revoked or denied in the same manner as provided in chapter 82 for licenses issued pursuant to that chapter.

Subd. 3. This section does not apply to persons offering or disposing of interests in subdivided lands which are registered as securities pursuant to chapter 80A.

Sec. 41. Minnesota Statutes 1993 Supplement, section 115C.09, subdivision 1, is amended to read:

Subdivision 1. [REIMBURSABLE COSTS.] (a) The board shall provide partial reimbursement to eligible responsible persons for reimbursable costs incurred after June 4, 1987.

(b) The following costs are reimbursable for purposes of this section:

(1) corrective action costs incurred by the responsible person and documented in a form prescribed by the board, except the costs related to the physical removal of a tank;

(2) costs that the responsible person is legally obligated to pay as damages to third parties for bodily injury ~~or~~ property damage, or corrective action costs incurred by a third party caused by a release if ~~where~~ the responsible person's liability for the costs has been established by a court order ~~or a~~ consent decree, or a court-approved stipulation of settlement approved before the effective date of this section for which the responsible party has assigned its rights to reimbursement under this section to a third-party claimant; and

(3) up to 180 days worth of interest costs, incurred after May 25, 1991, associated with the financing of corrective action. Interest costs are not eligible for reimbursement to the extent they exceed two percentage points above the adjusted prime rate charged by banks, as defined in section 270.75, subdivision 5, at the time the financing contract was executed.

(c) A cost for liability to a third party is incurred by the responsible person when an order or consent decree establishing the liability is entered. Except as provided in this paragraph, reimbursement may not be made for costs of liability to third parties until all eligible corrective action costs have been reimbursed. If a corrective action is expected to continue in operation for more than one year after it has been fully constructed or installed, the board may estimate the future expense of completing the corrective action and, after subtracting this estimate from the total reimbursement available under subdivision 3, reimburse the costs for liability to third parties. The total reimbursement may not exceed the limit set forth in subdivision 3.

Sec. 42. Minnesota Statutes 1993 Supplement, section 116J.966, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) The commissioner shall promote, develop, and facilitate trade and foreign investment in Minnesota. In furtherance of these goals, and in addition to the powers granted by section 116J.035, the commissioner may:

(1) locate, develop, and promote international markets for Minnesota products and services;

(2) arrange and lead trade missions to countries with promising international markets for Minnesota goods, technology, services, and agricultural products;

(3) promote Minnesota products and services at domestic and international trade shows;

(4) organize, promote, and present domestic and international trade shows featuring Minnesota products and services;

(5) host trade delegations and assist foreign traders in contacting appropriate Minnesota businesses and investments;

(6) develop contacts with Minnesota businesses and gather and provide information to assist them in locating and communicating with international trading or joint venture counterparts;

(7) provide information, education, and counseling services to Minnesota businesses regarding the economic, commercial, legal, and cultural contexts of international trade;

(8) provide Minnesota businesses with international trade leads and information about the availability and sources of services relating to international trade, such as export financing, licensing, freight forwarding, international advertising, translation, and custom brokering;

(9) locate, attract, and promote foreign direct investment and business development in Minnesota to enhance employment opportunities in Minnesota;

(10) provide foreign businesses and investors desiring to locate facilities in Minnesota information regarding sources of governmental, legal, real estate, financial, and business services; and

(11) enter into contracts or other agreements with private persons and public entities, including agreements to establish and maintain offices and other types of representation in foreign countries, to carry out the purposes of promoting international trade and attracting investment from foreign countries to Minnesota and to carry out this section, without regard to sections 16B.07 and 16B.09;

(12) enter into administrative, programming, and service partnerships with the Minnesota world trade center; and

(13) market trade-related materials to businesses and organizations, and the proceeds of which must be placed in a special revolving account and are appropriated to the commissioner to prepare and distribute trade-related materials.

(b) The programs and activities of the commissioner of trade and economic development and the Minnesota trade division may not duplicate programs and activities of the commissioner of agriculture or the Minnesota world trade center corporation.

(c) The commissioner shall notify the chairs of the senate finance and house appropriations committees of each agreement under this subdivision to establish and maintain an office or other type of representation in a foreign country.

Sec. 43. Minnesota Statutes 1992, section 138.01, subdivision 1, is amended to read:

Subdivision 1. ~~For the purposes of Laws 1925, chapter 426, the Minnesota state historical society shall be construed to be an agency of the state government.~~ All appropriations made to the Minnesota historical society shall be subject to the charter of the Minnesota historical society of 1849 and as amended in 1856.

Sec. 44. Minnesota Statutes 1992, section 138.34, is amended to read:

138.34 [ADMINISTRATION OF THE ACT.]

~~The Minnesota historical society state archaeologist shall act as the agency agent of the state to administer and enforce the provisions of sections 138.31 to 138.42. Some enforcement provisions are shared with the state archaeologist society.~~

Sec. 45. Minnesota Statutes 1992, section 138.35, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENT.] The state archaeologist shall be a professional archaeologist who is meets the United States secretary of the interior's professional qualification standards in Code of Federal Regulations, title 36, part 61, appendix A. The state archaeologist shall be paid a salary comparable to salaries paid to state employees in the classified service. The state archaeologist may not be employed by the Minnesota historical society and. The state archaeologist shall be appointed by the board of the Minnesota historical society in consultation with the Indian affairs council for a four-year term.

Sec. 46. Minnesota Statutes 1992, section 138.38, is amended to read:

138.38 [REPORTS OF STATE ARCHAEOLOGIST.]

The state archaeologist shall consult with and keep the Indian affairs council and the director of the historical society informed as to significant field archaeology, projected or in progress, and as to significant discoveries made. Annually, and also upon leaving office, the state archaeologist shall file with the Indian affairs council and the director of the historical society a full report of the office's activities including a summary of the activities of licensees, from the effective date hereof or from the date of the last full report of the state archaeologist.

Sec. 47. Minnesota Statutes 1992, section 138.40, subdivision 3, is amended to read:

Subd. 3. When significant archaeological or historic sites are known or suspected to exist on public lands or waters, the agency or department controlling said lands or waters shall submit construction or development plans to the state archaeologist and the director of the society for review prior to the time bids are advertised. The state archaeologist and the society shall promptly review such plans and make recommendations for the preservation of archaeological or historic sites which may be endangered by construction or development activities. When archaeological or historic sites are related to Indian history or religion, the state archaeologist shall submit the plans to the Indian affairs council must be afforded the opportunity to for the council's review and recommend action.

Sec. 48. Minnesota Statutes 1993 Supplement, section 138.763, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] There is a St. Anthony Falls heritage board consisting of 17 19 members with the director of the Minnesota historical society as chair. The members include the mayor, the chair of the Hennepin county board of commissioners or the chair's designee, the president of the Minneapolis park and recreation board or the president's designee, the superintendent of the park board, two members each from the house of representatives appointed by the speaker, the senate appointed by the rules committee, the city council, the Hennepin county board, and the park board, and one each from the preservation commission, the preservation office, Hennepin county historical society, and the society.

Sec. 49. Minnesota Statutes 1992, section 138.94, is amended by adding a subdivision to read:

Subd. 3. [CONTRACTUAL SERVICES.] The society may contract with existing state departments and agencies or other entities for materials and services as may be necessary for the history center.

Sec. 50. Minnesota Statutes 1992, section 154.11, subdivision 1, is amended to read:

Subdivision 1. [EXAMINATION OF NONRESIDENTS.] A person who meets all of the requirements for licensure in this chapter and either has a license, certificate of registration, or an equivalent as a practicing barber or instructor of barbering from another state or country which in the discretion of the board has substantially the same requirements for licensing or registering barbers and instructors of barbering as required by this chapter or can prove by sworn affidavits practice as a barber or instructor of barbering in another state or country for at least five years immediately prior to making application in this state, shall, upon payment of the required fee, be called by the board for issued a certificate of registration without examination to determine fitness to receive a certificate of registration to practice barbering or to instruct in barbering, provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.

Sec. 51. Minnesota Statutes 1992, section 154.12, is amended to read:

154.12 [EXAMINATION OF NONRESIDENT APPRENTICES.]

A person who meets all of the requirements for licensure in this chapter who has a license, a certificate of registration, or their equivalent as an apprentice in a state or country which in the discretion of the board has substantially the same requirements for registration as an apprentice as is provided by this chapter shall, upon payment of the required fee, be called by the board for issued a certificate of registration without examination to determine fitness to receive a certificate of registration as an apprentice. A person failing to pass the required examination must conform to the requirements of section 154.06 before being permitted to take another examination, provided that the other state or country grants the same privileges to holders of Minnesota certificates of registration.

Sec. 52. [154.161] [REGISTRATION; ISSUANCE, REVOCATION, SUSPENSION, DENIAL.]

Subdivision 1. [PROCEEDINGS.] If the board, or a complaint committee if authorized by the board, has a reasonable basis for believing that a person has engaged in or is about to engage in a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board or complaint committee may proceed as provided in subdivision 2 or 3. Except as otherwise provided in this section, all hearings must be conducted in accordance with the administrative procedure act.

Subd. 2. [LEGAL ACTIONS.] (a) When necessary to prevent an imminent violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the board, or a complaint committee if authorized by the board, may bring an action in the name of the state in the district court of Ramsey county in which jurisdiction

is proper to enjoin the act or practice and to enforce compliance with the statute, rule, or order. On a showing that a person has engaged in or is about to engage in an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce, the court shall grant a permanent or temporary injunction, restraining order, or other appropriate relief.

(b) For purposes of injunctive relief under this subdivision, irreparable harm exists when the board shows that a person has engaged in or is about to engage in an act or practice that constitutes violation of a statute, rule or order that the board has adopted or issued or is empowered to enforce.

(c) Injunctive relief granted under paragraph (a) does not relieve an enjoined person from criminal prosecution by a competent authority, or from action by the board under subdivision 3, 4, 5, or 6 with respect to the persons' license, certificate, or application for examination, license, or renewal.

Subd. 3. [CEASE AND DESIST ORDERS.] (a) The board, or compliance committee if authorized by the board, may issue and have served upon an unlicensed person, or a holder of a certificate of registration or a shop registration card, an order requiring the person to cease and desist from an act or practice that constitutes a violation of a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must (1) give reasonable notice of the rights of the person named in the order to request a hearing, and (2) state the reasons for the entry of the order. No order may be issued under this subdivision until an investigation of the facts has been conducted under section 214.10.

(b) Service of the order under this subdivision is effective when the order is personally served on the person or counsel of record, or served by certified mail to the most recent address provided to the board for the person or counsel of record.

(c) The board must hold a hearing under this subdivision not later than 30 days after the board receives the request for the hearing, unless otherwise agreed between the board, or compliance committee if authorized by the board, and the person requesting the hearing.

(d) Notwithstanding any rule to the contrary, the administrative law judge must issue a report within 30 days of the close of the contested case hearing. Within 30 days after receiving the report and subsequent exceptions and argument, the board shall issue a further order vacating, modifying, or making permanent the cease and desist order. If no hearing is requested within 30 days of service of the order, the order becomes final and remains in effect until modified or vacated by the board.

Subd. 4. [LICENSE ACTIONS.] (a) With respect to a person who is a holder of or applicant for a licensee or shop registration card under this chapter, the board may by order deny, refuse to renew, suspend, temporarily suspend, or revoke the application, certificate of registration, or shop registration card, censure or reprimand the person, refuse to permit the person to sit for examination, or refuse to release the person's examination grades, if the board finds that such an order is in the public interest and that, based on a preponderance of the evidence presented, the person has:

(1) violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce;

(2) engaged in conduct or acts that are fraudulent, deceptive, or dishonest, whether or not the conduct or acts relate to the practice of barbering, if the fraudulent, deceptive, or dishonest conduct or acts reflect adversely on the person's ability or fitness to engage in the practice of barbering;

(3) engaged in conduct or acts that constitute malpractice, are negligent, demonstrate incompetence, or are otherwise in violation of the standards in the rules of the board, where the conduct or acts relate to the practice of barbering;

(4) employed fraud or deception in obtaining a certificate of registration, shop registration card, renewal, or reinstatement, or in passing all or a portion of the examination;

(5) had a certificate of registration or shop registration card, right to examine, or other similar authority revoked in another jurisdiction;

(6) failed to meet any requirement for issuance or renewal of the person's certificate of registration or shop registration card;

(7) practiced as a barber while having an infectious or contagious disease;

(8) advertised by means of false or deceptive statements;

(9) demonstrated intoxication or indulgence in the use of drugs, including but not limited to narcotics as defined in section 152.01 or in United States Code, title 26, section 4731, barbiturates, amphetamines, benzedrine, dexedrine, or other sedatives, depressants, stimulants, or tranquilizers;

(10) demonstrated unprofessional conduct or practice, or conduct or practice that violates any provision of chapter 186;

(11) permitted an employee or other person under the person's supervision or control to practice as a registered barber, registered apprentice, or registered instructor of barbering unless that person has (i) a current certificate of registration as a registered barber, registered apprentice, or registered instructor of barbering, (ii) a temporary apprentice permit, or (iii) a temporary permit as an instructor of barbering;

(12) practices, offered to practice, or attempted to practice by misrepresentation;

(13) failed to display a certificate of registration as required by section 154.14;

(14) used any room or place of barbering that is also used for any other purpose, or used any room or place of barbering that violates the board's rules governing sanitation;

(15) in the case of a barber, apprentice, or other person working in or in charge of any barber shop, or any person in a barber school engaging in the practice of barbering, failed to use separate and clean towels for each customer or patron, or to discard and launder each towel after being used once;

(16) in the case of a barber or other person in charge of any barber shop or barber school, (i) failed to supply in a sanitary manner clean hot and cold water in quantities necessary to conduct the shop or barbering service for the school, (ii) failed to have water and sewer connections from the shop or barber school with municipal water and sewer systems where they are available for use, or (iii) failed or refused to maintain a receptacle for hot water of a capacity of at least five gallons;

(17) failed to respond to a communication from the board or the attorney general on behalf of the board, refused to permit the board to make an inspection permitted or required by this chapter, or failed to provide the board or the attorney general on behalf of the board with any documents or records they request;

(18) failed promptly to renew a certificate of registration or shop registration card when remaining in practice, pay the required fee, or issue a worthless check;

(19) failed to supervise a registered apprentice or temporary apprentice, or permitted the practice of barbering by a person not registered with the board or not holding a temporary permit;

(20) refused to serve a customer because of race, color, creed, religion, disability, national origin, or sex;

(21) failed to comply with a provision of chapter 141 or a provision of another chapter that relates to barber schools;

(22) with respect to temporary suspension orders, has committed an act, engaged in conduct, or committed practices that the board, or complaint committee if authorized by the board, has determined may result or may have resulted in an immediate threat to the public; or

(23) used or displayed a barber pole for the purpose of offering barber services to the public without a shop registration card as required by section 154.01, paragraph (c). For purposes of this chapter "barber pole" means a cylinder or pole with alternating stripes of any combination color, including but not limited to red and white or red, white, and blue, that run diagonally along its length.

(b) In lieu of or in addition to any remedy under paragraph (a), the board may as a condition of continued registration, termination of suspension, reinstatement of registration, examination, or release of examination results, require that the person:

(1) submit to a quality review of the person's ability, skills, or quality of work, conducted in a manner and by a person or entity that the board determines; or

(2) complete to the board's satisfaction continuing education as the board requires.

(c) Service of an order under this subdivision is effective if the order is served personally on, or is served by certified mail to the most recent address provided to the board by, the licensee, certificate holder, applicant, or counsel of record. The order must state the reason for the entry of the order.

(d) Except as provided in subdivision 5, paragraph (c), all hearings under this subdivision must be conducted in accordance with the administrative procedure act.

Subd. 5. [TEMPORARY SUSPENSION.] (a) When the board, or complaint committee if authorized by the board, issues a temporary suspension order, the suspension provided for in the order is effective on service of a written copy of the order on the licensee, certificate holder, or counsel of record. The order must specify the statute, rule, or order violated by the licensee or certificate holder. The order remains in effect until the board issues a final order in the matter after a hearing, or on agreement between the board and the licensee or certificate holder.

(b) An order under this subdivision may (1) prohibit the licensee or certificate holder from engaging in the practice of barbering in whole or in part, as the facts require, and (2) condition the termination of the suspension on compliance with a statute, rule, or order that the board has adopted or issued or is empowered to enforce. The order must state the reasons for entering the order and must set forth the right to a hearing as provided in this subdivision.

(c) Within ten days after service of an order under this subdivision the licensee or certificate holder may request a hearing in writing. The board must hold a hearing before its own members within five working days of the request for a hearing. The sole issue at such a hearing must be whether there is a reasonable basis to continue, modify, or terminate the temporary suspension. The hearing is not subject to the administrative procedure act. Evidence presented to the board or the licensee or certificate holder may be in affidavit form only. The licensee, certificate holder, or counsel of record may appear for oral argument.

(d) Within five working days after the hearing, the board shall issue its order and, if the order continues the suspension, shall schedule a contested case hearing within 30 days of the issuance of the order. Notwithstanding any rule to the contrary, the administrative law judge shall issue a report within 30 days after the closing of the contested case hearing record. The board shall issue a final order within 30 days of receiving the report.

Subd. 6. [VIOLATIONS; PENALTIES; COSTS.] (a) The board may impose a civil penalty of up to \$2,000 per violation on a person who violates a statute, rule, or order that the board has adopted or issued or is empowered to enforce.

(b) In addition to any penalty under paragraph (a), the board may impose a fee to reimburse the board for all or part of the cost of (1) the proceedings resulting in disciplinary action authorized under this section, (2) the imposition of a civil penalty under paragraph (a), or (3) the issuance of a cease and desist order. The board may impose a fee under this paragraph when the board shows that the position of the person who has violated a statute, rule, or order that the board has adopted or issued or is empowered to enforce is not substantially justified unless special circumstances make such a fee unjust, notwithstanding any rule to the contrary. Costs under this paragraph include, but are not limited to, the amount paid by the board for services from the office of administrative hearings, attorneys' fees, court reporter costs, witness costs, reproduction of records, board members' compensation, board staff time, and expense incurred by board members and staff.

(c) All hearings under this subdivision must be conducted in accordance with the administrative procedure act.

Subd. 7. [REINSTATEMENT.] The board may reinstate a suspended, revoked, or surrendered certificate of registration or shop registration card, on petition of the former or suspended registrant. The board may in its sole discretion place any conditions on reinstatement of a suspended, revoked, or surrendered certificate of registration or shop registration card that it finds appropriate and necessary to ensure that the purposes of this chapter are met. No certificate of registration or shop registration card may be reinstated until the former registrant has completed at least one-half of the suspension period.

Sec. 53. Minnesota Statutes 1992, section 154.19, is amended to read:

154.19 [VIOLATIONS.]

Subdivision 1. [PROHIBITED ACTS.] Each of the following constitutes a misdemeanor:

(1) The violation of any of the provisions of section 154.01;

(2) Permitting any person in one's employ, supervision, or control to practice as a registered barber or registered apprentice unless that person has a certificate of registration as a registered barber or registered apprentice;

(3) Obtaining or attempting to obtain a certificate of registration for money other than the required fee, or any other thing of value, or by fraudulent misrepresentation;

(4) Practicing or attempting to practice by fraudulent misrepresentation;

(5) The willful failure to display a certificate of registration as required by section 154.14;

(6) The use of any room or place for barbering which is also used for residential or business purposes, except the sale of hair tonics, lotions, creams, cutlery, toilet articles, cigars, tobacco, candies in original package, and such commodities as are used and sold in barber shops, and except that shoe-shining and an agency for the reception and delivery of laundry, or either, may be conducted in a barber shop without the same being construed as a violation of this section, unless a substantial partition of ceiling height separates the portion used for residential or business purposes, and where a barber shop is situated in a residence, poolroom, confectionery, store, restaurant, garage, clothing store, liquor store, hardware store, or soft drink parlor, there must be an outside entrance leading into the barber shop independent of any entrance leading into such business establishment, except that this provision as to an outside entrance shall not apply to barber shops in operation at the time of the passage of this chapter and except that a barber shop and beauty parlor may be operated in conjunction, without the same being separated by partition of ceiling height;

(7) The failure or refusal of any barber or other person in charge of any barber shop, or any person in barber schools or colleges doing barber service work, to use separate and clean towels for each customer or patron, or to discard and launder each towel after once being used;

(8) The failure or refusal by any barber or other person in charge of any barber shop or barber school or barber college to supply clean hot and cold water in such quantities as may be necessary to conduct such shop, or the barbering service of such school or college, in a sanitary manner, or the failure or refusal of any such person to have water and sewer connections from such shop, or barber school or college, with municipal water and sewer systems where the latter are available for use, or the failure or refusal of any such person to maintain a receptacle for hot water of a capacity of not less than five gallons;

(9) Use or display of a barber pole for the purpose of offering barber services to the public without a shop registration card where such a card is required under section 154.01, paragraph (c).

Subd. 2. [PERSONS RESPONSIBLE; PENALTIES.] For the purposes of this chapter, barbers, students, apprentices, or the proprietor or manager of a barber shop, or barber school or barber college, shall be responsible for all violations of the sanitary provisions of this chapter, ~~and~~. If any barber shop, or barber school or barber college, upon inspection, shall be found to be in an unsanitary condition, the person making such inspection shall immediately issue an order to place the barber shop, or barber school, or barber college, in a sanitary condition, in a manner and within a time satisfactory to the board of barber examiners, ~~and~~. For the failure to comply with such order, the board shall immediately file a complaint for the arrest of the persons upon whom the order was issued, ~~and~~. Any licensed barber who shall fail to comply with the rules adopted by the board of barber examiners, with the approval of the state commissioner of health, or ~~the who commits a violation or commission of~~ any of the offenses described in section 154.16, clauses (1), (2), (3), (4), (5), (6), (7), (8), (9), ~~and or of clauses (1), (2), (3), (4), (5), (6), (7), (8), and (9) any provision of this section,~~ shall be fined not less than \$10 or imprisoned for ten days and not more than \$100 or imprisoned for 90 days.

Sec. 54. [181.9641] [ENFORCEMENT.]

The department of labor and industry shall enforce sections 181.960 to 181.964. The department may assess a fine of up to \$5,000 for a violation of sections 181.960 to 181.964.

The fine, together with costs and attorney fees, may be recovered in a civil action in the name of the department brought in the district court of the county where the violation is alleged to have occurred or where the commissioner has an office.

The fine provided by this section is in addition to any other remedy provided by law.

Sec. 55. Minnesota Statutes 1993 Supplement, section 239.785, subdivision 2, is amended to read:

Subd. 2. [DUE DATES FOR FILING OF RETURNS AND PAYMENT.] The fee must be remitted monthly on a form prescribed by the commissioner of revenue for deposit in the general fund liquefied petroleum gas account established in subdivision 6. The fee must be paid and the return filed on or before the 23rd day of each month following the month in which the liquefied petroleum gas was delivered or received.

Sec. 56. Minnesota Statutes 1993 Supplement, section 239.785, is amended by adding a subdivision to read:

Subd. 6. [LIQUEFIED PETROLEUM GAS ACCOUNT.] A liquefied petroleum gas account in the special revenue fund is established in the state treasury. Fees and penalties collected under this section must be deposited in the state treasury and credited to the liquefied petroleum gas account. Money in that account, including interest earned, is appropriated to the commissioner of jobs and training for programs to improve the energy efficiency of residential liquefied petroleum gas heating equipment in low-income households, and, when necessary, to provide weatherization services to the homes.

Sec. 57. Minnesota Statutes 1993 Supplement, section 257.0755, is amended to read:

257.0755 [~~OFFICE OF OMBUDSPERSON; CREATION; QUALIFICATIONS; FUNCTION.~~]

~~An ombudsperson for families Subdivision 1. [CREATION.] One ombudsperson shall be appointed to operate independently from but under the auspices of in collaboration with each of the following groups: the Indian Affairs Council, the Spanish-Speaking Affairs Council, the Council on Black Minnesotans, and the Council on Asian-Pacific Minnesotans. Each of these groups shall select its own ombudsperson subject to final approval by the advisory board established under section 257.0768.~~

Subd. 2. [SELECTION; QUALIFICATIONS.] The ombudsperson for each community shall be selected by the applicable community-specific board established in section 257.0768. Each ombudsperson shall serve in the unclassified service at the pleasure of the advisory community-specific board, shall be in the unclassified service, shall and may be removed only for just cause. Each ombudsperson must be selected without regard to political affiliation, and shall be a person highly competent and qualified to analyze questions of law, administration, and public policy regarding the protection and placement of children from families of color. In addition, the ombudsperson must be experienced in dealing with communities of color and knowledgeable about the needs of those communities. No individual may serve as ombudsperson while holding any other public office. The ombudsperson shall have the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color.

Subd. 3. [APPROPRIATION.] Money appropriated for each ombudsperson from the general fund or the special fund authorized by section 256.01, subdivision 2, clause (15), is under the control of the office of each ombudsperson for which it is appropriated.

Sec. 58. Minnesota Statutes 1992, section 257.0762, subdivision 2, is amended to read:

Subd. 2. [POWERS.] Each ombudsperson has the authority to investigate decisions, acts, and other matters of an agency, program, or facility providing protection or placement services to children of color. In carrying out this authority and the duties in subdivision 1, each ombudsperson has the power to:

- (1) prescribe the methods by which complaints are to be made, reviewed, and acted upon;
- (2) determine the scope and manner of investigations to be made;
- (3) investigate, upon a complaint or upon personal initiative, any action of any agency;
- (4) request and be given access to any information in the possession of any agency deemed necessary for the discharge of responsibilities. The ombudsperson is authorized to set reasonable deadlines within which an agency must respond to requests for information. Data obtained from any agency under this clause shall retain the classification which it had under section 13.02 and shall be maintained and disseminated by the ombudsperson according to chapter 13;
- (5) examine the records and documents of an agency;
- (6) enter and inspect, during normal business hours, premises within the control of an agency; and

(7) subpoena any agency personnel to appear, testify, or produce documentary or other evidence which the ombudsperson deems relevant to a matter under inquiry, and may petition the appropriate state court to seek enforcement with the subpoena; provided, however, that any witness at a hearing or before an investigation as herein provided, shall possess the same privileges reserved to such a witness in the courts or under the laws of this state. The ombudsperson may compel nonagency individuals to testify or produce evidence according to procedures developed by the advisory board.

Sec. 59. Minnesota Statutes 1992, section 257.0768, is amended to read:

257.0768 [OMBUDSPERSON'S ADVISORY COMMITTEE COMMUNITY-SPECIFIC BOARDS.]

Subdivision 1. [MEMBERSHIP.] ~~The appointment of each ombudsperson is subject to approval by an advisory committee consisting of no more than 17 members. Members of the advisory committee shall be appointed by~~ Four community-specific boards are created. Each board consists of five members. The chair of each of the following groups shall appoint the board for the community represented by the group: the Indian Affairs Council; the Spanish-Speaking Affairs Council; the Council on Black Minnesotans; and the Council on Asian-Pacific Minnesotans. The committee shall provide advice and counsel to each ombudsperson. In making appointments, the chair must consult with other members of the council.

Subd. 2. [COMPENSATION; CHAIR.] Members do not receive compensation but are entitled to receive reimbursement for reasonable and necessary expenses incurred. ~~The members shall designate four rotating chairs to serve annually at the pleasure of the members.~~

Subd. 3. [MEETINGS.] ~~The committee~~ Each board shall meet at least four times a year regularly at the request of ~~its the appointing chair or the ombudspersons~~ ombudsperson.

Subd. 4. [DUTIES.] ~~The committee~~ Each board shall appoint the ombudsperson for its community. Each board shall advise and assist the ombudspersons ombudsperson for its community in selecting matters for attention; developing policies, plans, and programs to carry out the ombudspersons' functions and powers; establishing protocols for working with the communities of color; developing procedures for the ombudspersons' use of the subpoena power to compel testimony and evidence from nonagency individuals; and making reports and recommendations for changes designed to improve standards of competence, efficiency, justice, and protection of rights. The committee shall function as an advisory body.

Subd. 5. [TERMS, COMPENSATION, REMOVAL, AND EXPIRATION.] The membership terms, compensation, and removal of members of ~~the committee~~ each board and the filling of membership vacancies are governed by section 15.0575.

Subd. 6. [JOINT MEETINGS.] The members of the four community-specific boards shall meet jointly at least four times each year to advise the ombudspersons on overall policies, plans, protocols, and programs for the office.

Sec. 60. Minnesota Statutes 1992, section 298.2211, is amended by adding a subdivision to read:

Subd. 3a. [CONTRACTS AND PURCHASES.] Contracts entered into and purchases made by the board are subject to the competitive bidding requirements of chapter 16B, except that bids must be first advertised within the tax relief areas as defined in section 273.134. If the commissioner finds that an acceptable bidder or contractor cannot be found in the tax relief area, the commissioner may ask the board for permission to advertise for bids as otherwise provided in chapter 16B. This subdivision is effective for contracts entered into and purchases made after the effective date of this subdivision.

Sec. 61. Minnesota Statutes 1992, section 345.47, subdivision 4, is amended to read:

Subd. 4. [TITLE TO PROPERTY.] The purchaser at any sale conducted by the commissioner pursuant to sections 345.31 to 345.60 ~~and the Minnesota historical society under subdivision 5~~ shall receive title to the property purchased or selected, free from all claims of the owner or prior holder thereof and of all persons claiming through or under them. The commissioner shall execute all documents necessary to complete the transfer of title.

Sec. 62. [TRANSITION.]

(a) Any member of the advisory committee existing under Minnesota Statutes, section 257.0768, before the effective date of section 59 who attended at least one-half of the committee's meetings during calendar year 1993 must be appointed a member of the applicable community-specific board created under section 59.

(b) The appointing authority for each community-specific board shall designate an initial term length for each appointee, including appointees required under paragraph (a), to achieve staggered terms to the greatest extent possible.

Sec. 63. [REPEALER.]

Minnesota Statutes 1992, sections 154.16; and 154.165, are repealed.

Sec. 64. [EFFECTIVE DATE.]

Section 41 is effective the day following final enactment and applies to claims brought after June 4, 1987. Sections 20 to 28 are effective September 1, 1994, and apply to licenses that become effective on or after November 1, 1994. Sections 29 to 35 are effective May 1, 1995, and apply to licenses that become effective on or after July 1, 1995. Sections 36 to 39 are effective July 1, 1994, and apply to licenses that become effective on or after September 1, 1994. Section 40 is effective May 1, 1995, and applies to licenses that become effective on or after July 1, 1995. Section 16 is effective the day following final enactment and applies to any proposed project for which final permits have not been issued by that date.

Any provisions appropriating money for fiscal year 1994 are effective the day following final enactment.

ARTICLE 3

TRANSPORTATION

Section 1. [APPROPRIATIONS; SUMMARY.]

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

SUMMARY BY FUND

	1994	1995
General Fund	\$ 15,000	\$ 16,453,000
Special Revenue Fund	-0-	5,250,000
Highway User Tax Distribution Fund	-0-	200,000
Trunk Highway Fund	(408,000)	24,025,000
TOTAL	\$ (393,000)	\$ 45,928,000

APPROPRIATIONS
Available for the Year
Ending June 30

	1994	1995
Sec. 2. TRANSPORTATION	\$ -0-	\$ 27,450,000

SUMMARY BY FUND

General Fund	-0-	3,750,000
Trunk Highway Fund	-0-	23,500,000
Highway User Tax Distribution Fund	-0-	200,000
(a) Greater Minnesota Transit		2,970,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 3, clause (a), and is for greater Minnesota transit assistance. Of this appropriation \$970,000 is for grants to transit systems for fleet replacement.

The unspent balance of the appropriation for fiscal year 1994 in Laws 1993, chapter 266, section 2, subdivision 3, paragraph (a), on June 30, 1994, is added to this appropriation.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

The appropriation for fiscal year 1995 is not intended to increase the appropriation base for the 1996-1997 biennium.

(b) Transit Administration

100,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 3, clause (b), and is for transit administration.

The appropriation for fiscal year 1995 is not intended to increase the appropriation base for the 1996-1997 biennium.

(c) High Speed Rail Corridor Master Plan

630,000

This appropriation is to develop a corridor master plan for high speed rail between Minneapolis-St. Paul and Milwaukee. Expenditure of this appropriation is contingent upon participation by the state of Wisconsin and the United States Department of Transportation.

(d) Rochester Transportation Study

50,000

This appropriation is to provide funds to match, on a dollar-for-dollar basis, local or private funds for the following studies:

(1) A study shall be conducted on the feasibility of developing an integrated manufacturing and just-in-time freight shipping facility at the Rochester airport. The commissioner of transportation shall contract with the city of Rochester to conduct the study. The study must be completed by February 1, 1995. The commissioner shall submit a copy of the study report to the legislature, the metropolitan council, and the metropolitan airports commission.

(2) A study shall be conducted on the economic benefits to Rochester and southeast Minnesota from high-speed rail, in conjunction with phase II of the high-speed rail study. The commissioner shall report to the legislature on the study by February 1, 1995.

(e) State Road Construction

15,000,000

This appropriation is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 7, clause (a), and is for state road construction. This appropriation is from the trunk highway fund.

(f) Road Operations and Program Delivery

8,500,000

This appropriation is for filling vacant positions in field service maintenance, inspection, support, and project design positions, to maximize project design work by department employees. This appropriation is from the trunk highway fund.

(g) Highway Tax System Study

200,000

This appropriation is for (1) the study of a mileage-based highway user tax system, and (2) the road pricing study, and is available until spent. This appropriation is from the highway user tax distribution fund.

APPROPRIATIONS
Available for the Year
Ending June 30

	1994	1995
Sec. 3. REGIONAL TRANSIT BOARD	-0-	12,540,000
(a) Regular Route Transit		7,450,000
Of this appropriation \$6,500,000 is for metropolitan transit commission regular route operations and \$950,000 is for other regular route transit.		
(b) Metro Mobility		2,750,000
(c) Community-based, Rural, and Small-urban Transit Systems		1,250,000
(d) Fund Balance		1,090,000

This appropriation is for restoration of the regional transit board fund balance.

The appropriation for fiscal year 1995 is not intended to increase the appropriation base for the 1996-1997 biennium.

Sec. 4. PUBLIC SAFETY	(393,000)	5,938,000
-----------------------	-----------	-----------

SUMMARY BY FUND

General Fund	15,000	163,000
Special Revenue Fund		5,250,000
Trunk Highway Fund	(408,000)	525,000
(a) Emergency Management	15,000	59,000

These appropriations are added to the appropriations in Laws 1993, chapter 266, section 5, subdivision 7, and are to pay 50 percent of the costs of three regional office support positions.

(b) State Patrol	(408,000)	5,775,000
------------------	-----------	-----------

These appropriations are changes to the appropriations in Laws 1993, chapter 266, section 5, subdivision 3. A reduction of \$408,000 the first year is for radio communication consolidation and an increase of \$525,000 the second year is to maintain full staffing at the ten state patrol communication centers. These appropriations are from the trunk highway fund.

Of this appropriation \$5,250,000 is from the state patrol motor vehicle account in the transportation services fund for purchasing motor vehicles used by state troopers.

(c) Driver and Vehicle Services		54,000
---------------------------------	--	--------

This appropriation is a one-time appropriation to implement a title registration fee change.

(d) Parent self-help		50,000
----------------------	--	--------

The commissioner shall spend this appropriation as a grant to a nonprofit statewide child abuse prevention organization whose primary focus is parent self-help and support.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Sec. 5. FUND MIX; STATE ROAD CONSTRUCTION

After review and approval by the commissioner of finance, the commissioner of transportation shall report quarterly to the senate finance committee chair and the house ways and means committee chair on the estimated mix of state trunk highway funds and federal funds in the appropriation for state road construction.

Sec. 6. [COUNTY STATE-AID SYSTEM; ROUTES ADDED.]

Notwithstanding any other law, the commissioner of transportation shall add the following highways to the county state-aid highway system:

(1) United States forest road No. 2171, in Beltrami county from the south county line to its intersection with United States forest road No. 2167, and in Cass county from the north county line to its intersection with Cass county state-aid highway No. 10;

(2) United States forest road No. 2167, in Beltrami county from its junction with United States forest road No. 2171 to the east county line, and in Cass county from the west county line to a point eight miles northeast of its intersection with marked trunk highway No. 2;

(3) Aitkin county highway No. 69, from its intersection with marked trunk highway No. 169 to its intersection with Aitkin county state-aid highway No. 10 in Palisade;

(4) Morrison county highway No. 224, from its intersection with Morrison county state-aid highway No. 52 to its intersection with Morrison county state-aid highway No. 26.

Sec. 7. [COMMISSIONER OF TRANSPORTATION; STUDY; REPORT.]

Subdivision 1. [HIGHWAY USER REVENUE SYSTEM STUDY.] The commissioner of transportation shall conduct a study of the desirability and feasibility of replacing, by January 1, 2001, the present highway user taxes on motor fuel and motor vehicle licenses with a highway user revenue system based on a charge on each vehicle based on the number of miles traveled by that vehicle in each year, as recorded by the automatic mileage recorder required in section 17. The study must include:

(1) an analysis of the possible benefits of such a system, including ease of collection, tax fairness, reduction of tax evasion, and effects on vehicles powered by alternative fuels;

(2) an analysis of the possible costs of such a system, including costs of installing and maintaining a mileage monitoring system, cost of collection compared to costs of collection for existing highway user taxes, and costs to the various classes of vehicles;

(3) an analysis of the feasibility of extending this revenue-collection system to nonresident vehicles;

(4) an evaluation of the state of technology for on-vehicle automated mileage recorders and mileage-recorder sensors, and the probable state of that technology on January 1, 2000;

(5) an analysis of the impact on commercial vehicle users, including those operating in interstate commerce;

(6) an analysis of such a system from the standpoint of the motorist, including a discussion of ease of payment, freedom of travel, tax fairness, and issues of privacy and data confidentiality;

(7) an analysis of the feasibility and desirability of utilizing such a system in implementing a road pricing policy in the metropolitan area; and

(8) a recommendation as to (i) whether the requirement contained in section 17 should be allowed to go into effect on January 1, 2000, and (ii) whether legislation should be enacted to replace the existing highway user tax system with one based on recorded mileage.

If the report recommends that legislation described in clause (8), item (ii), should be enacted, the report must contain draft legislation to accomplish this purpose.

The commissioner shall submit to the governor and legislature a preliminary report covering the above subjects not later than January 15, 1996, and a final report not later than January 15, 1998.

Subd. 2. [ROAD PRICING STUDY.] The commissioner of transportation, in cooperation with other agencies and institutions, shall conduct a study to determine the scope of and to analyze the potential for implementation of road pricing options. This study will utilize the results of the road pricing conceptual planning study completed by the metropolitan council in March 1994, which identified road pricing objectives, options, and evaluation criteria.

The study will include, but is not limited to:

- (1) an evaluation of public acceptance and understanding of alternative road pricing options;
- (2) initiation of the public participation process, including focus group discussions with affected stakeholders;
- (3) a detailed analysis, evaluation, and quantification of the impacts of various road pricing options;
- (4) a financial analysis of each road pricing option, including the implementation costs, user costs, and revenue estimates;
- (5) selection of specific road pricing options for future demonstration and testing in the metropolitan area or statewide; and
- (6) a detailed study design, schedule, and cost estimate for a draft environmental impact statement meeting appropriate state and federal requirements.

The commissioner shall submit a written report of the results of the study to the legislature no later than January 15, 1996.

Sec. 8. [TOWN BRIDGE EXPENDITURE.]

Notwithstanding any law or rule to the contrary, the commissioner of transportation shall spend \$50,000 from money appropriated to the commissioner and allocated to the town bridge account under Minnesota Statutes, section 161.082, subdivision 2a, for a grant to the town of Eden Lake in Stearns county for construction of a bridge or culvert on Cyrilla Beach road in the town.

Sec. 9. Minnesota Statutes 1992, section 161.14, is amended by adding a subdivision to read:

Subd. 29. [JERRY HAAF MEMORIAL DRIVE.] That portion of trunk highway marked No. 55 between its intersections with Lake street and 46th street in the city of Minneapolis is designated the "Jerry Haaf Memorial Drive." The commissioner of transportation shall adopt a suitable marking design to mark this highway and shall erect the appropriate signs.

Sec. 10. Minnesota Statutes 1992, section 162.02, subdivision 6, is amended to read:

Subd. 6. [SYSTEM TO INCLUDE CERTAIN ROADS.] The system shall include: (1) all roads and extensions thereof which were designated on June 30, 1957, as state-aid roads, and which were on June 30, 1957, under the jurisdiction of the counties, and shall include (2) all roads which were designated on June 30, 1957, as state-aid parkways; provided, that, and (3) all roads added to the system by law. With the consent and approval of the commissioner, any roads county road made a part of the county state-aid highway system by the provision of this subdivision may be abandoned, changed, or revoked by the county board having jurisdiction over such roads the road.

Sec. 11. Minnesota Statutes 1992, section 162.06, subdivision 3, is amended to read:

Subd. 3. [DISASTER ACCOUNT.] After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside each year a sum of money as is necessary to provide for the calendar year equal to one percent of the remaining money in the county state-aid highway fund to provide for a disaster account of \$300,000; provided that the total amount of money in the disaster account shall never exceed one percent of the total sums to

be apportioned to the counties. This sum shall be used to provide aid to any county encountering disasters or unforeseen events affecting its county state-aid highway system, and resulting in an undue and burdensome financial hardship. Any county desiring aid by reason of such disaster or unforeseen event shall request the aid in the form required by the commissioner. Upon receipt of the request the commissioner shall appoint a board consisting of three county engineers and three county commissioners from counties two representatives of the counties, who must be either a county engineer or member of a county board, from counties other than the requesting county, and a representative of the commissioner. The board shall investigate the matter and report its findings and recommendations in writing to the commissioner. Final determination of the amount of aid, if any, to be paid to the county from the disaster account shall be made by the commissioner. Upon determining to aid any such county the commissioner shall certify to the commissioner of finance the amount of the aid, and the commissioner of finance shall thereupon issue a warrant in that amount payable to the county treasurer of the county. Money so paid shall be expended on the county state-aid highway system in accordance with the rules of the commissioner.

Sec. 12. Minnesota Statutes 1992, section 162.06, subdivision 4, is amended to read:

Subd. 4. [RESEARCH ACCOUNT.] (a) Each year the screening board, provided for in section 162.07, subdivision 5, may recommend to the commissioner a sum of money that the commissioner shall set aside from the county state-aid highway fund and credit to a research account. The amount so recommended and set aside shall not exceed one-quarter one-half of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

(a) (1) conducting research for improving the design, construction, maintenance and environmental compatibility of state-aid highways and appurtenances;

(b) (2) constructing research elements and reconstructing or replacing research elements that fail; and

(c) (3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the county state-aid highway fund.

Sec. 13. Minnesota Statutes 1992, section 162.12, subdivision 3, is amended to read:

Subd. 3. [DISASTER ACCOUNT.] After deducting administrative costs as provided in subdivision 2, the commissioner shall set aside each year a sum of money equal to two percent of the remaining money in the municipal state-aid street fund to provide for a disaster account; provided, that the total amount of money in the disaster account shall never exceed five percent of the total sums to be apportioned to the statutory and home rule charter cities having a population of 5,000 or more. The disaster account shall be used to provide aid to any such city encountering disaster or unforeseen event affecting the municipal state-aid street system of the city, and resulting in an undue and burdensome financial hardship. Any such city desiring aid by reason of such disaster or unforeseen event shall request aid in the form required by the commissioner. Upon receipt of the request the commissioner shall appoint a board consisting of ~~three engineers and three members of the governing bodies~~ two representatives of the cities, who must be either a city engineer or member of the governing body of a city, from cities other than the requesting city, and a representative of the commissioner. The board shall investigate the matter and report its findings and recommendations in writing to the commissioner. Final determination of the amount of aid, if any, to be paid to the city from the disaster account shall be made by the commissioner. Upon determining to aid the city, the commissioner shall certify to the commissioner of finance the amount of aid, and the commissioner of finance shall thereupon issue a warrant in that amount payable to the fiscal officer of the city. Money so paid shall be expended on the municipal state-aid street system in accordance with rules of the commissioner.

Sec. 14. Minnesota Statutes 1992, section 162.12, subdivision 4, is amended to read:

Subd. 4. [RESEARCH ACCOUNT.] (a) Each year the screening board, provided for in section 162.13, subdivision 3, may recommend to the commissioner a sum of money that the commissioner shall set aside from the municipal state-aid street fund and credit to a research account. The amount so recommended and set aside shall not exceed one-quarter one-half of one percent of the preceding year's apportionment sum.

(b) Any money so set aside shall be used by the commissioner for the purpose of:

(a) (1) conducting research for improving the design, construction, maintenance and environmental compatibility of municipal state-aid streets and appurtenances;

(b) (2) constructing research elements and reconstructing or replacing research elements that fail; and

(e) (3) conducting programs for implementing and monitoring research results.

(c) Any balance remaining in the research account at the end of each year from the sum set aside for the year immediately previous, shall be transferred to the municipal state-aid street fund.

Sec. 15. Minnesota Statutes 1992, section 168A.29, subdivision 1, is amended to read:

Subdivision 1. [AMOUNTS.] (a) The department shall be paid the following fees:

(1) for filing an application for and the issuance of an original certificate of title, the sum of \$2;

(2) for each security interest when first noted upon a certificate of title, including the concurrent notation of any assignment thereof and its subsequent release or satisfaction, the sum of \$2;

(3) for the transfer of the interest of an owner and the issuance of a new certificate of title, the sum of \$2;

(4) for each assignment of a security interest when first noted on a certificate of title, unless noted concurrently with the security interest, the sum of \$1;

(5) for issuing a duplicate certificate of title, the sum of \$4.

(b) In addition to each of the fees required under paragraph (a), the department shall be paid:

(1) from July 1, 1994, to June 30, 1997, \$3.50; but then

(2) after June 30, 1997, \$1.

The additional fee collected under this paragraph must be deposited in the transportation services fund and credited to the state patrol motor vehicle account established in section 299D.10.

Sec. 16. Minnesota Statutes 1992, section 169.06, is amended by adding a subdivision to read:

Subd. 5a. [TRAFFIC CONTROL SIGNALS; OVERRIDE SYSTEM.] All electronic traffic control signals installed by a road authority on and after January 1, 1995, must be prewired to facilitate a later addition of a system that allows the operator of an authorized emergency vehicle to activate a green traffic signal for the vehicle.

Sec. 17. [169.745] [MILEAGE RECORDING EQUIPMENT REQUIRED.]

(a) A motor vehicle that (1) is required to be registered in Minnesota, or is exempt from registration under section 168.012, and (2) is sold in Minnesota on or after January 1, 2000, must be equipped with an automatic mileage recorder that meets standards prescribed by the commissioner of transportation.

(b) The automatic mileage recorder must:

(1) accurately record all miles traveled by the vehicle;

(2) display the mileage traveled within the vehicle in a manner easily read by the driver of the vehicle; and

(3) be capable of being read by sensors that are maintained by the commissioner of transportation.

This section does not apply to a motor vehicle sold in Minnesota and permanently removed from the state within ten days of the sale.

Sec. 18. [299D.10] [STATE PATROL MOTOR VEHICLE ACCOUNT.]

The state patrol motor vehicle account is created in the transportation services fund, consisting of the fees collected under section 168A.29, subdivision 1, paragraph (b).

Sec. 19. Minnesota Statutes 1992, section 360.305, subdivision 4, is amended to read:

Subd. 4. (1) Except as otherwise provided in this subdivision, the commissioner of transportation shall require as a condition of assistance by the state that the political subdivision, municipality, or public corporation make a substantial contribution to the cost of the construction, improvement, maintenance, or operation, these costs are referred to as project costs, in connection with which the assistance of the state is sought.

(2) For any airport, whether key, intermediate or landing strip, where only state and local funds are to be used, the contribution shall be not less than one-fifth of the sum of:

- (a) the project costs,
- (b) acquisition costs of the land and clear zones, "acquisition costs."

Where federal, state and local funds are to be used, the contribution shall not be less than one-tenth of the sum.

(3) The commissioner may pay the total cost of radio and navigational aids.

(4) Notwithstanding clause (2), the commissioner may pay all of the project costs of a new landing strip, but not an intermediate airport or key airport, or may pay an amount equal to the federal funds granted and used for a new landing strip plus all of the remaining project costs; but the total amount paid by the commissioner for the project costs of a new landing strip, unless specifically authorized by an act appropriating funds for the new landing strip, shall not exceed \$200,000.

(5) Notwithstanding clause (2), the commissioner may pay all the project costs for research and development projects, including, but not limited to noise abatement; provided that in no event shall the sums expended under this clause exceed five percent of the amount appropriated for construction grants.

(6) To receive aid under this section for acquisition costs the municipality must enter into an agreement with the commissioner giving assurance that the airport will be operated and maintained in a safe, serviceable manner for aeronautical purposes only for the use and benefit of the public for a period of 20 years after the date that the state funds are received by the municipality. The agreement may contain other conditions as the commissioner deems reasonable.

(7) The commissioner shall establish a hangar construction revolving account which shall be used for the purpose of financing the construction of hangar buildings to be constructed by municipalities owning airports. All municipalities owning airports are authorized to enter into contracts for the construction of hangars, and contracts with the commissioner for the financing of hangar construction for an amount and period of time as may be determined by the commissioner and municipality. All receipts from the financing contracts shall be deposited in the hangar construction revolving account and are reappropriated for the purpose of financing construction of hangar buildings. The commissioner may pay from the hangar construction revolving account 80 percent of the cost of financing construction of hangar buildings. For purposes of this clause, the "construction" of hangars shall include their design. The commissioner may transfer up to \$4,100,000 from the state airports fund to the hangar construction revolving account.

(8) The commissioner may pay a portion of the purchase price of any airport maintenance and safety equipment and of the actual airport snow removal costs incurred by any municipality. The portion to be paid by the state shall not exceed two-thirds of the cost of the purchase price or snow removal. To receive aid a municipality must enter into an agreement of the type referred to in clause (6).

(9) This subdivision shall apply only to project costs or acquisition costs of municipally owned airports which are incurred after June 1, 1971.

Sec. 20. [EFFECTIVE DATE.]

This article is effective July 1, 1994, except that any provisions appropriating money for fiscal year 1994 are effective the day following final enactment.

ARTICLE 4

STATE GOVERNMENT

Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this article, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this article and are added to appropriations for the fiscal years ending June 30, 1994, and June 30, 1995, in Laws 1993, chapter 192, or another named law.

SUMMARY BY FUND

	1994	1995
General Fund	\$ 35,000	\$ 19,333,000

APPROPRIATIONS
Available for the Year
Ending June 30

Sec. 2. LEGISLATURE

1994	1995
\$	\$ 200,000

This amount is for the legislative auditor to conduct a best practices review.

Sec. 3. OFFICE OF STRATEGIC AND LONG-RANGE PLANNING

823,000

\$563,000 is added to the appropriation in Laws 1993, chapter 192, section 14, and is to support the state's contribution and final payment to the Great Lakes protection fund.

\$100,000 is for the purpose of maintaining a computerized database of the results of groundwater quality monitoring required in Minnesota Statutes, section 103H.175.

\$150,000 is for a study by the environmental quality board of the option of including the University of Minnesota heating system in a thermal network that would include one or more of the existing thermal network energy systems in Minneapolis and St. Paul.

\$10,000 is for a study by the environmental quality board of the issue of environmental justice as defined by the United States Environmental Protection Agency and as described in Executive Order No. 12898, issued February 11, 1994. The board shall make recommendations by January 1, 1995, to the environment and natural resources committees of the senate and house of representatives.

Sec. 4. ADMINISTRATION

5,000	2,995,000
-------	-----------

\$400,000 is added to the appropriation in Laws 1993, chapter 192, section 15, subdivision 7, and is to support activities related to the information access council created in Minnesota Statutes, section 15.95.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

\$25,000 is for transfer to the University of Minnesota, for purposes of convening a planning group related to an information and telecommunications institute. The planning group shall develop and submit to the state government finance divisions in the house of representatives and the senate by December 1, 1994, a legislative proposal for establishing the institute. The proposal must be developed in consultation with other post-secondary education institutions, entities that provide telecommunication and information services for elementary and secondary educational institutions, libraries, Minnesota Technology, Inc., the department of trade and economic development, telephone companies and telecommunication carriers, potential users of improved telecommunications technology, and other interested persons. The report must include at least: a proposed structure for the institute, including its physical location; proposed membership in the institute; proposed scope of authorities and responsibilities of the institute; and proposed financing for the institute.

\$25,000 is for the central Minnesota STARS region to install and administer a regional telecommunications pilot project to validate the STARS telecommunications regions' development study findings; to replicate the creation of a regional telecommunications network statewide as set forth in Laws 1992, chapter 513, article 4, section 13; and to develop a master plan for regional telecommunications. The funds must be matched in-kind or monetarily dollar-for-dollar by the region. This appropriation is available until June 30, 1995.

The master plan must include a technology assessment that compares the function, performance, benefits, and costs of available telecommunications technologies, including full and fractional DS1 narrowband communications, DS3 wideband communications, and AM and FM video on fiber optics. The master plan should review regional requirements for telecommunications and make recommendations on the standardization of telecommunications architecture in relation to the technology assessment. The master plan must establish a policy for participation in a regional communications system.

Selection of participants must be based on geographical proximity and natural connections within the general regional areas surrounding St. Cloud, Willmar, and Brainerd. Participants must be by those entities in the following categories: education, state and local governments, and other public service entities including, but not limited to, libraries, courts and criminal justice agencies, health and human services agencies, community and economic development organizations, and cultural and nonprofit organizations or institutions.

Participants shall demonstrate collaboration with one or more other entities in making their connections to the regional system.

Participants in the pilot project and master plan must be represented on a regional advisory organization and together determine the design of the pilot and future master plan of regional telecommunications systems.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

\$5,000 the first year is for KSMQ-TV to conduct an engineering study for the placement of a remote transmitter in a portion of southeastern Minnesota. Any amount not spent in the first year is available in the second year.

The department of administration shall transfer \$33,000 each year from the general fund appropriation made in Laws 1993, chapter 192, section 15, subdivision 3, to the house of representatives for technology and telecommunications improvements.

\$100,000 of the money appropriated in section 5 for the statewide systems project is for transfer to the information policy office for an evaluation of the statewide systems project, to be conducted by an entity not associated with the project, selected by the information policy office. The evaluation must consider the project from the point of view of the highest benefit to the state, and must make a progress report of its conclusions to the chairs of the house of representatives and senate state government finance divisions by January 15, 1995. Money previously appropriated to the information policy office may be used for this evaluation.

\$2,000,000 is appropriated from the general fund to the intertechnologies revolving fund. The intertechnologies revolving fund must use this money to repay the loan made to the fund in 1993.

During the biennium ending June 30, 1995, the intertechnologies revolving fund must reduce the rate that it charges state agencies for long distance telephone service from 17 cents per minute to no more than 15 cents per minute. During the biennium ending June 30, 1995, the intertechnologies revolving fund must reduce the rate charged to state agencies for data and video services by ten percent from the amount in effect on the day before the effective date of this section.

\$545,000 is to the intergovernmental information systems advisory council for the local government financial reporting system.

Sec. 5. FINANCE

30,000

14,445,000

\$14,200,000 the second year is added to the appropriation in Laws 1993, chapter 192, section 17, subdivision 3, and is for the statewide systems project to redesign and implement the new statewide accounting, payroll, procurement, human resource, and information access systems. This appropriation is nonrecurring and is available until spent.

\$30,000 the first year and \$245,000 the second year are for the statewide performance and outcomes monitoring system to facilitate the compliance with Laws 1993, chapter 192, section 40.

Sec. 6. DEPARTMENT OF EMPLOYEE RELATIONS

70,000

\$3,500,000 the second year is transferred from the insurance trust fund created in Minnesota Statutes, section 43A.316, subdivision 9, to the general fund.

\$20,000 the second year is to assist the task force established in section 56.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

\$50,000 the second year is for the study required in section 58.

The commissioner of employee relations must conduct a study of the compensation policies of the Minnesota state high school league. The league must provide all information requested by the commissioner for the study. The study must evaluate all forms of compensation, including salaries, health insurance, pensions, and other benefits provided to staff. The report must be provided to the education committees of the house of representatives and the senate and to the governmental operations and gambling committee of the house and the governmental operations and reform committee of the senate by February 15, 1995.

Sec. 7. AMATEUR SPORTS COMMISSION

300,000

This amount is to be used to make a grant to the Minnesota Chippewa tribe to help offset the costs of promoting and hosting the 1995 Indigenous Games. The appropriation is available until June 30, 1995, but the grant may not be made unless matched by an equal amount from nonpublic sources.

Sec. 8. BOARD OF GOVERNMENT INNOVATION AND COOPERATION

500,000

This appropriation is to implement and administer board grant programs in fiscal year 1995.

Sec. 9. CANCELLATIONS

(a) The contribution account under Minnesota Statutes, sections 355.04 and 355.06, administered by the commissioner of employee relations is eliminated through repeal, and the commissioner of finance is directed under Minnesota Statutes, section 16A.62, to transfer and cancel to the general fund any remaining balance in the FICA clearing account. The amount to be canceled is estimated to be \$354,000.

(b) The commissioner of finance must cancel \$68,042 to the general fund or any unliquidated balance in the TRA prior year account previously maintained for satisfying the state obligation under Laws 1985, First Special Session chapter 12, article 11, section 19, which is repealed.

(c) The balance in the account administered by the commissioner of employee relations related to the career executive service program under Minnesota Statutes, section 43A.21, subdivision 5, which has been repealed, shall cancel to the general fund. The amount to cancel in fiscal year 1994 is \$32,709.

(d) The amount appropriated for fiscal year 1995 in Laws 1993, chapter 192, section 32, for police and fire amortization aid is reduced by \$1,250,000. This reduction comes from amounts otherwise payable as amortization and as supplemental amortization aid to the city of Minneapolis, and is due to excess investment earnings by the Minneapolis police and fire relief associations. This reduction is in addition to any other reduction that may be enacted by the 1994 legislature.

Sec. 10. Minnesota Statutes 1992, section 3.97, subdivision 11, is amended to read:

Subd. 11. "Audit" as used in this subdivision means a financial audit, a program evaluation, a best practices review, or an investigation. Data relating to an audit are not public or with respect to data on individuals are confidential until the final report of the audit has been published or the audit is no longer being actively pursued. Data that support the conclusions of the report and that the legislative auditor reasonably believes will result in litigation are not public and with respect to data on individuals are confidential until the litigation has been completed or is no longer being actively pursued. Data on individuals that could reasonably be used to determine the identity of an individual supplying data for an audit are private if the data supplied by the individual were needed for an audit and the individual would not have provided the data to the legislative auditor without an assurance that the individual's identity would remain private, or the legislative auditor reasonably believes that the subject would not have provided the data. The definitions of terms provided in section 13.02 apply for purposes of this subdivision.

Sec. 11. Minnesota Statutes 1992, section 3.971, is amended by adding a subdivision to read:

Subd. 4. (a) To perform best practices reviews, the legislative auditor through the program evaluation division shall examine the procedures and practices used to deliver local government services, including municipalities and counties, determine the methods of local government service delivery, identify variations in cost and effectiveness, and identify practices to save money or provide more effective service delivery. The legislative auditor shall recommend to local governments, service delivery methods and practices to improve the cost-effectiveness of services and shall coordinate efforts under this section with the board of government innovation and cooperation.

(b) The commission shall identify local government services to be reviewed with advice from an advisory council whose membership shall consist of:

- (1) three representatives from the Association of Minnesota Counties;
- (2) three representatives from the League of Minnesota Cities; and
- (3) two representatives from the Association of Metropolitan Municipalities.
- (c) This subdivision expires June 30, 1999.

Sec. 12. Minnesota Statutes 1992, section 13.67, is amended to read:

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;
- (c) Notes and preliminary drafts of reports prepared during personnel investigations and personnel management reviews of state departments and agencies;
- (d) The managerial plan prepared by the department pursuant to section 43A.18 that 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 (e),~~ until the plan is submitted to the legislative commission on employee relations; and
- (e) Claims experience and all related information received from carriers and claims administrators participating in either the state group insurance plan or the public employees insurance plan as defined in chapter 43A, and survey information collected from employees and employers participating in these plans, except when the department determines that release of the data will not be detrimental to the plan.

Sec. 13. Minnesota Statutes 1993 Supplement, section 15.91, is amended to read:

15.91 [PERFORMANCE REPORTING FOR AGENCIES OF STATE GOVERNMENT.]

Subdivision 1. [DEFINITION.] For purposes of sections 15.90 to 15.92, "agency" means a department or agency, as designated in section 15.01 and the pollution control agency.

Subd. 2. [PERFORMANCE REPORTS.] (a) Each agency shall develop a performance report for ~~its operations~~ the major programs that it provides or administers. The report shall include each of the following items or an explanation of why an item does not apply to the agency or its individual programs:

- (1) a statement of the mission, goals, and objectives of the agency including those set forth in statute;
- (2) ~~measures and goals~~ of the output and outcome of the agency program;
- (3) ~~identification of priority and other service populations, or other service measures, served by the programs~~ under current law and how those populations are expected to change within the period of the report;
- (4) plans for how outcome information can be used as an incentive for improving state programs and program outcomes;
- (5) requests for statutory flexibility needed to reach outcome goals;
- (6) ~~explanation of proposals and cost estimates for collecting new outcome information that could be available with new data collection systems; and~~
- (7) other information that may be required to explain the past and projected performance of state programs.

The ~~goals~~ objectives required under clause (1): (i) must be simple declarative statements of intent; (ii) should carry benchmarks for accomplishment; and (iii) should be specific enough so citizens can measure progress year to year.

(b) Each agency shall issue a ~~draft report by November 1, 1993,~~ a first annual report by September 1, 1994, and annual updated reports no later than September 1 of each year beginning in 1995. A report must cover a period of four years previous and two years in the future from the date that it is required to be issued, including previous forecasts versus actual measures.

(c) Each agency shall send a copy of each report issued to the governor, the speaker of the house of representatives, the president of the senate, the legislative commission on planning and fiscal policy, the legislative auditor, the commissioner of finance, and two copies to the legislative reference library.

(d) The legislative auditor shall review the drafts and give comments to agencies and the legislature before September 1, 1994, and shall review and give comments on annual reports on a rotating biennial schedule.

(e) State agency reports shall be compiled as required in this paragraph. The commissioner of finance, in consultation with the commissioner of administration, the legislative commission on planning and fiscal policy, and the finance committees and divisions of the house of representatives and senate, shall:

- (1) develop forms and instructions and coordinate training for the use of the agencies in the preparation of their reports;
- (2) work with individual agencies to determine acceptable measures of staff workload, unit costs, output, and outcome for use in reports; and
- (3) request any needed additional information concerning any agency report submitted.

Each agency shall include citizens, agency clients, consumer and advocacy groups, worker participation committees, managers, elected officials, and contractors in its planning.

Sec. 14. [PURPOSE.]

The purposes of sections 15.95 and 15.96 are to establish a process:

(1) for improving public access to government information and data, and therefore for improving the democratic process, through the use of information technology; and

(2) for helping government become more efficient, effective, and responsive to the public through the use of information technology.

Sec. 15. [15.95] [GOVERNMENT INFORMATION ACCESS COUNCIL.]

Subdivision 1. [MEMBERSHIP.] The government information access council consists of the following members:

(1) all Minnesota residents who are members of the president's national information infrastructure advisory group;

(2) two commissioners of state agencies, appointed by the governor;

(3) one person appointed by the University of Minnesota board of regents;

(4) one person appointed by the higher education board;

(5) one representative of public television, appointed by the Minnesota public television association;

(6) one representative aligned with the Minnesota equal access network, appointed by the board of the network;

(7) one member appointed by the telephone company providing access to the largest number of customers within the state;

(8) one corporate executive from a company that is a member of the Minnesota business partnership, selected by the partnership;

(9) one representative of the citizens league, appointed by the league;

(10) one member of the intergovernmental information systems advisory council, appointed by the council;

(11) one member of the house of representatives, appointed by the speaker; one member of the senate, appointed by the senate committee on rules and administration; one member of the house of representatives, appointed by the minority leader; and one member of the senate, appointed by the minority leader;

(12) one member of American Federation of State, County, and Municipal Employees, council 6, appointed by the executive board of council 6;

(13) one member of the joint media committee, appointed by the committee;

(14) one member representing each of the following groups, appointed by the members of the council appointed under clauses (1) to (13): unions representing communications workers, telephone companies, the cable television industry, and librarians who manage government information; and

(15) up to four additional members, who can contribute unique perspectives related to information policy from the private sector, appointed by the members of the council appointed under clauses (1) to (14).

Subd. 2. [TERMS; COMPENSATION.] Members serve at the pleasure of the appointing authority. Members receive compensation and expense reimbursement as provided by section 15.059, subdivision 3.

Subd. 3. [CHAIR; MEETINGS.] The governor shall designate the chair of the council from among its members. The chair shall schedule meetings at least quarterly. The chair must report any council recommendations or actions to the legislature, the governor, and affected state agencies, as appropriate, within one week of making the recommendation or taking the action.

Subd. 4. [EXECUTIVE COMMITTEE; WORK GROUPS.] (a) The council must establish and appoint an executive committee. The executive committee consists of the following members of the council: one person who is a member of the president's national information infrastructure advisory group, the University of Minnesota representative, the higher education board representative, the telephone company representative appointed under subdivision 1, clause (7), the Minnesota business partnership representative, the librarian representative, one citizen representative, and two other members of the council, designated by the council. The executive committee must meet at least monthly. It must recommend organization of other committees or work groups. The executive committee must develop agenda items for the full council.

(b) The council may establish other committees or work groups. Each committee or work group may include up to two persons who are not members of the council.

Subd. 5. [DUTIES.] The primary mission of the council is to develop principles to assist elected officials and other government decision-makers in providing citizens with greater and more efficient access to government information, both directly and through private businesses. In developing these principles, the council must consider:

(1) the most effective and efficient means to make information available to the public in a manner that is designed primarily from the perspective of the citizen;

(2) how to provide the greatest possible public access that is demand driven to the widest possible array of public government data and information maintained by state or local governments, including open access through libraries, schools, nonprofit organizations, businesses, and homes;

(3) what information should be made available free of charge directly from government agencies;

(4) what information should be sold, either by government agencies or through private businesses, and what factors should determine the prices that government should charge to citizens for providing information directly, and to businesses who will resell information;

(5) how government can encourage private businesses to foster the creation of new private business endeavors by making digital information available for the purpose of distributing enhanced government information services to citizens;

(6) what changes need to be made in governmental operations to assure that more government information is readily available to citizens, whether provided directly by government agencies or provided through private businesses;

(7) whether digital information should be made available on an exclusive or nonexclusive basis, and how different types of information should be treated differently for this purpose;

(8) how the state and other governmental units can protect their intellectual property rights, while making government data available to the public as required in chapter 13;

(9) what technological changes governmental agencies need to make to facilitate electronic provision of governmental information, either directly to citizens, or to private businesses who will distribute the information; and

(10) how to avoid duplicating services available from private providers, except as necessary to achieve goals set in subdivision 7.

Subd. 6. [OTHER DUTIES.] (a) The council shall:

(1) coordinate statewide efforts by units of state and local government to plan for and develop a system for providing the data and services in the manner envisioned by this section;

(2) make recommendations that facilitate coordination and assistance of demonstration projects;

(3) advise units of state and local government on provision of government data to citizens and businesses; and

(4) explore ways and means to improve citizen and business access to public data, including implementation of technological improvements.

(b) In fulfilling its duties under this subdivision, the council shall seek advice from the general public, government units, system users, professional associations, libraries, academic groups, and other institutions and individuals with knowledge of and interest in such areas as networking, electronic mail, public information data access, advanced telecommunications, and electronic transfer and storage of information.

Subd. 7. [ACCESS TO DATA.] The legislature determines that the greatest possible access to certain government information and data is essential to allow citizens to participate fully in a democratic system of government. The principles that the council develops must assure that certain information and data, including, but not limited to the following, will be provided free of charge or for a nominal cost associated with reproducing the information or data:

(1) directories of government services and institutions;

(2) legislative and rulemaking information, including public information newsletters, bill text and summaries, bill status information, rule status information, meeting schedules, and the text of statutes and rules;

(3) official documents, releases, speeches, and other public information issued by the governor's office and constitutional officers; and

(4) the text of other government documents and publications that the council determines are important to public understanding of government activities.

The council, on a continuing basis, shall identify and take action to ensure that identified government data are available free of charge, or for a nominal cost associated with reproducing the data.

Subd. 8. [INFORMATION INSTITUTE.] The council shall also advise the legislature on issues relating to an information institute to deal with major public policy issues involving access to government information and to foster the development of private sector information industries.

Subd. 9. [APPROVAL OF STATE AGENCY INITIATIVES.] No state agency may implement a new initiative for providing electronic access to state government information unless the initiative is reviewed by the council and approved by the information policy office.

Subd. 10. [CAPITAL INVESTMENT.] No state agency may propose or implement a capital investment plan for a state office building unless:

(1) the agency has developed a plan for increasing telecommuting by employees who would normally work in the building, or the agency has prepared a statement describing why such a plan is not practicable; and

(2) the plan or statement has been reviewed by the council and approved by the information policy office.

Subd. 11. [SUPPORT.] The information policy office shall provide staff and other support services to the council.

Sec. 16. [15.96] [DUTIES OF OTHER GROUPS.]

(a) The groups in paragraphs (b) to (g) shall work with the government information access council in accomplishing its mission.

(b) The information policy office shall provide technical assistance to the council, and shall oversee state agency efforts to implement projects and programs in accordance with principles adopted by the council.

(c) The University of Minnesota shall continuously assess best practices and conduct other research to keep Minnesota in a leadership role in the area of access to and distribution of government information.

(d) The public utilities commission shall address changes needed in the regulatory environment to facilitate access to and distribution of government information.

(e) The governor, through the state's Washington, D.C. office, shall monitor recommendations of national advisory groups, monitor legal and regulatory developments at the federal level, and review grant proposals made by Minnesota governmental entities to federal agencies.

(f) The departments of trade and economic development and education shall immediately initiate efforts to provide greater access to and distribution of their information working through the council as envisioned by section 15.95.

(g) The department of revenue shall study how tax policy might be used to facilitate entry onto the information highway.

Sec. 17. [15.98] [INDOOR ICE FACILITIES.]

Every indoor ice arena operated by a political subdivision, a state agency, the University of Minnesota, or a state higher education institution must provide the same amount of prime ice time at the same price to groups of females as is provided to groups of males. This requirement does not apply if all requests for ice time at an arena from groups of females can be met without providing the same amount of time to groups of females as is provided to groups of males. A covered arena may not discriminate on the basis of gender in assigning particular ice time to groups. Any group that generates revenue as a result of attendance at arena events must not be included in determining equity under this section.

Sec. 18. Minnesota Statutes 1992, section 16A.124, subdivision 2, is amended to read:

Subd. 2. [COMMISSIONER SUPERVISION.] The commissioner shall ~~exercise constant supervision over~~ monitor state agencies to insure the prompt payment of vendor obligations.

Sec. 19. Minnesota Statutes 1992, section 16A.127, as amended by Laws 1993, First Special Session chapter 2, article 3, section 2, is amended to read:

16A.127 [INDIRECT COSTS.]

Subdivision 1. [STATEWIDE AND AGENCY INDIRECT COSTS.] (a) ~~As used in this section and in section 16A.128, "statewide indirect costs" means all operating costs incurred by the treasurer and all agencies any state agency attributable to providing general support services to any other state agency except as prohibited by federal law. These operating costs include their proportionate share of costs incurred by the legislative and judicial branches.~~

(b) As used in this section, "agency indirect costs" means all general support costs within the any agency that are ~~not~~ cannot be directly charged to any agency ~~programs~~ program.

(c) For purposes of this section, "agency" means any entity receiving general support services.

Subd. 2. [STATEWIDE PLAN.] The commissioner shall annually prepare a plan ~~showing the kind identifying the sources and amount amounts~~ of each executive agency's statewide indirect costs for the current fiscal year. The commissioner shall ~~report~~ submit the plan to the cognizant federal agency for approval, and provide copies to the governor and the legislature.

Subd. 3. [GENERAL REIMBURSEMENT.] (a) ~~Under the plan, Unless indirect cost recoveries are specifically appropriated in law, agencies are obligated to reimburse the general fund for all statewide indirect costs, and that portion of agency indirect costs attributable to recoveries of general fund expenditures. However, the commissioner may, for reasons of sound financial management, waive the reimbursement under this subdivision for certain nongeneral fund activities.~~

(b) The commissioner shall ~~make and record~~ the reimbursement to the general fund of the statewide and agency indirect costs attributable to an executive agency's nongeneral fund receipts activities for the last fiscal year. ~~Unless the commissioner determines that agency indirect cost receipts are a reimbursement for general fund expenditures, the All nonfederal agency indirect cost receipts are appropriated to the agency to pay administrative expenses, unless they are determined to be a reimbursement of general fund expenditures. However, the commissioner may, for reasons of sound financial management, waive the reimbursement under this subdivision for certain nongeneral fund receipts. The commissioner shall report all waivers in the next statewide indirect cost plan.~~

(b) Subd. 3a. [APPROPRIATION.] There is annually appropriated from all direct appropriated nongeneral funds an amount sufficient to reimburse the general fund for both statewide indirect costs, and any agency indirect costs attributable to general fund expenditures.

Subd. 4. [FEDERAL PROPOSALS.] ~~An executive agency's application~~ Agency applications for federal money shall include necessary submissions to get recover both statewide and agency indirect ~~cost money costs~~. The indirect cost submission must have the prior approval of the commissioner. ~~An agency indirect cost submission plan is unnecessary if the executive agency convinces the commissioner determines that the submission is not economical costs incurred in preparing and maintaining it exceed the benefit received by the state. If less than the entire agency proposal is federally approved, the commissioner may accept reimbursement of less than all of the federal receipts. If no federal funds are approved for indirect costs, the agency must document that fact to the commissioner.~~

Subd. 5. [FEDERAL SHARE REIMBURSEMENT.] ~~The executive agency~~ Agencies shall reimburse the general fund for all federal money received ~~for as a recovery of statewide indirect costs. Unless the commissioner determines that agency indirect cost receipts are a reimbursement for general fund expenditures, the receipts are appropriated to the agency to pay administrative expenses. If less than the entire executive agency proposal is federally approved, the commissioner may accept reimbursement of less than all of the federal receipts. If no federal funds are approved for indirect costs, the executive agency must document that fact to the commissioner.~~ All federal agency indirect cost receipts are appropriated to the agency to pay administrative expenses, unless they are determined to be a reimbursement of general fund expenditures.

Subd. 6. [REQUIRED INFORMATION.] ~~An executive agency~~ Agencies must supply the information required by the commissioner, as needed, to carry out the provisions of this section.

Subd. 7. [AUDIT FEES.] The legislative auditor may recommend waiver, and the legislative audit commission may waive all or part of a fee for an audit. A state audited executive agency whose funds are not administered by the treasurer must transfer to the general fund the amount of the cost of the audit attributable to the executive agency's nongeneral fund receipts.

Subd. 8. [EXEMPTION EXEMPTIONS.] (a) No statewide or agency indirect cost liability shall be accrued to any program, appropriation, or account that is specifically exempted from the liability in federal or state law, or if the commissioner determines the funds to be held in trust, or to be a pass through, workshop, or seminar account. Accounts receiving proceeds from bond issues, and those accounts whose funds are determined by the commissioner to originate from the general fund, are also exempt from this section.

(b) Except for the costs of the legislative auditor to conduct financial audits of federal funds, this section does not apply to the community college board, state university board, or the state board of technical colleges. Indirect-cost Receipts attributable to financial audits conducted by the legislative auditor of federal funds administered by these post-secondary education boards shall be deposited in the general fund.

(b) ~~Except for federal funds, this section does not apply to the department of natural resources for agency indirect costs.~~

Subd. 9. [WAIVER PROVISION FOR NATURAL RESOURCES.] (a) The department of natural resources is exempt from recovering agency indirect costs except where federal funds are involved.

(b) The commissioner of natural resources need not bill the federal government, other states, or Canadian provinces for the indirect costs of providing emergency fire fighting services, and need not reimburse the general fund for those indirect costs, if the commissioner determines that the emergency fire fighting is in the best interest of the state. The commissioner of natural resources need not bill another state or Canadian province for the indirect costs of providing emergency fire fighting services, and need not reimburse the general fund for those indirect costs, if the other state or Canadian province agrees not to bill the state of Minnesota for the indirect costs of emergency fire fighting services provided by the other state if the waiver is reciprocated.

Sec. 20. Minnesota Statutes 1992, section 16A.15, subdivision 3, is amended to read:

Subd. 3. [ALLOTMENT AND ENCUMBRANCE.] (a) A payment may not be made without prior obligation. An obligation may not be incurred against any fund, allotment, or appropriation unless the commissioner has certified a sufficient unencumbered balance or the accounting system shows sufficient allotment or encumbrance balance in the fund, allotment, or appropriation to meet it. The commissioner shall determine when the accounting system may be used to incur obligations without the commissioner's certification of a sufficient unencumbered balance. An expenditure or obligation authorized or incurred in violation of this chapter is invalid and ineligible for payment until made valid. A payment made in violation of this chapter is illegal. An employee authorizing or making the payment, or taking part in it, and a person receiving any part of the payment, are jointly and severally liable to the state for

the amount paid or received. If an employee knowingly incurs an obligation or authorizes or makes an expenditure in violation of this chapter or takes part in the violation, the violation is just cause for the employee's removal by the appointing authority or by the governor if an appointing authority other than the governor fails to do so. In the latter case, the governor shall give notice of the violation and an opportunity to be heard on it to the employee and to the appointing authority. A claim presented against an appropriation without prior allotment or encumbrance may be made valid on investigation, review, and approval by the commissioner, if the services, materials, or supplies to be paid for were actually furnished in good faith without collusion and without intent to defraud. The commissioner may then draw a warrant to pay the claim just as properly allotted and encumbered claims are paid.

(b) The commissioner may approve payment for materials and supplies in excess of the obligation amount when increases are authorized by section 16B.07, subdivision 2.

(c) To minimize potential construction delay claims, an agency with a project funded by a building appropriation may allow a contractor to proceed with supplemental work within the limits of the appropriation before money is encumbered. Under this circumstance, the agency may requisition funds and allow contractors to expeditiously proceed with a construction sequence. While the contractor is proceeding, the agency shall immediately act to encumber the required funds.

Sec. 21. Minnesota Statutes 1993 Supplement, section 16A.152, subdivision 1, is amended to read:

Subdivision 1. [BUDGET RESERVE AND CASH FLOW ACCOUNT ESTABLISHED.] (a) A budget reserve and cash flow account is created in the general fund in the state treasury. The commissioner of finance shall restrict part or all of the balance before reserves in the general fund as may be necessary to fund the budget reserve and cash flow account as provided by law from time to time.

(b) The commissioner of finance shall transfer the amount necessary to bring the total amount of the budget reserve and cash flow account, including any existing balance in the account on June 30, 1993 1994, to \$360,000,000 \$370,000,000. The amounts restricted shall remain in the account until drawn down under subdivision 1 or increased under subdivision 2.

Sec. 22. Minnesota Statutes 1992, section 16B.01, subdivision 4, is amended to read:

Subd. 4. [STATE CONTRACT.] "State contract" means any written instrument or electronic document containing the elements of offer, acceptance and consideration to which a state agency is a party.

Sec. 23. Minnesota Statutes 1992, section 16B.05, subdivision 2, is amended to read:

Subd. 2. [FACSIMILE SIGNATURES AND ELECTRONIC APPROVALS.] When authorized by the commissioner, facsimile signatures and electronic approvals may be used by personnel of the department of administration in accordance with the commissioner's delegated authority and instructions, copies of which shall be filed with the commissioner of finance, state treasurer, and the secretary of state. A facsimile signature or electronic approval, when used in accordance with the commissioner's delegated authority and instructions, is as effective as an original signature.

Sec. 24. Minnesota Statutes 1992, section 16B.06, subdivision 1, is amended to read:

Subdivision 1. [DUTIES OF COMMISSIONER.] (a) [CONTRACT MANAGEMENT.] The commissioner shall perform all contract management and review functions for state contracts, except those functions performed by the contracting agency, and the attorney general, or the commissioner of finance. All agencies shall fully cooperate with the commissioner in the management and review of state contracts. A delegation of the commissioner's duties under this section to the head of an agency or a designated subordinate must be filed with the secretary of state and may not, except with respect to delegations within the department of administration, exceed two years in duration.

(b) [PURCHASING.] The commissioner shall purchase, rent, or otherwise provide for the furnishing of all supplies, materials, equipment, and utility services. The commissioner may lease, rent, or sell supplies, equipment, and services to agencies. The commissioner shall purchase from the state correctional institutions, the University of Minnesota, and other state institutions all articles manufactured by them which are usable by the state. All purchase orders must be made on a form prepared in a format prescribed by the attorney general.

Sec. 25. Minnesota Statutes 1992, section 16B.06, subdivision 2, is amended to read:

Subd. 2. [VALIDITY OF STATE CONTRACTS.] (a) A state contract or lease is not valid and the state is not bound by it until:

(1) it has first been executed by the head of the agency or a delegate which is a party to the contract and;

(2) it has been approved ~~in writing~~ by the commissioner or a delegate, under this section;

(3) ~~it has been approved~~ by the attorney general or a delegate as to form and execution; ~~and by the commissioner of finance or a delegate who shall determine that the appropriation and~~

(4) ~~the account system shows an allotment have been encumbered or encumbrance balance~~ for the full amount of the contract liability.

(b) Paragraph (a), clause (2), does not apply to contracts between state agencies or contracts awarding grants.

(c) The head of the agency may delegate the execution of specific contracts or specific types of contracts to a ~~deputy or assistant head~~ designated subordinate within the agency if the delegation has been approved by the commissioner of administration and filed with the secretary of state. ~~A The fully executed copy of every contract or lease extending for a term longer than one year must be filed with the commissioner of finance kept on file at the contracting agency.~~

Sec. 26. Minnesota Statutes 1992, section 16B.32, is amended by adding a subdivision to read:

Subd. 3. [GIFTS.] The commissioner may accept gifts for energy efficiency improvements in state-owned and wholly-leased buildings. Energy cost savings from these improvements, up to the cost of these improvements, shall be deposited in a special revenue fund established in the state treasury. Money in the special revenue fund is appropriated annually to the commissioner to implement further energy efficiency improvements in state-owned or wholly-leased buildings.

Sec. 27. [16B.467] [ELECTRONIC PERMITTING AND LICENSING.]

The commissioner of administration shall develop and implement a system under which people seeking state permits or licenses that can be issued immediately upon payment of a fee can obtain these permits and licenses through electronic access to the appropriate state agencies. Before being implemented, the system must be reviewed by the government information access council and approved by the information policy office.

Sec. 28. [16B.615] [RESTROOM FACILITIES.]

Subdivision 1. [DEFINITION.] For purposes of this section, "place of public accommodation" means a publicly or privately owned sports or entertainment area, stadium, theater, community or convention hall, special event center, amusement facility, or special event center in a public park, that is designed for occupancy by 200 or more people.

Subd. 2. [APPLICATION.] This section applies only to a place of public accommodation for which construction, or alterations exceeding 50 percent of the estimated replacement value of the existing facility, begins after the effective date of this section.

Subd. 3. [RATIO.] In a place of public accommodation subject to this section, the ratio of water closets for women to the total of water closets and urinals provided for men must be at least three to two, unless there are two or fewer fixtures for men.

Subd. 4. [RULES.] The commissioner of administration shall adopt rules to implement this section. The rules may provide for a greater ratio of women's to men's facilities for certain types of occupancies than is required in subdivision 3, and may apply the required ratios to categories of occupancies other than those defined as places of public accommodation under subdivision 1.

Sec. 29. Minnesota Statutes 1992, section 43A.316, subdivision 9, is amended to read:

Subd. 9. [INSURANCE TRUST FUND.] The insurance trust fund in the state treasury consists of deposits of the premiums received from employers participating in the plan and transfers before July 1, 1994, from the public employees insurance reserve excess contributions holding account established by section 353.65, subdivision 7. All

money in the fund is appropriated to the commissioner to pay insurance premiums, approved claims, refunds, administrative costs, and other related service costs. Premiums paid by employers to the fund are exempt from the tax imposed by sections 60A.15 and 60A.198. The commissioner shall reserve an amount of money to cover the estimated costs of claims incurred but unpaid. The state board of investment shall invest the money according to section 11A.24. Investment income and losses attributable to the fund must be credited to the fund.

Sec. 30. Minnesota Statutes 1992, section 43A.37, subdivision 1, is amended to read:

Subdivision 1. [CERTIFICATION ACCURACY OF PAYROLL.] ~~Neither the commissioner of finance nor any other fiscal officer of this state may draw, sign, or issue, or authorize the drawing, signing, or issuing of any warrant on the treasurer or other disbursing officer of the state, nor may the treasurer or other disbursing officer of the state pay any salary or compensation to any person in the civil service, unless a payroll register for the salary or compensation containing the name of every person to be paid bears the certificate of the commissioner that the persons named in the payroll register~~ The appointing authority shall ensure that all employees have been appointed as required by law, rules, or administrative procedures and that the salary or compensation is within the compensation plan fixed by law. The appointing authority shall certify ensure that all employees named in the payroll register are performing service as required by law. This provision does not apply to positions defined in section 43A.08, subdivision 1, clauses (8), (9), (10), and (12). Employees to whom this subdivision does not apply may be paid on the state's payroll system, and the appointing authority or fiscal officer submitting their payroll register is responsible for the accuracy and legality of the payments.

Salary or compensation claims presented against existing appropriations, which have been deemed in violation of the provisions of this subdivision, may be certified for payment if, upon investigation, the commissioner determines the personal services for which payment is claimed actually have been rendered in good faith without collusion and without intent to defraud.

Sec. 31. Minnesota Statutes 1992, section 69.031, subdivision 5, is amended to read:

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

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

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

(b) For a municipality in which police retirement coverage is provided by the public employees police and fire fund and all peace officers are members of the fund, the total state aid shall be applied toward the municipality's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the ~~public employees insurance reserve~~ excess contributions holding account of the public employees retirement association; or

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

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

(3) The county treasurer, upon receipt of the police state aid for the county, shall apply the total state aid toward the county's employer contribution to the public employees police and fire fund pursuant to section 353.65, subdivision 3, and any state aid in excess of the amount required to meet the employer's contribution pursuant to section 353.65, subdivision 3, shall be deposited in the public employees insurance reserve excess contributions holding account of the public employees retirement association.

(4) The designated metropolitan airports commission official, upon receipt of the police state aid for the metropolitan airports commission, shall apply the total police state aid toward the commission's employer contribution to the Minneapolis employees retirement fund under section 422A.101, subdivision 2a.

Sec. 32. Minnesota Statutes 1992, section 116G.15, is amended to read:

116G.15 [MISSISSIPPI RIVER CRITICAL AREA.]

The federal Mississippi National River and Recreation Area established pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of critical concern in accordance with this chapter. The governor shall review the existing Mississippi river critical area plan and specify any additional standards and guidelines to affected communities in accordance with section 116G.06, subdivision 2, paragraph (b), clauses (3) and (4), needed to insure preservation of the area pending the completion of the federal plan.

The results of an environmental impact statement prepared under chapter 116D for a proposed project that is located in the Mississippi river critical area must be reported to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate for legislative review of the proposed project and alternatives to the project prior to the issuance of any state or local permits and the authorization for an issuance of any bonds for the project. A report made under this paragraph must list alternatives to the project that are environmentally superior to the proposed project and identify any legislative actions that may assist in the implementation of environmentally superior alternatives.

Sec. 33. [128C.09] [SALARY LIMIT.]

The maximum salary of the executive director of the Minnesota state high school league may not exceed the maximum of the salary range for the executive director of the Minnesota state retirement system as provided in section 15A.081, subdivision 1.

Sec. 34. Minnesota Statutes 1992, section 129D.14, subdivision 5, is amended to read:

Subd. 5. **[STATE COMMUNITY SERVICE BLOCK GRANTS.]** (a) The commissioner shall determine eligibility for block grants and the allocation of block grant money on the basis of audited financial records of the station to receive the block grant funds for the station's fiscal year preceding the year in which the grant is made, as well as on the basis of the other requirements set forth in this section. The commissioner shall annually distribute block grants equally to all stations that comply with the eligibility requirements and for which a licensee applies for a block grant. The commissioner may promulgate rules to implement this section. For this purpose the commissioner may promulgate emergency rules pursuant to sections 14.29 to 14.36. An applicant's share of the grant money shall be based on:

~~(1) The amount received in the preceding year by the station to which the grant would be distributed in private nontax generated contributions from sources within the state; no contributions made for the purpose of capital expenditures shall be counted; and~~

~~(2) The dollar value in the preceding year of contributions of volunteer time to station operations, provided that the volunteer time was not used for the purpose of raising money for the station. Volunteer time shall be valued at the federal minimum wage per hour. A station's total allocation for volunteer time shall not exceed 20 percent of its total grant pursuant to this section.~~

~~(b) The commissioner shall match every verified contribution dollar under paragraph (a), clause (1) and volunteer time dollar, as calculated under paragraph (a), clause (2), with two state dollars for each eligible applicant until the station to which the grant is distributed has received \$10,000 in grant money under this section, and thereafter grant money shall be distributed on a dollar for dollar basis until the total amount appropriated for that year has been distributed equally among all stations. A station may receive state matching money only until the station's total verified contribution and volunteer time has been matched or the amount of the grant received equals one third of the station's total operating income for the previous fiscal year.~~

(e) (b) A station may use grant money under this section for any radio station expenses.

Sec. 35. Minnesota Statutes 1993 Supplement, section 144C.03, subdivision 2, is amended to read:

Subd. 2. [TRUST ACCOUNT.] (a) There is established in the general fund an ambulance service personnel longevity award and incentive trust account and an ambulance service personnel longevity award and incentive suspense account.

(b) The trust account must be credited with:

(1) general fund appropriations for that purpose;

(2) transfers from the ambulance service personnel longevity award and incentive suspense account; and

(3) investment earnings on those accumulated proceeds. The assets and income of the trust account must be held and managed by the commissioner of finance and the state board of investment for the benefit of the state of Minnesota and its general creditors.

(c) The suspense account must be credited with transfers from the excess contributions holding account established in section 353.65, subdivision 7, any per-year-of-service allocation under section 144C.07, subdivision 2, paragraph (c), that was not made for an individual, and investment earnings on those accumulated proceeds. The suspense account must be managed by the commissioner of finance and the state board of investment. From the suspense account to the trust account there must be transferred to the ambulance service personnel longevity award and incentive trust account, as the suspense account balance permits, the following amounts:

(1) an amount equal to any general fund appropriation to the ambulance service personnel longevity award and incentive trust account for that fiscal year; and

(2) an amount equal to the percentage of the remaining balance in the account after the deduction of the amount under clause (1), as specified for the applicable fiscal year:

<u>Fiscal year</u>	<u>Percentage</u>
<u>1995</u>	<u>20</u>
<u>1996</u>	<u>40</u>
<u>1997</u>	<u>50</u>
<u>1998</u>	<u>60</u>
<u>1999</u>	<u>70</u>
<u>2000</u>	<u>80</u>
<u>2001</u>	<u>90</u>
<u>2002 and thereafter</u>	<u>100</u>

Sec. 36. Minnesota Statutes 1993 Supplement, section 144C.07, subdivision 2, is amended to read:

Subd. 2. [POTENTIAL ALLOCATIONS.] (a) On September 1, annually, the commissioner of health or the commissioner's designee under section 144C.01, subdivision 2, shall determine the amount of the allocation of the prior year's accumulation to each qualified ambulance service person. The prior year's net investment gain or loss under paragraph (b) must be allocated and that year's general fund appropriation, plus any transfer from the suspense account under section 144C.03, subdivision 2, and after deduction of administrative expenses, also must be allocated.

(b) The difference in the market value of the assets of the ambulance service personnel longevity award and incentive trust account as of the immediately previous June 30 and the June 30 occurring 12 months earlier must be reported on or before August 15 by the state board of investment. The market value gain or loss must be expressed as a percentage of the total potential award accumulations as of the immediately previous June 30, and that positive or negative percentage must be applied to increase or decrease the recorded potential award accumulation of each qualified ambulance service person.

(c) The appropriation for this purpose, after deduction of administrative expenses, must be divided by the total number of additional ambulance service personnel years of service recognized since the last allocation or 1,000 years of service, whichever is greater. If the allocation is based on the 1,000 years of service, any allocation not made for a qualified ambulance service person must be credited to the suspense account under section 144C.03, subdivision 2. A qualified ambulance service person must be credited with a year of service if the person is certified by the chief administrative officer of the ambulance service as having rendered active ambulance service during the 12 months ending as of the immediately previous June 30. If the person has rendered prior active ambulance service, the person must be additionally credited with one-fifth of a year of service for each year of active ambulance service rendered before June 30, 1993, but not to exceed in any year one additional year of service or to exceed in total five years of prior service. Prior active ambulance service means employment by or the provision of service to a licensed ambulance service before June 30, 1993, as determined by the person's current ambulance service based on records provided by the person that were contemporaneous to the service. The prior ambulance service must be reported on or before August 15 to the commissioner of health in an affidavit from the chief administrative officer of the ambulance service.

Sec. 37. Minnesota Statutes 1992, section 326.12, subdivision 3, is amended to read:

Subd. 3. [CERTIFIED SIGNATURE.] Each plan, specification, plat, report, or other document which under sections 326.02 to 326.15 is prepared ~~and submitted to a building official~~ by a licensed architect, licensed engineer, licensed land surveyor, licensed landscape architect, or certified interior designer ~~shall be required to~~ must bear ~~only~~ the signature of the licensed or certified person preparing it, or the signature of the licensed or certified person under whose direct supervision it was prepared. Each signature shall be accompanied by a certification that the signer is licensed under sections 326.02 to 326.15, by the person's license number, and by the date on which the signature was affixed. The provisions of this paragraph shall not apply to documents of an intraoffice or intracompany nature.

Sec. 38. Minnesota Statutes 1992, section 353.65, subdivision 7, is amended to read:

Subd. 7. [EXCESS CONTRIBUTIONS HOLDING ACCOUNT.] ~~(a) The public employees insurance reserve excess contributions~~ holding account is established in the public employees retirement association. Excess contributions established by section 69.031, subdivision 5, paragraphs (2), clauses (b) and (c), and (3) must be deposited in the account. These contributions and all investment earnings associated with them must be regularly transferred ~~to the insurance trust fund established by section 43A.316, subdivision 9 as provided in paragraph (b).~~

(b) From the amount of the excess contributions and associated investment earnings:

(1) \$1,000,000 must be transferred annually to the ambulance service personnel longevity award and incentive suspense account established by section 144C.03, subdivision 2; and

(2) any remaining balance must be transferred to the general fund.

Sec. 39. Minnesota Statutes 1992, section 354.06, subdivision 1, is amended to read:

Subdivision 1. The management of the fund is vested in a board of eight trustees known as the board of trustees of the teachers retirement fund. It is composed of the following persons: the commissioner of education, ~~the commissioner of finance~~ a representative of the Minnesota school boards association, the commissioner of commerce, four members of the fund elected by the members of the fund, and one retiree elected by the retirees of the fund. The five elected members of the board of trustees must be chosen by mail ballot in a manner fixed by the board of trustees of the fund. In every odd-numbered year there shall be elected two members of the fund to the board of trustees for terms of four years commencing on the first of July next succeeding their election. In every odd-numbered year one retiree of the fund must be elected to the board of trustees for a term of two years commencing on the first of July next succeeding the election. The filing of candidacy for a retiree election must include a petition of endorsement signed by at least ten retirees of the fund. Each election must be completed by June first of each succeeding odd-numbered year. In the case of elective members, any vacancy must be filled by appointment by the

remainder of the board, and the appointee shall serve until the members or retirees of the fund at the next regular election have elected a trustee to serve for the unexpired term caused by the vacancy. No member or retiree may be appointed by the board, or elected by the members of the fund as a trustee, if the person is not a member or retiree of the fund in good standing at the time of the appointment or election.

Sec. 40. Minnesota Statutes 1993 Supplement, section 465.795, subdivision 7, is amended to read:

Subd. 7. [SCOPE.] As used in sections 465.795 to 465.799 and sections ~~465.80~~ 465.801 to 465.87, the terms defined in this section have the meanings given them.

Sec. 41. Minnesota Statutes 1993 Supplement, section 465.796, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF BOARD.] The board shall:

(1) accept applications from local government units for waivers of administrative rules and temporary, limited exemptions from enforcement of procedural requirements in state law as provided in section 465.797, and determine whether to approve, modify, or reject the application;

(2) accept applications for grants to local government units and related organizations proposing to design models or plans for innovative service delivery and management as provided in section 465.798 and determine whether to approve, modify, or reject the application;

(3) accept applications from local government units for financial assistance to enable them to plan for cooperative efforts as provided in section 465.799, and determine whether to approve, modify, or reject the application;

(4) accept applications from eligible local government units for service-sharing grants as provided in section ~~465.80~~ 465.801, and determine whether to approve, modify, or reject the application;

(5) accept applications from counties, cities, and towns proposing to combine under sections 465.81 to 465.87, and determine whether to approve or disapprove the application; and

(6) make recommendations to the legislature regarding the elimination of state mandates that inhibit local government efficiency, innovation, and cooperation.

The board may purchase services from the metropolitan council in reviewing requests for waivers and grant applications.

Sec. 42. Minnesota Statutes 1993 Supplement, section 465.797, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] (a) Except as provided in paragraph (b), a local government unit may request the board of government innovation and cooperation to grant a waiver from one or more administrative rules or a temporary, limited exemption from enforcement of state procedural laws governing delivery of services by the local government unit. Two or more local government units may submit a joint application for a waiver or exemption under this section if they propose to cooperate in providing a service or program that is subject to the rule or law. Before submitting an application to the board, the governing body of the local government unit must approve the waiver or exemption request by resolution at a meeting required to be public under section 471.705. A local government unit or two or more units acting jointly may apply for a waiver or exemption on behalf of a nonprofit organization providing services to clients whose costs are paid by the unit or units. A waiver or exemption granted to one or more local units of government on behalf of a nonprofit organization under this section applies to services provided to all the organization's clients.

(b) A school district that is granted a variance from rules of the state board of education under section 121.11, subdivision 12, need not apply to the board for a waiver of those rules under this section. A school district may not seek a waiver of rules under this section if the state board of education has authority to grant a variance to the rules under section 121.11, subdivision 12. This paragraph does not preclude a school district from being included in a cooperative effort with another local government unit under this section.

Sec. 43. Minnesota Statutes 1993 Supplement, section 465.797, subdivision 2, is amended to read:

Subd. 2. [APPLICATION.] A local government unit requesting a waiver of a rule or exemption from enforcement of a law under this section shall present a written application to the board. The application must include:

- (1) identification of the service or program at issue;
- (2) identification of the administrative rule or the law imposing a procedural requirement with respect to which the waiver or exemption is sought; and
- (3) a description of the improved service outcome sought, including an explanation of the effect of the waiver or exemption in accomplishing that outcome;
- (4) ~~a description of the means by which the attainment of the outcome will be measured; and~~
- (5) ~~if the waiver or exemption is proposed by a single local government unit, a description of the consideration given to intergovernmental cooperation in providing this service, and an explanation of why the local government unit has elected to proceed independently.~~

A copy of the application must be provided by the requesting local government unit to the exclusive representative of its employees as certified under section 179A.12 to represent employees who provide the service or program affected by the requested waiver or exemption.

Sec. 44. Minnesota Statutes 1993 Supplement, section 465.797, subdivision 3, is amended to read:

Subd. 3. [REVIEW PROCESS.] (a) Upon receipt of an application from a local government unit, the board shall review the application. The board shall ~~dismiss or request modification of an application within 60 days of its receipt~~ if it finds that ~~(1) the application does not meet the requirements of subdivision 2, or (2) the application should not be granted because it clearly proposes a waiver of rules or exemption from enforcement of laws that would result in due process violations, violations of federal law or the state or federal constitution, or the loss of services to people who are entitled to them.~~

(b) The board shall determine whether a law from which an exemption for enforcement is sought is a procedural law, specifying how a local government unit is to achieve an outcome, rather than a substantive law prescribing the outcome or otherwise establishing policy. In making its determination, the board shall consider whether the law specifies such requirements as:

- (1) who must deliver a service;
- (2) where the service must be delivered;
- (3) to whom and in what form reports regarding the service must be made; and
- (4) how long or how often the service must be made available to a given recipient.

(c) If the commissioner of finance, the commissioner of administration, or the state auditor has jurisdiction over a rule or law affected by an application, the chief administrative law judge, as soon as practicable after receipt of the application, shall designate a third administrative law judge to serve as a member of the board in place of that official while the board is deciding whether to grant the waiver or exemption.

(d) If the application is submitted by a local government unit in the metropolitan area or the unit requests a waiver of a rule or temporary, limited exemptions from enforcement of a procedural law over which the metropolitan council or a metropolitan agency has jurisdiction, the board shall also transmit a copy of the application to the council for review and comment. The council shall report its comments to the board within 60 days of the date the application was transmitted to the council. The council may point out any resources or technical assistance it may be able to provide a local government submitting a request under this section. ~~If it does not dismiss~~

(e) Within 15 days after receipt of the application, the board shall transmit a copy of it to the commissioner of each agency having jurisdiction over a rule or law from which a waiver or exemption is sought. The agency may mail a notice that it has received an application for a waiver or exemption to all persons who have registered with the agency under section 14.14, subdivision 1a, identifying the rule or law from which a waiver or exemption is requested. If no agency has jurisdiction over the rule or law, the board shall transmit a copy of the application to the attorney general. If the commissioner of finance, the commissioner of administration, or the state auditor has jurisdiction over the rule or law, the chief administrative law judge shall appoint a second administrative law judge to serve as a member of the board in the place of that official for purposes of determining whether to grant the waiver or

~~exemption.~~ The agency shall inform the board of its agreement with or objection to and grounds for objection to the waiver or exemption request within 60 days of the date when the application was transmitted to it. An agency's failure to do so is considered agreement to the waiver or exemption. The board shall decide whether to grant a waiver or exemption at its next regularly scheduled meeting following its receipt of an agency's response or the end of the 60-day response period. If consideration of an application is not concluded at that meeting, the matter may be carried over to the next meeting of the board. Interested persons may submit written comments to the board on the waiver or exemption request within 60 days of the board's receipt of up to the time of its vote on the application. ~~If the agency fails to inform the board of its conclusion with respect to the application within 60 days of its receipt, the agency is deemed to have agreed to the waiver or exemption.~~

(f) If the exclusive representative of the affected employees of the requesting local government unit objects to the waiver or exemption request it may inform the board of the objection to and the grounds for the objection to the waiver or exemption request within 60 days of the receipt of the application.

Sec. 45. Minnesota Statutes 1993 Supplement, section 465.797, subdivision 4, is amended to read:

Subd. 4. [HEARING.] If the agency or the exclusive representative does not agree with the waiver or exemption request, the board shall set a date for a hearing on the application, ~~which may be no earlier than 90 days after the date when the application was transmitted to the agency.~~ The hearing must be conducted informally at a meeting of the board. Persons representing the local government unit shall present their case for the waiver or exemption, and persons representing the agency shall explain the agency's objection to it. Members of the board may request additional information from either party. The board may also request, either before or at the hearing, information or comments from representatives of business, labor, local governments, state agencies, consultants, and members of the public. If necessary, the hearing may be continued at a subsequent board meeting. A waiver or exemption must be granted by a vote of a majority of the board members. The board may modify the terms of the waiver or exemption request in arriving at the agreement required under subdivision 5.

Sec. 46. Minnesota Statutes 1993 Supplement, section 465.797, subdivision 5, is amended to read:

Subd. 5. [CONDITIONS OF AGREEMENTS.] If the board grants a request for a waiver or exemption, the board and the local government unit shall enter into an agreement providing for the delivery of the service or program that is the subject of the application. The agreement must specify desired outcomes and the means of measurement by which the board will determine whether the outcomes specified in the agreement have been met. The agreement must specify the duration of the waiver or exemption, which may be for no less than two years and no more than four years, subject to renewal if both parties agree. The board may reconsider or renegotiate the agreement if the rule or law affected by the waiver or exemption is amended or repealed during the term of the original agreement. A waiver of a rule under this section has the effect of a variance granted by an agency under section 14.05, subdivision 4. A local unit of government that is granted an exemption from enforcement of a procedural requirement in state law under this section is exempt from that law for the duration of the exemption. The board may require periodic reports from the local government unit, or conduct investigations of the service or program.

Sec. 47. Minnesota Statutes 1993 Supplement, section 465.798, is amended to read:

465.798 [SERVICE BUDGET MANAGEMENT MODEL GRANTS.]

One or more local units of governments, an association of local governments, the metropolitan council, ~~or an organization a local unit of government acting in conjunction with a local unit of government~~ an organization, or an organization established by two or more local units of government under a joint powers agreement may apply to the board of government innovation and management for a grant to be used to develop models for innovative service budget management. A copy of the application must be provided by the units to the exclusive representatives certified under section 179A.12 to represent employees who provide the service or program affected by the application.

Proposed models may provide options to local governments, neighborhood or community organizations, or individuals for managing budgets for service delivery. A copy of the work product for which the grant was provided must be furnished to the board upon completion, and the board may disseminate it to other local units of government or interested groups. If the board finds that the model was not completed or implemented according to the terms of the grant agreement, it may require the grantee to repay all or a portion of the grant. The board shall award grants on the basis of each qualified applicant's score under the scoring system in section 465.802. The amount of a grant under this section shall may not exceed \$50,000.

Sec. 48. Minnesota Statutes 1993 Supplement, section 465.799, is amended to read:

465.799 [COOPERATION PLANNING GRANTS.]

Two or more local government units; an association of local governments; a local unit of government acting in conjunction with the metropolitan council or an organization; or an organization formed by two or more local units of government under a joint powers agreement may apply to the board of government innovation and cooperation for a grant to be used to develop a plan for intergovernmental cooperation in providing services. The grant application must include the following information:

- (1) the identity of the local government units proposing to enter into the planning process;
- (2) a description of the services to be studied and the outcomes sought from the cooperative venture; and
- (3) a description of the proposed planning process, including an estimate of its costs, identification of the individuals or entities who will participate in the planning process, and an explanation of the need for a grant to the extent that the cost cannot be paid out of the existing resources of the local government unit. A copy of the application must be submitted by the applicants to the exclusive representatives certified under section 179A.12 to represent employees who provide the service or program affected by the application.

The plan may include model contracts or agreements to be used to implement the plan. A copy of the work product for which the grant was provided must be furnished to the board upon completion, and the board may disseminate it to other local units of government or interested groups. If the board finds that the grantee has failed to implement the plan, it may require the grantee to repay all or a portion of the grant. The board shall award grants on the basis of each qualified applicant's score under the scoring system in section 465.802. The amount of a grant under this section shall may not exceed \$50,000.

Sec. 49. [465.801] [SERVICE SHARING GRANTS.]

Two or more local units of government; an association of local governments; a local unit of government acting in conjunction with the metropolitan council or an organization; or an organization established by two or more local units of government under a joint powers agreement may apply to the board of government innovation and cooperation for a grant to be used to meet the start-up costs of providing shared services or functions. Agreements solely to make joint purchases are not sufficient to qualify under this section. A copy of the application must be provided by the applicants to the exclusive representatives certified under section 179A.12 to represent employees who provide the service or program affected by the application.

The proposal must include plans fully to integrate a service or function provided by two or more local government units. A copy of the work product for which the grant was provided must be furnished to the board upon completion, and the board may disseminate it to other local units of government or interested groups. If the board finds that the grantee has failed to implement the plan, it may require the grantee to repay all or a portion of the grant. The board shall award grants on the basis of each qualified applicant's score under the scoring system in section 465.802. The amount of a grant under this section may not exceed \$100,000.

Sec. 50. [465.802] [SCORING SYSTEM.]

In deciding whether to award a grant under section 465.798, 465.799, or 465.801, the board shall use the following scoring system:

- (1) Up to 15 points shall be awarded to reflect the extent to which the application demonstrates creative thinking, careful planning, cooperation, involvement of the clients of the affected service, and commitment to assume risk.
- (2) Up to 20 points shall be awarded to reflect the extent to which the proposed project is likely to improve the quality of the service and to have benefits for other local governments.
- (3) Up to 15 points shall be awarded to reflect the extent to which the application's budget provides sufficient detail, maximizes the use of state funds, documents the need for financial assistance, commits to local financial support, and limits expenditures to essential activities.
- (4) Up to 20 points shall be awarded to reflect the extent to which the application reflects the statutory goal of the grant program.

(5) Up to 15 points shall be awarded to reflect the merit of the proposed project and the extent to which it warrants the state's financial participation.

(6) Up to five points shall be awarded to reflect the cost/benefit ratio projected for the proposed project.

(7) Up to five points shall be awarded to reflect the number of government units participating in the proposal.

(8) Up to five points shall be awarded to reflect the minimum length of time the application commits to implementation.

Sec. 51. Minnesota Statutes 1992, section 574.26, is amended to read:

574.26 [CONTRACTORS' BONDS.]

Except as provided in sections 574.263 and 574.264 or if the amount of the contract is ~~\$10,000~~ \$25,000 or less, a contract with the state, or with any municipal corporation or other public board or body thereof, for the doing of any public work, is not valid unless the contractor shall give bond to the state or other body contracted with, for the use of the obligee, the state and of all persons doing work or furnishing skill, tools, machinery, or materials or insurance premiums or equipment or supplies for any camp maintained for the feeding or keeping of workers and animals engaged under, or for the purpose of, such contract, conditioned for the payment, as they become due, of all just claims for such work, tools, machinery, skill, materials, insurance premiums, equipment, taxes incurred under section 290.92 or chapter 297A, and supplies for the completion of the contract in accordance with its terms, for saving the obligee harmless from all costs and charges that may accrue on account of the doing of the work specified, and for the enforcing of the terms of the bond if action is brought on the bond, including reasonable attorney's fees, in any case where such action is successfully maintained and for the compliance with the laws appertaining thereto. The penalty of such bond shall be not less than the contract price, and if after the giving of the bond the contract price should for any reason be increased, the obligee may require an additional bond, the penalty of which shall be not less than the amount of such increase, and if such additional bond be not furnished within ten days after such demand, the work on the contract shall cease until such additional bond shall have been furnished. In contracts made by the commissioner of administration or the department of transportation of the state, the penalty of the bond shall be in such amount as the commissioner of administration or the commissioner of transportation may fix, but not less than three-quarters of the contract price.

Sec. 52. Minnesota Statutes 1992, section 574.261, subdivision 1, is amended to read:

Subdivision 1. With the approval of the commissioner of administration and where the amount of the contract is not in excess of ~~\$5,000~~ \$25,000 a person may make a contract with the state for the doing of any public work and in lieu of giving the bond required by section 574.26, submit to the commissioner of administration for deposit with the state treasurer a certified check or cashier's check in the same amount as would be required for a bond as security for protection of the state, including its tax revenues, and for all persons doing work or furnishing skills, tools, machinery, or materials under or for the purpose of executing such contract. Such deposit shall be security for the payment, as they become due, of all just claims for work, skills, tools, machinery, and materials; and for the performance and completion of the contract in accordance with its terms; and as security for all costs and charges that may accrue for the doing of the work specified and compliance with the laws relating thereto.

Sec. 53. Laws 1993, chapter 192, section 17, subdivision 3, is amended to read:

Subd. 3. Accounting Services

19,303,000	12,711,000
<u>19,378,000</u>	<u>12,636,000</u>

~~\$4,640,000~~ \$4,715,000 the first year and ~~\$3,869,000~~ \$3,794,000 the second year are to implement the accounts receivable project. The commissioner of finance may transfer money to the commissioners of human services and revenue and the attorney general. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$10,300,000 the first year and \$4,700,000 the second year are for the statewide systems project. If the appropriation for the statewide systems project in either year is insufficient, the appropriation for the other year is available. The commissioner of finance shall report monthly during the biennium ending June 30, 1995, to the chairs of the senate finance committee and the house of representatives ways and means committee on the expenditure of this appropriation and the progress of the statewide systems project.

\$285,000 is for transfer by August 1, 1993, to the legislative commission on planning and fiscal policy for the purpose of improving legislative access to executive branch budgeting and accounting information. None of the other money appropriated in this section for the statewide systems project may be spent until the transfer to the legislative commission on planning and fiscal policy has occurred.

The budgeting and accounting portions of the statewide systems project must be designed so that all public data in these systems are available to the legislature at the time the data are available to executive branch agencies.

The commissioner of finance, in consultation with affected agencies, shall reengineer work processes in preparation for the new state accounting, purchasing, and personnel systems.

The commissioner shall develop a joint work plan with the department of administration to implement electronic data interchange. The commissioner shall prepare plans for migrating to open systems, and shall develop plans for an automated interface with the local government financial system. The commissioner must submit these plans to the information policy office for review and approval.

Sec. 54. [REQUIRED ENVIRONMENTAL IMPACT STATEMENT; METAL PROCESSING IN CRITICAL AREA.]

Until completion of an environmental impact statement that is found adequate under Minnesota Statutes, chapter 116D, a state or local agency may not issue a permit for construction or operation of a metal materials processing project that:

(1) would be located in or adjacent to the Mississippi river critical area, as described in Minnesota Statutes, section 116G.15; and

(2) would have a processing capacity in excess of 20,000 tons per month.

The environmental quality board shall designate the state agency to be the responsible government unit for preparation of an environmental impact statement required under this section.

Sec. 55. [IMPROVED COORDINATION AND CITIZEN ACCESS.]

(a) The legislative coordinating commission shall make recommendations to improve coordination of public information activities between the house of representatives and the senate. The purpose of these recommendations is to eliminate unnecessary duplication in a manner that will improve citizens' access to public information concerning legislative proceedings.

(b) The commission must consider:

(1) joint mailings of material providing updates on recent house and senate activities and schedules for upcoming meetings;

(2) assuring that house and senate public information offices each have materials produced by the other office, such as meeting schedules, information on bill introductions, and updates on recent activities, so that a citizen seeking information can obtain it in one place;

(3) assuring continued cooperation and coordination of television production and other public outreach activities;

(4) assuring that offices in each legislative body that have contact with the public are expected to and are able to direct citizens to offices and meetings in the other body.

(c) The commission shall make recommendations to the chairs of the governmental operations committees, the chairs of the finance committee divisions having responsibility for the legislature, the speaker of the house, and the majority leader of the senate by November 15, 1994. The recommendations must include the specific topics listed in paragraph (b), and any other topics designed to improve citizen access to the legislature.

Sec. 56. [PUBLIC EMPLOYEES INSURANCE PURCHASING COOPERATIVE TASK FORCE.]

Subdivision 1. [MEMBERSHIP.] The public employees insurance purchasing cooperative task force consists of one member each appointed by and representing:

- (1) the department of employee relations;
- (2) the Minnesota school boards association;
- (3) the league of Minnesota cities;
- (4) the association of Minnesota counties;
- (5) the American federation of state, county, and municipal employees;
- (6) the Minnesota education association;
- (7) the Minnesota federation of teachers;
- (8) the Minnesota state building and construction trades council;
- (9) the Minnesota AFL-CIO;
- (10) the Minnesota teamsters;
- (11) the Minnesota police and peace officers association; and
- (12) the Minnesota professional firefighters.

The appointing authorities are responsible for costs incurred by members.

Subd. 2. [DUTIES.] The task force shall study the feasibility of establishing a cooperative of all public employees, excluding state employees, to purchase hospital, dental, and medical insurance coverage. The task force shall identify costs associated with the establishment and operation of a cooperative, determine accessibility for public employees throughout the state, and develop a plan for implementation. The task force shall submit a report and recommendations to the committee on governmental operations and gambling of the house of representatives and the committee on governmental operations and reform of the senate by March 1, 1995. The task force expires upon submission of its report and recommendations.

Subd. 3. [DEPARTMENT OF EMPLOYEE RELATIONS.] The commissioner of employee relations shall coordinate the formation of the task force by the organizations listed in subdivision 1, provide administrative and staff support to the task force, and assist in preparing its report and recommendations to the legislature.

Sec. 57. [PILOT PROJECT FOR INFORMATION ON SQUARE FOOTAGE OF PROPERTY.]

The commissioner of revenue shall coordinate a pilot project with the counties of Hennepin and Blue Earth. The primary purpose is to collect, by legal classification of real property, information on the total square footage of land and structures within the respective counties by taxing jurisdiction. The square footage shall be identified separately for land and for structures. The commissioner shall reimburse the county for costs incurred in providing information required under this section to the commissioner.

By February 15, 1995, the commissioner shall provide a report to the tax committee of the house of representatives and the committee on taxes and tax laws of the senate. Besides reporting the basic data, the report shall discuss the feasibility of developing a statewide system of property taxation wherein a property's tax base would be determined by its square footage.

Sec. 58. [STRESS DETECTION, PREVENTION, REDUCTION, AND ACCOMMODATION PROGRAM FEASIBILITY STUDY.]

(a) The commissioner of employee relations shall conduct a feasibility study for the establishment of a program in state government to be known as the Minnesota police officers stress program. This program is intended to provide expertise and resources for the prevention of job-related stress in police work. It must also provide a treatment program for posttraumatic stress as experienced by police officers who are certified and licensed by the police officers standards and training board.

(b) Results of the study required under paragraph (a) must be reported to the chairs of the senate governmental operations and reform committee, the house of representatives governmental operations and gambling committee, the senate finance committee, and the house of representatives ways and means committee by January 5, 1995.

Sec. 59. [STUDY.]

The commissioner of administration shall study and report to the legislature by January 1, 1995, on the best way to increase conveniently accessible and affordable electronic services to citizens, including electronic licensing and permitting of a wide variety of state services. As part of this study, the commissioner shall consider the advisability of using the state lottery computer network as a vehicle for delivering these services.

Sec. 60. [REPEALER.]

Minnesota Statutes 1992, sections 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 355.04; 355.06; and 465.80, subdivision 3, are repealed. Minnesota Statutes 1993 Supplement, section 465.80, subdivisions 1, 2, 4, and 5, are repealed.

Laws 1985, First Special Session chapter 12, article 11, section 19, is repealed.

Sec. 61. [EFFECTIVE DATE.]

(a) Except as provided in paragraphs (b) to (e), this article is effective on the day following final enactment.

(b) Sections 19, 21, 29, 31, 35, 36, 38, and 39 are effective July 1, 1994.

(c) Section 28, subdivisions 1 to 3, is effective January 1, 1995.

(d) Section 32 is effective the day following final enactment and applies to an environmental impact statement that is completed on or after that date.

(e) Section 54 is effective the day following final enactment and applies to any proposed project for which final permits have not been issued by that date.

ARTICLE 5

DEBT COLLECTION

Section 1. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 6a. [CENTRALIZED STATE COLLECTION ENTITY DATA.] Data on debtors received, collected, created, or maintained by the centralized state collection entity are classified under section 16C.08.

Sec. 2. [16B.482] [INTELLECTUAL PROPERTY.]

Prior to executing any contract or license agreement involving intellectual property developed or acquired by the state, a state agency must obtain the approval of the attorney general as to the terms and conditions of the contract or agreement.

Sec. 3. [16C.01] [CITATION AND SCOPE.]

Subdivision 1. [CITATION.] This chapter may be cited as the "Minnesota debt collections act."

Subd. 2. [SCOPE.] The collection procedures and remedies under this chapter are in addition to any other procedure or remedy available by law. If the referring agency's applicable state or federal law provides for the use of a particular remedy or procedure for the collection of a debt, that particular remedy or procedure governs the collection of that debt to the extent the procedure or remedy is inconsistent with this chapter.

Sec. 4. [16C.02] [DEFINITIONS.]

Subdivision 1. [SCOPE.] As used in this chapter, the terms defined in this section have the meanings given them.

Subd. 2. [CENTRALIZED STATE COLLECTION ENTITY.] "Centralized state collection entity" means the state agency or division of a state agency established by section 16C.04.

Subd. 3. [DEBT.] "Debt" means an amount that is owing to the state of Minnesota directly, or through a state agency, on account of a fee, duty, lease, direct loan, loan insured or guaranteed by the state of Minnesota, rent, service, sale of real or personal property, overpayment, fine, assessment, penalty, restitution, damages, interest, tax, bail bond, forfeiture, reimbursement, liability owed, an assignment to the state including assignments under sections 256.72 to 256.87, the Social Security Act, or other state or federal law, recovery of costs incurred by the state of Minnesota, or any other source of indebtedness to the state of Minnesota. Debt also includes amounts owed to individuals for which the state or state agency acts in a fiduciary capacity in providing collection services in accordance with the regulations adopted under the Social Security Act at Code of Federal Regulations, title 45, section 302.33, or other state or federal law. Debt also includes an amount owed to a Minnesota judicial court, judicial board or commission, the University of Minnesota, a political subdivision, or the United States for which the centralized state collection entity provides collection services under contract or by operation of law.

Subd. 4. [DEBTOR.] "Debtor" means an individual, corporation, partnership, an unincorporated association, a limited liability company, a trust, an estate, or any other public or private entity, including a state, local, or federal government, or an Indian tribe, who is liable for a debt or against whom there is a claim for a debt.

Subd. 5. [DIRECTOR.] "Director" means the director of the centralized state collection entity.

Subd. 6. [DEBT QUALIFICATION PLAN.] "Debt qualification plan" means an agreement entered into between a state agency and the centralized state collection entity that defines the terms and conditions by which the centralized state collection entity will provide collection services to the state agency.

Subd. 7. [LICENSEE.] "Licensee" means an individual, corporation, partnership, limited liability company, or other legal entity that is an applicant for a license or is licensed for the conduct of a profession, occupation, trade, or business. In the case of a license transfer, licensee also means both the transferor and the transferee of the license.

Subd. 8. [LICENSING AUTHORITY.] "Licensing authority" means the state, a judicial board or commission, a state agency, or political subdivision with the authority to issue a license for the conduct of a profession, occupation, trade, or business.

Subd. 9. [POLITICAL SUBDIVISION.] "Political subdivision" means a Minnesota county, statutory or home rule charter city, town, school district, metropolitan council, metropolitan agency, or a board or commission of one of those entities.

Subd. 10. [REFERRING AGENCY.] "Referring agency" means a state agency, judicial court, board or commission, the University of Minnesota, the United States, or a political subdivision that has entered into a contract or debt qualification plan with the centralized state collection entity to refer debts to the centralized state collection entity for collection activity.

Subd. 11. [STATE AGENCY.] "State agency" means any state office, officer, board, commission, bureau, division, department, authority, agency, public corporation, or other unit of Minnesota state government.

Sec. 5. [16C.03] [OVERSIGHT OF STATE COLLECTION ACTIVITY.]

Subdivision 1. [RESPONSIBILITY.] The department of finance is responsible for the oversight, reporting, and monitoring of state debt collection.

Subd. 2. [STATE AGENCY REPORTS.] Quarterly each year, state agencies shall report to the commissioner of finance the debts owed to the state agency. The commissioner of finance, with the consultation of the departments of revenue and human services, the centralized state collection entity, and the attorney general, shall establish internal guidelines for the recognition, tracking, reporting, and collection of the debts owed the state. The internal guidelines must include accounting standards, performance measurements, and uniform reporting requirements applicable to all state agencies.

Subd. 3. [STATE AGENCY DEBT QUALIFICATIONS PLANS.] The department of finance shall establish a standardized form agreement for state agency debt qualifications plans. The standardized form must identify the categories of debt owing the state agency to be collected under the terms of the debt qualification plan, provide the procedure for referral of debts from the state agency to the centralized state collection entity, establish the responsibilities for collecting the debts covered by the plan, and establish the responsibility for compromise and settlement of the debt.

Subd. 4. [REPORTS OF THE CENTRALIZED STATE COLLECTION ENTITY.] Quarterly each year, the centralized state collection entity shall report to the department of finance on its progress and rate of collection of debts referred to the centralized state collection entity. The centralized state collection entity shall also report to the referring agency the status of the referred debts in accordance with the terms of the debt qualification plan.

Subd. 5. [REPORT OF THE DEPARTMENT OF FINANCE.] By January 15 of each year, the commissioner of finance shall report on the management of debts owed the state, including performance measurements and progress of the debt collection efforts undertaken by state agencies and the centralized state collection entity. The report must be made to the governor and the chairs of the committee on finance of the senate and the committee on ways and means of the house of representatives.

Sec. 6. [16C.04] [CENTRALIZED STATE COLLECTION ENTITY.]

Subdivision 1. [CREATION.] The centralized state collection entity is part of the department of finance and under the authority of the commissioner of finance. It shall provide services to the state of Minnesota and its state agencies for the purpose of collecting debts owed the state of Minnesota. The centralized state collection entity is not a collection agency as defined by section 332.31, subdivision 3, and is not governed by sections 332.31 to 332.35, 332.37, subdivisions 4, 6, 9, 10, and 12, or 332.38 to 332.45. The commissioner of finance shall enter into a contract with the commissioner of revenue for the department of revenue to provide the collection services of the centralized state collection entity.

Subd. 2. [AGENCY PARTICIPATION.] A state agency may, at its option, refer debts to the centralized state collection entity for collection activity. The ultimate responsibility for the debt, including the reporting of the debt to the department of finance and the decision with regard to the continuing collection and uncollectibility of the debt, remains with the referring state agency.

Subd. 3. [SERVICES.] The centralized state collection entity shall provide collection services for a state agency in accordance with the terms and conditions of a signed debt qualification plan. The centralized state collection entity may also provide collection services for a Minnesota judicial court, judicial board, or judicial commission, the University of Minnesota, the United States, or a political subdivision by operation of law or under a contract entered into with the centralized state collection entity for the collection of debts.

Subd. 4. [AUTHORITY TO CONTRACT.] The centralized state collection entity may contract with credit bureaus, private collection agencies, and other entities as necessary for the collection of debts. The centralized state collection entity may not delegate the powers provided under sections 16C.10 to 16C.20 to any nongovernmental entity.

Sec. 7. [16C.05] [INTEREST AND ADMINISTRATIVE FEES.]

Subdivision 1. [INTEREST.] (a) Unless otherwise provided by contract out of which the debt arises or in state or federal law, simple interest accrues on debts owed the state at the rate provided in paragraph (b) if notice has been given pursuant to this subdivision. Interest begins to accrue on the 30th calendar day following the state agency's first written demand for payment that includes notification to the debtor that interest will begin to accrue on the debt in accordance with this section.

(b) Notwithstanding chapter 334, the commissioner of finance shall set the rate of interest as the rate corresponding with the adjusted prime rate charged by banks, rounded to the nearest full percent. For purposes of this subdivision, the term "adjusted prime rate charged by banks" means the average predominant prime rate quoted by commercial banks to large businesses, as determined by the board of governors of the Federal Reserve System. The commissioner of finance shall adjust the rate of interest by April 15 of each year, to be effective the following July 1, if the adjusted prime rate charged by banks during the six-month period ending on March 30 of that year, rounded to the nearest full percent, is at least a full percentage point more or less than the interest rate then in effect. The determination of the commissioner of finance under this subdivision is not a "rule" and is not subject to chapter 14 or section 16A.1285.

Subd. 2. [ADMINISTRATIVE FEE.] In a collection action or proceeding under this chapter, the state is entitled to recover from the debtor an administrative fee not to exceed 30 percent of the amount of the debt to cover the cost of processing and handling the collection of the debt under this chapter, including attorney fees. The centralized state collection entity has the authority to waive the administrative fee in appropriate circumstances. By June 1 of every year, the director of the centralized state collection entity shall recommend to the commissioner of finance the rate at which the administrative fee should be set. The commissioner of finance shall set the rate of the administrative fee to be effective July 1 of every year, at the rate that will most nearly result in the centralized state collection entity's recovery of its costs for processing and handling the collection of debt under this chapter. The determination of the commissioner of finance under this subdivision is not a "rule" and is not subject to chapter 14 or section 16A.1285.

Subd. 3. [ENFORCEMENT AND COLLECTION.] The interest and administrative fee provided by this section are in addition to the principal debt and are enforceable in accordance with this chapter and other collection remedies. If the centralized state collection entity collects any amount less than the total due, the centralized state collection entity may apply a percentage of the amount collected, calculated at the administrative fee rate, to partially satisfy the administrative fee and shall apply the balance to partially satisfy the debt. If the centralized state collection entity's costs, including attorney fees, are recovered through other methods, the centralized state collection entity may not collect the administrative fee.

Sec. 8. [16C.06] [PRIORITY OF SATISFACTION OF DEBTS.]

(a) If two or more debts owed by the same debtor are submitted to the centralized state collection entity, amounts collected on those debts must be applied as prescribed in this section.

(b) If the money received is collected on a judgment lien under chapter 550, a lien provided by this chapter, a lien provided by chapter 514, a consensual lien or security interest, protection of an interest in property through chapter 570, by collection process provided by chapters 551 and 571, or by any other process by which the centralized state collection entity is enforcing rights in a particular debt, the money must be applied to that particular debt.

(c) If the money is collected in any manner not specified in paragraph (b), the money collected must apply first to the satisfaction of any debts for child support. Any debts other than child support must be satisfied in the order in time in which the centralized state collection entity received the debts from the referring agency.

Sec. 9. [16C.07] [FUNDING; APPROPRIATION.]

All money received by the centralized state collection entity as amounts attributable to recovery of the costs of processing and collection of debt, whether in the form of administrative fees, attorney fees, or other forms of cost recovery, must be credited to the fund for the centralized state collection entity and are appropriated to the centralized state collection entity to fund its collection efforts. Except as provided in the debt qualification plan, the principal debt and interest assessed against the principal debt are not considered amounts attributable to recovery of the costs of processing and collection of debt and are paid with all other amounts attributable to satisfaction of debt to the referring agency in accordance with the terms of the debt qualification plan, the contract with the referring agency or, by operation of law. If an administrative fee is not added to the debt, the costs of collection equal to the administrative fee established by the department of finance may be deducted from the money collected prior to deposit to the fund of obligation.

Sec. 10. [16C.08] [DEBTOR INFORMATION.]

Subdivision 1. [ACCESS TO NOT PUBLIC GOVERNMENT DATA.] Notwithstanding chapter 13 or any other state statute classifying or restricting access of government data, upon request from the centralized state collection entity, state agencies, political subdivisions, and statewide systems shall disseminate not public data to the centralized state collection entity for the sole purpose of collecting debt. Not public data disseminated under this subdivision is limited to financial data of the debtor or data related to the location of the debtor or the assets of the debtor.

Subd. 2. [IMMUNITY.] A person, entity, state agency, political subdivision, or statewide system that releases information to the centralized state collection entity as authorized under this chapter is immune from liability for release of the information.

Subd. 3. [DISCLOSURE OF DATA.] Data received, collected, created, or maintained by the centralized state collection entity for the purpose of collecting debts are classified as private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9. The centralized state collection entity may disclose not public data:

- (1) under section 13.05;
- (2) under court order;
- (3) under a statute specifically authorizing access to the not public data;
- (4) to provide notices required or permitted by statute;
- (5) to an agent of the centralized state collection entity, including a law enforcement person, attorney, or investigator acting for it in the investigation or prosecution of a criminal or civil proceeding relating to collection of a debt;
- (6) to report names of debtors, amount of debt, date of debt, and agency to whom debt is owed to credit bureaus; and
- (7) when necessary to locate the debtor, locate the assets of the debtor, or to enforce or implement the collection of a debt.

Sec. 11. [16C.09] [NOTICE TO DEBTOR.]

The referring agency shall send notice to the debtor by United States mail or personal delivery at the debtor's last known address at least 20 days before the debt is referred to the centralized state collection entity. The notice must state the nature and amount of the debt, identify to whom the debt is owed, and inform the debtor of the remedies available under this chapter, including the imposition of interest and administrative fees in addition to the principal amount of the debt.

Sec. 12. [16C.10] [DUTIES AND POWERS OF THE CENTRALIZED STATE COLLECTION ENTITY.]

Subdivision 1. [DUTIES.] The centralized state collection entity shall take all reasonable and cost-effective actions to collect debts referred to the centralized state collection entity.

Subd. 2. [POWERS.] (a) In addition to the collection remedies available to creditors in the state and the remedies available under this chapter, the centralized state collection entity, with legal assistance from the attorney general, has the powers listed in this subdivision.

(b) The entity may enforce state judgment liens in accordance with this chapter.

(c) The entity may bring an action to recover debts or for injunctive relief related to the failure to pay the debt in Ramsey county district court or Ramsey county conciliation court, or in accordance with chapter 542 at the discretion of the state. If the debtor, within 20 days of the receipt of service, requests in writing that the court change venue to the county of either the debtor's residence or the county where the cause of action arose, that request shall be granted. There shall be no court filing fees, docketing fees, or release of judgment fees assessed against the state for collection actions filed under this chapter.

(d) The entity may issue subpoenas for the purpose of collecting debts. If an individual or entity to whom the subpoena is directed does not comply with a subpoena, the attorney general may apply to the district court of Ramsey county or the district court where the individual or entity to whom the subpoena is directed is located, at the discretion of the attorney general, for issuance of an order compelling compliance with the subpoena. A person failing to comply with the order is subject to punishment by the court for contempt.

(e) The entity may provide notice to licensing authorities to not issue, transfer, or renew a license of a debtor in accordance with this chapter.

(f) The entity may notify the registrar of motor vehicles of the names of debtors for the purpose of having a judgment lien noted on the certificate of title to a motor vehicle of the debtor in accordance with section 168A.05 and this chapter.

(g) The entity may utilize any statutory authority granted to a referring agency for purposes of collecting debt owed to that referring agency.

Sec. 13. [16C.11] [SETOFFS.]

The centralized state collection entity or a state agency may automatically deduct from any state payment due to the debtor, unless expressly prohibited by law. Notwithstanding section 181.79, the state may deduct from the wages due or earned by a state employee to collect a debt. The state may not deduct from wages due state employees in amounts greater than the percentage of earnings subject to garnishment pursuant to chapter 571.

Sec. 14. [16C.12] [LIENS.]

Subdivision 1. [CREATION OF STATE JUDGMENT LIEN.] Upon obtaining or docketing a judgment for a debt, in any district court of the state, the state has a state judgment lien upon all personal property existing at the time of the judgment and later acquired, within the state, of the debtor. The state judgment lien attaches to all personal property of the debtor located in the state upon the date of entry of judgment or docketing of judgment, whichever is earlier. A lien against all personal property of the debtor within the state may also be created for a judgment obtained by a political subdivision, the United States, a Minnesota judicial court, judicial board or commission, or the University of Minnesota that has been referred to the centralized state collection entity under contract or by operation of law, but only upon the filing of the lien notice provided in subdivision 4. The lien for debts referred to the centralized state collection entity by contract or operation of law may be filed and enforced by the centralized state collection entity in the same manner as provided for state judgment liens in this chapter. The lien for debts referred to the centralized state collection entity has priority as provided for state judgment liens in this section.

Subd. 2. [PRIORITY OF STATE JUDGMENT LIEN.] (a) The state judgment lien imposed by subdivision 1 is perfected as against any good faith purchaser, good faith pledgee, holder of a duly perfected uniform commercial code security interest, or judgment lien creditor whose interest has been duly perfected under applicable provision of state law, when notice of the state judgment lien is filed in the office of the secretary of state as provided in subdivision 4.

(b) The state judgment lien acquired by the state under this section has priority in accordance with the first in time, first in right, filing provision provided in article 9 of the Uniform Commercial Code.

Subd. 3. [NOTICE AND FILING OF STATE JUDGMENT LIEN.] (a) Notices of state judgment liens, state judgment lien releases, and state judgment lien renewals may be filed with the secretary of state by United States mail, in person, or by electronic transmission by the centralized state collection entity into the computerized filing system of the secretary of state authorized under section 336.9-411. For documents filed by mail or in person, the secretary of state shall enter the data as if it had been transmitted electronically. Once the electronic record is created, it must be endorsed and indexed within the computerized filing system. The secretary of state shall write or mark the filing information on the document that was submitted and return the document to the submitting party. Documents filed electronically must be endorsed and indexed within the computerized filing system.

The notice of state judgment lien filed with the secretary of state must contain the following information, which shall be referred to in this section as the filed information:

- (1) the name and address of the debtor;
- (2) if the debtor is an individual, the debtor's social security number if available, or if the social security number is not available, the debtor's date of birth;
- (3) the identity of the agency to whom the underlying debt is owed;
- (4) the amount of the judgment debt;
- (5) the date of entry of judgment; and
- (6) the county wherein judgment was originally entered and its docket number.

(b) Execution of notices of state judgment liens, or of other notices affecting the state judgment lien provided by this section, may occur by the original or facsimile signature of the director of the centralized state collection entity or a delegate. Execution entitles the state judgment lien notice to be filed, and no other attestation, certification, or acknowledgment is necessary. Transmission of notices under paragraph (a) constitutes execution.

(c) The secretary of state shall make all information concerning the state judgment lien immediately available electronically to each county recorder's office in the state.

(d) All filed information regarding the state judgment lien must be made a part of the computerized filing system of the secretary of state authorized under section 336.9-411, and the information must be accessible through that system.

(e) Each county recorder's office in the state shall make available, free of charge, through the computerized filing system of the secretary of state authorized under section 336.9-411, the filing information for all state judgment liens filed by the centralized state collection entity under paragraph (a). A person may request the state judgment lien information. If the request is made by lien or court docket number, the secretary of state or county recorder shall give a copy of the information filed for that lien or court docket number. The cost for the copy may be no more than the actual cost of making the copies. If the request is made by debtor name, the secretary of state or county recorder shall conduct a search of the statewide computerized government lien database for any state judgment liens naming that debtor. The secretary of state or county recorder shall report all of the filings as of the date and hour of the search by issuing a certificate listing the file number, court docket number, the date and hour of each filing, the social security number if the requester discloses the matching number or the date of birth of the debtor if the debtor is an individual, the identity of the agency to whom the underlying debt is owed, and the amount of the debt. If there are no filings against a particular person against whom a search is requested, the secretary of state or the county recorder shall so certify.

The total fee for conducting the search and preparing a certificate is as allowed in section 336.9-407. The fee includes as many as ten copies. The fee is included in the charge allowed for tax lien searches, and is not separate or in addition to any fee charged for tax lien searches.

Notwithstanding the fees set in this section, a natural person who is the subject of the data must, upon the person's request, be shown the data without charge and, upon request and payment of no more than the actual cost of making the copies, be provided with photocopies of the data.

Surcharge amounts must be collected quarterly by the secretary of state from each county recorder. The secretary of state shall send each county recorder an invoice at the end of each fiscal quarter, and each county recorder shall forward payment to the secretary of state within 30 days of the date of the invoice. The surcharge does not apply to a search request made by a natural person who is the subject of the data to be searched except when a certificate is requested as part of the search.

The surcharge amounts collected by the secretary of state and received from county recorders must be deposited in the state treasury and credited to the general fund.

(f) The centralized state collection entity is exempt from court filing fees for the filing of a state judgment lien provided by this section and releases thereof.

Subd. 4. [COPY FEES.] In the event that more than one copy of a full or partial release of a lien is requested by any person, including the debtor, a fee of \$25 must be paid to the centralized state collection entity for each duplicate requested.

Subd. 5. [ENFORCEABILITY.] The state judgment lien imposed by this section is enforceable as provided by section 16C.13.

Sec. 15. [16C.13] [ENFORCEMENT OF JUDGMENT LIENS.]

Subdivision 1. [AUTHORITY.] The state judgment lien imposed by section 16C.12, or any judgment lien docketed in any county on behalf of the referring agency, may be enforced by the centralized state collection entity at any time within ten years of entry of judgment or within ten years of renewal of the judgment, as provided in this chapter or in accordance with chapters 270, 550, 551, and 571, at the state's option. The centralized collection entity may enforce the judgment lien by a levy upon all nonexempt personal property and rights to nonexempt personal property of the debtor, including any nonexempt personal property of the debtor in the possession of law enforcement officials. The term levy includes the power of distraint and seizure by any means.

Subd. 2. [OPTIONAL REMEDY.] Any action taken by the centralized state collection entity under this section does not constitute an election by the state to pursue this particular remedy to the exclusion of any other remedy.

Subd. 3. [MANNER OF EXECUTION AND SALE.] In making the levy upon the judgment lien, the centralized state collection entity has all 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 from the sale, is governed by chapter 550 unless otherwise provided in this section. The seal of the court, as provided in section 550.04, is not required.

Subd. 4. [SURRENDER OF PROPERTY SUBJECT TO LEVY.] A person who fails or refuses to surrender without reasonable cause any property or right to property subject to levy under this section, upon demand by the centralized state collection entity, is liable personally to the state in an amount equal to the value of the property or rights not surrendered, but not exceeding the amount of costs caused by the failure to surrender, plus the amount of the judgment for which the levy has been made. Any amount recovered under this subdivision must be credited first against the increased costs caused by such failure to surrender and then to the outstanding amount of the judgment. A financial institution need not surrender funds on deposit until 20 days after service of the levy.

Subd. 5. [PERSON DEFINED.] The term "person," as used in subdivision 4, includes an individual, officer, or employee of a corporation or a member or employee of a partnership or a limited liability company who, as an officer, employee, or member, is under a duty to surrender the property or rights to property or to discharge the obligation. The personal liability imposed by subdivision 4 may, after demand to honor a levy, be assessed by the centralized state collection entity within 60 days of making the demand.

Subd. 6. [EFFECT OF HONORING LEVY.] A 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 centralized state collection entity, surrenders the property or rights to property, or who pays the liability set forth in subdivision 4, is discharged from any obligation or liability to the debtor for the payment or collection of the judgment with respect to the property or rights to property so surrendered or paid.

Subd. 7. [LEVY ON APPEARANCE DATE OF SUBPOENA.] No levy may be made on the property of the debtor on the day on which the debtor, or an officer or employee of the debtor, is required to appear in response to a subpoena issued by the centralized state collection entity, unless the director of the centralized state collection entity makes a determination that collection of the judgment is in jeopardy.

Subd. 8. [UNECONOMICAL LEVY.] No levy may be made on property if the amount of the expenses that the director estimates would be incurred by the centralized state collection entity with respect to the levy and sale of the property exceeds the estimated net proceeds of the sale of the property at the anticipated time of levy.

Sec. 16. [16C.14] [SALE OF SEIZED PROPERTY.]

Subdivision 1. [NOTICE OF SEIZURE.] As soon as practicable after seizure of property, notice in writing must be given by the centralized state collection entity to the owner of the property and must be served personally or by certified mail. If the owner cannot be readily located, or has no dwelling or place of business within this state, the notice may be mailed to the last known address. The notice must specify the amount of the judgment and must contain an account of the property seized.

Subd. 2. [NOTICE OF SALE.] (a) As soon as practicable after the seizure of the property, the centralized state collection entity shall give notice of sale of the property to the owner in the manner described in subdivision 1. The notice required by this subdivision may be combined with that in subdivision 1. The notice must be served no less than ten days prior to the sale.

(b) The centralized state collection entity shall also cause public notice of each sale to be made. Notice must be posted not less than ten days before the sale at the post office nearest the place where the seizure is made, and in no fewer than two other public places.

(c) The notice of sale provided in this subdivision must specify the property to be sold and the time, place, manner, and conditions of the sale.

(d) Other methods of giving notice, including advertising, may be used in addition to those required by this subdivision.

Subd. 3. [SALE OF INDIVISIBLE PROPERTY.] If any property subject to levy is not divisible, so as to enable the centralized state collection entity by sale of a part of it to raise the whole amount of the judgment, the whole of the property must be sold, and, upon payment of the judgment and of costs associated with the seizure and sale, the remainder must be returned to the owner.

Subd. 4. [TIME AND PLACE OF SALE.] The time of sale must be after the expiration of the notice periods prescribed in subdivision 2. The place of sale must be within the county in which the property is seized, except by special determination of the centralized state collection entity.

Subd. 5. [MANNER AND CONDITIONS OF SALE.] (a) Before the sale the centralized state collection entity shall determine a minimum price for which the property may be sold. If no person offers for the property at the sale the amount of the minimum price, the property must be declared to be purchased at the minimum price for the state; otherwise the property must be declared to be sold to the highest bidder. In determining the minimum price, the centralized state collection entity shall take into consideration the expense of making the levy and sale. The announcement of the minimum price determined by the centralized state collection entity may be delayed until receipt of the highest bid.

(b) The sale must be conducted by:

(1) public auction, or

(2) public sale under sealed bids.

(c) In the case of seizure of several items of property, the items may be offered separately, in groups, or in the aggregate, and may be sold under whichever method produces the highest aggregate sale price.

(d) Payment in full is required at the time of acceptance of a bid, except that a part of the payment may be deferred by the centralized state collection entity for a period not to exceed 30 days.

(e) If payment in full is required at the time of acceptance of a bid and is not then paid, the centralized state collection entity shall promptly again sell the property in the manner provided in this section. If the conditions of the sale permit part of the payment to be deferred, and if the part deferred is not paid within the prescribed period, then:

(1) suit may be commenced against the purchaser for the purchase price or the part of the purchase price not paid, together with interest at the rate specified in section 549.09 from the date of the sale, and the centralized state collection entity may adjourn the sale from time to time for a period not to exceed 30 days; or

(2) in the discretion of the centralized state collection entity, the sale may be declared by the centralized state collection entity null and void for failure to make full payment of the purchase price and the property may again be advertised and sold as provided in this section.

In the event of a second advertisement and sale under this subdivision, a new purchaser receives the property or rights to property free and clear of any claim or right of the former defaulting purchaser and the amount paid upon the bid price by the defaulting purchaser is forfeited.

Subd. 6. [SALE OF PERISHABLE GOODS.] If the centralized state collection entity determines that any property seized is liable to perish or become greatly reduced in price or value by keeping, or that the property cannot be kept without great expense, the centralized state collection entity shall appraise the value of the property, and, if the owner of the property can be readily found, the centralized state collection entity shall give the owner notice of the determination of the appraised value of the property. The property must be returned to the owner if, within the time specified in the notice, the owner pays the centralized state collection entity an amount equal to the appraised value. If the appraised amount is not paid, as soon as practicable the centralized state collection entity shall make public sale of the property in accordance with this section.

Subd. 7. [CONTRACTS.] Contracts entered into by the centralized state collection entity for the purpose of acquiring, selling, or preserving property under this section, and the conduct of the sale of the property, are not subject to the competitive bidding, professional and technical services contract, or auction provisions of chapter 16B.

Subd. 8. [APPLICATION OF SALE PROCEEDS.] (a) Any money realized by proceedings under this chapter, whether by seizure, by surrender under section 16C.13, by sale of seized property, or by sale of property redeemed by the state must be applied as follows:

- (1) first, against the administrative fee provided by this chapter, then
- (2) against the remaining amount of the judgment, then
- (3) any remaining amount must be refunded to the persons legally entitled thereto.

Subd. 9. [EQUITABLE OR INJUNCTIVE RELIEF.] At any time before the sale of the levied property and upon at least five business days' written notice to the centralized state collection entity and the attorney general, the debtor or any party with an interest in the property may bring an action in district court for equitable or injunctive relief.

Sec. 17. [16C.15] [RELEASE OF LEVY AND RETURN OF PROPERTY.]

Subdivision 1. [RELEASE OF LEVY.] The centralized state collection entity shall release a levy on all or part of the property or rights to property levied on and shall promptly notify the person on whom the levy was made that the levy has been released if:

- (1) the judgment for which the levy was made is satisfied or has become unenforceable by lapse of time;
- (2) release of the levy will facilitate collection of the judgment;
- (3) the debtor has entered into an agreement with the centralized state collection entity providing for installment payments satisfactory to the centralized state collection entity;
- (4) the levy will jeopardize the status of the state as a secured creditor; or
- (5) the fair market value of the property exceeds the judgment and release of the levy can be made without hindering collection of the judgment.

A release of levy under this subdivision does not prevent a subsequent levy on the property released.

Subd. 2. [RETURN OF PROPERTY.] If the centralized state collection entity determines that property has been wrongfully levied upon, it is lawful for the centralized state collection entity to return within 45 days of the determination:

- (1) the specific property levied upon;
- (2) an amount of money equal to the amount of money levied upon; or
- (3) an amount of money equal to the fair market value of the property. Any person wishing to challenge a levy as wrongful must make a claim to the entity no later than one year following the date of the sale.

Sec. 18. [16C.16] [REDEMPTION OF PROPERTY.]

Subdivision 1. [BEFORE SALE.] A person whose property has been levied upon may pay the judgment amount to the centralized state collection entity at any time before the sale of the property, and, upon payment of the judgment amount, the centralized state collection entity shall restore the property to the person, and all further proceedings in connection with the levy on the property shall cease from the time of payment.

Subd. 2. [RECORD.] When any property is redeemed as provided in this section, the centralized state collection entity shall cause entry of the fact to be made upon the record required by section 16C.17, and the entry is evidence of the redemption.

Sec. 19. [16C.17] [CERTIFICATE AND RECORD OF SALE.]

Subdivision 1. [CERTIFICATE OF SALE.] In the case of property sold as provided in section 16C.14, the centralized state collection entity shall give the purchaser a certificate of sale upon payment in full of the purchase price.

Subd. 2. [EFFECT OF CERTIFICATE.] (a) In all cases of sale of personal property, the certificate of sale given under subdivision 1 is prima facie evidence of the right of the centralized state collection entity to make the sale and conclusive evidence of the regularity of the proceedings in making the sale. The certificate transfers to the purchaser all right, title, and interest of the debtor in and to the property sold.

(b) If the property consists of stocks, the certificate of sale is notice, when received, to any corporation, company, or association, of the transfer, and is authority to the corporation, company, or association to record the transfer on its books and records in the same manner as if the stocks were transferred or assigned by the party holding the same, in place of any original or prior certificate, which is void, whether canceled or not.

(c) If the subject of sale is securities other than stocks, including promissory notes or other evidence of indebtedness, the certificate of sale is a good and valid receipt of the person holding the same, as against any person holding or claiming to hold possession of the securities or other evidence of indebtedness.

(d) If the property consists of a motor vehicle, the certificate of sale is notice, when received, to the registrar of motor vehicles of this state of the transfer, and is authority for the registrar to record the transfer on the books and records in the same manner as if the certificate of title to the motor vehicle was transferred or assigned by the party holding the same, in place of any original or prior certificate, which is void whether canceled or not.

(e) A certificate of sale of personal property given under subdivision 1 discharges the property from all liens, encumbrances, and title over which the judgment lien, with respect to which the levy was made, had priority.

Subd. 3. [INTERNAL RECORDS OF SALE.] The centralized state collection entity shall, for its report to the department of finance, keep a record of all sales of property under section 16C.14. The record must set forth the judgment for which the sale was made, the dates of seizure and sale, the name of the debtor and all proceedings in making the sale, the amount of expenses, the names of purchasers, and the date of the certificate of sale. A copy of the record, or any part of it, certified by the centralized state collection entity is evidence in any court of the truth of the facts stated in the record.

Sec. 20. [16C.18] [WITHHOLDING OF INCOME.]

Subdivision 1. [NOTICE TO EMPLOYER.] Within the period for enforcement of the lien, the centralized state collection entity may give notice to any employer in this state that an employee of that employer owes a debt. The notice must conform substantially to the notice as provided in section 571.75 and may be served by mail upon the employer.

Subd. 2. [NOTICE TO EMPLOYEE.] The centralized state collection entity may not proceed under this section unless it has given notice to the debtor, by mail, at the debtor's last known address, at least 30 days prior to notice to the employer. The notice to the debtor must conform substantially to that required by section 571.72 and must state that if payment is not received, the centralized state collection entity may proceed to require withholding by the employer under this section. The notice must further inform the debtor of wage exemptions contained in section 550.37, subdivision 14. If no notice of exemption is received by the centralized state collection entity within 30 days of sending notice to the debtor, the centralized state collection entity may proceed under this section.

Subd. 3. [WITHHOLDING.] (a) Upon receipt of the notice provided by subdivision 1, the employer shall withhold from compensation due or to become due to the employee the total amount shown by the notice, subject to the provisions of section 571.922. The employer shall continue to withhold each pay period until the notice is released by the centralized state collection entity under section 16C.15. Upon receipt of the notice by the employer under subdivision 1, the claim of the state has priority over any subsequent garnishments or wage assignments except as otherwise provided in section 518.611. The centralized state collection entity may arrange between the employer and the employee for withholding a portion of the total amount due the employee each pay period, until the total amount shown by the notice plus accrued interest and the administrative fee provided by section 16C.05 have been withheld.

The "compensation due" any employee is defined in accordance with section 571.921. The maximum withholding allowed under this section for any one pay period is decreased by any amounts payable under a garnishment action and any amounts covered by any irrevocable and previously effective assignment of wages, with respect to which the employer was served before being served with the notice provided by subdivision 1. The employer shall give notice to the centralized state collection entity of the amounts and the facts relating to such prior garnishments or assignments within ten days after the service of the notice provided in subdivision 1.

(b) If the employee ceases to be employed by the employer before the full amount set forth in the notice provided by subdivision 1, plus accrued interest and the administrative fee, has been withheld, the employer shall immediately notify the centralized state collection entity in writing of the termination date of the employee and the total amount withheld. No employer may discharge any employee because the centralized state collection entity has proceeded under this section. If an employer discharges an employee in violation of the provision, the employee has the same remedy as provided in section 571.927, subdivision 2.

(c) Within ten days after the expiration of each pay period, the employer shall remit to the centralized state collection entity the amount withheld during each pay period under this section. Should any employer, after notice, willfully fail to withhold in accordance with this section, the employer is liable for the total amount set forth in the notice together with accrued interest and the administrative fee. Any amount collected from the employer for failure to withhold must be credited to the employee's account in the following manner: administrative fee, interest, and then debt. Any excess after such application must be refunded to the employer.

(d) The provisions of this section, except those imposing liability on an employer for failure to withhold or remit, apply to cases in which the employer is the United States or an instrumentality of the United States or this state or a political subdivision of the state.

(e) The centralized state collection entity shall refund to the employee excess amounts withheld from the employee under this section.

(f) The collection remedy provided by this section has the same legal effect as if it were a levy made under section 16C.13.

Sec. 21. [16C.19] [CONTINUOUS LEVY.]

Subdivision 1. [AUTHORITY.] The centralized state collection entity may, within the statutory period for enforcement of the lien, give notice to a person, financial institution, political subdivision, or any other third party who owes the debtor money, property, or other indebtedness, to withhold the amount of any debt, including interest and the administrative fee provided by section 16C.05, due from a debtor. The amounts withheld must be transmitted to the centralized state collection entity at the times the centralized state collection entity designates.

Subd. 2. [LEVY CONTINUOUS.] The levy made under subdivision 1 is continuous with respect to a payment as defined in subdivision 4 from the date the notice is received until either the amount due stated on the notice has been withheld or the notice has been released by the centralized state collection entity under section 16C.15, or no further amounts are due from the recipient of the notice to the debtor, whichever occurs first.

Subd. 2a. [RELEASE WHEN NO ASSETS FOUND.] If, upon receipt of the notice of levy and upon diligent search for amounts due the debtor or for assets of the debtor, no amounts due or assets are found, the recipient of the notice shall report that fact in writing within ten days to the entity and shall be released from the levy at the time of the report.

Subd. 3. [AMOUNT WITHHELD.] The amount required to be withheld under this section is the lesser of:

(1) the amount stated on the notice; or

(2) if the debtor is not a natural person, 100 percent of the payment or payments to be made to the debtor, or, if the debtor is an individual, 25 percent of the payment or payments to be made to the debtor.

Subd. 4. [PAYMENTS COVERED.] For purposes of this section, "payments" does not include wages as defined in section 290.92 or funds in a deposit account as defined in section 336.9-105. Payments includes:

(1) payments due for services of independent contractors, dividends, rents, royalties, residuals, patent rights, licensing fees, and mineral or other natural resources rights;

(2) payment or credits under written or oral contracts for services or sales whether denominated as wages, salary, commissions, bonuses, or otherwise, if the payments are not covered by section 16C.18; and

(3) any other periodic payments or credits resulting from an enforceable obligation to the debtor.

Subd. 5. [EFFECT OF DETERMINATION OF STATUS.] A determination of a person's status as an independent contractor under this section does not affect the determination of the person's status for the purposes of any other law or rule.

Sec. 22. [16C.20] [LICENSES.]

Subdivision 1. [NOTICE TO LICENSING AUTHORITY.] The centralized state collection entity may notify any licensing authority that a licensee owes a judgment debt of \$500 or more or judgments debts in the aggregate of \$500 or more. Upon receipt of such notice, the licensing authority may not issue, transfer, or renew a license of the debtor for the conduct of a profession, occupation, trade, or business.

Subd. 2. [NOTICE TO DEBTOR AND HEARING.] (a) Upon notifying a licensing authority under subdivision 1, the centralized state collection entity must mail a copy of the notice to the debtor at the debtor's last known address.

(b) The debtor may request a contested case hearing within 30 days of the date of the notice. The request must be in writing and postmarked by the 30th day. The hearing must be held within 45 days of the date the centralized state collection entity refers the case to the office of administrative hearings. Notwithstanding any law to the contrary, the licensee must be served with 20 days' notice in writing specifying the time and place of the hearing, the amount of unpaid judgment debt, to whom the judgment debt is owed, and the nature of the judgment debt. The notice may be served personally or by mail.

(c) The issues to be considered at the hearing are limited to whether the debtor has made payment, whether the identity of the debtor is mistaken, or whether nonrenewal or nonissuance of the license would exercise an unreasonably severe hardship on the debtor. Financial hardship alone is an insufficient basis for a finding of unreasonably severe hardship. The validity of the underlying debt may not be challenged at the hearing.

Subd. 3. [DEBT CLEARANCE.] A licensing authority that has received a notice from the centralized state collection entity under subdivision 1 may issue, transfer, or renew the license only if the licensing authority has received notification from the centralized state collection entity that the debtor has paid the debt or has entered into an agreement with the centralized state collection entity for satisfactory payment of the debt, or that the centralized state collection entity is no longer pursuing the debt.

Subd. 4. [IDENTIFICATION OF LICENSEES.] Upon written request of the centralized state collection entity, a licensing authority shall provide the centralized state collection entity with a list of all licensees, including the name, address, business name and address, social security number, and business identification number of each licensee. The licensing authority is not required to provide a list of the licensees to the centralized state collection entity more than once each calendar year.

Sec. 23. [16C.21] [UNCOLLECTIBLE DEBTS.]

When a debt is determined by the state agency to be uncollectible, the debt may be written off by the state agency from the state agency's financial accounting records and no longer recognized as an account receivable for financial reporting purposes. A debt is considered to be uncollectible when (1) all reasonable collection efforts have been exhausted, (2) the cost of further collection action will exceed the amount recoverable, (3) the debt is legally without merit or cannot be substantiated by evidence, (4) the debtor cannot be located, (5) the available assets or income, current or anticipated, which may be available for payment of the debt are insufficient, (6) the debt was discharged in bankruptcy, (7) the applicable statute of limitations for collection of the debt has expired, or (8) it is not in the public interest to pursue collection of the debt. The determination of the uncollectibility of a debt must be reported by the state agency along with the basis for that decision as part of its quarterly reports to the department of finance. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Sec. 24. [16C.22] [CASE REVIEWER.]

The centralized state collection entity shall make a case reviewer available to debtors. The reviewer must be available to answer a debtor's questions concerning the collection process and to review the collection activity taken. If the reviewer reasonably believes that the particular action being taken is unreasonable or unfair, the reviewer may make recommendations to the director of the centralized state collection entity in regard to the collection action.

Sec. 25. Minnesota Statutes 1992, section 168A.05, subdivision 2, is amended to read:

Subd. 2. [RECORD OF CERTIFICATES ISSUED.] The department shall maintain a record of all certificates of title issued by it:

- (1) Under a distinctive title number assigned to the vehicle;
- (2) By vehicle identifying number;
- (3) Alphabetically, under the name of the owner.

Such record shall consist of the certificate of title, including the notations of all security interests recorded, assigned, terminated, or released, liens filed by the centralized state collection entity of which the department has notice, of duplicate certificates issued or applied for, and such other information as the department may deem proper.

Sec. 26. Minnesota Statutes 1993 Supplement, section 168A.05, subdivision 3, is amended to read:

Subd. 3. [CONTENT OF CERTIFICATE.] Each certificate of title issued by the department shall contain:

- (1) the date issued;
- (2) the first, middle, and last names, the dates of birth, and addresses of all owners who are natural persons, the full names and addresses of all other owners;
- (3) the names and addresses of any secured parties in the order of priority as shown on the application, or if the application is based on a certificate of title, as shown on the certificate, or as otherwise determined by the department;
- (4) any liens filed by the centralized state collection entity against the owner;
- (5) the title number assigned to the vehicle;
- (6) a description of the vehicle including, so far as the following data exists, its make, model, year, identifying number, type of body, whether new or used, and if a new vehicle, the date of the first sale of the vehicle for use;
- (7) with respect to motor vehicles subject to the provisions of section 325E.15, the true cumulative mileage registered on the odometer or that the actual mileage is unknown if the odometer reading is known by the owner to be different from the true mileage;
- (8) with respect to vehicles subject to sections 325F.6641 and 325F.6642, the appropriate term "flood damaged," "rebuilt," "prior salvage," or "reconstructed"; and
- (9) any other data the department prescribes.

Sec. 27. Minnesota Statutes 1992, section 168A.05, subdivision 7, is amended to read:

Subd. 7. [JUDICIAL PROCESS RELATING TO CERTIFICATE OR VEHICLE.] A certificate of title for a vehicle is not subject to garnishment, attachment, execution, or other judicial process, but this subdivision does not prevent a lawful levy upon the vehicle or the lawful enforcement of an administrative lien or judgment lien filed by the centralized state collection entity.

Sec. 28. Minnesota Statutes 1992, section 168A.05, is amended by adding a subdivision to read:

Subd. 8. [LIENS FILED BY THE CENTRALIZED STATE COLLECTION ENTITY.] If the centralized state collection entity notifies the department that the owner is a debtor for judgment debt pursued by the centralized state collection entity, when title is applied for the department shall enter a lien on the title in the name of the state of Minnesota. The lien on the title is subordinate to any prior security interest perfected in accordance with section 168A.17 and shall otherwise be treated in the same manner as other title liens.

Sec. 29. Minnesota Statutes 1992, section 270A.03, subdivision 2, is amended to read:

Subd. 2. [CLAIMANT AGENCY.] "Claimant agency" means any state agency, as defined by section 14.02, subdivision 2, the regents of the University of Minnesota, any district court of the state, any county, any statutory or home rule charter city presenting a claim for a municipal hospital, a hospital district, any public agency responsible for child support enforcement, and any public agency responsible for the collection of court-ordered restitution, and the centralized state collection entity.

Sec. 30. Minnesota Statutes 1992, section 272.488, subdivision 1, is amended to read:

Subdivision 1. [FILING OF NOTICES WITH COUNTY RECORDERS.] Notices of federal tax liens, certificates, or revocations of certificates of release of federal tax liens, and refiled notices of any of those items, and any other notices affecting federal tax liens that are required to be filed with the county recorder, in a form prescribed by the Internal

Revenue Service, may be filed with the county recorder ~~or the secretary of state~~ by mail, personal delivery, or by electronic transmission by the Secretary of the Treasury of the United States or a delegate into the computerized filing system of the secretary of state authorized under section 336.9-411. The secretary of state shall act as the agent of the county recorder and shall transmit the notice electronically to the office of the county recorder, ~~if that is the place of filing, in the county or counties shown on the computer entry. The filing officer, whether the county recorder or the secretary of state, shall endorse and index a printout of the notice in the same manner as if the notice had been mailed or delivered.~~ The electronic record must be endorsed and indexed within the computerized filing system as required by section 272.483.

Sec. 31. Minnesota Statutes 1992, section 272.488, is amended by adding a subdivision to read:

Subd. 3. [FILING OF NOTICES WITH SECRETARY OF STATE.] Notices of federal tax liens, certificates, or revocations of certificates of release of federal tax liens, refiled notices of any of those items, and any other notices affecting federal tax liens that are required to be filed with the secretary of state, in a form prescribed by the Internal Revenue Service, may be filed with the secretary of state by mail, personal delivery, or electronic transmission by the Secretary of the Treasury of the United States or a delegate into the computerized filing system of the secretary of the state authorized under section 336.9-411. The electronic record must be endorsed and indexed within the computerized filing system as required by section 272.483.

Sec. 32. Minnesota Statutes 1992, section 272.488, is amended by adding a subdivision to read:

Subd. 4. [ENTRY OF INFORMATION.] For documents filed by mail or in person, the filing officer shall enter the data as if it had been transmitted electronically. Once the electronic record is created, it must be endorsed and indexed within the computerized filing system. The filing officer must write or mark the filing information on the document that was submitted and return the document to the submitting party.

Sec. 33. Minnesota Statutes 1993 Supplement, section 336.9-407, is amended to read:

336.9-407 [INFORMATION FROM FILING OFFICER.]

(1) If the person filing any financing statement, termination statement, statement of assignment, or statement of release, furnishes the filing officer a copy thereof, the filing officer shall upon request note upon the copy the file number and date and hour of the filing of the original and deliver or send the copy to such person.

(2) Upon request of any person, the filing officer shall conduct a search of the statewide computerized uniform commercial code data base for any active financing statements naming a particular debtor. The filing officer shall report the findings as of the date and hour of the search by issuing:

(a) a certificate listing the file number, date, and hour of each filing and the names and addresses of each secured party;

(b) photocopies of those original documents on file and located in the office of the filing officer; or

(c) upon request, both the certificate and the photocopies referred to in (b).

The uniform fee for conducting the search and for preparing a certificate ~~shall be~~ is \$15 if the request is in the standard form prescribed by the secretary of state. This uniform fee ~~shall include up to~~ includes as many as ten photocopies of original documents. If the request for information is made on a form other than the standard form prescribed by the secretary of state, the fee ~~shall be~~ is \$20 and ~~shall include up to~~ includes as many as ten photocopies of original documents.

~~Another~~ One other fee, at the same rate, ~~shall must~~ also be charged for conducting a search and preparing a certificate showing both state judgment liens and federal and state tax liens, on file with the filing officer naming a particular debtor.

There ~~shall be~~ is an additional fee of \$1 per a page for each financing statement or tax lien listed on the certificate and for each photocopy prepared in excess of the first ten.

Notwithstanding the fees set in this section, a natural person who is the subject of data must, upon the person's request, be shown the data without charge, and upon request be provided with photocopies of the data upon payment of no more than the actual cost of making the copies.

Sec. 34. Minnesota Statutes 1992, section 542.07, is amended to read:

542.07 [ACTIONS BY OR FOR THE STATE.]

Except as otherwise provided by law in particular cases, civil actions for trespass or collection of debts owed the state of Minnesota in which the state of Minnesota is plaintiff, may be begun and tried in such county as the attorney general, or other attorney authorized to bring the same, shall select.

Sec. 35. Minnesota Statutes 1992, section 570.01, is amended to read:

570.01 [ALLOWANCE OF ATTACHMENT.]

As a proceeding ancillary to a civil action for the recovery of money and to any action brought by the attorney general under the authority of section 8.31, subdivision 1, or any other law respecting unfair, discriminatory, or other unlawful practices in business, commerce, or trade, the claimant, at the time of commencement of the civil action or at any time thereafter afterward, may have the property of the respondent attached in the manner and in the circumstances prescribed in sections 570.01 to 570.14, as security for the satisfaction of any judgment that the claimant may recover. The order for attachment shall may be issued only by a judge of the court in the county in which the civil action is pending. All property not exempt from execution under the judgment demanded in the civil action may be is subject to attachment.

Sec. 36. Minnesota Statutes 1992, section 570.02, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] An order of attachment which that is intended to provide security for the satisfaction of a judgment may be issued only in the following situations:

(1) when the respondent has assigned, secreted, or disposed of, or is about to assign, secrete, or dispose of, any of the respondent's nonexempt property, with intent to delay or defraud the respondent's creditors;

(2) when the respondent has removed, or is about to remove, any of the respondent's nonexempt property from this state, with intent to delay or defraud the respondent's creditors;

(3) when the respondent has converted or is about to convert any of the respondent's nonexempt property into money or credits, for the purpose of placing the property beyond the reach of the respondent's creditors;

(4) when the respondent has committed an intentional fraud giving rise to the claim upon which the civil action is brought; or

(5) when the respondent has committed any act or omission, for which the respondent has been convicted of a felony, giving rise to the claim upon which the civil action is brought; or

(6) when the respondent has violated the law of this state respecting unfair, discriminatory, and other unlawful practices in business, commerce, or trade, including but not limited to any of the statutes specifically enumerated in section 8.31, subdivision 1.

Sec. 37. Minnesota Statutes 1992, section 570.025, subdivision 2, is amended to read:

Subd. 2. [CONDITIONS.] A preliminary attachment order may be issued prior to before the hearing specified in section 570.026 only if the following conditions are met:

(1) the claimant has made a good faith effort to inform the respondent of the application for a preliminary attachment order or that informing the respondent would endanger the ability of the claimant to recover upon a judgment subsequently awarded;

(2) the claimant has demonstrated the probability of success on the merits;

(3) the claimant has demonstrated the existence of one or more of the grounds specified in section 570.02, subdivision 1, clause (1), (2), or (3), or (6); and

(4) due to extraordinary circumstances, the claimant's interests cannot be protected pending a hearing by an appropriate order of the court, other than by directing a prehearing seizure of property.

Sec. 38. [RECOMMENDATION; LOCATION AND RESPONSIBILITIES OF THE CENTRALIZED STATE COLLECTION ENTITY.]

By February 15, 1996, the commissioners of finance, human services, and revenue and the attorney general shall conduct an evaluation and make a recommendation to the legislature regarding the responsibility and location of the centralized state collection agency established by Minnesota Statutes, section 16C.04.

Sec. 39. [INITIAL INTEREST RATE.]

The commissioner of finance shall set the initial interest rate required by Minnesota Statutes, section 16C.05, subdivision 1, by July 1, 1994. The director of the centralized state collection entity shall make the initial recommendation to the commissioner of finance required by Minnesota Statutes, section 16C.05, subdivision 2, by June 1, 1994. The commissioner of finance shall set the administrative fee required by that subdivision by July 1, 1994.

Sec. 40. [REPEALER.]

Minnesota Statutes 1992, sections 10.11, subdivision 1; 10.12; 10.14; 10.15; and 272.488, subdivision 2, are repealed.

Sec. 41. [APPROPRIATION.]

\$161,000 is appropriated to the attorney general from the general fund to provide legal services required by section 2.

\$158,000 is appropriated to the county of Ramsey from the general fund to provide the services required in section 12, subdivision 2, paragraph (c).

Sec. 42. [EFFECTIVE DATE.]

The provisions of sections 1 to 13 and 15 to 41 are effective on July 1, 1994, and apply to the collection of any debt arising before, on, or after that date.

The provisions of section 14 are effective on July 1, 1995."

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for agriculture, the environment, natural resources, public administration, community development, transportation, and certain agencies of state government; supplementing, reducing, and transferring earlier appropriations, with certain conditions; regulating certain activities and practices; providing for appointments, penalties, accounts, fees, and reports; amending Minnesota Statutes 1992, sections 3.97, subdivision 11; 3.971, by adding a subdivision; 13.67; 13.99, by adding subdivisions; 16A.124, subdivision 2; 16A.127, as amended; 16A.15, subdivision 3; 16B.01, subdivision 4; 16B.05, subdivision 2; 16B.06, subdivisions 1 and 2; 16B.32, by adding a subdivision; 17B.15, subdivision 1; 32.103; 43A.316, subdivision 9; 43A.37, subdivision 1; 44A.0311; 60A.14, subdivision 1; 60A.19, subdivision 4; 60A.21, subdivision 2; 60K.03, subdivisions 1, 5, and 6; 60K.06; 60K.19, subdivision 8; 69.031, subdivision 5; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08, subdivisions 4 and 5; 82B.09, subdivision 1; 82B.19, subdivision 1; 83.25; 85.015, subdivision 1; 94.09, subdivision 5; 97A.061, subdivision 1; 97A.165; 97A.441, subdivision 6; 97A.485, subdivision 8; 97B.601, subdivision 4; 103F.725, by adding a subdivision; 103F.745; 103F.761, subdivision 2; 115A.5501, subdivision 2; 116.182, subdivisions 2, 3, 4, and 5; 116G.15; 129D.14, subdivision 5; 138.01, subdivision 1; 138.34; 138.35, subdivision 1; 138.38; 138.40, subdivision 3; 138.94, by adding a subdivision; 151.01, subdivision 28; 151.15, subdivision 3; 151.25; 154.11, subdivision 1; 154.12; 154.19; 161.14, by adding a subdivision; 162.02, subdivision 6; 162.06, subdivisions 3 and 4; 162.12, subdivisions 3 and 4; 168A.05, subdivisions 2, 7, and by adding a subdivision; 168A.29, subdivision 1; 169.06, by adding a subdivision; 257.0762, subdivision 2; 257.0768; 270A.03, subdivision 2; 272.488, subdivision 1, and by adding subdivisions; 298.2211, by adding a subdivision; 326.12, subdivision 3; 345.47, subdivision 4; 353.65, subdivision 7; 354.06, subdivision 1; 360.305, subdivision 4; 446A.02, subdivision 1, and by adding a subdivision; 446A.03, subdivision 3; 446A.07, subdivisions 4, 6, 8, 9, and 11; 446A.071, subdivision 1; 446A.11, subdivision 1; 446A.15, subdivision 6; 542.07; 570.01; 570.02, subdivision 1; 570.025, subdivision 2; 574.26; and 574.261, subdivision 1; Minnesota Statutes 1993 Supplement, sections 15.91; 16A.152, subdivision 1; 16B.08, subdivision 7; 44A.025; 60A.198, subdivision 3; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3; 84.872; 97A.061, subdivision 3; 97B.071; 115C.09, subdivision 1; 116J.966, subdivision 1; 116P.11; 138.763, subdivision 1; 144C.03, subdivision 2; 144C.07, subdivision 2; 168A.05, subdivision 3; 239.785, subdivision 2, and by adding a

subdivision; 257.0755; 336.9-407; 446A.03, subdivision 1; 465.795, subdivision 7; 465.796, subdivision 2; 465.797, subdivisions 1, 2, 3, 4, and 5; 465.798; 465.799; Laws 1993, chapter 192, section 17, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; 17; 32; 128C; 154; 169; 181; 299D; 446A; and 465; proposing coding for new law as chapter 16C; repealing Minnesota Statutes 1992, sections 10.11, subdivision 1; 10.12; 10.14; 10.15; 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 154.16; 154.165; 272.488, subdivision 2; 355.04; 355.06; 446A.08; and 465.80, subdivision 3; Minnesota Statutes 1993 Supplement, section 465.80, subdivisions 1, 2, 4, and 5; Laws 1985, First Special Session chapter 12, article 11, section 19."

The motion prevailed and the amendment was adopted.

Davids and Olson, E., were excused for the remainder of today's session.

Solberg, Vellenga and Rest moved to amend S. F. No. 2913, as amended, as follows:

Page 147, after line 1, insert:

"Sec. 60. [CONTINGENT LEVY RECOGNITION SHIFT PERCENT INCREASE.]

Notwithstanding Minnesota Statutes, section 121.904, subdivisions 4a and 4e, if the forecast of general fund revenues and expenditures prepared by the commissioner of finance in November 1994 indicates that the budget reserve and cash flow account will not be restored to \$500,000,000 in the current biennium according to Minnesota Statutes, section 16A.152, subdivision 2, the commissioner of finance may direct the commissioner of education to reduce the appropriation in fiscal year 1995 for reduction of the property tax revenue recognition shift by an amount that would restore the budget reserve and cash flow account up to \$500,000,000. However, the property tax revenue recognition shift percent may not be increased above 37.4 percent. If the levy recognition shift percent is increased according to this section, the commissioner of education must notify school districts of the increase within five days of receiving direction to increase the levy recognition shift percent."

Renumber subsequent sections

Correct internal cross references

The motion prevailed and the amendment was adopted.

Rice and Simoneau moved to amend S. F. No. 2913, as amended, as follows:

Page 87, after line 54, insert:

"(h) Work zone safety 25,000

This appropriation is for highway work zone safety management and public education efforts to increase public awareness of highway work zone safety."

Page 96, after line 13, insert:

"Sec. 17. Minnesota Statutes 1992, section 169.14, subdivision 5d, is amended to read:

Subd. 5d. [SPEED ZONING IN WORK ZONES; SURCHARGE; ACCOUNT.] (a) The commissioner, on trunk highways and temporary trunk highways, and local authorities, on streets and highways under their jurisdiction, may authorize the use of reduced maximum speed limits in highway work zones. The commissioner or local authority is not required to conduct an engineering and traffic investigation before authorizing a reduced speed limit in a highway work zone.

(b) The minimum highway work zone speed limit is 20 miles per hour. The work zone speed limit must not reduce the established speed limit on the affected street or highway by more than 15 miles per hour, except that the highway

work zone speed limit shall not exceed 40 miles per hour. Highway work zone speed limits are effective on erection of appropriate regulatory speed limit signs designating the beginning and end of the affected work zone. The signs must be removed or covered when they are not required. A speed greater than the posted highway work zone speed limit is unlawful.

(c) For purposes of this subdivision, "highway work zone" means a segment of highway or street where a road authority or its agent is constructing, reconstructing, or maintaining the physical structure of the roadway, its shoulders, or features adjacent to the roadway, including underground and overhead utilities and highway appurtenances.

(d) Notwithstanding section 609.0331 or 609.101 or other law to the contrary, a person who violates a speed limit established under paragraph (b) while on a trunk highway, or who violates any other provision of this section or section 169.141 while in a highway work zone on a trunk highway, is assessed an additional surcharge equal to the amount of the fine imposed for the speed violation, but not less than \$25. The surcharge must be deposited in the state treasury and credited to the general fund."

Renumber the remaining sections and correct internal references

Adjust fund totals accordingly

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Krueger moved to amend S. F. No. 2913, as amended, as follows:

Page 130, after line 33, insert:

"(c) If a law is enacted creating a police officer stress reduction program, and money is appropriated for the program, an amount equal to the appropriation must be transferred from the excess contributions holding account to the stress reduction program before money is transferred to the general fund under paragraph (b), clause (2)."

The motion prevailed and the amendment was adopted.

Krueger moved to amend S. F. No. 2913, as amended, as follows:

Page 108, delete lines 25 to 29 and insert:

"(11) one member appointed by the Minnesota AFL-CIO;"

Page 109, line 1, delete everything after the colon

Page 109, line 28, after the first comma, insert "the AFL-CIO representative," and delete "two" and insert "one" and delete "members" and insert "member"

Page 145, after line 7, insert:

"(12) greater Minnesota educational cooperative service units;"

Page 145, line 9, delete "(12)" and insert "(13)"

The motion prevailed and the amendment was adopted.

Peterson moved to amend S. F. No. 2913, as amended, as follows:

Page 11, line 3, after "association," insert "a state or federal credit union"

Page 14, line 19, after "association," insert "a state or federal credit union"

The motion prevailed and the amendment was adopted.

Neary, Osthoff and McCollum moved to amend S. F. No. 2913, as amended, as follows:

Page 96, after line 28, insert:

"Sec. 18. Minnesota Statutes 1992, section 221.011, is amended by adding a subdivision to read:

Subd. 46. [YOUTH CHARTER CARRIER.] "Youth charter carrier" means a charter carrier who primarily transports, in passenger vehicles seating not more than 15 persons in addition to the driver, students enrolled in public or private elementary or secondary schools or children under school age, but who provides service under contract to a school or school district only during the months of June through August.

Sec. 19. Minnesota Statutes 1993 Supplement, section 221.111, is amended to read:

221.111 [PERMITS TO OTHER MOTOR CARRIERS.]

Motor carriers other than certificated carriers and local cartage carriers shall obtain a permit in accordance with section 221.121. The board shall issue only the following kinds of permits:

- (1) class II-T permits;
- (2) class II-L permits;
- (3) livestock carrier permits;
- (4) contract carrier permits;
- (5) charter carrier permits;
- (6) courier service carrier permits;
- (7) local cartage carrier permits;
- (8) household goods mover permits;
- (9) temperature-controlled commodities permits; ~~and~~
- (10) armored carrier permits; and
- (11) youth charter carrier permits.

Sec. 20. Minnesota Statutes 1992, section 221.121, is amended by adding a subdivision to read:

Subd. 6h. [YOUTH CHARTER CARRIER.] (a) A person who desires to hold out or operate as a youth charter carrier shall follow the procedures established in subdivision 1, paragraph (a), other than the requirement for filing letters of support, and specifically request a youth charter carrier permit. The board shall issue the permit upon compliance with the laws and rules relating to it, if the board finds that the petitioner is fit and able to conduct the proposed operations and that the petitioner's vehicles meet the applicable rules of the commissioner prescribed under section 221.031.

(b) Nothing in this subdivision requires a holder of a charter carrier permit to obtain a permit under this subdivision to provide the service described in section 221.011, subdivision 46."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Morrison was excused for the remainder of today's session.

Jennings was excused between the hours of 6:00 p.m. and 7:30 p.m.

Hugoson moved to amend S. F. No. 2913, as amended, as follows:

Pages 14 and 15, delete section 12

Renummer the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Koppendraye; Haukoos; Hugoson; Girard; Bettermann; Molnau; Johnson, V.; Olson, E., and Dempsey moved to amend S. F. No. 2913, as amended, as follows:

Page 7, delete lines 27 to 31

Correct the subdivision and section totals and the summaries by fund accordingly

Pages 16 to 19, delete sections 14 and 15, and insert:

"Sec. 14. Minnesota Statutes 1992, sections 32.103, is amended to read:

32.103 [INSPECTION OF DAIRIES.]

(a) At times the commissioner determines proper, the commissioner shall cause to be inspected all places where dairy products are made, stored, or served as food for pay, and all places where cows are kept by persons engaged in the sale of milk, and shall require the correction of all insanitary conditions and practices found. During routine inspections or as necessary, the commissioner shall inspect for evidence of use of rBGH in violation of section 32.75, by producers providing affidavits of nontreatment under that section.

(b) A refusal or physical threat that prevents the completion of an inspection or neglect to obey a lawful direction of the commissioner or the commissioner's agent given while carrying out this section may result in the suspension of the offender's permit or certification. The offender is required to meet with a representative of the offender's plant or marketing organization and a representative of the commissioner within 48 hours excluding holidays or weekends or the suspension will take effect. A producer may request a hearing before the commissioner or the commissioner's agent if a serious concern exists relative to the retention of the offender's permit or certification to sell milk.

Sec. 15. [32.75] [RECOMBINANT BOVINE GROWTH HORMONE; LABELING.]

Subdivision 1. [DEFINITION.] For purposes of this section and section 32.103, "recombinant bovine growth hormone" or "rBGH" means a growth hormone, intended for use in bovine animals, that has been produced through recombinant DNA techniques, described alternately as recombinant bovine somatotropin, or rBST.

Subd. 2. [LABELING.] (a) Products offered for wholesale or retail sale in this state which contain milk, cream, or any product or by-product of milk or cream, which have been processed and handled pursuant to the requirements of this section, may be labeled: "Milk in this product is from cows not treated with rBGH." Labeling of dairy products under this section which are offered for sale within this state may also include an indication that the milk used is "farmer certified rBGH-free." The label must include the statement: "The federal government has determined that no significant difference has been shown between milk derived from rBGH-treated cows and non-rBGH-treated cows." Products offered for wholesale or retail sale within this state need not contain any further label information relative to the use of rBGH in milk production. A manufacturer or processor of dairy products for interstate or international sale may apply to the commissioner for additional label compliance approval if that product label contains any reference to rBGH.

(b) The label described in paragraph (a) may appear on the principal display panel, as defined in section 31.01, subdivision 22, of a packaged product, be conspicuously attached to the container of a bulk product, or appear in any advertisement, as defined in section 31.01, subdivision 26, for a product, including radio advertisements or displays or placards posted in retail stores.

(c) Products offered for wholesale or retail sale in this state which contain milk, cream, or any product or by-product of milk or cream, may display a label indicating that the product is produced from cows not treated with rBGH, if the label conforms with labeling requirements of another state for such products.

(d) All labeling or advertising statements relating to rBST must be factually supported. False or misleading statements are prohibited.

Subd. 3. [AFFIDAVIT; RECORDS.] (a) A dairy plant purchasing milk or cream to be used in products labeled pursuant to subdivision 2 shall require an affidavit approved by the commissioner from producers supplying such milk. This affidavit must be signed by the producer or authorized representative and state that all cows used in the producer's dairy operations have not and will not be treated with rBGH, without advanced written notice of at least 30 days to the dairy plant.

(b) Dairy plants shall keep original affidavits on file for a period of not less than two years after receiving written notice from the producer of anticipated rBGH use, as provided in paragraph (a). These affidavits and corresponding records must be made available for inspection by the commissioner. Dairy plants supplying milk or cream to a processor or manufacturer of a product to be labeled pursuant to subdivision 2, for use in that product, shall supply a certification to that processor or manufacturer stating that producers of the supplied milk or cream have executed and delivered affidavits pursuant to paragraph (a).

Subd. 4. [SEPARATION OF NONTREATED COWS AND MILK.] All milk or cream from non-rBGH-treated cows used in manufacturing or processing of products labeled pursuant to subdivision 2, or milk or cream supplied by a producer under an affidavit pursuant to subdivision 3, must be kept fully separate from any other milk or cream through all stages of storage, transportation, and processing until the milk or resulting dairy products are in final packaged form in a properly labeled container. Records of the separation must be kept by the dairy plant and product processor or manufacturer at all stages and made available to the commissioner for inspection."

A roll call was requested and properly seconded.

The question was taken on the Koppendray et al amendment and the roll was called. There were 47 yeas and 82 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Holsten	Limmer	Onnen	Stanis	Waltman
Asch	Frerichs	Hugoson	Lindner	Ozment	Sviggum	Weaver
Bauerly	Girard	Johnson, V.	Lynch	Pauly	Swenson	Wolf
Bettermann	Goodno	Knickerbocker	Macklin	Pawlenty	Tompkins	Worke
Bishop	Gruenes	Koppendray	Molnau	Rhodes	Van Dellen	Workman
Commers	Gutknecht	Krinkie	Ness	Seagren	Van Engen	
Dehler	Haukoos	Leppik	Olson, M.	Smith	Vickerman	

Those who voted in the negative were:

Anderson, R.	Cooper	Greenfield	Kahn	Long	Murphy	Peterson
Battaglia	Dauner	Greiling	Kalis	Lourey	Neary	Pugh
Beard	Dawkins	Hasskamp	Kelley	Luther	Nelson	Reding
Bergson	Delmont	Hausman	Kelso	Mahon	Olson, K.	Rest
Bertram	Dorn	Huntley	Kinkel	Mariani	Opatz	Rice
Brown, C.	Erhardt	Jacobs	Klinzing	McCollum	Orenstein	Rodosovich
Brown, K.	Evans	Jaros	Knight	McGuire	Orfield	Rukavina
Carlson	Farrell	Jefferson	Krueger	Milbert	Ostrom	Sarna
Carruthers	Finseth	Johnson, A.	Lasley	Mosel	Pelowski	Sekhon
Clark	Garcia	Johnson, R.	Lieder	Munger	Perlt	Simoneau

Skoglund	Tomassoni	Vellenga	Wenzel
Solberg	Trimble	Wagenius	Winter
Steensma	Tunheim	Wejman	Spk. Anderson, I.

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

Koppendraye; Hugoson; Girard; Molnau; Olson, E.; Bettermann; Johnson, V., and Dempsey moved to amend S. F. No. 2913, as amended, as follows:

Page 7, delete lines 27 to 31

Page 40, after line 13, insert:

"Sec. 57. [RECOVERY OF COSTS.]

Any costs the commissioner of agriculture may incur for legal services, adoption of rules, or other expenses related to implementing sections 14, 15, 37, and 38, and all additional costs associated with increased enforcement under section 14, must be recovered by fees assessed against processors who voluntarily label products under section 15, subdivision 2."

Correct the subdivision and section totals and the summaries by fund accordingly

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Koppendraye et al amendment and the roll was called. There were 48 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Haukoos	Limmer	Ness	Stanisus	Vickerman
Asch	Finseth	Holsten	Lindner	Olson, M.	Sviggum	Waltman
Bettermann	Frerichs	Hugoson	Lynch	Onnen	Swenson	Weaver
Bishop	Girard	Johnson, V.	Macklin	Ozment	Tompkins	Wolf
Commers	Goodno	Knickerbocker	Mahon	Pawlenty	Van Dellen	Worke
Dehler	Gruenes	Koppendraye	Molnau	Seagren	Van Engen	Workman
Dempsey	Gutknecht	Krinkie	Mosel	Smith	Vellenga	

Those who voted in the negative were:

Anderson, R.	Dauner	Jacobs	Krueger	Murphy	Pugh	Steensma
Battaglia	Dawkins	Jaros	Lasley	Neary	Reding	Tomassoni
Bauerly	Delmont	Jefferson	Leppik	Nelson	Rest	Trimble
Beard	Dorn	Johnson, A.	Lieder	Olson, K.	Rhodes	Tunheim
Bergson	Evans	Johnson, R.	Long	Opatz	Rice	Wagenius
Bertram	Farrell	Kahn	Lourey	Orenstein	Rodosovich	Wejman
Brown, C.	Garcia	Kalis	Luther	Orfield	Rukavina	Wenzel
Brown, K.	Greenfield	Kelley	Mariani	Osthoff	Sarna	Winter
Carlson	Greiling	Kelso	McCollum	Ostrom	Sekhon	Spk. Anderson, I.
Carruthers	Hasskamp	Kinkel	McGuire	Pelowski	Simoneau	
Clark	Hausman	Klinzing	Milbert	Perlt	Skoglund	
Cooper	Huntley	Knight	Munger	Peterson	Solberg	

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

Krinkie, Kinkel, Kahn and Knickerbocker moved to amend S. F. No. 2913, as amended, as follows:

Page 144, after line 25, insert:

"(d) A television production of House floor proceedings or of other House meetings may not include any graphic or other credit for the Senate or a Senate office."

The motion prevailed and the amendment was adopted.

Krinkie moved to amend S. F. No. 2913, as amended, as follows:

Page 20, after line 26, insert:

"Sec. 18. Minnesota Statutes 1992, section 85.055, is amended by adding a subdivision to read:

Subd. 3. [CIVILIAN CONSERVATION CORPS MEMBERS.] A person who served in the state for the federal civilian conservation corps, established by Congress in 1933, shall be exempt from state park permit fees under this section by sending proof of his or her service to the commissioner of natural resources."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Krinkie amendment and the roll was called. There were 25 yeas and 104 nays as follows:

Those who voted in the affirmative were:

Bettermann	Girard	Johnson, V.	Luther	Opatz	Swenson	Workman
Dempsey	Gutknecht	Koppendrayner	Lynch	Seagren	Tompkins	
Erhardt	Haukoos	Krinkie	Molnau	Starius	Vickerman	
Frerichs	Hugoson	Lindner	Onnen	Steensma	Worke	

Those who voted in the negative were:

Abrams	Cooper	Holsten	Krueger	Murphy	Peterson	Tomassoni
Anderson, R.	Dauner	Huntley	Lasley	Neary	Pugh	Trimble
Asch	Dawkins	Jacobs	Leppik	Nelson	Reding	Tunheim
Battaglia	Dehler	Jaros	Lieder	Ness	Rest	Van Dellen
Bauerly	Delmont	Jefferson	Limmer	Olson, K.	Rhodes	Van Engen
Beard	Dorn	Johnson, A.	Long	Olson, M.	Rice	Vellenga
Bergson	Evans	Johnson, R.	Lourey	Orenstein	Rodosovich	Wagenius
Bertram	Farrell	Kahn	Macklin	Orfield	Rukavina	Waltman
Bishop	Finseth	Kalis	Mahon	Osthoff	Sarna	Weaver
Brown, C.	Garcia	Kelley	Mariani	Ostrom	Sekhon	Wejcman
Brown, K.	Goodno	Kelso	McCollum	Ozment	Simoneau	Wenzel
Carlson	Greiling	Kinkel	McGuire	Pauly	Skoglund	Winter
Carruthers	Gruenes	Klinzing	Milbert	Pawlenty	Smith	Wolf
Clark	Hasskamp	Knickerbocker	Mosel	Pelowski	Solberg	Spk. Anderson, I.
Commers	Hausman	Knight	Munger	Perlt	Swiggum	

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

Kelley moved to amend S. F. No. 2913, as amended, as follows:

Page 113, after line 22, insert:

"Sec. 17. [15.97] [INFORMATION AND TELECOMMUNICATIONS INSTITUTE.]

The legislature intends to establish an institute of telecommunications technology applications and education. The institute must be structured as a collaboration between at least the computer science, health science, teacher education, and extension programs at the University of Minnesota, other postsecondary educational institutions in the state, Minnesota Technology, Inc., the department of trade and economic development, libraries, and other institutions and entities that have an interest in applications for and education on telecommunications and information technology. The mission of the institute will be to:

(1) engage in applied research in order to develop applications and methodologies for use of existing and expanded telecommunications and information resources and networks particularly in the areas of provision of health care, education, business, and employment communications and services; and

(2) provide technical assistance, education, and information to current and potential users of telecommunications networks and systems, including at least health care providers, teachers, employers, and employees and to advocate and promote appropriate and efficient use of the networks and systems to improve efficiency and flexibility of the networks and systems and of their users."

Renumber the sections in sequence

Correct internal references

The motion prevailed and the amendment was adopted.

Long and Solberg moved to amend S. F. No. 2913, as amended, as follows:

Page 26, after line 5, insert:

"Sec. 29. Minnesota Statutes 1992, section 115A.055, is amended to read:

115A.055 [OFFICE OF WASTE MANAGEMENT.]

The office of waste management is an agency in the executive branch headed by a director appointed by the governor, with the advice and consent of the senate, to serve in the unclassified service. The director may appoint two assistant directors in the unclassified service and may appoint other employees, as needed, in the classified service. The personnel, powers, or duties of the office may not be transferred under section 16B.37."

Page 39, after line 11, insert:

"Sec. 54. [OFFICE OF WASTE MANAGEMENT; RETURN AND TRANSFER OF RESPONSIBILITIES.]

(a) The personnel, powers, duties, furniture and equipment of the office of waste management transferred from it by reorganization order number 169 under Minnesota Statutes, section 16B.37, are hereby transferred back to it subject to Minnesota Statutes, section 16B.37, subdivision 3.

(b) The solid and hazardous waste management personnel, powers, and duties of the metropolitan council under Minnesota Statutes, chapters 115A and 473, are transferred from the council to the office of waste management subject to Minnesota Statutes, section 16B.37, subdivision 3.

(c) By February 15, 1995, the legislative commission on waste management shall propose legislation to conform existing statutes to the transfer in paragraph (b)."

Page 40, after line 15, insert:

"Sec. 60. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall make the following changes, with appropriate stylistic corrections, in Minnesota Statutes 1994 and subsequent editions of the statutes:

(1) change the words "office of waste management" and "office" to "director" and change "its," when it refers to the office of waste management, to "the director's" in Minnesota Statutes, sections 115A.06, subdivisions 13 and 14; 115A.072; 115A.152; 115A.154; 115A.156; 115A.165; 115A.45; 115A.48; 115A.51; 115A.52; 115A.54, subdivision 3; 115A.541; 115A.55; 115A.551; 115A.552; 115A.553; 115A.557; 115A.58; 115A.59; 115A.63; 115A.64; 115A.66; 115A.71; 115A.72; 115A.84; 115A.86; 115A.9162; 115A.917; 115A.961; 115A.97; and 115A.991;

(2) change the word "reviewing authority" to "director" in Minnesota Statutes, sections 115A.83, subdivision 2; 115A.84, subdivisions 4 and 5; 115A.86, subdivisions 2, 3, and 5; 115A.87; 115A.89; 115A.893, subdivisions 3 and 4;

(3) change the word "its," when it refers to the reviewing authority, to "the director's" in Minnesota Statutes, sections 115A.84, subdivision 4, paragraph (c); and 115A.89, clause (3);

(4) change the word "it" to "the director" in Minnesota Statutes, section 115A.84, subdivision 4, paragraphs (a) and (c);

(5) delete the words "the office or" and delete "acting on behalf of the office" in Minnesota Statutes, section 115A.06, subdivisions 8 to 10;

(6) change the word "board" to "director" in Minnesota Statutes, section 115A.97, subdivision 5; and

(7) delete the word "office" in Minnesota Statutes, section 115A.551, subdivision 7."

Renumber the remaining sections in sequence

A roll call was requested and properly seconded.

Johnson, V.; Pauly and Ozment moved to amend the Long and Solberg amendment to S. F. No. 2913, as amended, as follows:

Page 1, line 12, strike "governor" and insert "commissioner of the pollution control agency"

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 50 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Holsten	Lynch	Olson, M.	Swenson	Worke
Beard	Frerichs	Hugoson	Macklin	Ostrom	Tompkins	Workman
Bettermann	Garcia	Johnson, V.	Mahon	Ozment	Van Dellen	
Bishop	Girard	Knight	Molnau	Pauly	Van Engen	
Commers	Goodno	Koppendrayner	Mosel	Rhodes	Vickerman	
Dehler	Gruenes	Krinkie	Munger	Smith	Waltman	
Dempsey	Gutknecht	Limmer	Ness	Stanisus	Weaver	
Erhardt	Haukoos	Lindner	Olson, K.	Sviggum	Wolf	

Those who voted in the negative were:

Anderson, R.	Bauerly	Brown, C.	Carruthers	Dauner	Dorn	Greenfield
Asch	Bergson	Brown, K.	Clark	Dawkins	Evans	Greiling
Battaglia	Bertram	Carlson	Cooper	Delmont	Farrell	Hasskamp

Hausman	Kelley	Long	Nelson	Peterson	Sekhon	Wagenius
Huntley	Kelso	Lourey	Onnen	Pugh	Simoneau	Wejcman
Jacobs	Kinkel	Luther	Opatz	Reding	Skoglund	Wenzel
Jaros	Klinzing	Mariani	Orenstein	Rest	Solberg	Winter
Jefferson	Knickerbocker	McCollum	Orfield	Rice	Steensma	Spk. Anderson, I.
Johnson, A.	Krueger	McGuire	Osthoff	Rodosovich	Tomassoni	
Johnson, R.	Lasley	Milbert	Pawlenty	Rukavina	Trimble	
Kahn	Leppik	Murphy	Pelowski	Sarna	Tunheim	
Kalis	Lieder	Neary	Perlt	Seagren	Vellenga	

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

The question recurred on the Long and Solberg amendment and the roll was called. There were 112 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Knight	Molnau	Pawlenty	Smith
Anderson, R.	Dehler	Holsten	Koppendrayner	Mosel	Pelowski	Solberg
Asch	Delmont	Hugoson	Krueger	Murphy	Perlt	Steensma
Battaglia	Dempsey	Huntley	Lasley	Neary	Peterson	Tomassoni
Bauerly	Dorn	Jacobs	Leppik	Nelson	Pugh	Tompkins
Beard	Erhardt	Jaros	Lieder	Ness	Reding	Trimble
Bergson	Evans	Jefferson	Limmer	Olson, K.	Rest	Tunheim
Bertram	Farrell	Johnson, A.	Long	Olson, M.	Rhodes	Van Engen
Bishop	Finseth	Johnson, R.	Lourey	Onnen	Rice	Vellenga
Brown, C.	Garcia	Kahn	Luther	Opatz	Rodosovich	Vickerman
Brown, K.	Goodno	Kalis	Macklin	Orenstein	Rukavina	Wagenius
Carlson	Greenfield	Kelley	Mahon	Orfield	Sarna	Waltman
Carruthers	Greiling	Kelso	Mariani	Osthoff	Seagren	Wejcman
Clark	Gruenes	Kinkel	McCollum	Ostrom	Sekhon	Wenzel
Cooper	Hasskamp	Klinzing	McGuire	Ozment	Simoneau	Winter
Dauner	Haukoos	Knickerbocker	Milbert	Pauly	Skoglund	Spk. Anderson, I.

Those who voted in the negative were:

Bettermann	Girard	Krinkie	Sviggum	Weaver	Workman
Commers	Gutknecht	Lynch	Swenson	Wolf	
Frerichs	Johnson, V.	Stanius	Van Dellen	Worke	

The motion prevailed and the amendment was adopted.

Hausman was excused between the hours of 6:40 p.m. and 7:30 p.m.

Perlt was excused for the remainder of today's session.

Frerichs moved to amend S. F. No. 2913, as amended, as follows:

Page 42, line 55, delete "50,000" and insert "15,000"

Correct the subdivision and section totals and the summaries by fund accordingly

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Abrams	Dehler	Goodno	Haukoos	Knickerbocker	Lindner	Mosel
Bettermann	Frerichs	Gruenes	Hugoson	Koppendrayner	Lynch	Olson, M.
Commers	Girard	Gutknecht	Johnson, V.	Krinkie	Molnau	Onnen

Pauly Pawlenty	Seagren Smith	Stanius Sviggum	Swenson Van Dellen	Van Engen Vickerman	Waltman Weaver	Worke Workman
-------------------	------------------	--------------------	-----------------------	------------------------	-------------------	------------------

Those who voted in the negative were:

Anderson, R.	Cooper	Holsten	Krueger	Milbert	Pelowski	Solberg
Asch	Dauner	Huntley	Lasley	Munger	Peterson	Steensma
Battaglia	Dawkins	Jacobs	Leppik	Murphy	Pugh	Tomassoni
Bauerly	Delmont	Jaros	Lieder	Neary	Reding	Tompkins
Beard	Dempsey	Jefferson	Limmer	Nelson	Rest	Trimble
Bergson	Dorn	Johnson, A.	Long	Ness	Rhodes	Tunheim
Bertram	Erhardt	Johnson, R.	Lourey	Olson, K.	Rice	Vellenga
Bishop	Evans	Kahn	Luther	Opatz	Rodosovich	Wagenius
Brown, C.	Farrell	Kalis	Macklin	Orenstein	Rukavina	Wejcman
Brown, K.	Finseth	Kelley	Mahon	Orfield	Sarna	Wenzel
Carlson	Garcia	Kelso	Mariani	Osthoff	Sekhon	Winter
Carruthers	Greenfield	Klinzing	McCollum	Ostrom	Simoneau	Wolf
Clark	Greiling	Knight	McGuire	Ozment	Skoglund	Spk. Anderson, I.

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

Sviggum moved to amend S. F. No. 2913, as amended, as follows:

Page 126, delete lines 6 to 11

Renumber the sections in sequence and correct internal references

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 64 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Bauerly	Girard	Kinkel	Milbert	Ozment	Steensma	Wenzel
Bettermann	Goodno	Knight	Molnau	Pauly	Sviggum	Wolf
Carlson	Gruenes	Koppendrayner	Mosel	Pawlenty	Tomassoni	Worke
Commers	Gutknecht	Krinkie	Murphy	Pelowski	Tompkins	Workman
Dauner	Haukoos	Lasley	Nelson	Pugh	Tunheim	
Dehler	Holsten	Leppik	Ness	Rukavina	Van Dellen	
Dempsey	Hugoson	Lindner	Olson, K.	Seagren	Van Engen	
Dorn	Jefferson	Luther	Olson, M.	Smith	Vickerman	
Erhardt	Johnson, A.	Lynch	Onnen	Solberg	Waltman	
Frerichs	Kalis	Macklin	Osthoff	Stanius	Weaver	

Those who voted in the negative were:

Abrams	Carruthers	Greenfield	Kelley	Mahon	Ostrom	Simoneau
Anderson, R.	Clark	Greiling	Kelso	Mariani	Peterson	Skoglund
Asch	Cooper	Hasskamp	Klinzing	McCollum	Reding	Swenson
Battaglia	Dawkins	Huntley	Knickerbocker	McGuire	Rest	Trimble
Beard	Delmont	Jacobs	Krueger	Munger	Rhodes	Vellenga
Bergson	Evans	Jaros	Lieder	Neary	Rice	Wagenius
Bertram	Farrell	Johnson, R.	Limmer	Opatz	Rodosovich	Wejcman
Brown, C.	Finseth	Johnson, V.	Long	Orenstein	Sarna	Winter
Brown, K.	Garcia	Kahn	Lourey	Orfield	Sekhon	Spk. Anderson, I.

The motion prevailed and the amendment was adopted.

Abrams and Kelley moved to amend S. F. No. 2913, as amended, as follows:

Page 108, delete lines 25 to 29

Page 109, line 3, delete "and"

Page 109, line 4, delete "up to" and ", who can contribute" and after "members" insert "representing diverse communities"

Page 109, delete line 5

Page 109, line 6, delete "private sector"

Page 109, line 7, delete the period and insert a semicolon

Page 109, after line 7, insert:

"(15) one person representing a telecommunication carrier providing interexchange service to the largest number of customers within the state;

(16) one member representing a public utility regulated under chapter 216B, appointed by the governor; and

(17) one member representing nonprofit cable communication access centers serving community populations.

One member of the house of representatives, appointed by the speaker; one member of the senate, appointed by the senate committee on rules and administration; one member of the house of representatives, appointed by the minority leader; and one member of the senate, appointed by the minority leader shall serve as members of the council without votes."

Page 109, line 9, after "authority" insert ", and shall be appointed by September 1, 1994"

Renumber the clauses in sequence

The motion prevailed and the amendment was adopted.

The Speaker called Kahn to the Chair.

Sviggum moved to amend S. F. No. 2913, as amended, as follows:

Pages 47 and 48, delete section 17

Page 84, delete section 60

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 39 yeas and 87 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Hugoson	Limmer	Ness	Sviggum	Weaver
Bettermann	Finseth	Knickerbocker	Lindner	Onnen	Swenson	Worke
Bishop	Frerichs	Knight	Lynch	Osthoff	Van Dellen	Workman
Commers	Girard	Koppendrayar	Macklin	Pawlenty	Van Engen	
Dehler	Gruenes	Krinkie	Molnau	Rhodes	Vickerman	
Dempsey	Haukoos	Leppik	Mosel	Stanius	Waltman	

Those who voted in the negative were:

Anderson, R.	Dauner	Jacobs	Lasley	Nelson	Rest	Trimble
Asch	Dawkins	Jaros	Lieder	Olson, K.	Rice	Tunheim
Battaglia	Delmont	Jefferson	Long	Olson, M.	Rodosovich	Vellenga
Bauerly	Dorn	Johnson, A.	Lourey	Opatz	Rukavina	Wagenius
Beard	Evans	Johnson, R.	Luther	Orenstein	Sarna	Wejzman
Bergson	Farrell	Johnson, V.	Mahon	Orfield	Sekhon	Wenzel
Bertram	Garcia	Kahn	Mariani	Ostrom	Simoneau	Winter
Brown, C.	Goodno	Kalis	McCollum	Ozment	Skoglund	Wolf
Brown, K.	Greenfield	Kelley	McGuire	Pauly	Smith	Spk. Anderson, I.
Carlson	Greiling	Kelso	Milbert	Pelowski	Solberg	
Carruthers	Hasskamp	Kinkel	Munger	Peterson	Steensma	
Clark	Holsten	Klinzing	Murphy	Pugh	Tomassoni	
Cooper	Huntley	Krueger	Neary	Reding	Tompkins	

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

Anderson, I., moved to amend S. F. No. 2913, as amended, as follows:

Page 26, after line 25, insert:

"Sec. 30. Minnesota Statutes 1992, section 116.07, is amended by adding a subdivision to read:

Subd. 11. [PERMITS; LANDFARMING CONTAMINATED SOIL.] If contaminated soil is to be spread on land in a township other than the township or city the soil originated in, the agency shall not issue a permit to spread soil that contains a harmful substance as defined in section 115B.25, subdivision 7a, until the township board of the township in which the soil is to be spread has approved the proposal."

Page 40, line 17, before "Sections" insert "(a)" and delete "57" and insert "58"

Page 40, after line 18, insert:

"(b) Section 30 applies to an application for a permit for land spreading of contaminated soil received by the pollution control agency on or after the effective date of section 30 or that is pending on that date."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dehler, Dempsey, Bertram, Stanius, Frerichs, Davids, Pugh, Knickerbocker and Hasskamp moved to amend S. F. No. 2913, as amended, as follows:

Page 181, after line 13, insert:

"Sec. 39. [STUDY OF FEASIBILITY OF EXPANSION.]

The centralized state collection entity, in consultation with the department of revenue, human services, and the attorney general, shall study the feasibility and economic impact of allowing conciliation court judgment creditors to utilize the collection services of the entity. The study shall include consideration of the necessary administrative fee to ensure that such expansion would be cost-effective for the state. The entity shall report the findings of the study to the chairs of the committee on finance of the senate and the committee on ways and means of the house of representatives by February 1, 1996."

Renumber the sections in sequence and correct internal references

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Sviggum moved to amend S. F. No. 2913, as amended, as follows:

Page 43, delete lines 32 to 34

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 41 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Hugoson	Leppik	Olson, M.	Stanius	Vickerman
Bettermann	Girard	Johnson, V.	Limmer	Onnen	Sviggum	Waltman
Bishop	Goodno	Knickerbocker	Lindner	Osthoff	Swenson	Weaver
Commers	Gruenes	Knight	Lynch	Pawlenty	Tompkins	Worke
Dawkins	Gutknecht	Koppendrayner	Macklin	Rhodes	Van Dellen	Workman
Dehler	Holsten	Krinkie	Molnau	Seagren	Van Engen	

Those who voted in the negative were:

Anderson, R.	Dauner	Huntley	Lieder	Nelson	Rice	Vellenga
Asch	Delmont	Jacobs	Long	Ness	Rodosovich	Wagenius
Battaglia	Dempsey	Jaros	Lourey	Olson, K.	Rukavina	Wejcman
Bauerly	Dorn	Jefferson	Luther	Opatz	Sarna	Wenzel
Beard	Erhardt	Johnson, A.	Mahon	Orenstein	Sekhon	Winter
Bergson	Evans	Johnson, R.	Mariani	Orfield	Simoneau	Wolf
Bertram	Farrell	Kalis	McCollum	Ostrom	Skoglund	Spk. Anderson, I.
Brown, C.	Frerichs	Kelley	McGuire	Ozment	Smith	
Brown, K.	Garcia	Kelso	Milbert	Pelowski	Solberg	
Carlson	Greenfield	Kinkel	Mosel	Peterson	Steensma	
Carruthers	Greiling	Klinzing	Munger	Pugh	Tomassoni	
Clark	Hasskamp	Krueger	Murphy	Reding	Trimble	
Cooper	Haukoos	Lasley	Neary	Rest	Tunheim	

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

Neary, Dawkins, Winter, Kelley and Ostrom moved to amend S. F. No. 2913, as amended, as follows:

Pages 145 and 146, delete section 57

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bettermann, Koppendrayar, Waltman, Sviggum, Frerichs and Davids moved to amend S. F. No. 2913, as amended, as follows:

Page 87, after line 38, insert:

"Notwithstanding other law to the contrary, prevailing wage requirements for state road construction do not apply to projects funded by this appropriation."

A roll call was requested and properly seconded.

The question was taken on the Bettermann et al amendment and the roll was called. There were 35 yeas and 93 nays as follows:

Those who voted in the affirmative were:

Bettermann	Finseth	Hugoson	Limmer	Olson, M.	Stanius	Vickerman
Commers	Frerichs	Johnson, V.	Lindner	Onnen	Sviggum	Waltman
Dehler	Girard	Knight	Lynch	Pauly	Swenson	Weaver
Dempsey	Gutknecht	Koppendrayar	Molnau	Pawlenty	Van Dellen	Worke
Erhardt	Haukoos	Krinkie	Ness	Seagren	Van Engen	Workman

Those who voted in the negative were:

Anderson, R.	Dawkins	Jacobs	Lasley	Murphy	Rest	Trimble
Asch	Delmont	Jaros	Leppik	Neary	Rhodes	Tunheim
Battaglia	Dorn	Jefferson	Lieder	Nelson	Rice	Vellenga
Bauerly	Evans	Jennings	Long	Olson, K.	Rodosovich	Wagenius
Beard	Farrell	Johnson, A.	Lourey	Opatz	Rukavina	Wejcman
Bergson	Garcia	Johnson, R.	Luther	Orenstein	Sarna	Wenzel
Bertram	Goodno	Kahn	Macklin	Orfield	Sekhon	Winter
Brown, C.	Greenfield	Kalis	Mahon	Osthoff	Simoneau	Wolf
Brown, K.	Greiling	Kelley	Mariani	Ostrom	Skoglund	Spk. Anderson, I.
Carlson	Gruenes	Kelso	McCollum	Ozment	Smith	
Carruthers	Hasskamp	Kinkel	McGuire	Pelowski	Solberg	
Clark	Hausman	Klinzing	Milbert	Peterson	Steensma	
Cooper	Holsten	Krickerbocker	Mosel	Pugh	Tomassoni	
Dauner	Huntley	Krueger	Munger	Reding	Tompkins	

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

Knight moved to amend S. F. No. 2913, as amended, as follows:

Page 87, delete lines 39 to 47

Page 87, line 48, delete "(g)" and insert "(f)"

Correct the subdivision and section totals and the summaries by fund accordingly

A roll call was requested and properly seconded.

The question was taken on the Knight amendment and the roll was called. There were 17 yeas and 109 nays as follows:

Those who voted in the affirmative were:

Bettermann	Girard	Hugoson	Krinkie	Seagren	Vickerman
Commers	Gutknecht	Knight	Lindner	Sviggum	Waltman
Erhardt	Haukoos	Koppendrayar	Onnen	Tompkins	

Those who voted in the negative were:

Abrams	Dehler	Jaros	Limmer	Nelson	Rest	Tunheim
Anderson, R.	Delmont	Jefferson	Long	Ness	Rhodes	Van Dellen
Asch	Dorn	Jennings	Lourey	Olson, K.	Rice	Van Engen
Battaglia	Evans	Johnson, A.	Luther	Olson, M.	Rodosovich	Vellenga
Bauerly	Farrell	Johnson, R.	Lynch	Opatz	Rukavina	Wagenius
Beard	Finseth	Johnson, V.	Macklin	Orenstein	Sarna	Weaver
Bergson	Garcia	Kahn	Mahon	Orfield	Sekhon	Wejcman
Bertram	Goodno	Kalis	Mariani	Osthoff	Simoneau	Wenzel
Bishop	Greenfield	Kelley	McCollum	Ostrom	Skoglund	Winter
Brown, C.	Greiling	Kelso	McGuire	Ozment	Smith	Wolf
Brown, K.	Gruenes	Kinkel	Milbert	Pauly	Solberg	Worke
Carlson	Hasskamp	Klinzing	Molnau	Pawlenty	Stanis	Workman
Clark	Hausman	Krueger	Mosel	Pelowski	Steensma	Spk. Anderson, I.
Cooper	Holsten	Lasley	Munger	Peterson	Swenson	
Dauner	Huntley	Leppik	Murphy	Pugh	Tomassoni	
Dawkins	Jacobs	Lieder	Neary	Reding	Trimble	

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

Molnau moved to amend S. F. No. 2913, as amended, as follows:

Page 46, after lines 7, 13, 19, and 24, insert:

"The council shall report to the legislature by February 1, 1995, on the results and effects of the statewide outreach."

The motion prevailed and the amendment was adopted.

Asch, Neary and Lourey moved to amend S. F. No. 2913, as amended, as follows:

Page 19, after line 5, insert:

"Subd. 5. [SALE OF DAIRY COWS; VOLUNTARY NON-rBGH TREATED AFFIDAVIT; PENALTIES.]

(a) Upon sale of a dairy cow or cows, the seller may provide to the buyer an affidavit signed by the seller stating that the cow or cows have not been treated with rBGH for a minimum of 90 days prior to the sale.

(b) For purposes of the affidavit required under subdivision 3, a buyer of a dairy cow or cows may submit to a dairy plant the affidavit received from the seller. A dairy plant must accept the affidavit from the seller as if it were from the buyer."

A roll call was requested and properly seconded.

The question was taken on the Asch et al amendment and the roll was called. There were 5 yeas and 120 nays as follows:

Those who voted in the affirmative were:

Asch	Brown, C.	Clark	Sekhon	Trimble
------	-----------	-------	--------	---------

Those who voted in the negative were:

Abrams	Bauerly	Bertram	Brown, K.	Cooper	Dehler	Dorn
Anderson, R.	Beard	Bettermann	Carlson	Dauner	Delmont	Erhardt
Battaglia	Bergson	Bishop	Commers	Dawkins	Dempsey	Evans

Farrell	Jacobs	Krinkie	McGuire	Ostrom	Skoglund	Waltman
Finseth	Jaros	Krueger	Milbert	Ozment	Smith	Weaver
Frerichs	Jefferson	Lasley	Molnau	Pauly	Solberg	Wejcman
Garcia	Jennings	Leppik	Mosel	Pawlenty	Stanis	Wenzel
Girard	Johnson, A.	Lieder	Munger	Felowski	Steensma	Winter
Goodno	Johnson, V.	Limmer	Murphy	Peterson	Sviggum	Wolf
Greenfield	Kahn	Lindner	Neary	Pugh	Swenson	Worke
Greiling	Kalis	Long	Nelson	Reding	Tomassoni	Workman
Gruenes	Kelley	Lourey	Ness	Rest	Tompkins	Spk. Anderson, I.
Gutknecht	Kelso	Luther	Olson, K.	Rhodes	Tunheim	
Hasskamp	Kinkel	Lynch	Olson, M.	Rice	Van Dellen	
Haukoos	Klinzing	Macklin	Onnen	Rodosovich	Van Engen	
Holsten	Knickerbocker	Mahon	Opatz	Rukavina	Vellenga	
Hugoson	Knight	Mariani	Orenstein	Sarna	Vickerman	
Huntley	Koppendraye	McCollum	Orfield	Seagren	Wagenius	

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

Bauerly was excused for the remainder of today's session.

Lasley moved to amend S. F. No. 2913, as amended, as follows:

Page 89, after line 29, insert:

"Sec. 7. [LICENSE PLATES.]

The commissioner of public safety shall issue a license plate to Joybubbles lettered "WBORPA".

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Knight offered an amendment to S. F. No. 2913, as amended.

POINT OF ORDER

Trimble raised a point of order pursuant to rule 3.09 that the Knight amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

The Speaker called Rice to the Chair.

Kahn moved to amend S. F. No. 2913, as amended, as follows:

Page 126, after line 5, insert:

"Sec. 33. [128C.09] [SALARY.]

The salary of the executive director of the Minnesota state high school league may not be increased, except as necessary to make the salary equal to the salary of the executive director of the Minnesota state retirement system.

Renumber the sections in sequence and correct internal references

Amend the title accordingly

POINT OF ORDER

Sviggum raised a point of order pursuant to rule 3.09 that the Kahn amendment was not in order. Speaker pro tempore Rice ruled the point of order not well taken and the amendment in order.

The question recurred on the Kahn amendment to S. F. No. 2913, as amended. The motion prevailed and the amendment was adopted.

Johnson, A., moved to amend S. F. No. 2913, as amended, as follows:

Page 26, after line 25, insert:

"Sec. 30. Minnesota Statutes 1992, section 116.61, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) ~~Beginning no later than July 1, 1991~~ Except as described in subdivision 1a, each motor vehicle registered to an owner residing in the metropolitan area and each motor vehicle customarily domiciled in the metropolitan area but exempt from registration under section 168.012 or 473.448 must be inspected annually for air pollution emissions as provided in sections 116.60 to 116.65.

(b) The inspections must take place at a public or fleet inspection station. The inspections must take place within 90 days prior to the registration deadline for the vehicle or, for vehicles that are exempt from license fees under section 168.012 or 473.448, at a time set by the agency.

(c) The registration on a motor vehicle subject to paragraph (a) may not be renewed unless the vehicle has been inspected for air pollution emissions as provided in sections 116.60 to 116.65 and received a certificate of compliance or a certificate of waiver.

Sec. 31. Minnesota Statutes 1992, section 116.61, is amended by adding a subdivision to read:

Subd. 1a. [EXCEPTION FOR NEW VEHICLES.] A vehicle need not be inspected until the year of its next registration is five years more than its model year."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Johnson, A., amendment and the roll was called. There were 99 yeas and 25 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Jefferson	Limmer	Olson, K.	Rodosovich	Van Engen
Anderson, R.	Dorn	Jennings	Lindner	Olson, M.	Sarna	Vickerman
Asch	Erhardt	Johnson, A.	Lourey	Ornen	Seagren	Waltman
Battaglia	Evans	Johnson, V.	Lynch	Opatz	Simoneau	Wejcman
Beard	Farrell	Kalis	Macklin	Orenstein	Smith	Wenzel
Bergson	Finseth	Kelley	Mahon	Orfield	Solberg	Winter
Bertram	Garcia	Kelso	McCollum	Osthoff	Stanius	Wolf
Bettermann	Girard	Kinkel	McGuire	Ozment	Steensma	Workman
Bishop	Goodno	Klinzing	Milbert	Pauly	Sviggum	Spk. Anderson, I.
Brown, C.	Gruenes	Knight	Molnau	Pawlenty	Swenson	
Carlson	Gutknecht	Koppendrayner	Mosel	Pelowski	Tomassoni	
Commers	Haukoos	Krinkie	Murphy	Pugh	Tompkins	
Dauner	Holsten	Krueger	Neary	Reding	Trimble	
Dehler	Hugoson	Leppik	Nelson	Rest	Tunheim	
Delmont	Jacobs	Lieder	Ness	Rhodes	Van Dellen	

Those who voted in the negative were:

Brown, K.	Frerichs	Huntley	Lasley	Munger	Skoglund	Worke
Clark	Greenfield	Johnson, R.	Long	Ostrom	Vellenga	
Cooper	Hasskamp	Kahn	Luther	Peterson	Wagenius	
Dawkins	Hausman	Knickerbocker	Mariani	Sekhon	Weaver	

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

S. F. No. 2913, A bill for an act relating to state government; supplementing appropriations for public safety; the environment and natural resources; the general legislative, judicial, and administrative expenses of state government; community development; and human services; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; transferring certain duties and functions; amending Minnesota Statutes 1992, sections 3.737, subdivisions 1 and 4; 16A.124, subdivisions 2 and 7; 16A.127, as amended; 16A.15, subdivision 3; 16B.01, subdivision 4; 16B.05, subdivision 2; 16B.06, subdivisions 1 and 2; 41A.09, subdivisions 2 and 5; 43A.37, subdivision 1; 60K.06; 60K.19, subdivision 8; 62A.046; 62A.048; 62A.27; 62D.102; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08, subdivisions 4 and 5; 82B.09, subdivision 1; 82B.19, subdivision 1; 83.25; 84.0887, by adding subdivisions; 84A.32, subdivision 1; 85A.02, subdivision 17; 144.804, subdivision 1; 144A.47; 171.06, subdivision 3; 176.102, subdivisions 3a and 14; 176.611, subdivision 6a; 204B.27, by adding a subdivision; 221.041, by adding a subdivision; 221.171, subdivision 2; 245.97, subdivision 1; 246.18, by adding a subdivision; 252.025, by adding a subdivision; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256B.056, by adding a subdivision; 256B.0625, subdivision 25, and by adding a subdivision; 256B.0641, subdivision 1; 256B.431, subdivision 17; 256H.05, subdivision 6; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 296.02, subdivision 7; 354.06, subdivision 1; 462A.05, by adding a subdivision; 477A.12; 504.33, subdivision 4; 504.35; 518.171, subdivision 5; and 518.613, subdivision 7; Minnesota Statutes 1993 Supplement, sections 15.50, subdivision 2; 41A.09, subdivision 3; 62A.045; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3; 97A.028, subdivisions 1 and 3; 116J.966, subdivision 1; 138.763, subdivision 1; 144A.071, subdivisions 3 and 4a; 239.785, subdivision 2, and by adding a subdivision; 245.97, subdivision 6; 246.18, subdivision 4; 252.46, subdivision 6, and by adding a subdivision; 256.969, subdivision 24; 256B.431, subdivision 24; 256I.04, subdivision 3; 257.55, subdivision 1; 257.57, subdivision 2; 268.98, subdivision 1; 477A.13; 477A.14; 504.33, subdivision 7; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; and 518.615, subdivision 3; Laws 1993, chapter 369, section 5, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 145; 148; 268; and 518; repealing Minnesota Statutes 1992, sections 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 268.32; 268.551; 268.552; 355.04; and 355.06; Laws 1985, First Special Session chapter 12, article 11, section 19.

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

The question was taken on the passage of the bill and the roll was called. There were 99 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dempsey	Huntley	Krueger	Nelson	Rice	Tunheim
Asch	Dorn	Jacobs	Lasley	Ness	Rodosovich	Vellenga
Battaglia	Evans	Jaros	Lieder	Olson, K.	Rukavina	Vickerman
Beard	Farrell	Jefferson	Long	Opatz	Sarna	Wagenius
Bergson	Finseth	Jennings	Lourey	Orenstein	Seagren	Wejzman
Bertram	Frerichs	Johnson, A.	Luther	Orfield	Sekhon	Wenzel
Bishop	Garcia	Johnson, R.	Mahon	Osthoff	Simoneau	Winter
Brown, C.	Girard	Johnson, V.	Mariani	Ostrom	Skoglund	Wolf
Brown, K.	Goodno	Kahn	McCollum	Ozment	Smith	Spk. Anderson, I.
Carlson	Greenfield	Kalis	McGuire	Pauly	Solberg	
Clark	Greiling	Kelley	Milbert	Pelowski	Stanis	
Cooper	Hasskamp	Kelso	Mosel	Peterson	Steensma	
Dauner	Hausman	Kinkel	Munger	Pugh	Swenson	
Dawkins	Holsten	Klinzing	Murphy	Reding	Tomassoni	
Delmont	Hugoson	Knickerbocker	Neary	Rest	Trimble	

Those who voted in the negative were:

Abrams	Gruenes	Krinkie	Macklin	Rhodes	Waltman
Bettermann	Gutknecht	Leppik	Molnau	Sviggum	Weaver
Commers	Haukoos	Limmer	Olson, M.	Tompkins	Worke
Dehler	Knight	Lindner	Onnen	Van Dellen	Workman
Erhardt	Koppendrayner	Lynch	Pawenty	Van Engen	

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

SPECIAL ORDERS

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

GENERAL ORDERS

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

MOTIONS AND RESOLUTIONS

Greenfield moved that the name of Huntley be added as an author on H. F. No. 2525. The motion prevailed.

Pugh moved that the name of Johnson, V., be added as an author on H. F. No. 2603. The motion prevailed.

Clark moved that the name of Huntley be added as an author on H. F. No. 2916. The motion prevailed.

Pauly moved that the name of Frerichs be added as an author on H. F. No. 3153. The motion prevailed.

Rest moved that the following statement be printed in the Journal of the House: "Had I been present, it was my intention to vote in the negative on Tuesday, April 12, 1994, when the vote was taken on the Klinzing et al amendment, as amended, to S. F. No. 1758." The motion prevailed.

Rest moved that the following statement be printed in the Journal of the House: "Had I been present, it was my intention to vote in the affirmative on Tuesday, April 12, 1994, when the vote was taken on the final passage of S. F. No. 1758, as amended." The motion prevailed.

Cooper moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Thursday, April 14, 1994, when the vote was taken on the final passage of S. F. No. 1774." The motion prevailed.

Mosel moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Thursday, April 14, 1994, when the vote was taken on the final passage of H. F. No. 2005." The motion prevailed.

Cooper moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Thursday, April 14, 1994, when the vote was taken on the final passage of H. F. No. 2120." The motion prevailed.

Olson, M., moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Thursday, April 14, 1994, when the vote was taken on the Carruthers et al amendment to H. F. No. 2351, the second engrossment, as amended." The motion prevailed.

Lindner moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Thursday, April 14, 1994, when the vote was taken on the Dehler amendment to H. F. No. 2351, the second engrossment, as amended." The motion prevailed.

Greiling moved that H. F. No. 1899, now on General Orders, be re-referred to the Committee on Ways and Means. The motion prevailed.

Long moved that H. F. No. 2920, now on Special Orders, be re-referred to the Committee on Ways and Means. The motion prevailed.

Kelso moved that H. F. No. 2160 be returned to its author. The motion prevailed.

Weaver moved that H. F. No. 2558 be returned to its author. The motion prevailed.

Clark moved that H. F. No. 2581 be returned to its author. The motion prevailed.

Munger, Milbert, Sekhon, McCollum and Pauly introduced:

House Resolution No. 12, A house resolution expressing support for the Household Eco Team Program on Earth Day, 1994.

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

Carruthers 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 a member of the Board of Regents of the University of Minnesota.

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

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1766:

Bishop, Pugh and Macklin.

ADJOURNMENT

Trimble moved that when the House adjourns today it adjourn until 10:00 a.m., Monday, April 18, 1994. The motion prevailed.

Trimble moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Monday, April 18, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

NINETY-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 18, 1994

The House of Representatives convened at 10:00 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Captain Mark Martsof, the Salvation Army, St. Paul, Minnesota.

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

The roll was called and the following members were present:

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

A quorum was present.

Osthoff was excused until 10:35 a.m. Jennings and Pelowski were excused until 10:50 a.m. Bauerly was excused until 12:40 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. McGuire 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. 1735 and H. F. No. 2176, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wejcman moved that the rules be so far suspended that S. F. No. 1735 be substituted for H. F. No. 2176 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2210 and H. F. No. 2296, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McGuire moved that the rules be so far suspended that S. F. No. 2210 be substituted for H. F. No. 2296 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2232 and H. F. No. 2645, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

McGuire moved that the rules be so far suspended that S. F. No. 2232 be substituted for H. F. No. 2645 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2500 and H. F. No. 3022, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Trimble moved that the rules be so far suspended that S. F. No. 2500 be substituted for H. F. No. 3022 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 1735, 2210, 2232 and 2500 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Orenstein introduced:

H. F. No. 3222, A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged.

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

S. F. No. 2260.

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. 2260

A bill for an act relating to public safety; making technical corrections; allowing special, coded license plates to be issued, following impoundment of former plates, to licensed driver identified by vehicle's registered owner; requiring department of public safety to keep records for five years of cancellations and disqualifications of drivers' licenses, unless rescinded; classifying offenses of following too closely and erratic lane change as serious traffic offenses for purposes of disqualifying driver from operating commercial motor vehicle; imposing a penalty for displaying invalid driver's license as being valid; requiring same waiting period for Minnesota limited driver's license whether offense was committed in Minnesota or in another state; amending Minnesota Statutes 1992, sections 168.042, subdivision 12; 171.12, subdivisions 1, 3, and 3a; 171.165, subdivision 4; and 260.151, subdivision 1; Minnesota Statutes 1993 Supplement, sections 171.22, subdivision 1; 171.29, subdivision 2; and 171.30, subdivision 2a.

April 8, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2260, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2260 be further amended as follows:

Delete everything after the enacting clause and insert:

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

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

Sec. 2. Minnesota Statutes 1992, section 168.042, subdivision 12, is amended to read:

Subd. 12. [ISSUANCE OF SPECIAL REGISTRATION PLATES.] A violator or registered owner may apply to the commissioner for new registration plates, which must bear a special series of numbers or letters so as to be readily identified by traffic law enforcement officers. The commissioner may authorize the issuance of special plates if:

(1) ~~a member of the violator's household~~ violator has a ~~valid driver's license~~ qualified licensed driver whom the violator must identify;

(2) the violator or registered owner has a limited license issued under section 171.30;

(3) the registered owner is not the violator and the registered owner has a valid or limited driver's license; or

(4) a member of the registered owner's household has a valid driver's license.

The commissioner may issue the special plates on payment of a \$25 fee for each vehicle for which special plates are requested.

Sec. 3. Minnesota Statutes 1993 Supplement, section 171.06, subdivision 4, is amended to read:

Subd. 4. [APPLICATION, FILING; FEE RETAINED FOR EXPENSES.] Any applicant for an instruction permit, a driver's license, restricted license, or duplicate license may file an application with a court administrator of the district court or at a state office. The administrator or state office shall receive and accept the application. To cover all

expenses involved in receiving, accepting, or forwarding to the department applications and fees, the court administrator of the district court may retain a county fee of \$3.50 for each application for a Minnesota identification card, instruction permit, duplicate license, driver license, or restricted license. The amount allowed to be retained by the court administrator of the district court shall be paid into the county treasury and credited to the general revenue fund of the county. Before the end of the first working day following the final day of an established reporting period, the court administrator shall forward to the department all applications and fees collected during the reporting period, less the amount herein allowed to be retained for expenses. The court administrators of the district courts may appoint agents to assist in accepting applications, but the administrators shall require every agent to forward to the administrators by whom the agent is appointed all applications accepted and fees collected by the agent, except that an agent may ~~shall~~ retain the county fee to cover the agent's expenses involved in receiving, accepting or forwarding the applications and fees. The court administrators shall be responsible for the acts of agents appointed by them and for the forwarding to the department of all applications accepted and those fees collected by agents and by themselves as are required to be forwarded to the department.

Sec. 4. Minnesota Statutes 1992, section 171.12, subdivision 1, is amended to read:

Subdivision 1. [LICENSES FILED IN ALPHABETICAL ORDER.] The department shall file every application for a driver's license received by it and shall maintain suitable indices containing, in alphabetical order:

- (1) all applications denied; and ~~on each thereof~~ the reason for ~~such~~ denial;
- (2) all applications granted; and
- (3) the name of every person whose license has been suspended ~~or~~, revoked, or canceled ~~or who has been disqualified from operating a commercial motor vehicle~~ by the department, and after each ~~such~~ name the reasons for ~~such~~ the action.

Sec. 5. Minnesota Statutes 1992, section 171.12, subdivision 3, is amended to read:

Subd. 3. [APPLICATIONS AND RECORDS, WHEN DESTROYED.] The department may cause ~~the application applications~~ for drivers' licenses and instruction permits, and related records ~~in connection therewith~~, to be destroyed immediately after the period for which issued, except that the driver's record pertaining to revocations, suspensions, cancellations, disqualifications, convictions, and accidents shall be cumulative and kept for a period of at least five years.

Sec. 6. Minnesota Statutes 1992, section 171.12, subdivision 3a, is amended to read:

Subd. 3a. [RECORD DESTROYED WHEN REVOCATION OR SUSPENSION ORDER RESCINDED.] Notwithstanding subdivision 3 or section 138.163, when an order for revocation ~~or~~, suspension, or cancellation of a driver's license or disqualification of a driver from operating a commercial motor vehicle is rescinded and all rights of appeal have been exhausted or have expired, the commissioner shall remove the record of that revocation ~~or~~, suspension, cancellation, or disqualification from the computer records that are disclosed to persons or agencies outside the driver and vehicle services division, department of public safety.

Sec. 7. Minnesota Statutes 1992, section 171.165, subdivision 4, is amended to read:

Subd. 4. [SERIOUS TRAFFIC VIOLATIONS.] On receiving a record of conviction and subject to section 171.166, the commissioner shall disqualify a person from operating commercial motor vehicles for 60 days if the person is convicted of two serious traffic violations, or 120 days if convicted of three serious traffic violations. The violations must involve separate incidents and must have been committed in a commercial motor vehicle within a three-year period. For purposes of this subdivision, a serious traffic offense includes the following:

- (1) following too closely under section 169.18, subdivision 8;
- (2) erratic lane change under sections 169.18, subdivisions 3 and 7; and 169.19, subdivision 4;
- (3) operating the commercial vehicle at a speed 15 miles per hour or more above the posted speed limit;
- (2) (4) reckless or careless driving under section 169.13;

(3) (5) fleeing a peace officer under section 609.487; and

(4) (6) a violation of a moving traffic statute of Minnesota or any state, or an ordinance in conformity with a Minnesota statute, that arose in connection with a fatal accident.

Sec. 8. Minnesota Statutes 1993 Supplement, section 171.22, subdivision 1, is amended to read:

Subdivision 1. [VIOLATIONS.] With regard to any driver's license, including a commercial driver's license, it shall be unlawful for any person:

(1) to display, cause or permit to be displayed, or have in possession, any:

(i) ~~canceled, revoked, or suspended driver's license;~~

(ii) ~~driver's license for which the person has been disqualified; or~~

(iii) fictitious or fraudulently altered driver's license or Minnesota identification card;

(2) to lend the person's driver's license or Minnesota identification card to any other person or knowingly permit the use thereof by another;

(3) to display or represent as one's own any driver's license or Minnesota identification card not issued to that person;

(4) to use a fictitious name or date of birth to any police officer or in any application for a driver's license or Minnesota identification card, or to knowingly make a false statement, or to knowingly conceal a material fact, or otherwise commit a fraud in any such application;

(5) to alter any driver's license or Minnesota identification card;

(6) to take any part of the driver's license examination for another or to permit another to take the examination for that person;

(7) to make a counterfeit driver's license or Minnesota identification card; or

(8) to use the name and date of birth of another person to any police officer for the purpose of falsely identifying oneself to the police officer; or

(9) to display as a valid driver's license any canceled, revoked, or suspended driver's license. A person whose driving privileges have been withdrawn may display a driver's license only for identification purposes.

Sec. 9. Minnesota Statutes 1993 Supplement, section 171.29, subdivision 2, is amended to read:

Subd. 2. [FEES, ALLOCATION.] (a) A person whose ~~drivers~~ driver's license has been revoked as provided in subdivision 1, except under section 169.121 or 169.123, shall pay a \$30 fee before the ~~person's drivers~~ driver's license is reinstated.

(b) A person whose ~~drivers~~ driver's license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$250 fee before the ~~person's drivers~~ driver's license is reinstated, to be credited as follows:

(1) ~~20~~ Twenty percent shall be credited to the trunk highway fund;

(2) ~~55~~ Fifty-five percent shall be credited to the general fund;

(3) Eight percent shall be credited to a separate account to be known as the bureau of criminal apprehension account. Money in this account may be appropriated to the commissioner of public safety and the appropriated amount shall be divided as follows: eight apportioned 80 percent for laboratory costs; two and 20 percent for carrying out the provisions of section 299C.065.

(4) ~~12~~ Twelve percent shall be credited to a separate account to be known as the alcohol-impaired driver education account. Money in the account may be appropriated to the commissioner of education for programs in elementary and secondary schools, ~~and~~.

(5) Five percent shall be credited to a separate account to be known as the traumatic brain injury and spinal cord injury account. \$100,000 is annually appropriated from the account to the commissioner of human services for traumatic brain injury case management services. The remaining money in the account is annually appropriated to the commissioner of health to establish and maintain the traumatic brain injury and spinal cord injury registry created in section 144.662 and to reimburse the commissioner of jobs and training for the reasonable cost of services provided under section 268A.03, clause (o).

Sec. 10. Minnesota Statutes 1993 Supplement, section 171.30, subdivision 2a, is amended to read:

Subd. 2a. [OTHER WAITING PERIODS.] Notwithstanding subdivision 2, a limited license shall not be issued for a period of:

(1) 15 days, to a person whose license or privilege has been revoked or suspended for a violation of section 169.121 ~~or~~, 169.123, or a statute or ordinance from another state in conformity with either of those sections;

(2) 90 days, to a person who submitted to testing under section 169.123 if the person's license or privilege has been revoked or suspended for a second or subsequent violation of section 169.121 ~~or~~, 169.123, or a statute or ordinance from another state in conformity with either of those sections;

(3) 180 days, to a person who refused testing under section 169.123 if the person's license or privilege has been revoked or suspended for a second or subsequent violation of section 169.121 ~~or~~, 169.123, or a statute or ordinance from another state in conformity with either of those sections; or

(4) one year, to a person whose license or privilege has been revoked or suspended for ~~commission of the offense of committing~~ manslaughter resulting from the operation of a motor vehicle ~~or~~, committing criminal vehicular homicide or injury under section 609.21, or violating a statute or ordinance from another state in conformity with either of those offenses.

Sec. 11. Minnesota Statutes 1992, section 260.151, subdivision 1, is amended to read:

Subdivision 1. Upon request of the court the county welfare board or probation officer shall investigate the personal and family history and environment of any minor coming within the jurisdiction of the court under section 260.111 and shall report its findings to the court. The court may order any minor coming within its jurisdiction to be examined by a duly qualified physician, psychiatrist, or psychologist appointed by the court.

The court shall have a chemical use assessment conducted when a child is (1) found to be delinquent for violating a provision of chapter 152, or for committing a felony-level violation of a provision of chapter 609 if the probation officer determines that alcohol or drug use was a contributing factor in the commission of the offense, or (2) alleged to be delinquent for violating a provision of chapter 152, if the child is being held in custody under a detention order. The assessor's qualifications and the assessment criteria shall comply with Minnesota Rules, parts 9530.6600 to 9530.6655. If funds under chapter 254B are to be used to pay for the recommended treatment, the assessment and placement must comply with all provisions of Minnesota Rules, parts 9530.6600 to 9530.6655 and 9530.7000 to 9530.7030. The commissioner of ~~public safety~~ human services shall reimburse the court for the cost of the chemical use assessment, up to a maximum of \$100.

With the consent of the commissioner of corrections and agreement of the county to pay the costs thereof, the court may, by order, place a minor coming within its jurisdiction in an institution maintained by the commissioner for the detention, diagnosis, custody and treatment of persons adjudicated to be delinquent, in order that the condition of the minor be given due consideration in the disposition of the case. Adoption investigations shall be conducted in accordance with the laws relating to adoptions. Any funds received under the provisions of this subdivision shall not cancel until the end of the fiscal year immediately following the fiscal year in which the funds were received. The funds are available for use by the commissioner of corrections during that period and are hereby appropriated annually to the commissioner of corrections as reimbursement of the costs of providing these services to the juvenile courts."

Delete the title and insert:

"A bill for an act relating to public safety; making technical corrections; exempting state lottery from registration tax for license plates on vehicles used for conducting security or criminal investigations; requiring district court agents to retain filing fee for receiving and forwarding drivers' license applications and fees; allowing special, coded license plates to be issued, following impoundment of former plates, to licensed driver identified by vehicle's registered owner; requiring department of public safety to keep records for five years of cancellations and disqualifications of drivers' licenses, unless rescinded; classifying offenses of following too closely and erratic lane change as serious traffic offenses for purposes of disqualifying driver from operating commercial motor vehicle; requiring same waiting period for Minnesota limited driver's license whether offense was committed in Minnesota or in another state; amending Minnesota Statutes 1992, sections 168.012, by adding a subdivision; 168.042, subdivision 12; 171.12, subdivisions 1, 3, and 3a; 171.165, subdivision 4; and 260.151, subdivision 1; Minnesota Statutes 1993 Supplement, sections 171.06, subdivision 4; 171.22, subdivision 1; 171.29, subdivision 2; and 171.30, subdivision 2a."

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

Senate Conferees: TERRY D. JOHNSTON, ARLENE J. LESEWSKI AND JIM VICKERMAN.

House Conferees: BETTY MCCOLLUM, TOM OSTHOFF AND BERNARD L. "BERNIE" LIEDER.

McCollum moved that the report of the Conference Committee on S. F. No. 2260 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2260, A bill for an act relating to public safety; making technical corrections; allowing special, coded license plates to be issued, following impoundment of former plates, to licensed driver identified by vehicle's registered owner; requiring department of public safety to keep records for five years of cancellations and disqualifications of drivers' licenses, unless rescinded; classifying offenses of following too closely and erratic lane change as serious traffic offenses for purposes of disqualifying driver from operating commercial motor vehicle; imposing a penalty for displaying invalid driver's license as being valid; requiring same waiting period for Minnesota limited driver's license whether offense was committed in Minnesota or in another state; amending Minnesota Statutes 1992, sections 168.042, subdivision 12; 171.12, subdivisions 1, 3, and 3a; 171.165, subdivision 4; and 260.151, subdivision 1; Minnesota Statutes 1993 Supplement, sections 171.22, subdivision 1; 171.29, subdivision 2; and 171.30, subdivision 2a.

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

The question was taken on the repassage of the bill and the roll was called. There were 120 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Gutknecht	Kelley	Macklin	Olson, M.	Rukavina
Anderson, R.	Dehler	Hasskamp	Kinkel	Mahon	Onnen	Sarna
Asch	Delmont	Haukoos	Klinzing	McCollum	Opatz	Seagren
Battaglia	Dorn	Hausman	Knight	McGuire	Orenstein	Sekhon
Beard	Erhardt	Holsten	Koppendrayner	Milbert	Ostrom	Simoneau
Bergson	Evans	Hugoson	Krinkie	Molnau	Ozment	Skoglund
Bertram	Farrell	Huntley	Krueger	Morrison	Pauly	Smith
Bettermann	Finseth	Jacobs	Lasley	Mosel	Pawlenty	Solberg
Bishop	Frerichs	Jaros	Leppik	Munger	Perlt	Stanius
Brown, C.	Garcia	Jefferson	Lieder	Murphy	Peterson	Steensma
Brown, K.	Girard	Johnson, A.	Limmer	Neary	Pugh	Sviggum
Carlson	Goodno	Johnson, R.	Lindner	Nelson	Reding	Swenson
Commers	Greenfield	Johnson, V.	Lourey	Ness	Rest	Tomassoni
Cooper	Greiling	Kahn	Luther	Olson, E.	Rhodes	Tompkins
Dauner	Gruenes	Kalis	Lynch	Olson, K.	Rodosovich	Trimble

Tunheim	Vellenga	Waltman	Wenzel	Worke
Van Dellen	Vickerman	Weaver	Winter	Workman
Van Engen	Wagenius	Wejzman	Wolf	Spk. Anderson, I.

Those who voted in the negative were:

Davids	Dempsey
--------	---------

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

Mr. Speaker:

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

H. F. No. 2626, A bill for an act relating to retirement; authorizing purchase of prior service credit from the teachers retirement association by a certain member.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wenzel moved that the House concur in the Senate amendments to H. F. No. 2626 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2626, A bill for an act relating to retirement; authorizing purchase of prior service credit from the teachers retirement association by a certain member.

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:

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

Those who voted in the negative were:

Lindner

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. 2426, A bill for an act relating to traffic regulations; allowing any city to establish citizen enforcement programs to enforce vehicle parking laws relating to the physically disabled; specifying that citizen volunteers are agents of the city for liability purposes; amending Minnesota Statutes 1993 Supplement, section 169.346, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kinkel moved that the House concur in the Senate amendments to H. F. No. 2426 and that the bill be repassed as amended by the Senate. The motion prevailed.

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

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 17 nays as follows:

Those who voted in the affirmative were:

Asch	Dawkins	Holsten	Lasley	Munger	Pugh	Tomassoni
Battaglia	Dehler	Huntley	Leppik	Murphy	Reding	Tompkins
Beard	Delmont	Jacobs	Lieder	Neary	Rest	Trimble
Bergson	Dempsey	Jaros	Long	Nelson	Rhodes	Tunheim
Bertram	Dorn	Jefferson	Lourey	Ness	Rice	Van Dellen
Bettermann	Erhardt	Johnson, A.	Luther	Olson, K.	Rodosovich	Van Engen
Bishop	Evans	Johnson, R.	Lynch	Onnen	Rukavina	Vellenga
Brown, C.	Farrell	Kahn	MacKlin	Opatz	Sarna	Vickerman
Brown, K.	Finseth	Kalis	Mahon	Orenstein	Seagren	Wagenius
Carlson	Garcia	Kelley	Mariani	Orfield	Sekhon	Weaver
Carruthers	Goodno	Kelso	McCollum	Ostrom	Simoneau	Wejcman
Clark	Greenfield	Kinkel	McGuire	Ozment	Skoglund	Wenzel
Commers	Greiling	Klinzing	Milbert	Pauly	Smith	Winter
Cooper	Gruenes	Knickerbocker	Molnau	Pawlenty	Solberg	Wolf
Dauner	Hasskamp	Koppendrayner	Morrison	Perlt	Steensma	Workman
Davids	Hausman	Krueger	Mosel	Peterson	Swenson	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Girard	Hugoson	Krinkie	Olson, E.	Waltman
Anderson, R.	Gutknecht	Johnson, V.	Limmer	Olson, M.	Worke
Frerichs	Haukoos	Knight	Lindner	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. 2670, A bill for an act relating to retirement; adding Hennepin county paramedics and emergency medical technicians to membership in the public employees police and fire fund; amending Minnesota Statutes 1992, section 353.64, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 2670 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2670, A bill for an act relating to retirement; adding Hennepin county paramedics and emergency medical technicians to membership in the public employees police and fire fund; amending Minnesota Statutes 1992, section 353.64, 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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 1496, A bill for an act relating to health; clarifying the scope of confidentiality of records of review organizations; including preferred provider organizations in definition of review organizations; amending Minnesota Statutes 1992, sections 145.61, subdivision 5, and by adding a subdivision; and 145.64, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Greenfield moved that the House concur in the Senate amendments to H. F. No. 1496 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1496, A bill for an act relating to health; modifying the definition of review organization; allowing review organizations to provide information to purchasers and other review organizations; providing confidentiality protection and protection from discovery process for the transfer of the information; clarifying the scope of confidentiality of review organization records; exempting medical societies from reporting obligations when performing peer review functions; amending Minnesota Statutes 1992, sections 145.61, subdivision 5, and by adding a subdivision; 145.64, subdivision 1; and 147.111, subdivision 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:

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

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

Mr. Speaker:

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

H. F. No. 2411, A bill for an act relating to retirement; providing for coverage of employees of lessee of Itasca Medical Center facilities by the public employees retirement association.

PATRICK E. FLAHAVEN, Secretary of the Senate

Solberg moved that the House refuse to concur in the Senate amendments to H. F. No. 2411, 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. 2617, A bill for an act relating to alcoholic beverages; defining terms; regulating agreements between brewers and wholesalers; providing for amounts of malt liquor that may be brewed in a brewery-restaurant; providing exemption from law regulating nondiscrimination in liquor wholesaling; prohibiting certain solicitations by wholesalers; allowing only owner of a brand of distilled spirits to register that brand; denying registration to certain brand labels; requiring reports by certain brewers; requiring permits for transporters of distilled spirits and wine; removing requirements that retail licensees be citizens or resident aliens; allowing counties to issue on-sale licenses to hotels; allowing political committees to obtain temporary on-sale licenses; restricting issuance of off-sale licenses to drugstores; allowing counties to issue exclusive liquor store licenses in certain towns; allowing counties to issue wine auction licenses; restricting issuance of temporary on-sale licenses to one organization or for one location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating wine tastings; allowing on-sales of intoxicating liquor after 8 p.m. on Christmas eve; allowing certain sales by off-sale retailers to on-sale retailers' restricting use of coupons by retailers, wholesalers, and manufacturers; providing for inspection of premises of temporary on-sale licensees; authorizing issuance of licenses by certain cities and counties; amending Minnesota Statutes 1992, sections 325B.02; 325B.04; 325B.05; 325B.12; 340A.101, subdivision 13; 340A.301, subdivisions 6, 7, and by adding a subdivision; 340A.307, subdivision 4; 340A.308; 340A.311; 340A.404, subdivisions 6 and 10; 340A.405, subdivisions 1, 2, and 4; 340A.410, by adding a subdivision; 340A.412, subdivision 3; 340A.416, subdivision 3; 340A.505; and 340A.907; Minnesota Statutes 1993 Supplement, sections 340A.402; and 340A.415; proposing coding for new law in Minnesota Statutes, chapters 325B; and 340A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jacobs moved that the House refuse to concur in the Senate amendments to H. F. No. 2617, 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. 1757, 2467, 1921, 1938, 2329, 1963 and 1736.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1757, A bill for an act relating to solid waste management; postponing the prohibition on disposing of unprocessed mixed municipal solid waste at substandard landfills under specific circumstances; amending Minnesota Statutes 1993 Supplement, section 115A.415.

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

S. F. No. 2467, A bill for an act relating to game and fish; modifying size limits for walleye; changing the boundary of the West Central Goose Zone; amending Minnesota Statutes 1993 Supplement, section 97C.401, subdivision 2.

The bill was read for the first time.

Peterson moved that S. F. No. 2467 and H. F. No. 2731, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1921, A bill for an act relating to housing projects; providing for a housing bond credit enhancement program administered by the metropolitan council; authorizing the metropolitan council to provide additional security for bonds issued for qualifying housing projects; proposing coding for new law in Minnesota Statutes, chapter 473.

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

S. F. No. 1938, A bill for an act relating to employment; providing for enforcement of an employees' right to review personnel records; proposing coding for new law in Minnesota Statutes, chapter 181.

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

S. F. No. 2329, A bill for an act relating to taxation; property; providing an exemption for power facilities containing cogeneration systems; amending Minnesota Statutes 1993 Supplement, section 272.02, subdivision 1.

The bill was read for the first time.

Beard moved that S. F. No. 2329 and H. F. No. 2440, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1963, A bill for an act relating to local government; permitting the establishment of a special service district in the city of Hopkins; providing taxing and other authority for the city.

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

S. F. No. 1736, A bill for an act relating to metropolitan government; providing for financial assistance and capital expenditures of the regional transit board; amending Minnesota Statutes 1992, sections 473.375, subdivision 13; and 473.39, subdivision 1b.

The bill was read for the first time.

Kelso moved that S. F. No. 1736 and H. F. No. 1917, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

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

H. F. No. 2227, A bill for an act relating to utilities; mandating studies of effects of earth as conductor of electricity, stray voltage, and electromagnetic fields; providing complaint procedure and remedies; appropriating money.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [TEAM OF SCIENCE ADVISORS.]

Subdivision 1. [CREATION.] The public utilities commission shall, based on its judgment of persons suitable for the positions, appoint a team of science advisors consisting of at least five members, including members with education and experience in scientific specialties including physics, electrical engineering, animal physiology, veterinary medicine, dairy science, soil science specializing in the electrical nature of soil, or epidemiology. The science advisors may not include representatives from electric utilities or other parties with a financial interest in the outcome of the research recommended or performed by the science advisors.

The commission shall appoint a representative from the scientific community to serve as liaison between the commission and the science advisors.

Subd. 2. [PRELIMINARY RESEARCH ASSESSMENT.] The science advisors shall conduct a preliminary assessment and report to the commission by January 1, 1995, on the need for research projects to identify and examine the potential for and actual effects on dairy cow production and animal health of current in the earth, originating from the utility distribution systems and other sources.

If the team of science advisors finds a need for research, it shall frame and recommend to the commission a specific research question or questions and the design, scope, and estimated cost of further research.

The commission shall order research based on the science advisors report and is granted the authority to assess utilities for activities and research consistent with sections 1 to 5.

Subd. 3. [SPECIFIC DUTIES.] The science advisors shall:

(1) review existing information from other sources, including information from other states and from dairy producers or farm organizations, on the use of the earth for carrying current and its effects on animal health and production and on human health and report to the commission on its findings and recommendations;

(2) determine the qualifications of researchers and make recommendations to the commission on their selection;

(3) explore the availability of nonstate and nonutility funds for research under subdivision 2;

(4) monitor ongoing research into the use of the earth for carrying current and its effects on animal health and production;

(5) submit study results for proper scientific peer review; and

(6) make on-site visits to farms with formal and informal complaints concerning stray voltage and use of the earth as the conductor.

Subd. 4. [FINDINGS AND RECOMMENDATIONS.] The science advisors shall report findings and recommendations to the commission regarding potential actions to mitigate or eliminate any effects found from current in the earth on dairy cow production or animal health.

Subd. 5. [INDEPENDENT RESEARCHERS REQUIRED.] The commission may only contract with researchers to conduct research under this section who are not employed or contracted by, or receive funding from, public or municipal utilities, or cooperative electric associations for research or investigation of stray voltage or use of earth as a conductor of electric current.

Subd. 6. [RESEARCH DEADLINE.] The research conducted under this section and any recommendations by the science advisors to the commission must be completed and reported or made by June 30, 1996.

Subd. 7. [EXPIRATION.] The team of science advisors expires June 30, 1996.

Sec. 2. [SURVEY OF FACILITIES.]

(a) The public utilities commission shall determine the age and condition of electric distribution facilities in the state.

(b) Using research conducted under section 1, the science advisors shall determine the extent to which these facilities use the earth as a conductor of electric current, whether intentionally or unintentionally, and shall study the risks to dairy animal health and productivity associated with the practice of bonding distribution system conductors to the earth.

(c) At the recommendation of the team of science advisors, the commission may order the production of any records, maps, plans, or any other documents, testimony, or recollections, relating to stray voltage, ground current, or similar phenomenon, of any owner or operator of any distribution facility or any employee of any owner or operator or any other person with knowledge related to the issue of using the earth to conduct electric current. Data collected by the commission under this section is subject to Minnesota Statutes, chapter 13.

Sec. 3. [DAIRY PRODUCER DATA.]

(a) The department of public service may contract with dairy producers or an organization of producers to address stray voltage issues for the preparation, analysis, and presentation of data related to ground currents and dairy herd health and production to the science advisors.

(b) Within 90 days of contract execution, contractees must complete the preparation of data for review by the science advisors and submit the analysis and recommendations to the science advisors.

(c) Contractees must provide to the department a specific accounting of eligible contract expenditures.

(d) Contractees must also provide a proposed budget to the department that includes performance objectives and deadlines for meeting those objectives.

(e) Data presented for review is public data under Minnesota Statutes, chapter 13.

Sec. 4. [ASSESSMENT.]

(a) To provide funding for activities required under this act, the public utilities commission and the department of public service shall assess a total of up to \$493,000 under Minnesota Statutes, section 216B.62, against public and municipal utilities providing electrical service and cooperative electric associations. The assessment must be deposited in the general fund. The assessment is not subject to the limits prescribed under Minnesota Statutes, section 216B.62, subdivision 3.

(b) Each utility or association shall be assessed in proportion that its gross operating revenues for the sale of electric service within the state for the last calendar year bears to the total of those revenues for all public and municipal utilities and cooperative associations.

Sec. 5. [APPROPRIATIONS.]

Subdivision 1. [PUBLIC UTILITIES COMMISSION; STUDY COSTS.] \$245,000 is appropriated from the general fund to the public utilities commission.

\$75,000 of this appropriation is for administrative expenses of the commission under sections 1 and 2.

\$170,000 of this appropriation is for expenses of the team of scientific advisors and the commission liaison.

This appropriation remains available until June 30, 1995.

Subd. 2. [PUBLIC UTILITIES COMMISSION; RESEARCH PROJECTS.] \$150,000, or so much of this amount as may be needed, is appropriated from the general fund to the public utilities commission to initiate research projects in fiscal year 1995 as recommended by the team of science advisors and approved by the commission. Any amount of this appropriation that remains unencumbered after June 30, 1995, reverts to the general fund.

Subd. 3. [DEPARTMENT OF PUBLIC SERVICE.] \$98,000 is appropriated from the general fund to the department of public service.

Up to \$2,500 of this appropriation is for administrative costs of the department for oversight of activities under section 1.

Up to \$10,000 of this appropriation is for grants to producers or organizations of producers to allow participation in the proceedings of the team of science advisors. This amount is intended to provide reimbursement for mileage and other direct and actual expenses of farmers in production agriculture to enable the farmers to attend and participate in public hearings and deliberations of the science advisors. The department must establish informal procedures to be followed by applicants for reimbursement under this paragraph.

The balance of this appropriation is for contracts with producers or organizations of producers to prepare and analyze data for review by the team of science advisors.

This appropriation remains available until June 30, 1995.

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 electric currents in earth; requiring the public utilities commission to appoint a team of science advisors; mandating scientific framing of research questions; providing for studies of stray voltage and the effects of earth as a conductor of electricity; requiring scientific peer review of findings and conclusions; providing for a report to the public utilities commission; appropriating money."

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

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 2525, A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring administrative rulemaking; setting timelines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; establishing and regulating health care cooperatives; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.15, subdivision 1; 62A.303; 62A.48, subdivision 1; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 16, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.08, subdivisions 2, 5, 6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 65B.49, subdivision 2; 79.36; 144.1485; 144.581, subdivision 2; 145.64, subdivision 1; 256.9358, subdivision 4; 290.092, subdivision 2; 295.50, by adding subdivisions; and 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.31, subdivision 1h; 62A.36, subdivision 1; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivision 2; 62J.2916, subdivision 2; 62J.32, subdivision 4; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, subdivision 11, and by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 19, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 80A.15, subdivision 2; 144.1464; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9354, subdivision 5, and by adding a subdivision; 256.9356, subdivision 3; 256.9363, subdivisions 6, 7, and 9; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, and 12b; 295.52, subdivision 5; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; proposing coding for new law in Minnesota Statutes, chapters 43A; 62A; 62J; 62N; 62P; 144; 317A; proposing coding for new law as Minnesota Statutes, chapters 62Q; and 308B; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16.

Reported the same back with the following amendments:

Pages 37 to 38, delete section 23

Page 83, line 15, delete "study"

Page 83, line 16, delete everything before "report"

Page 83, line 17, delete "specific recommendations" and insert "with an implementation schedule and plan"

Page 83, line 18, after "long-term" insert "health care"

Page 83, line 36, delete "by"

Page 84, delete lines 1 to 3

Page 84, line 4, delete "broad-based taxes with" and insert "through an income or payroll tax with consideration given to providing"

Page 84, line 5, after the period, insert "Taxing items that are considered to be health risks and contribute to preventable illness and injury shall be considered as a possible funding source."

Page 84, line 18, before the period, insert "such as an income or payroll tax"

Page 113, delete section 33

Page 125, line 28, strike "health right plan" and insert "MinnesotaCare program"

Page 126, lines 9 and 16, strike "health right plan" and insert "MinnesotaCare program"

Page 126, line 29, strike "provider tax" and insert "taxes imposed under section 295.52"

Page 126, lines 29 and 30, strike "one percent HMO"

Page 126, line 30, before "fiscal" insert "imposed under section 60A.15, subdivision 1, paragraph (e), for"

Page 135, delete section 54, and insert:

"Sec. 54. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the term "health right" to "MinnesotaCare," "health right plan" to "MinnesotaCare program," and "MinnesotaCare plan" to "MinnesotaCare program," wherever these terms are used in Minnesota Statutes or Minnesota Rules."

Page 135, line 28, delete "33" and insert "34" and delete "40" and insert "39" and delete "52, and" and insert "and 49 to"

Page 135, line 30, before "20" insert "19," and delete "44" and insert "43 to 48"

Page 165, line 17, delete "benefit"

Page 173, line 31, strike "plan" and insert "program"

Page 188, line 28, delete "and" and insert ", 6, 7, 13," and after "14" insert ", and 29"

Pages 203 to 205, delete sections 1 and 2

Page 209, line 20, delete "and"

Page 209, line 22, before the period, insert "; and

(19) payments received for services provided by: residential care homes licensed under chapter 144B; board and lodging establishments providing only custodial services, that are licensed under chapter 157 and registered under section 157.031 to provide supportive services or health supervision services; and assisted living programs, congregate housing programs, and other senior housing options"

Page 211, after line 5, insert:

"Sec. 10. Minnesota Statutes 1992, section 295.55, subdivision 2, is amended to read:

Subd. 2. [ESTIMATED TAX; HOSPITALS; SURGICAL CENTERS.] (a) Each hospital or surgical center must make estimated payments of the taxes for the calendar year in monthly installments to the commissioner within ten days after the end of the month.

(b) Estimated tax payments are not required of hospitals or surgical centers if the tax for the calendar year is less than \$500 or if the a hospital has been allowed a grant under section 144.1484, subdivision 2, for the year.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-twelfth of the tax for the calendar year or (2) the tax for the actual gross revenues received during the month.

Sec. 11. Minnesota Statutes 1992, section 295.55, subdivision 3, is amended to read:

Subd. 3. [ESTIMATED TAX; OTHER TAXPAYERS.] (a) Each taxpayer, other than a hospital or surgical center, must make estimated payments of the taxes for the calendar year in quarterly installments to the commissioner by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if the tax for the calendar year is less than \$500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-quarter of the tax for the calendar year or (2) the tax for the actual gross revenues received during the quarter."

Page 212, after line 32, insert:

"Sec. 14. Laws 1992, chapter 549, article 9, section 22, is amended to read:

Sec. 22. [GROSS RECEIPTS TAX; EFFECTIVE DATE.]

Sections 1 and 16 to 21 are effective the day following final enactment. Section 4 is effective for taxable years beginning after December 31, 1992. Section 7, subdivision 1, is effective for gross revenues generated by services performed and goods sold after December 31, 1992. Section 7, subdivisions 2 to 4, are effective for gross revenues generated by services performed and goods sold after December 31, 1993. Section 8 is effective for hospitals and surgical centers for gross revenues generated by services performed and goods sold after December 31, 1992, except the exclusion under subdivision 1, clause (6) applies to payments for prescription drug purchases made after December 31, 1993. Section 8 is effective for health care providers for gross revenues generated by services performed and goods sold after December 31, 1993, except the exclusion under subdivision 1, clause (6) applies to payments for prescription drug purchases made after December 31, 1993. Sections 14 and 15 are effective July 1, 1992.

Sec. 15. [CLARIFICATION; STATEMENT OF INTENT.]

The amendment in section 14 corrects and clarifies an effective date in the 1992 legislation enacting the gross receipts tax on hospitals and health care providers. This legislation imposed a gross receipts tax on hospitals effective January 1, 1993 and on health care providers and wholesale drug distributors effective January 1, 1994. To avoid double taxation or pyramiding of the tax burden, hospitals and health care providers were allowed an exclusion for amounts paid to wholesale drug distributors for prescription drugs. These amounts would already be taxed to the wholesale drug distributors. The section creating this exclusion did not contain an effective date. As a result, under Minnesota Statutes, section 645.02, the law may permit hospitals to deduct these amounts for prescription drugs purchased during 1993, even though no tax was imposed on the wholesale drug distributor and no double taxation or pyramiding of the tax could occur. Section 14 corrects this by providing an explicit effective date that makes it clear that the exclusion applies only after the wholesale drug distributor tax goes into effect."

Page 212, delete lines 34 to 36 and insert:

"(a) Sections 1, 7, 9, and 12 are effective the day following final enactment.

(b) Sections 2, 3, 5, 10, and 11 and the section 13 amendment to section 295.582, creating paragraph (b), are effective July 1, 1994. The section 8 amendment to section 295.53, subdivision 1, creating clauses 16 to 18, is effective July 1, 1994.

(c) Section 6 is effective retroactively from January 1, 1994. Section 4 amending section 295.50, subdivision 3, and the section 8 amendment to section 295.53, subdivision 1, clause 6, are effective retroactively from January 1, 1994.

(d) The section 13 amendment to section 295.582, paragraph (a), is effective retroactively from January 1, 1993, except that it is effective for pharmacies and wholesale drug distributors July 1, 1994."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

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

The report was adopted.

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

H. F. No. 2918, A bill for an act relating to natural resources; motor vehicles; establishing special vehicle license plates for wetlands wildlife purposes; creating the wetlands wildlife legacy account; proposing coding for new law in Minnesota Statutes, chapters 84; and 168.

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

The report was adopted.

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

S. F. No. 1706, A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; providing for a transfer of land; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; providing for intervenor compensation; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [216B.2425] [HIGH-LEVEL RADIOACTIVE WASTE MANAGEMENT; FUTURE ELECTRIC POWER.]

Subdivision 1. [FINDINGS.] (a) The legislature finds that:

(1) the manner in which high-level radioactive waste will be managed in the future and who will pay for its management and undertake its liabilities are uncertain at best;

(2) it is more likely than not that the state's future utility ratepayers or taxpayers will pay the potentially enormous costs of future management of high-level radioactive waste generated as spent fuel from nuclear power generating plants;

(3) it is unknown when spent nuclear fuel that is proposed to be stored in nontransportable storage casks on Prairie Island will be removed from the casks and from the island;

(4) it is unknown what the costs will be to remove and manage the spent fuel that is proposed to be stored in nontransportable storage casks on Prairie Island;

(5) it is uncertain how and at what cost the empty casks will be managed; and

(6) the potentially enormous costs of future management of the waste could cause economic hardship for the citizens of the state and damage economic growth.

(b) The legislature further finds that the storage of spent nuclear fuel in casks outside the nuclear power plant at Prairie Island would likely lengthen in time as costs for alternative management of the waste escalate given the very limited and uncertain viability of management alternatives for the future. This indefinite storage is likely to significantly undermine and perhaps destroy the past, present, and future economic and community development efforts undertaken by the Mdewakanton Dakota Tribe, whose territorial authority as a sovereign nation is limited to a portion of Prairie Island. The tribe and its individual members have developed a local economy and community that provide necessary economic and community survival resources both for its own members and for hundreds of other citizens of the state. The tribe has developed its local economy despite the severe territorial limitation and despite historical social and economic discrimination that actively has denied it and its members participation in the economic and social benefits of the world's most advanced economy and social and political institutions. It would be unconscionable for the state to jeopardize the significant economic and social contributions made by the tribe both to its own members and to other citizens of the state.

(c) Finally, the legislature finds that the technical and economic feasibility of phasing out nuclear power and generation of additional high-level radioactive waste and phasing in use of energy sources that do not generate highly toxic, expensive to manage byproducts and use of energy sources that are renewable, indigenous, and sustainable appears to be rapidly increasing with increasingly possible significant benefits for the state's economy, particularly in light of federal economic benefits to be captured by power producers and the state's economy in the area of development of renewable energy sources by December 31, 1999.

Subd. 2. [PROHIBITION.] Spent nuclear fuel and other high-level radioactive waste may not be stored on Prairie Island external to the structure of the nuclear power generating plant. If the public utility that owns and operates the power plant located on Prairie Island decides to propose a site for an independent spent fuel storage installation for spent fuel generated by the power plant it shall take into consideration all the factors listed in section 2, subdivision 4, clause (7), as further delineated by the legislative task force on electric energy.

Subd. 3. [AUTHORIZATION.] To the extent that the radioactive waste management act, section 116C.72, requires legislative authorization of the operation of radioactive waste management facilities, the continued operation of the Monticello nuclear generating plant spent nuclear fuel pool storage facility and the Prairie Island nuclear generating plant spent fuel pool storage facility is hereby authorized.

Subd. 4. [NUCLEAR POWER; REPLACEMENT.] (a) The public utility that owns and operates the nuclear power generating plant located on Prairie Island shall eliminate, not later than December 31, 2002, generation of electricity at that plant using nuclear fuel unless, by that date, the federal government or another entity:

(1) takes title to and complete responsibility for the spent nuclear fuel generated by the Prairie Island plant; and

(2) has begun transporting the waste from the state to a monitored retrievable storage facility as described in United States Code, title 42, section 10161, or to a high-level radioactive waste repository sited, constructed, and operated under United States Code, title 42, sections 10121 to 10145.

(b) The public utility shall include in each of its resource plans required to be submitted under section 216B.2422, after the effective date of this subdivision:

(1) a scheduled phase-out of the nuclear power plant at Prairie Island to comply with this subdivision;

(2) a plan for converting the existing nuclear power plant to use of natural gas or a nonfossil fuel if the legislative energy task force established in section 2 finds conversion feasible and prudent;

(3) a specific plan to utilize the maximum level of demand side management, efficiency, and conservation measures to achieve, not later than calendar year 2010, a consumption savings of a minimum of 5,400 gigawatt hours annually over the consumption level in 1990;

(4) specific plans for the development or purchase of electric power to replace capacity lost under this subdivision, both as phase-out and elimination of nuclear power occur.

(c) For replacement power needed prior to January 1, 2003, the public utility may generate electricity or purchase electricity generated using fossil fuel without capture of thermal energy for no more than a total of 50 percent of the power to be generated or purchased through 2002, unless the commission finds that a lower percentage should be applied.

(d) For replacement capacity and increased capacity to meet growth in demand after December 31, 2002, the public utility shall generate electricity or purchase electricity generated utilizing wind, solar, biomass, low-head hydro, geothermal, or other renewable energy resources other than high-head hydro, except that up to 25 percent of replacement or increased capacity may be met by efficient natural gas cogeneration that captures and utilizes thermal energy.

(e) If workers at the Prairie Island power plant must be dislocated, even if the plant can be operated into the future or the plant can be converted to use of an alternative fuel, the public utility, in consultation with the commissioner of the department of jobs and training, shall determine whether sufficient dislocated worker assistance is available for workers at the plant. The public utility shall submit a plan for dislocated worker assistance to the legislative energy task force not later than June 1, 1995.

Subd. 5. [SPECIFIC DEVELOPMENT OF ALTERNATIVE ENERGY SOURCES.] The public utility that owns and operates the nuclear power generating plant at Prairie Island shall develop or purchase installed capacity of a minimum of:

(1) by July 1, 1998, 400 megawatts of electricity generated through wind energy conversion systems, which, if purchased, must be purchased through competitive bidding;

(2) by July 1, 1999, an additional 400 megawatts of electricity generated through wind energy conversion systems, which, if purchased, must be purchased through competitive bidding;

(3) by July 1, 1998, 100 megawatts of farm-grown, closed-loop biomass, which, if purchased, must be purchased through competitive bidding; and

(4) by July 1, 1999, an additional 100 megawatts of farm-grown, closed-loop biomass, which, if purchased, must be purchased through competitive bidding.

Sec. 2. [ELECTRIC ENERGY TASK FORCE.]

Subdivision 1. [FINDINGS.] The legislature finds that there exists insufficient information on the future management of high-level radioactive waste, the costs of that management, and the technical and economic feasibility of utilizing alternative energy resources. Before any legislative determinations may be reasonably made that are more specific than the determinations made in this act, the legislature needs detailed, credible, and reliable information on these issues.

Subd. 2. [ESTABLISHMENT.] (a) There is established a legislative electric energy task force to study future electric energy costs and solutions to make appropriate recommendations for legislation to ensure an environmentally and economically sustainable and advantageous electric energy supply.

(b) The task force consists of:

(1) six members of the house of representatives to be appointed by the speaker of the house;

(2) six members of the senate to be appointed by the subcommittee on committees.

(c) The task force may employ staff, contract for consulting services, and may reimburse the expenses of persons requested to assist it in its duties other than state employees or employees of electric utilities. The director of the legislative coordinating commission shall assist the task force in administrative matters. The task force shall elect co-chairs, one member of the house and one member of the senate.

Subd. 3. [FUTURE ENERGY SOLUTIONS; TECHNICAL AND ECONOMIC ANALYSIS.] In light of the electric energy guidelines established in subdivision 7 and in light of existing conservation improvement programs and plans, utility resource plans, and other existing energy plans and analyses, the legislative task force on energy shall undertake an analysis of the technical and economic feasibility of pursuing an electric energy future for the state that relies on environmentally and economically sustainable and advantageous electric energy supply. The task force shall contract with one or more energy policy experts and energy economists to assist it in its analysis. The task force may not contract for service nor employ any person who was involved in any capacity in any portion of any proceeding before the public utilities commission, the administrative law judge, the state court of appeals, or the Nuclear Regulatory Commission related to the dry cask storage proposal on Prairie Island.

The analysis must address at least the following:

(1) to the best of forecasting abilities, how much electric generation capacity and demand for electric energy is necessary to maintain a strong economy and a high quality of life in the state over the next 15 to 20 years; how is this demand level affected by achievement of the maximum reasonably feasible and cost effective demand side management and generation and distribution efficiencies;

(2) what alternative forms of energy can provide a stable supply of energy and are producible and sustainable in the state and over what period of time can they be developed and implemented;

(3) what are the costs to the state and ratepayers to ensure that new electric energy generation utilizes less environmentally damaging sources; how do those costs change as the time frame for development and implementation of new generation sources is compressed;

(4) what are the implications for delivery systems for energy produced in areas of the state that do not now have high volume transmission capability; are new transmission technologies being developed that can address some of the concerns with transmission; can a more dispersed electric generation system lessen the need for long distance transmission;

(5) what are the actual costs and benefits of purchasing electricity and fuel to generate electricity from outside the state; what are the present costs to the state's economy of exporting a large percentage of the state's energy dollars and what is the future economic impact of continuing to do so;

(6) are there benefits to be had from a large immediate investment in quickly implementing alternative electric energy sources in terms of developing an exportable technology and/or commodity; is it feasible to turn around the flow of dollars for energy so that the state imports dollars and exports energy and energy technology; what is a reasonable time frame for the shift if it is possible;

(7) are there taxation or regulatory barriers to developing more sustainable and less problematic electric energy generation; what are they specifically and how can they be specifically addressed;

(8) can an approach be developed that moves quickly to development and implementation of alternative energy sources that can be forgiving of interim failures but that is also sufficiently deliberate to ensure ultimate success on a large scale;

(9) in what specific ways can the state assist regional energy suppliers accelerate phasing out energy production processes that produce wastes or emissions that must necessarily be carefully controlled and monitored to minimize adverse effects on the environment and human health and to assist in developing and implementing base load energy production that both prevents or minimizes by its nature adverse environmental and human health effects and utilizes resources that are available or producible in the state;

(10) whether there is a need to establish additional dislocated worker assistance for workers at the Prairie Island nuclear power plant; if so, how that assistance should be structured;

(11) whether there is a need to establish some form of financial assistance for local communities who face difficult adjustments to lower property tax capacity when existing facilities are shut down or decommissioned; if so, to what extent and how should that assistance be structured;

(12) can the state monitor, evaluate, and affect federal actions relating to permanent storage of high level radioactive waste; what actions by the state over what period of time would expedite federal action to take responsibility for the waste;

(13) should the state establish a legislative oversight commission on energy issues; should the responsibilities of an oversight commission be coordinated with the activities of the public utilities commission and the department of public service and if so, how; and

(14) is it feasible to convert existing nuclear power and coal-fired electric generating plants to utilization of energy sources that result in significantly less environmental damage; if so, what are the short-term and long-term costs and benefits of doing so; how do shorter or longer time periods for conversion affect the cost/benefit analysis.

Subd. 4. [RADIOACTIVE WASTE MANAGEMENT; FUTURE AND ECONOMIC ANALYSIS.] The legislative task force shall also undertake a separate analysis of the future of and the economic effects of the continued generation of radioactive waste at the Prairie Island nuclear power plant. The task force shall include in its report under subdivision 5, a specific discussion of:

(1) the likelihood of the federal government or another entity taking complete responsibility and liability for the future management of the radioactive waste generated by the Prairie Island nuclear generating plant; when that shift in responsibility is likely to occur; and to what extent utility ratepayers and shareholders and state taxpayers will be shielded from the costs to manage the waste in the future;

(2) the extent to which persons who may be at risk of personal injury or property damage due to foreseeable or unforeseeable catastrophic events that may allow the release of radioactivity from the nuclear power plant and associated activities could be fully compensated for the injuries or damage and by whom;

(3) a range of reasonable estimates of the costs to manage radioactive waste generated by the nuclear power plant under scenarios to be developed by the task force, ranging from monitoring the waste in the storage pool at Prairie Island to removal of waste from the state beginning in 1998 to permanent storage of the waste in the state; to the extent those costs will necessarily fall on present and future utility ratepayers and shareholders and state taxpayers, how to ensure they can be met without catastrophic disruption of the state's economy in the future; and whether funds should be set aside to ensure that present ratepayers pay the future costs of radioactive waste management based on volume of usage of electricity rather than on the rate structure of the utility;

(4) whether reprocessing and reuse of spent nuclear fuel generated by the Prairie Island nuclear generating plant is technically and economically feasible; if so, how to encourage development of reprocessing and reuse;

(5) if the waste is likely to be removed from the state, whether technologies are likely to be economically feasible in the relatively near future for minimizing the handling of the waste and minimizing contamination of additional materials that will need special management prior to transport out of the state, including the availability of combination storage and transport containers;

(6) if the waste is unlikely to be removed from the state or if waste will need to be indefinitely stored outside the power plants after decommissioning, whether sites for storage of the waste outside the structure of the Prairie Island power plant potentially can be found that minimize economic and social disruption, maximize environmental, health, and safety protection, minimize transportation distance, and place the burden of storage of the waste on those communities that enjoy the immediate economic benefits of the existence and operation of the power plants; if potential sites exist, what process should be used to identify and utilize them if necessary;

(7) factors to be used in siting a high-level radioactive waste management facility to include at least:

(i) the proximity of the site to residents and businesses;

(ii) the proximity of the site to surface waters;

(iii) the vulnerability of the site to tornadoes and other natural phenomena;

(iv) the benefits received and the costs incurred by the host and adjacent communities due to operation of the nuclear generating facility that produced the high-level radioactive waste to be managed at the proposed facility;

(v) the benefits received and costs incurred by the host and adjacent communities due to operation of the proposed waste management facility; and

(vi) the availability of transportation routes between the nuclear generating plant and the proposed waste management facility; and

(8) federal law related to the interstate transportation of high-level radioactive waste and how that law may operate in relation to an independent spent fuel storage installation located in the state.

Subd. 5. [REPORT AND RECOMMENDATIONS.] (a) The legislative task force may contract with independent experts, none of whom can have been involved in any capacity in any of the proceedings before the public utilities commission, the administrative law judge, or the court of appeals related to dry cask storage at Prairie Island or in any proceedings related to the license for the facility granted by the federal nuclear regulatory commission, to assist it with analysis of items and issues listed in subdivisions 3 and 4.

(b) The legislative task force shall convene a separate balanced group of experts in the fields of energy production and distribution and energy economics from within and without the state to include experts formerly or currently employed by the department of public service and/or the public utilities commission, an economist employed by the residential and small business division of the office of the attorney general, electric energy experts employed by utilities, experts from other states that have begun to implement policies for utilizing indigenous, sustainable energy sources, experts from public advocacy groups, and others to be determined by the task force. The task force shall request the group of experts to assist it in publicly examining and analyzing information received from the independent experts and in preparing the report required in paragraph (c).

(c) By January 15, 1996, the task force shall submit a report to the chairs of the committees in the house and in the senate that have responsibility for energy and for environmental and natural resources issues that contains an overview of plans and analyses that have been prepared to date, a critique of how those plans and analyses have resulted in implementation of the energy conservation and sources for generation policies and goals in Minnesota Statutes, chapters 216B and 216C, specific responses to the questions listed in subdivisions 3 and 4, and specific recommendations for legislative action that will ensure development and implementation of electric energy policy that will provide the state with adequate, sustainable, and economic electric power for the long term while utilizing, to the maximum reasonable extent, energy resources that are available or producible within the state and while developing, maintaining, and strengthening a viable and robust energy and utility infrastructure.

(d) By February 1, 1995, the task force shall submit to the chairs of the committees specified in paragraph (c), a preliminary report that provides:

(1) an overview of the current status of energy planning and implementation of those plans by state agencies and utilities, along with an analysis of the extent to which existing statutory energy policies and goals are being met for electric energy consumed in the state;

(2) an analysis of and any recommendations for adjustments to the specific targets set in section 1, subdivisions 4 and 5, relating to energy savings, electric generation sources for replacement and additional capacity needs, and development of wind and biomass energy sources; and

(3) as much information as the task force has been able to gather on future high-level radioactive waste management and transportation, including technologies and costs.

Subd. 6. [ASSESSMENT; APPROPRIATION.] On request by the co-chairs of the legislative task force and the director of the legislative coordinating commission, the commissioner of the department of public service shall assess from electric utilities, in addition to assessments made under Minnesota Statutes, section 216B.62, the amount requested for the studies and analysis required in subdivisions 3 and 4 and for operation of the task force not to exceed \$500,000. The amount assessed under this section is appropriated to the director of the legislative coordinating commission for payment of the authorized expenditures.

Subd. 7. [GUIDELINES; PREFERRED ELECTRIC GENERATION SOURCES; DEFINITIONS.] (a) The legislative task force on electric energy shall undertake its responsibilities in light of the guidelines specified in this subdivision.

(b) The highest priority in electric energy production and consumption is conservation of electric energy and management of demand by all segments of the community.

(c) The following energy sources for generating electric power distributed in the state, listed in their descending order of preference, based on minimizing long-term negative environmental, social, and economic burdens imposed by the specific energy sources, are:

(1) wind and solar;

(2) biomass and low-head or refurbished hydropower;

(3) decomposition gases produced by solid waste management facilities, natural gas-fired cogeneration, and waste materials or byproducts combined with natural gas;

(4) natural gas, hydropower that is not low-head or refurbished hydropower, and solid waste as a direct fuel or refuse-derived fuel; and

(5) coal and nuclear power.

(d) For the purposes of paragraph (c) within each clause, the more efficient an energy source is in generating electricity or the more efficient a technology is that utilizes an energy source, the more preferred it is for use in generating electricity for distribution and consumption in the state.

(e) For the purposes of paragraph (c), clauses (3) and (4), the use of waste materials and byproducts for generating electric power must be limited to those waste materials and byproducts that are necessarily generated or produced by efficient processes and systems. Preventing and minimizing waste and byproducts are preferred in every situation to relying on the continued generation or production of waste materials and byproducts.

(f) For the purposes of chapters 216B and 216C, "preferred" or "renewable" energy sources are those described in paragraph (c), clauses (1) to (3), and "subordinate" or "traditional" energy sources are those described in paragraph (c), clauses (4) and (5).

(g) For the purposes of this section:

(1) "biomass" means herbaceous crops, trees, agricultural waste, and aquatic plant matter, excluding mixed municipal solid waste, as defined in section 115A.03, used to generate electricity; and

(2) "low-head hydropower" means a hydropower facility that has a head of less than 66 feet.

Subd. 8. [SUBPOENA POWER.] The task force may issue a subpoena under Minnesota Statutes, section 3.153, to any person for production of information held by that person that is relevant to the work of the task force.

Sec. 3. [AUTHORIZATION; POOL RERACKING.]

A proposal to rerack, for the third time, the spent nuclear fuel pool storage facility at the Prairie Island nuclear generating plant is not subject to environmental review under Minnesota Statutes, chapters 116B and 116D, or to the requirement for a certificate of need under Minnesota Statutes, section 216B.243.

Sec. 4. [CONSTRUCTION.]

Nothing in this act may be construed as legislative authorization for any permanent high-level radioactive waste management facility.

ARTICLE 2

Section 1. Minnesota Statutes 1992, section 216A.03, is amended by adding a subdivision to read:

Subd. 6. [RECORD OF PROCEEDINGS.] An audio magnetic recording device shall be used to keep a record of all proceedings before the commission unless the commission provides a hearing reporter to record the proceeding.

Sec. 2. Minnesota Statutes 1992, section 216B.16, subdivision 8, is amended to read:

Subd. 8. [ADVERTISING EXPENSES.] The commission shall disapprove the portion of any rate which makes an allowance directly or indirectly for expenses incurred by a public utility to provide a public advertisement which:

(a) is designed to influence or has the effect of influencing public attitudes towards legislation or proposed legislation, or toward a rule, proposed rule, authorization or proposed authorization of the public utilities commission or other agency of government responsible for regulating a public utility;

(b) is designed to justify or otherwise support or defend a rate, proposed rate, practice or proposed practice of a public utility;

(c) is designed primarily to promote consumption of the services of the utility; or

(d) is designed primarily to promote good will for the public utility or improve the utility's public image; or

(e) is designed to promote the use of nuclear power or to promote a nuclear waste storage facility.

The commission may approve a rate which makes an allowance for expenses incurred by a public utility to disseminate information which:

(a) is designed to encourage conservation of energy supplies;

(b) is designed to promote safety; or

(c) is designed to inform and educate customers as to financial services made available to them by the public utility.

The commission shall not withhold approval of a rate because it makes an allowance for expenses incurred by the utility to disseminate information about corporate affairs to its owners.

Sec. 3. Minnesota Statutes 1992, section 216B.241, is amended by adding a subdivision to read:

Subd. 1c. [ENERGY-SAVING GOALS.] The commissioner shall establish energy-savings goals for energy conservation improvement expenditures and shall evaluate an energy conservation improvement program on how well it meets the goals set.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

Section 1. [216B.035] [INTERVENOR COMPENSATION.]

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

(1) "certifying authority" means the administrative law judge assigned to a proceeding before the public utilities commission, or when a proceeding has not been assigned to the office of administrative hearings, the public utilities commission; and

(2) "intervenor" means a party in any of the following proceedings related to gas or electric utilities or service before the public utilities commission or in judicial review of a commission decision or order issued in the following proceedings, excluding a participant that provides gas or electric services:

(i) a proceeding referred to the office of administrative hearings;

(ii) a proceeding related to rates under section 216B.16;

(iii) a proceeding relating to competitive rates under section 216B.162;

(iv) a proceeding related to energy conservation improvements under section 216B.241;

(v) a proceeding related to certificate of need under section 216B.243;

(vi) a proceeding related to resource planning under section 216B.2422; or

(vii) any rulemaking proceeding.

Subd. 2. [ACCOUNT; ASSESSMENT; APPROPRIATION.] (a) A separate account in the state treasury is established for the purpose of compensating intervenors as provided in this section. Money in the account is appropriated to the commissioner of finance for the purpose of making payments as authorized in this section.

(b) The public utilities commission shall require each public utility, as defined in section 216B.02, subdivision 4, to make a deposit to the account by August 1, 1994. The deposits must, in aggregate, provide \$200,000 in revenue for the account, and must be apportioned among all public utilities in proportion to their respective gross operating revenues under section 216B.62, subdivision 3. By April 1 of each year, each public utility shall reimburse the account for compensation disbursed from the account in the preceding calendar year for proceedings in which the utility was a primary party. If more than one public utility is a primary party to the same proceeding, the commission shall determine the appropriate reimbursement amount for each public utility.

(c) Cooperative electric associations and municipal electric utilities need not make an initial deposit to the account, but shall reimburse the account according to paragraph (b).

Subd. 3. [COMPENSATION.] The commissioner of finance shall remit from the intervenor compensation account payment to an intervenor to reimburse the intervenor, subject to the limits in subdivision 4, paragraph (e), for reasonable fees, including attorney fees, expert witness fees, transcript fees, and other reasonable costs, including fees and costs of obtaining judicial review, provided the certifying authority determines that:

(1) the intervenor is a customer or represents customers of the utility that is the subject of the proceeding, or has substantial interests that may be affected by the outcome of the proceeding;

(2) the intervenor represents an interest material to the proceeding that is not represented by other parties to the proceeding;

(3) representation of the intervenor's interest will be necessary for a fair determination in the proceeding; and

(4) the intervenor cannot without undue hardship afford to pay the costs of participation and, in the case of a group or organization, the economic interest of the individual members of the organization is small in comparison to the costs of effective participation in the proceeding.

Subd. 4. [APPLICATION FOR COMPENSATION; COMPENSATION AMOUNTS.] (a) An intervenor seeking compensation under this section shall file an application for compensation with the certifying authority within 14 days after a notice of hearing is issued or on the same date initial comments are due in a noncontested matter. The application must include the following:

(1) a clear statement of the interest represented by the intervenor;

(2) an itemized estimation of the cost of the intervention; and

(3) financial statements and other information necessary to establish undue hardship.

(b) Comments or objections regarding the application for compensation must be filed with the certifying authority within ten days of filing of the application. The certifying authority may grant leave to file a late application if the applicant provides a reasonable justification for the delay.

(c) The certifying authority shall decide whether and in what amount to authorize compensation within 30 days of receipt of the application for compensation. The certifying authority may authorize partial payments to be disbursed as an intervenor's work progresses upon a showing by the intervenor that such payments are essential for effective participation in the proceeding.

(d) The certifying authority may authorize supplemental compensation in excess of the amount initially authorized if, for legitimate reasons, the costs of participation were underestimated or if additional funds would substantially improve the ability of the intervenor to contribute to the proceeding.

(e) The total amount of compensation authorized under paragraphs (c) and (d) may not exceed \$40,000 for any intervenor in any proceeding unless the certifying authority finds that additional compensation is required for effective participation due to the unusual complexity or duration of the proceeding.

Subd. 5. [ACCOUNTING; CLAIM FOR PAYMENT.] Within 30 days of issuance of the final order in the proceeding for which compensation was authorized under this section, the intervenor for whom the compensation was authorized shall file with the certifying authority and the commissioner of finance a claim for payment. The claim must include full documentation of fees and expenses, including the costs of studies, engineering reports, tests, or projects related to the proceeding. Documentation must also include an affidavit from each attorney, agent, or expert witness that represented or appeared on behalf of the intervenor that states the specific services rendered, the actual time spent for each service, and the rate at which fees were computed for providing each service.

Subd. 6. [PAYMENT; REIMBURSEMENT.] (a) The certifying authority shall review each claim for payment filed under subdivision 5, along with any other relevant material submitted. The certifying authority shall authorize payment of compensation within 30 days of the receipt of the claim, less any partial payments that were authorized under subdivision 4, paragraph (c). The commissioner of finance shall remit authorized payment to the intervenor after receipt of authorization from the certifying authority.

(b) Payment may be denied for unauthorized expenses or if the certifying authority finds that the applicant failed to represent the interest for which the application for compensation was approved. An intervenor shall reimburse the commissioner for any partial payments received that the certifying authority determines were not compensable under this section. Reimbursement received by the commissioner under this section must be deposited in the intervenor compensation account.

Sec. 2. [REPEALER.]

Minnesota Statutes 1992, section 216B.16, subdivision 10, is repealed.

Sec. 3. [EFFECTIVE DATE.]

This article is effective the day following final enactment and applies to proceedings begun on or after or pending on that date."

Delete the title and insert:

"A bill for an act relating to spent nuclear fuel and future electric energy generation; prohibiting storage of spent nuclear fuel on Prairie Island outside the structure of the nuclear power generating plant; requiring shut down of the Prairie Island power plant as a nuclear plant by the end of 2002 unless title to the spent nuclear fuel from the plant has been shifted to the federal government and the waste is being removed from the state; requiring electric energy savings by the public utility that operates the Prairie Island power plant; requiring development or purchase of electricity generated by wind energy and biomass energy by the public utility that operates the Prairie Island power plant; establishing a legislative task force to gather and analyze information related to development of a comprehensive electric energy generation policy, alternatives for management of spent nuclear fuel, the future of high-level radioactive waste management and its costs, and the potential for high-level radioactive waste management in the state at locations other than Prairie Island; requiring the public utilities commission to record its proceedings; prohibiting a public utility from recovering in its rates expenses for advertising that promotes nuclear power and storage of spent nuclear fuel; requiring the commissioner of the department of public service to set energy saving goals; authorizing expanded compensation for persons and groups who intervene in public utilities commission matters on behalf of interests not otherwise adequately represented; amending Minnesota Statutes 1992, sections 216A.03, by adding a subdivision; 216B.16, subdivision 8; and 216B.241, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B; repealing Minnesota Statutes 1992, section 216B.16, subdivision 10."

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

The report was adopted.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. Nos. 3032 and 2485; S. F. No. 1712; and H. F. No. 1985.

H. F. No. 3032 was reported to the House.

Evans, Tomassoni and Johnson, A., moved to amend H. F. No. 3032, the third engrossment, as follows:

Page 4, after line 23, insert:

"Sec. 6. Minnesota Statutes 1993 Supplement, section 97A.091, subdivision 2, is amended to read:

Subd. 2. [WHEN HUNTING ALLOWED.] (a) The commissioner may allow hunting of a protected wild animal species within any portion of a state game refuge, including a state park. Hunting may be allowed under this paragraph only if the commissioner finds:

- (1) the population of the species exceeds the refuge's carrying capacity;
 - (2) the species is causing substantial damage to agricultural or forest crops in the vicinity;
 - (3) the species or other protected wild animals are threatened by the species population; or
 - (4) a harvestable surplus of the species exists.
- (b) The commissioner may allow hunting of unprotected wild animals in a game refuge.
- (c) The commissioner may prescribe rules for any hunting allowed within a refuge.

In any selection process to award licenses or permits to take deer within a game refuge, up to 20 percent of the licenses or permits may be granted to applicants age 65 or over or to disabled applicants qualified for a permit under section 97B.055, subdivision 3, or 97B.106."

Page 7, after line 22, insert:

"Sec. 14. Minnesota Statutes 1992, section 97B.055, subdivision 3, is amended to read:

Subd. 3. [HUNTING FROM VEHICLE BY DISABLED HUNTERS.] The commissioner may issue a special permit, without a fee, to discharge a firearm or bow and arrow from a stationary motor vehicle to a licensed hunter that is temporarily or permanently physically unable to walk without crutches, braces, or other mechanical support, or who has a physical disability which substantially limits the person's ability to walk. The physical disability and the substantial inability to walk must be established by medical evidence verified in writing by a licensed physician. A person with a temporary disability may be issued an annual permit and a person with a permanent disability may be issued a permanent permit. A person, issued a special permit under this subdivision and hunting deer, may take a deer of either sex."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 3032, A bill for an act relating to game and fish; clarifying the purposes for which various game and fish revenues may be spent; abolishing the angling license refund for senior citizens; changing certain deer hunting provisions; amending Minnesota Statutes 1992, sections 97A.071, subdivision 3; 97A.075, subdivisions 2, 3, and 4; 97A.475, subdivisions 6, 7, 8, and 13; and 97A.485, subdivision 7; and 97B.055, subdivision 3; Minnesota Statutes 1993 Supplement, sections 97A.055, subdivision 4; 97A.091, subdivision 2; 97A.475, subdivision 12; and 97A.485, subdivision 6; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; and 97A.475, subdivision 9.

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

The question was taken on the passage of the bill and the roll was called. There were 122 yeas and 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Hasskamp	Klinzing	Olson, E.	Steensma
Bergson	Johnson, R.	Knight	Rukavina	Waltman

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

H. F. No. 2485 was reported to the House.

Kalis, Steensma and Munger moved to amend H. F. No. 2485, the third engrossment, as follows:

Page 5, after line 28, insert:

"Sec. 9. Minnesota Statutes 1993 Supplement, section 18B.135, subdivision 1, is amended to read:

Subdivision 1. [ACCEPTANCE OF PESTICIDE CONTAINERS.] (a) A person distributing, offering for sale, or selling a pesticide must accept empty pesticide containers from a pesticide end user if:

(1) the ~~pesticide was purchased~~ person does not participate in a designated collection program for pesticide containers after July 1, 1994;

(2) the empty container is prepared for disposal in accordance with label instructions and is returned to the place of purchase within the state; and

(3) a collection site that is seasonably accessible on multiple days has not been designated either by the county board or by agreement with other counties, the agricultural chemical dealer(s) in their respective counties, or the commissioner for the public to return empty pesticide containers for the purpose of reuse or recycling or following other approved management practices for pesticide containers in the order of preference established in section 115A.02, paragraph (b), and the county or counties have notified the commissioner of their intentions annually by February 1, in writing, to manage the empty pesticide containers.

(b) This subdivision does not prohibit the use of refillable and reusable pesticide containers.

(c) ~~If a county or counties designate a collection site as provided in paragraph (a), clause (3),~~ A person who has been notified by the county or counties of the designated collection site and who sells pesticides to a pesticide end user must notify purchasers of pesticides at the time of sale of the date and location designated for disposal of empty containers.

(d) For purposes of this section, pesticide containers do not include containers that have held sanitizers and disinfectants, Containers made of metal or paper, plastic bags, bag-in-a-box, water soluble bags, and aerosol packaging, pesticides labeled primarily for use on humans or pets, or pesticides not requiring dilution or mixing."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2485, A bill for an act relating to water; providing for duties of the legislative water commission; providing for a sustainable agriculture advisory committee; requiring plans relating to sustainable agriculture and integrated pest management; regulating acceptance of empty pesticide containers; changing disclosures and fees related to dewatering wells; establishing groundwater policy and education; changing water well permit requirements; requiring reports to the legislature; amending Minnesota Statutes 1992, sections 3.887, subdivisions 5, 6, and 8; 17.114, subdivisions 1, 3, 4, and by adding a subdivision; 18B.045, subdivision 1; 103A.43; 103B.151, subdivision 1; 103G.271, subdivision 5; 103H.175, by adding a subdivision; 103H.201, subdivisions 1 and 4; 103I.101, subdivision 5; 103I.205, subdivision 1; 103I.208; and 103I.331, subdivision 6; Minnesota Statutes 1993 Supplement, sections 18B.135, subdivision 1; 18E.06; and 115B.20, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 103A; and 103F; repealing Minnesota Statutes 1992, section 103F.460.

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

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

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Olson, E.

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

S. F. No. 1712, A bill for an act relating to towns; providing for financial audits in certain circumstances; amending Minnesota Statutes 1992, section 367.36, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 1985 was reported to the House.

Rest moved to amend H. F. No. 1985, the second engrossment, as follows:

Page 7, line 17, delete "of"

Page 12, line 21, before "address" insert "street"

The motion prevailed and the amendment was adopted.

H. F. No. 1985, A bill for an act relating to partnerships; providing for the registration and operation of limited liability partnerships; appropriating money; amending Minnesota Statutes 1992, sections 319A.02, subdivision 5; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1, 1a, and 2; 323.02, subdivision 8, and by adding a subdivision; 323.06; 323.14; 323.17; 323.35; and 323.39; Minnesota Statutes 1993 Supplement, section 319A.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 323.

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

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

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Anderson, R.	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler
Asch	Bergson	Bishop	Carlson	Commers	Davids	Delmont

Dempsey	Holsten	Knickerbocker	Mariani	Opatz	Rodosovich	Tunheim
Dorn	Hugoson	Knight	McCollum	Orenstein	Rukavina	Van Dellen
Erhardt	Huntley	Koppendraye	McGuire	Orfield	Sarna	Van Engen
Evans	Jacobs	Krinkie	Milbert	Osthoff	Seagren	Vellenga
Farrell	Jaros	Krueger	Molnau	Ostrom	Sekhon	Vickerman
Finseth	Jefferson	Lasley	Morrison	Ozment	Simoneau	Wagenius
Frerichs	Jennings	Leppik	Mosel	Pauly	Skoglund	Waltman
Garcia	Johnson, A.	Lieder	Munger	Pawlenty	Smith	Weaver
Girard	Johnson, R.	Limmer	Murphy	Pelowski	Solberg	Wejcman
Goodno	Johnson, V.	Lindner	Neary	Perlt	Stanis	Wenzel
Greiling	Kahn	Long	Nelson	Peterson	Steensma	Winter
Gruenes	Kalis	Lourey	Ness	Pugh	Sviggum	Wolf
Gutknecht	Kelley	Luther	Olson, E.	Reding	Swenson	Worke
Hasskamp	Kelso	Lynch	Olson, K.	Rest	Tomassoni	Workman
Haukoos	Kinkel	Macklin	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.
Hausman	Klinzing	Mahon	Onnen	Rice	Trimble	

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

SPECIAL ORDERS

S. F. No. 2171, A bill for an act relating to fire and police state aid; including Indian tribal governments in definition of municipality; amending Minnesota Statutes 1992, section 69.011, 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 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

S. F. No. 2709 was reported to the House.

Hugoson moved to amend S. F. No. 2709 as follows:

Page 2, after line 9, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment."

The motion prevailed and the amendment was adopted.

Asch and Brown, C., moved to amend S. F. No. 2709, as amended, as follows:

Page 2, after line 9, insert:

"Sec. 2. [32.75] [SALE OF DAIRY COWS; VOLUNTARY NON-rBGH TREATED AFFIDAVIT.]

(a) Upon sale of a dairy cow or cows, the seller may provide to the buyer an affidavit signed by the seller stating that the cow or cows have not been treated with (rBGH) for a minimum of 90 days prior to the sale.

(b) For purposes of the affidavit required under subdivision 3, a buyer of a dairy cow or cows may submit to a dairy plant the affidavit received from the seller. A dairy plant must accept the affidavit from the seller as if it were from the buyer."

Amend the title accordingly

A roll call was requested and properly seconded.

POINT OF ORDER

Hugoson raised a point of order pursuant to rule 3.09 that the Asch and Brown, C., 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 Asch and Brown, C., amendment and the roll was called. There were 53 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Huntley	Lourey	Neary	Pugh	Trimble
Asch	Dorn	Jaros	Mahon	Olson, E.	Rest	Tunheim
Brown, C.	Evans	Jefferson	Mariani	Olson, K.	Rice	Vellenga
Brown, K.	Farrell	Johnson, A.	McCollum	Orenstein	Rodosovich	Wagenius
Carlson	Garcia	Kahn	McGuire	Orfield	Sekhon	Wojcman
Carruthers	Greiling	Leppik	Milbert	Osthoff	Skoglund	
Clark	Hasskamp	Lieder	Munger	Ostrom	Solberg	
Cooper	Hausman	Long	Murphy	Peterson	Tomassoni	

Those who voted in the negative were:

Abrams	Dempsey	Jennings	Krueger	Olson, M.	Seagren	Weaver
Battaglia	Erhardt	Johnson, R.	Lasley	Onnen	Simoneau	Wenzel
Beard	Finseth	Johnson, V.	Limmer	Opatz	Smith	Winter
Bergson	Frerichs	Kalis	Lindner	Ozment	Stanisus	Wolf
Bertram	Girard	Kelley	Luther	Pauly	Steensma	Worke
Bettermann	Goodno	Kelso	Lynch	Pawlenty	Sviggum	Workman
Bishop	Gruenes	Kinkel	Macklin	Pelowski	Swenson	Spk. Anderson, I.
Commers	Gutknecht	Klinzing	Molnau	Perlt	Tompkins	
Dauner	Haukoos	Krickerbocker	Morrison	Reding	Van Dellen	
Dauids	Holsten	Knight	Mosel	Rhodes	Van Engen	
Dehler	Hugoson	Koppendrayner	Nelson	Rukavina	Vickerman	
Delmont	Jacobs	Krinkie	Ness	Sarna	Waltman	

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

S. F. No. 2709, A bill for an act relating to agriculture; amending provisions regarding the pricing of certain dairy products; amending Minnesota Statutes 1993 Supplement, section 32.72.

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 9 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Asch	McCollum	Onnen	Sekhon	Wolf
Farrell	Milbert	Osthoff	Trimble	

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

S. F. No. 1732 was reported to the House.

Skoglund and Wejcman moved to amend S. F. No. 1732, the unofficial engrossment, as follows:

Page 8, after line 31, insert:

"Sec. 8. Minnesota Statutes 1992, section 566.17, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] The officer holding the writ of restitution shall execute the same by making a demand upon defendant if found in the county or any adult member of the defendant's family holding possession of the premises, or other person in charge thereof, for the possession of the same, and that the defendant leave, taking family and all personal property from such premises within 24 hours after such demand. If defendant fails to comply with the demand, then the officer shall bring, if necessary, the force of the county and whatever assistance may be necessary, at the cost of the complainant, remove the said defendant, family and all personal property from said premises detained, immediately and place the plaintiff in the possession thereof. In case defendant cannot be found in the county, and there is no person in charge of the premises detained, so that no demand can be made upon the defendant, then the officer shall enter into the possession of the premises, breaking in if necessary, and the property of the defendant shall be removed and stored at a place designated by the plaintiff as provided under subdivision 2. The writ may also be executed by a licensed police officer or community crime prevention licensed police officer."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 1732, A bill for an act relating to conciliation courts; expanding conciliation court jurisdiction over matters involving rental property; allowing nonattorneys to represent condominium and cooperative associations; amending Minnesota Statutes 1993 Supplement, sections 481.02, subdivision 3; 491A.01, subdivision 9; and 491A.02, subdivision 4.

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

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

Those who voted in the affirmative were:

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

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

H. F. No. 2603 was reported to the House.

Pugh moved that H. F. No. 2603 be continued on Special Orders. The motion prevailed.

H. F. No. 2651 was reported to the House.

Pugh moved to amend H. F. No. 2651, the first engrossment, as follows:

Page 16, line 14, delete "PENSION PLANS" and insert "FUNDS"

Page 18, after line 30, insert:

"Sec. 5. Minnesota Statutes 1993 Supplement, section 475.66, subdivision 3, is amended to read:

Subd. 3. Subject to the provisions of any resolutions or other instruments securing obligations payable from a debt service fund, any balance in the fund may be invested

(a) in governmental bonds, notes, bills, mortgages, and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, excluding mortgage-backed securities that are defined as high risk pursuant to subdivision 5, or in certificates of deposit secured by letters of credit issued by federal home loan banks,

(b) in shares of an investment company (1) registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and (2) whose only investments are in (i) securities described in the preceding clause, except that the exclusion of mortgage-backed securities defined as high risk pursuant to subdivision 5 ~~do~~ does not apply to shares mortgage-backed securities in the portfolio of an investment company, (ii) general obligation tax-exempt securities rated A or better by a national bond rating service, and (iii) repurchase agreements or reverse repurchase agreements fully collateralized by those securities, if the repurchase agreements or reverse repurchase agreements are entered into only with those primary reporting dealers that report to the Federal Reserve Bank of New York and with the 100 largest United States commercial banks,

(c) in any security which is (1) a general obligation of the state of Minnesota or any of its municipalities, or (2) a general obligation of another state or local government with taxing powers which is rated A or better by a national bond rating service, or (3) a general obligation of the Minnesota housing finance agency, or (4) a general obligation of a housing finance agency of any state if it includes a moral obligation of the state, or (5) a general or revenue obligation of any agency or authority of the state of Minnesota other than a general obligation of the Minnesota housing finance agency. Investments under clauses (3) and (4) must be in obligations that are rated A or better by a national bond rating service and investments under clause (5) must be in obligations that are rated AA or better by a national bond rating service,

(d) in bankers acceptances of United States banks eligible for purchase by the Federal Reserve System,

(e) in commercial paper issued by United States corporations or their Canadian subsidiaries that is of the highest quality and matures in 270 days or less, or

(f) in guaranteed investment contracts issued or guaranteed by United States commercial banks or domestic branches of foreign banks or United States insurance companies or their Canadian or United States subsidiaries; provided that the investment contracts rank on a parity with the senior unsecured debt obligations of the issuer or guarantor and, (1) in the case of long-term investment contracts, either (i) the long-term senior unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest or next highest rating category of Standard & Poor's Corporation, Moody's Investors Service, Inc., or a similar nationally recognized rating agency, or (ii) if the issuer is a bank with headquarters in Minnesota, the long-term senior unsecured debt of the issuer is rated, or obligations backed by letters of credit of the issuer if forming the primary basis of a rating of such obligations would be rated in one of the three highest rating categories of Standard & Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency, or (2) in the case of short-term investment contracts, the short-term unsecured debt of the issuer or guarantor is rated, or obligations backed by letters of credit of the issuer or guarantor if forming the primary basis of a rating of such obligations would be rated, in the highest two rating categories of Standard and Poor's Corporation, Moody's Investors Service, Inc., or similar nationally recognized rating agency.

The fund may also be used to purchase any obligation, whether general or special, of an issue which is payable from the fund, at such price, which may include a premium, as shall be agreed to by the holder, or may be used to redeem any obligation of such an issue prior to maturity in accordance with its terms. The securities representing any such investment may be sold or hypothecated by the municipality at any time, but the money so received remains a part of the fund until used for the purpose for which the fund was created."

Page 18, line 32, delete "4" and insert "5"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2651, as amended, was read for the third time.

Reding moved that H. F. No. 2651, as amended, be continued on Special Orders. The motion prevailed.

Simoneau was excused for the remainder of today's session.

H. F. No. 3136 was reported to the House.

Kahn moved to amend H. F. No. 3136 as follows:

Page 1, after line 20, insert:

"Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day after final enactment."

The motion prevailed and the amendment was adopted.

H. F. No. 3136, A bill for an act relating to attorneys-at-law; prohibiting fees for public bond counsel from being based primarily on the amount of bonds sold; proposing coding for new law in Minnesota Statutes, chapter 481.

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

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

Those who voted in the affirmative were:

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

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

S. F. No. 2393 was reported to the House.

Jefferson moved to amend S. F. No. 2393 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 248.011, is amended to read:

248.011 [REPORTING OF NEWLY BLINDED INDIVIDUAL.]

Subdivision 1. [DUTY TO REPORT.] Whenever an ophthalmologist or optometrist makes an initial diagnosis of legal blindness as defined in section 256D.35, subdivision 4a, the ophthalmologist or optometrist shall advise the client that services are available through Minnesota state services for the blind and visually ~~handicapped~~ disabled. After

obtaining client consent, the ophthalmologist or optometrist shall report the name of the legally blind client to Minnesota state services for the blind and visually handicapped disabled. The report must be filed with Minnesota state services for the blind and visually handicapped disabled within 30 days following a diagnosis of legal blindness after obtaining client consent.

Subd. 2. [DUTIES OF MINNESOTA STATE SERVICES FOR THE BLIND AND VISUALLY HANDICAPPED DISABLED.] Upon receipt of the name of a legally blind individual, Minnesota state services for the blind and visually handicapped disabled shall contact the newly blind individual within 30 days and provide a complete summary of available services to the blind individual, in media accessible to the individual.

Sec. 2. Minnesota Statutes 1992, section 248.07, subdivision 1, is amended to read:

Subdivision 1. [COOPERATION.] It shall be the duty of the commissioner of jobs and training, referred to in this section and sections 248.10 and 248.11 as the commissioner, to develop and administer programs serving the needs of blind and visually handicapped disabled persons and to cooperate with state and local boards and agencies both public and private. The commissioner shall create a division that is a distinct organizational unit to be known as the division of state services for the blind and visually handicapped disabled, separate from the vocational rehabilitation unit and with its own activity budget, within the department of jobs and training to provide and coordinate services to the blind.

Sec. 3. Minnesota Statutes 1992, section 248.07, subdivision 2, is amended to read:

Subd. 2. [STATISTICS.] The commissioner shall collect statistics concerning blind persons including medical ophthalmological data, causes of blindness, opportunities for education, rehabilitation, training for employment, and any other information necessary to carry out the commissioner's duties and responsibilities with respect to blind and visually handicapped disabled persons.

Sec. 4. Minnesota Statutes 1992, section 248.07, subdivision 3, is amended to read:

Subd. 3. [SPECIAL ATTENTION.] The commissioner shall give special attention to the cases of handicapped disabled youth who are eligible to attend the Minnesota state academy for the blind, the Minnesota state academy for the deaf, or the public school classes for handicapped disabled children, but are not in attendance ~~thereat there~~, or are not receiving adequate instruction elsewhere. The commissioner shall report all such cases to the school district of the individual's residence and to the state board of education.

Sec. 5. Minnesota Statutes 1992, section 248.07, subdivision 4, is amended to read:

Subd. 4. [VOCATIONAL TRAINING.] The commissioner shall either provide or assist blind and visually handicapped disabled persons in obtaining vocational training and employment and shall aid such persons in obtaining services and benefits to which they may be entitled from public and private agencies. Any person who shall be entitled to training under this subdivision shall have the right to choose from available programs such training as in the opinion of the person would be suitable and practical in accordance with rules adopted by the commissioner under subdivision 14a.

Sec. 6. Minnesota Statutes 1992, section 248.07, subdivision 5, is amended to read:

Subd. 5. [AIDS.] The commissioner shall further be empowered to aid the persons who are blind or visually disabled: (1) by home instruction and training; (2) by assisting them in securing tools, appliances, and supplies; (3) by any other practicable means of improving their social, economic, or educational condition; (4) by providing to eligible persons, or purchasing for sale at cost plus handling charges, special materials and supplies needed by blind or visually handicapped disabled persons that are difficult to obtain elsewhere; and (5) by promoting literacy and access to print materials through production for blind or visually disabled persons or others of alternative reading formats such as Braille, audio tapes, radio signals, newspaper reading services, and other services originating from the division's communication center. Equipment may be leased or sold under written rehabilitation plans at cost plus handling charges to persons who wish to lease or purchase them. Receipts under this subdivision, as well as gifts to aid the blind, are subject to section 268.0121, subdivision 5.

Sec. 7. Minnesota Statutes 1992, section 248.07, subdivision 13, is amended to read:

Subd. 13. [COMMUNITY REHABILITATION FACILITIES PROGRAMS.] From the funds appropriated for vocational rehabilitation of the blind and matching federal funds available for the purpose, the commissioner may make grants, upon such terms as the commissioner may determine, to public or nonprofit organizations for the establishment, maintenance or improvement of community rehabilitation facilities ~~or sheltered workshops for the blind programs.~~

Sec. 8. Minnesota Statutes 1992, section 248.07, subdivision 14a, is amended to read:

Subd. 14a. [RULES.] The commissioner shall adopt rules to set standards for the provision of rehabilitative services to blind and visually ~~handicapped~~ disabled persons. The rules shall, at a minimum, contain program definitions and set standards for basic eligibility, including financial need eligibility and definitions of legal blindness.

The rules shall provide for the development of formal rehabilitation plans for eligible clients and shall govern the provision of direct rehabilitative services to clients, including placement in training programs, and providing tools and equipment. In addition, the rules shall set standards for appeals filed under subdivision 15 and include specific requirements for timely responses by the agency.

Sec. 9. Minnesota Statutes 1992, section 248.07, subdivision 16, is amended to read:

Subd. 16. [ADJUSTMENT-TO-BLINDNESS TRAINING.] (a) The commissioner of jobs and training shall enter into contracts or agreements to provide comprehensive adjustment-to-blindness training services to blind and visually ~~handicapped~~ disabled persons. Services available must include, but not be limited to, instruction in Braille reading and writing, the use of the long white cane for independent travel, home management and self management, typing and computer technology, career exploration, and seminars on positive adjustment to blindness. In entering into contracts or agreements to provide adjustment-to-blindness services, the commissioner shall, when in the best interests of the client, utilize services available from qualified nonprofit agencies or organizations who:

- (1) are administered by a governing board composed of a majority of individuals who are blind;
- (2) substantially involve individuals who are blind in policy direction and management; and
- (3) employ individuals who are blind at all levels of operation.

(b) This subdivision does not limit the commissioner's authority to enter into contracts or agreements for any service with other qualified agencies or organizations.

Sec. 10. Minnesota Statutes 1993 Supplement, section 248.10, is amended to read:

248.10 [REHABILITATION ADVISORY COUNCIL FOR THE BLIND.]

The commissioner shall establish a rehabilitation advisory council for the blind consistent with the federal Rehabilitation Act of 1973, Public Law Number 93-112, as amended ~~through December 31, 1992.~~ No more than half plus one of the members may be of the same gender. Advisory council members shall be compensated as provided in section 15.059, subdivision 3. Members of the council for the blind appointed before July 1, 1993, shall serve on the advisory council until the end of their appointed terms. The advisory council shall advise the commissioner about programs of the division of state services for the blind and visually ~~handicapped~~ disabled. The advisory council is limited to 15 members, a majority of whom must be blind or visually ~~handicapped~~ disabled. The council expires June 30, 1997.

Sec. 11. Minnesota Statutes 1992, section 248.11, is amended to read:

248.11 [RECOUPMENT OF SERVICES AND EQUIPMENT.]

Subdivision 1. [ERRONEOUS PAYMENTS.] If a recipient receives monetary assistance as a rehabilitation service from services for the blind and visually ~~handicapped~~ disabled in excess of that to which the recipient is entitled by law, state services for the blind and visually ~~handicapped~~ disabled shall, as soon as it discovers the amount of the erroneous payment, notify the recipient to return the same in accordance with rules adopted by the commissioner. Unless the recipient files an appeal under section 248.07, subdivision 15, within 15 days after the notice to return is

personally delivered to the recipient or mailed to the recipient's last known address, the determination of overpayment shall be considered final. If the recipient files a timely appeal, the determination shall not be considered final until the recipient's administrative appeal remedies are exhausted. State services for the blind and visually ~~handicapped disabled~~ may recoup overpayments considered final under this subdivision by deducting the amount or a part of the overpayment from future monetary assistance payments to the recipient or by civil action in the name of the commissioner. Overpayments made more than three years prior to discovery of the error are not recoverable under this subdivision.

Subd. 2. [RECOVERY OF EQUIPMENT.] If a recipient retains equipment to which state services for the blind and visually ~~handicapped disabled~~ has title after the recipient's right to possess the equipment has expired, state services for the blind and visually ~~handicapped disabled~~ shall notify the recipient to return the same or execute a new lease to the equipment if the equipment is still necessary to the recipient's rehabilitation. Unless the recipient returns the equipment, executes and complies with a new lease to the equipment or appeals under section 248.07, subdivision 15 within 15 days after the notice to return is personally delivered to the recipient or mailed to the recipient's last known address, state services for the blind and visually ~~handicapped disabled~~ may institute a civil action to recover the equipment or the reasonable value of the equipment.

Sec. 12. Minnesota Statutes 1993 Supplement, section 268A.02, subdivision 2, is amended to read:

Subd. 2. [REHABILITATION ADVISORY COUNCIL.] The commissioner shall establish a state rehabilitation advisory council consistent with the federal Rehabilitation Act of 1973, Public Law Number 93-112, as amended through December 31, 1992. No more than half plus one of the members may be of the same gender. Members of the advisory council shall be compensated as provided in section 15.059, subdivision 3. Members of the consumer advisory council appointed prior to July 1, 1993, shall serve on the rehabilitation advisory council until the end of their appointed terms. The council expires June 30, 1997.

Sec. 13. Minnesota Statutes 1992, section 268A.09, is amended to read:

268A.09 [EVALUATION AND FUNDING OF EXTENDED EMPLOYMENT PROGRAMS.]

Subdivision 1. [GRANTS.] The commissioner may make grants to assist cities, towns, counties, nonprofit corporations, state regional centers, or any combination thereof in the establishment, operation, and expansion of the extended employment programs offered by community rehabilitation facilities programs. The commissioner may accept federal grants or aids and shall cooperate with federal agencies in any reasonable manner necessary to qualify for federal grants or aids for community rehabilitation facilities or their programs.

Subd. 2. [EVALUATION; STATE FUNDING.] At the beginning of each fiscal year, the commissioner shall allocate available funds to extended employment programs for disbursement during the fiscal year in accordance with approved plans or budgets. The commissioner shall study and recommend to the legislature by March 1, 1985, new allocation formulas which take into consideration effectiveness of the community rehabilitation facility programs extended employment programs. In its recommendation the commissioner shall calculate the fiscal impact of the various formulas on each community rehabilitation facility program and the extent to which a community rehabilitation facility program can utilize new allocation formulas. The commissioner shall develop forms to assist the community rehabilitation facilities programs in collecting data necessary to complete the program evaluation. Information needed to conduct the evaluations must be submitted by the community rehabilitation facilities programs along with the annual requests for funding. Failure to submit documentation requested by the commissioner shall result in the withdrawal of all state funding for the extended employment programs offered by the community rehabilitation facility program.

The commissioner shall from time to time during the fiscal year review the budgets and expenditures of the community rehabilitation facilities and programs. If funds are not needed for the program to which they were allocated, the commissioner may, after reasonable notice and opportunity for hearing, withdraw such funds as are unencumbered and reallocate them to other programs. The commissioner may withdraw funds from any community rehabilitation facility or program which is not being administered in accordance with its approved plan and budget unless a modified plan and budget is submitted to and approved by the commissioner, and implemented within a reasonable time.

The commissioner shall also withdraw funds from a community rehabilitation facility or program not being administered according to department rules, or not meeting mandatory standards for certification, unless a plan bringing the community rehabilitation facility or program into compliance with the rules and standards is submitted to and approved by the commissioner and implemented within a reasonable time.

Subd. 3. [EVALUATION OF PROGRAMS.] The program evaluation must include, but not be limited to, the following considerations:

- (a) wages and benefits paid to workers and number of hours worked;
- (b) rate of placement in competitive employment;
- (c) opportunities for workers to participate in decisions affecting their employment;
- (d) community rehabilitation facility program responsiveness to workers' grievances;
- (e) increases in individual workers' productivity;
- (f) efficiency of the community rehabilitation facilities programs; and
- (g) types and levels of disability of the workers and willingness of the community rehabilitation facility program to accept and assist persons with serious behavioral, mental, sensory, or physical disabilities.

The evaluation must take into account the disability levels of the workers, the geographic location and size of the community rehabilitation facility program, and the economic conditions of the surrounding community.

Subd. 4. [FUND ALLOCATION.] Funds appropriated for the extended employment program shall be distributed to community rehabilitation facilities programs in a manner prescribed in rule, provided that 15 percent shall be allocated based on economic conditions as defined in rule and that, for funding purposes, no credit can be given for full-time equivalents, as defined in rule, in excess of the number of persons in the program.

Subd. 5. [RULE AUTHORITY.] In addition to the powers already conferred by law, the commissioner shall promulgate rules on:

- (a) state certification of all community rehabilitation facilities programs;
- (b) allocation of state grant funds to extended employment programs;
- (c) standards for qualification of personnel and quality of professional service and for in-service training and education leave programs for personnel;
- (d) eligibility for service so that no person will be denied service on the basis of race, creed, or color;
- (e) regulatory fees for consultation services;
- (f) standards and criteria by which persons with a disability are to be judged eligible for the services;
- (g) evaluation criteria for extended employment programs; and
- (h) program evaluation criteria for work activity programs in order to determine the extent to which these programs meet the goals and objectives established in state and federal law relating to work activity programs.

The rules on evaluation criteria for community rehabilitation facilities programs must be in effect by July 1, 1986. The rules must be used in making allocations for fiscal years beginning after June 30, 1987.

Subd. 6. [TECHNICAL ASSISTANCE.] The commissioner shall provide technical assistance within available resources to community rehabilitation facilities and programs based on the need reflected in an evaluation.

Subd. 7. [GRANTS.] The commissioner may use money allocated to the vocational rehabilitation unit for management information systems to provide grants to community rehabilitation facilities programs to finance and purchase equipment necessary to: (1) provide the information required to comply with the evaluation criteria developed under subdivision 5; (2) increase sheltered worker productivity; and (3) train severely disabled people in computer and other high-technology applications. As a condition of receiving a grant for the purposes of (2) or (3), the commissioner shall require community rehabilitation facilities programs to provide matching money.

Sec. 14. Minnesota Statutes 1992, section 268A.11, subdivision 1, is amended to read:

Subdivision 1. [PURPOSES AND SERVICES OFFERED.] ~~Independent living services are those services designed to materially improve opportunities for persons with disabilities to live and function more independently in their home, family, and community, and the services include:~~

- ~~(1) intake counseling to determine the individual's needs for services;~~
- ~~(2) referral and counseling services with respect to attendant care;~~
- ~~(3) counseling and advocacy with respect to legal and economic rights and benefits;~~
- ~~(4) independent living skills, training, and counseling;~~
- ~~(5) housing and transportation referral and assistance;~~
- ~~(6) surveys, directories, and other activities to identify appropriate housing and accessible transportation and other support services;~~
- ~~(7) peer counseling;~~
- ~~(8) education and training necessary to living in the community and participating in community affairs;~~
- ~~(9) individual and group social and recreational activities;~~
- ~~(10) attendant care and training of personnel to provide the care; and~~
- ~~(11) other necessary services which are not inconsistent with sections 62A.26 and 62E.06, subdivision 1. The purpose of independent living services and the services that are to be provided are those that are consistent with Code of Federal Regulations, title 34, parts 365 to 367.~~

Sec. 15. Minnesota Statutes 1992, section 268A.11, subdivision 3, is amended to read:

Subd. 3. [CERTIFICATION.] No applicant center for independent living may receive funding under this section unless it has received certification from the division of rehabilitation services.

~~The division of rehabilitation services shall involve persons with a disability and other interested persons to consider performance evaluation criteria in order to formulate rules by which centers will be certified by July 1, 1986.~~

The division of rehabilitation services shall review the programs for of centers of for independent living receiving funds from this section to determine their adherence to standards adopted by rule and if the standards are substantially met, shall issue appropriate certifications.

Sec. 16. [REPEALER.]

Minnesota Statutes 1992, section 268A.12, is repealed.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 to 16 are effective the day following final enactment. The gender balance requirements of sections 10 and 12 apply only to appointments made after the effective date of those sections, and do not operate to remove current members of the councils before the end of their current terms."

The motion prevailed and the amendment was adopted.

Jefferson moved to amend S. F. No. 2393, as amended, as follows:

Page 7, line 4, strike "through December 31, 1992"

The motion prevailed and the amendment was adopted.

S. F. No. 2393, A bill for an act relating to the jobs and training department; making changes of a technical and housekeeping nature; amending Minnesota Statutes 1992, sections 248.011; 248.07, subdivisions 1, 2, 3, 4, 5, 13, 14a, and 16; 248.11; 268A.09; and 268A.11, subdivisions 1 and 3; Minnesota Statutes 1993 Supplement, sections 248.10; and 268A.02, subdivision 2; repealing Minnesota Statutes 1992, sections 268A.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 118 yeas and 14 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bettermann	Davids	Gutknecht	Krinkie	Lynch	Olson, M.	Waltman
Commers	Girard	Knight	Lindner	Ness	Van Engen	Workman

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today:

S. F. No. 862; H. F. Nos. 2046, 3017, 2821 and 1919; S. F. Nos. 2710, 2009 and 2303; H. F. Nos. 3051 and 2440; and S. F. No. 584.

SPECIAL ORDERS, Continued

S. F. No. 862, A bill for an act relating to motor vehicles; providing for service of process for certain alleged violations; providing civil penalty; amending Minnesota Statutes 1992, section 168.27, 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

H. F. No. 2046 was reported to the House.

There being no objection, H. F. No. 2046 was temporarily laid over on Special Orders.

H. F. No. 3017 was reported to the House.

There being no objection, H. F. No. 3017 was temporarily laid over on Special Orders.

H. F. No. 2821, A bill for an act relating to child custody; providing for presumptive custody in grandparents in certain circumstances; proposing coding for new law in Minnesota Statutes, chapter 518.

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

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

Those who voted in the affirmative were:

Abrams	Clark	Frerichs	Jaros	Koppendraye	Mariani	Olson, M.
Anderson, R.	Commers	Garcia	Jefferson	Krinkie	McCollum	Ornen
Asch	Cooper	Girard	Jennings	Krueger	McGuire	Opatz
Battaglia	Dauner	Goodno	Johnson, A.	Lasley	Milbert	Orenstein
Bauerly	Dauids	Greiling	Johnson, R.	Leppik	Molnau	Orfield
Beard	Dawkins	Gruenes	Johnson, V.	Lieder	Morrison	Osthoff
Bergson	Dehler	Gutknecht	Kahn	Limmer	Mosel	Ostrom
Bertram	Delmont	Hasskamp	Kalis	Lindner	Munger	Ozment
Bettermann	Dempsey	Haukoos	Kelley	Long	Murphy	Pauly
Bishop	Dorn	Hausman	Kelso	Lourey	Neary	Pawlenty
Brown, C.	Erhardt	Holsten	Kinkel	Luther	Nelson	Pelowski
Brown, K.	Evans	Hugoson	Klinzing	Lynch	Ness	Perlt
Carlson	Farrell	Huntley	Knickerbocker	Macklin	Olson, E.	Peterson
Carruthers	Finseth	Jacobs	Knight	Mahon	Olson, K.	Pugh

Reding	Sarna	Solberg	Tomassoni	Van Engen	Weaver	Worke
Rest	Seagren	Stanius	Tompkins	Vellenga	Wejzman	Workman
Rhodes	Sekhon	Steensma	Trimble	Vickerman	Wenzel	Spk. Anderson, I.
Rodosovich	Skoglund	Sviggum	Tunheim	Wagenius	Winter	
Rukavina	Smith	Swenson	Van Dellen	Waltman	Wolf	

The bill was passed and its title agreed to.

H. F. No. 1919 was reported to the House.

Evans, Neary, Sekhon, Clark and Delmont moved to amend H. F. No. 1919 as follows:

Page 3, after line 30, insert:

"Sec. 5. [MANUFACTURED HOME PARKS; SHELTERS AND EVACUATION PLANS.]

The commissioner of health, in cooperation with the commissioner of administration and the director of the emergency management division of the department of public safety, shall collect, review, and analyze the data on the on-site shelters and evacuation plans of licensed manufactured home parks with 50 or more sites. The commissioner shall report the results of the data inventory and analysis to the legislature by January 10, 1995."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1919, A bill for an act relating to manufactured homes; clarifying certain language governing application fees with in park sales; requiring a study; amending Minnesota Statutes 1992, section 327C.07, subdivisions 1, 2, 3, and 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 98 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Hausman	Klinzing	Milbert	Pauly	Stanius
Asch	Dawkins	Holsten	Knickerbocker	Morrison	Pelowski	Steensma
Battaglia	Delmont	Huntley	Krueger	Mosel	Perlt	Swenson
Bauerly	Dempsey	Jacobs	Lasley	Munger	Peterson	Tomassoni
Beard	Dorn	Jaros	Leppik	Neary	Pugh	Tompkins
Bergson	Evans	Jefferson	Lieder	Nelson	Reding	Trimble
Bertram	Farrell	Jennings	Long	Olson, E.	Rest	Tunheim
Bishop	Finseth	Johnson, A.	Lourey	Olson, K.	Rhodes	Vellenga
Brown, C.	Garcia	Johnson, R.	Luther	Opatz	Rice	Vickerman
Brown, K.	Goodno	Johnson, V.	Macklin	Orenstein	Rodosovich	Wagenius
Carlson	Greenfield	Kahn	Mahon	Orfield	Sarna	Wejzman
Carruthers	Greiling	Kelley	Mariani	Osthoff	Sekhon	Wenzel
Clark	Gruenes	Kelso	McCollum	Ostrom	Skoglund	Winter
Cooper	Hasskamp	Kinkel	McGuire	Ozment	Solberg	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Commers	Dehler	Frerichs	Gutknecht	Hugoson	Knight
Bettermann	Davids	Erhardt	Girard	Haukoos	Kalis	Koppendrayner

Krinkie	Lynch	Olson, M.	Rukavina	Van Dellen	Weaver	Workman
Limmer	Molnau	Ornen	Smith	Van Engen	Wolf	
Lindner	Ness	Pawlenty	Sviggum	Waltman	Worke	

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

H. F. No. 2046 which was temporarily laid over earlier today on Special Orders was again reported to the House.

Trimble offered an amendment to H. F. No. 2046, the first engrossment.

POINT OF ORDER

Van Engen raised a point of order pursuant to rule 3.09 that the Trimble amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

H. F. No. 2046, A bill for an act relating to wild animals; restricting the killing of dogs wounding, killing, or pursuing big game within the metropolitan area; amending Minnesota Statutes 1992, section 97B.011.

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 104 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Jaros	Lieder	Neary	Reding	Tompkins
Anderson, R.	Dauner	Jefferson	Limmer	Ness	Rest	Trimble
Asch	Dawkins	Johnson, A.	Long	Olson, E.	Rhodes	Tunheim
Battaglia	Dorn	Johnson, R.	Lourey	Opatz	Rice	Van Dellen
Bauerly	Erhardt	Kahn	Luther	Orenstein	Rodosovich	Van Engen
Beard	Evans	Kalis	Lynch	Orfield	Rukavina	Vellenga
Bertram	Farrell	Kelley	Macklin	Osthoff	Sarna	Vickerman
Bettermann	Garcia	Kelso	Mariani	Ostrom	Seagren	Wagenius
Bishop	Goodno	Kinkel	McCollum	Ozment	Sekhon	Wejzman
Brown, C.	Greenfield	Knickerbocker	McGuire	Pauly	Skoglund	Wenzel
Brown, K.	Greiling	Koppendrayer	Molnau	Pawlenty	Solberg	Winter
Carlson	Hasskamp	Krinkie	Morrison	Pelowski	Steensma	Wolf
Carruthers	Hausman	Krueger	Mosel	Perlt	Sviggum	Worke
Clark	Huntley	Lasley	Munger	Peterson	Swenson	Spk. Anderson, I.
Commers	Jacobs	Leppik	Murphy	Pugh	Tomassoni	

Those who voted in the negative were:

Bergson	Dempsey	Gruenes	Hugoson	Knight	Olson, K.	Stanius
Davids	Finseth	Gutknecht	Jennings	Lindner	Olson, M.	Waltman
Dehler	Frerichs	Haukoos	Johnson, V.	Mahon	Ornen	Weaver
Delmont	Girard	Holsten	Klinzing	Nelson	Smith	Workman

The bill was passed and its title agreed to.

H. F. No. 3017 which was temporarily laid over earlier today on Special Orders was again reported to the House.

Jefferson moved to amend H. F. No. 3017, the first engrossment, as follows:

Page 2, after line 3, insert:

"Sec. 2. [347.515] [TRANSFER OF OWNERSHIP OF DANGEROUS DOGS.]

A person who transfers ownership or possession of a dangerous dog must notify the county that issued the certificate of registration of the transfer. The notification must include the name and address of the new owner or possessor and other information the county requires to ensure the continued registration of the dog in this state.

If the new owner or possessor resides in another county, the county receiving notification under this section shall notify the county where the new owner or possessor resides of the location of the dangerous dog."

Page 2, line 32, delete "(a)"

Page 3, delete lines 2 to 7

Page 3, line 10, after "347.51" insert ", 347.515,"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Johnson, V., moved to amend H. F. No. 3017, the first engrossment, as amended, as follows:

Page 3, line 1, after the period, insert "Eighty percent of the fines collected under sections 347.54, subdivision 1, and 347.57 shall be deposited in the state treasury and credited to a special account. Money in that account is appropriated to the department of public safety for the purposes of those sections."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 3017, A bill for an act relating to dangerous dogs; restricting the ability to license a dangerous dog; requiring the production of a dog under certain circumstances; requiring notification of ownership transfer; imposing penalties; providing a civil fine for dangerous dog offenses; appropriating money; amending Minnesota Statutes 1992, sections 347.51, subdivision 2; and 347.54, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 347.

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 12 nays as follows:

Those who voted in the affirmative were:

Abrams	Bettermann	Cooper	Farrell	Gruenes	Jacobs	Kalis
Anderson, R.	Bishop	Dauner	Finseth	Gutknecht	Jaros	Kelley
Asch	Brown, C.	Dawkins	Frerichs	Hasskamp	Jefferson	Kelso
Battaglia	Brown, K.	Delmont	Garcia	Haukoos	Jennings	Kinkel
Bauerly	Carlson	Dempsey	Girard	Hausman	Johnson, A.	Klinzing
Beard	Carruthers	Dorn	Goodno	Holsten	Johnson, R.	Knickerbocker
Bergson	Clark	Erhardt	Greenfield	Hugoson	Johnson, V.	Koppendrayner
Bertram	Commers	Evans	Greiling	Huntley	Kahn	Krueger

Lasley	Mariani	Olson, E.	Pawlenty	Sarna	Trimble	Winter
Leppik	McCollum	Olson, K.	Pelowski	Seagren	Tunheim	Wolf
Lieder	McGuire	Olson, M.	Perlt	Sekhon	Van Dellen	Worke
Limmer	Milbert	Opatz	Pugh	Skoglund	Vellenga	Spk. Anderson, I.
Long	Morrison	Orenstein	Reding	Solberg	Vickerman	
Lourey	Mosel	Orfield	Rest	Steensma	Wagenius	
Luther	Munger	Osthoff	Rhodes	Sviggum	Waltman	
Lynch	Murphy	Ostrom	Rice	Swenson	Weaver	
Macklin	Neary	Ozment	Rodosovich	Tomassoni	Wejzman	
Mahon	Nelson	Pauly	Rukavina	Tompkins	Wenzel	

Those who voted in the negative were:

Davids	Knight	Lindner	Ness	Smith	Van Engen
Dehler	Krinkie	Molnau	Onnen	Stanius	Workman

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

Vellenga was excused for the remainder of today's session.

S. F. No. 2710 was reported to the House.

Clark moved to amend S. F. No. 2710 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 144.871, subdivision 2, is amended to read:

Subd. 2. [ABATEMENT.] "Abatement" means ~~removal of, replacement of, or encapsulation of any set of procedures designed to remove, replace, or encapsulate~~ deteriorated paint, bare soil, dust, drinking water, or other lead-containing materials that are or may become readily accessible during the lead abatement process and pose an immediate threat of actual lead exposure to people and includes preparation, cleanup, and disposal.

Sec. 2. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

Subd. 5a. [DETERIORATED PAINT.] "Deteriorated paint" or "deteriorating paint" means paint that is chipped, peeled, or otherwise separated from its substrate or that is attached to damaged substrate.

Sec. 3. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 3, is amended to read:

Subd. 3. [~~SWAB TEAMS; LEAD ASSESSMENT; LEAD ABATEMENT ORDERS.~~] A board of health must order a property owner to perform abatement on a lead source that exceeds a standard adopted according to section 144.878 at the residence of a child with an elevated blood lead level or a pregnant woman with a blood lead level of at least ten micrograms per deciliter. If the paint standard under section 144.878 is violated, but the paint is intact, the board of health must not order paint removal unless the intact paint is a known source, or reasonably expected to be a source, of actual lead exposure to a specific person. Before the board of health may order the intact paint to be removed, a reasonable effort must be made to protect the child and preserve the intact paint by the use of guards or other protective devices. Lead abatement orders must require that any source of damage, such as leaking roofs, plumbing, and windows, must be repaired or replaced, as needed, to prevent damage to lead-containing interior surfaces. The board of health is not required to pay for lead abatement. With each lead abatement order, the board of health must coordinate with swab team abatement and provide a residential lead abatement guide.

Sec. 4. Minnesota Statutes 1993 Supplement, section 144.874, subdivision 11a, is amended to read:

Subd. 11a. [LEAD ABATEMENT AND LEAD-SAFE WORK DIRECTIVES.] (a) In order to achieve statewide consistency in the application of lead abatement standards, the commissioner shall issue program directives that interpret the application of rules under section 144.878 in ambiguous or unusual lead abatement situations. These

directives are guidelines to local boards of health. The commissioner shall periodically review the evaluation of lead abatement orders and the program directives to determine if the rules under section 144.878 need to be amended to reflect new understanding of lead abatement practices and methods.

(b) By July 1, 1995, the commissioner shall work cooperatively with the commissioner of administration to develop provisions, procedures, and directives to define residential remodeling, renovation, installation, and rehabilitation activities that are not lead abatement but may disrupt lead-based paint surfaces. The directives and provisions must define lead-safe procedures for nonlead abatement activities including preparation, cleanup, and disposal procedures, and must define the levels of training or certification necessary to learn and follow the directives. The directives must be based on the different levels and types of work involved and the potential for lead hazards. The directives must address activities including, but not limited to, painting, remodeling, weatherization, installation of cable, wire, plumbing, and gas, and replacement of doors and windows. The commissioners of health and administration shall consult with representatives of builders, weatherization providers, nonprofit rehabilitation organizations, a representative of each of the affected trades, and housing and redevelopment authorities in developing the directives and procedures. The commissioner of health shall report to the legislature by January 15, 1995, regarding development of the provisions required under this subdivision.

Sec. 5. [144.8711] [EXEMPTIONS.]

The provisions of sections 144.876 and 144.878, subdivision 5, do not apply to homeowners, apartment owners, farmers, and small business persons with 50 or fewer employees who do their own maintenance and remodeling work, or to small contractors, excluding lead abatement contractors. In no case shall they apply until after provisions, directives, and procedures are developed under section 144.874, subdivision 11a, in consultation with the affected industry representatives. Nothing in this section affects any federal grant from the Department of Housing and Urban Development or state financed swab teams.

Sec. 6. [144.8712] [EFFECTIVE DATES DELAYED.]

The requirement for testing of intact paint in Minnesota Rules, part 4761.0100, "Applicability," paragraph C, shall not be effective until July 1, 1995.

Sec. 7. Minnesota Statutes 1993 Supplement, section 144.878, subdivision 2, is amended to read:

Subd. 2. [LEAD STANDARDS AND ABATEMENT METHODS.] (a) The commissioner shall adopt rules establishing standards and abatement methods for lead in paint, dust, and drinking water, and soil in a manner that protects public health and the environment for all residences, including residences also used for a commercial purpose.

(b) The commissioner shall differentiate between intact paint and deteriorating paint. The commissioner and political subdivisions shall require abatement of intact paint only if the commissioner or political subdivision finds that the intact paint is on a chewable or lead-dust producing surface that is a known source or reasonably expected to be a source of actual lead exposure to a specific person. The commissioner shall determine which practices under section 144.874, subdivision 11a, may be used for lead-safe work including preparation and cleanup. The commissioner shall work cooperatively with the commissioner of the pollution control agency to develop disposal procedures. In adopting rules under this subdivision, the commissioner shall require the best available technology for lead abatement methods, paint stabilization, and repainting.

(b) (c) The commissioner of health shall adopt standards and abatement methods for lead in bare soil on playgrounds and residential property in a manner to protect public health and the environment. The commissioner shall adopt a maximum standard of 100 parts of lead per million in bare soil, unless it is proven that a different standard provides greater protection of public health.

(e) (d) The commissioner of the pollution control agency shall adopt rules to ensure that removal of exterior lead-based coatings from residential property by abrasive blasting methods is conducted in a manner that protects public health and the environment.

(d) (e) All standards adopted under this subdivision must provide reasonable margins of safety that are consistent with a detailed review of scientific evidence and an emphasis on overprotection rather than underprotection when the scientific evidence is ambiguous. The rules must apply to any individual performing or ordering the performance of lead abatement.

(e) (f) No unit of local government may have an ordinance or regulation governing lead abatement methods for lead in paint, dust, or soil for residences and residential land that require a different lead abatement method than the lead abatement standards established under sections 144.871 to 144.879.

(g) The commissioner shall adopt standards and abatement methods for lead in drinking water in a manner to protect the public health and the environment. The commissioner shall adopt rules for controlling lead in drinking water as contained in Code of Federal Regulations, title 40, part 141. Samples collected for the purposes of lead analysis of drinking water shall be done in accordance with lab certification requirements and analytical techniques specified by the Code of Federal Regulations, title 40, part 141.89.

Sec. 8. Minnesota Statutes 1993 Supplement, section 144.878, subdivision 5, is amended to read:

Subd. 5. [LEAD ABATEMENT CONTRACTORS AND EMPLOYEES.] The commissioner shall adopt rules to license lead abatement contractors, and to certify employees of lead abatement contractors who perform abatement, and to certify lead abatement trainers who provide lead abatement training for contractors, employees, or other lead abatement trainers. ~~A person who performs painting, renovation, rehabilitation, remodeling, or other residential work that is not lead abatement need not be a licensed lead abatement contractor. By July 1, 1994, a person who performs work that removes intact paint on residences built before February 27, 1978, must determine whether lead sources are present and whether the planned work would be lead abatement as defined in section 144.871, subdivision 2. This determination may be made by quantitative chemical analysis, X-ray fluorescence analyzer, or chemical spot test using sodium rhodizonate. If lead sources are identified, the work must be performed by a licensed lead abatement contractor. An owner of an owner-occupied residence with one or two units is not subject to the requirements under this subdivision.~~ All lead abatement training must include a hands-on component and instruction on the health effects of lead exposure, the use of personal protective equipment, workplace hazards and safety problems, abatement methods and work practices, decontamination procedures, cleanup and waste disposal procedures, lead monitoring and testing methods, and legal rights and responsibilities. The commissioner shall adopt rules to approve lead abatement training courses and to charge a fee for approval. At least 30 days before publishing initial notice of proposed rules under this subdivision on the licensing of lead abatement contractors, the commissioner shall submit the rules to the chairs of the health and human services committee in the house of representatives and the health care committee in the senate, and to any legislative committee on licensing created by the legislature.

Sec. 9. Minnesota Statutes 1992, section 144.878, is amended by adding a subdivision to read:

Subd. 5a. [RESIDENTIAL RENOVATION AND REMODELING.] A person who performs painting, renovation, rehabilitation, remodeling, demolition, or other residential work that is not lead abatement need not be a licensed lead abatement contractor. By July 1, 1995, a person who performs work that removes intact paint on residences built before February 27, 1978, must determine whether lead sources are present. This determination may be made by quantitative chemical analysis, X-ray fluorescence analyzer, or chemical spot test using sodium rhodizonate. If lead sources are identified, the work must be performed in accordance with the standard in section 144.878, subdivision 2, as modified by the program directives developed under section 144.874, subdivision 11a. An owner of an owner-occupied residence with one or two units is not subject to the requirements under this subdivision.

Sec. 10. [PROPOSAL FOR FEDERAL CONFORMING LEGISLATION.]

The commissioners of the pollution control agency and the department of health shall monitor federal rules proposed and adopted for lead hazard reduction of public buildings and structures under title X, of the federal Residential Lead-Based Paint Hazard Reduction Act of 1992, Public Law Number 102-550. The commissioner of health shall report to the legislature by February 1, 1995, with a legislative proposal to bring Minnesota law into conformance with the federal requirements for accreditation of training, inspection, contracting, and employment. The proposal shall be developed jointly with the commissioners of other affected agencies.

Sec. 11. [FEDERAL TRAINING GRANTS.]

The commissioner shall identify and apply for federal grants to subsidize the cost of the current lead abatement training program and to increase the number of certified trainers. The commissioner shall take necessary actions to expand the number of certified trainers, and increase the capacity of the current lead abatement training program to train and certify contractors and employees as required under section 144.876, subdivision 1, and rules adopted under section 144.878, subdivision 5.

Sec. 12. [STUDY OF INSURANCE OPTIONS FOR LEAD ABATEMENT.]

The commissioner of commerce shall report to the legislature by January 1, 1995, on the insurance options available to remodelers and lead abatement contractors. The report shall include recommendations on methods to limit the liability of remodelers and lead abatement contractors, including liability for consumer claims.

Sec. 13. [REVIEW AND CODIFICATION; LEAD LAWS AND STATUTES.]

The commissioners of health and the pollution control agency shall review current lead abatement and standards statutes, laws, and rules, and propose coding to the legislature by January 10, 1995.

Delete the title and insert:

"A bill for an act relating to health; modifying provisions relating to lead abatement; requiring a study and proposal; amending Minnesota Statutes 1992, sections 144.871, by adding a subdivision; and 144.878, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 144.871, subdivision 2; 144.874, subdivisions 3 and 11a; and 144.878, subdivisions 2 and 5; proposing coding for new law in Minnesota Statutes, chapter 144."

The motion prevailed and the amendment was adopted.

Clark moved to amend S. F. No. 2710, as amended, as follows:

Page 1, lines 16 to 21, delete the new language, strike all existing language before the period and insert "designed to eliminate or reduce human exposure to lead hazards"

Page 1, after line 21, insert:

"Sec. 2. Minnesota Statutes 1992, section 144.871, is amended by adding a subdivision to read:

Subd. 2a. [LEAD HAZARD.] "Lead hazard" means a condition that causes exposure to lead from lead-contaminated dust, lead-contaminated bare soil, lead-contaminated drinking water, lead-contaminated deteriorating paint, or lead-contaminated intact paint on accessible friction or impact surfaces that poses an immediate threat that would result in adverse human health effects.

Page 2, line 14, delete "guards" and insert "protective coverings"

Page 6, line 27, delete "By" and insert "After"

Page 6, line 32, after "rhodizonate," insert "A person does not have to be licensed as a lead inspector to use sodium rhodizonate for this purpose."

Page 7, line 9, delete "a legislative proposal" and insert "an interim report"

Page 7, line 12, delete "proposal" and insert "interim report"

Page 7, line 34, delete "and" and after "standards" insert a comma

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Huntley, Rukavina, Ness, Clark and Tompkins moved to amend S. F. No. 2710, as amended, as follows:

Page 7, after line 1, insert:

"Sec. 10. Minnesota Statutes 1993 Supplement, section 326.71, subdivision 4, is amended to read:

Subd. 4. [ASBESTOS-RELATED WORK.] "Asbestos-related work" means the enclosure, repair, removal, or encapsulation of asbestos-containing material in a quantity that meets or exceeds 260 lineal feet of friable asbestos-containing material on pipes, 160 square feet of friable asbestos-containing material on other facility components, or a total of 35 cubic feet of friable asbestos-containing material on or off all facility components in one facility. In the case of single or multifamily residences, "asbestos-related work" also means the enclosure, repair, removal, or encapsulation of greater than ten but less than 260 lineal feet of friable asbestos-containing material on pipes or ducts or greater than six but less than 160 square feet of friable asbestos-containing material on other facility components. This provision excludes asbestos-containing vinyl floor tiles and sheeting under 160 square feet and all ceilings with asbestos-containing material in single family residences and buildings with no more than four dwelling units. Asbestos-related work includes asbestos abatement area preparation; enclosure, removal, encapsulation, or repair operations; and an air quality monitoring specified in rule to assure that the abatement and adjacent areas are not contaminated with asbestos fibers during the project and after completion."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Tompkins moved to amend S. F. No. 2710, as amended, as follows:

Page 3, line 27, delete everything after the period

Page 3, delete lines 28 to 30

The motion prevailed and the amendment was adopted.

Asch moved to amend S. F. No. 2710, as amended, as follows:

Page 6, line 28, delete "February 27,"

Page 6, line 29, delete "1978" and insert "1951"

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

S. F. No. 2710, A bill for an act relating to health; modifying provisions relating to lead abatement; amending Minnesota Statutes 1992, sections 144.871, subdivision 3; and 144.874, subdivision 12, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 16B.61, subdivision 3; 144.871, subdivision 2; 144.872, subdivision 2; 144.874, subdivisions 1, 3, 9, and 11a; 144.878, subdivisions 2 and 5; and 326.71, subdivision 4; repealing Minnesota Statutes 1993 Supplement, section 144.877.

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

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

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Davids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler

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

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

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

GENERAL ORDERS

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 2168, A bill for an act relating to agricultural businesses; exempting from sales tax the gross receipts of used farm machinery sales; providing matching moneys for federal emergency disaster funds to flood damaged counties; providing supplemental funding for grain inspection programs, financial assistance programs under the ethanol production fund, and small business disaster loan programs; expanding research on grain diseases; increasing funding for the farm advocates program, agricultural resource centers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges, and the Farmers' Legal Action Group; providing funding to the Agricultural Utilization Research Institute; appropriating money; amending Minnesota Statutes 1992, sections 297A.02, subdivision 2; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2; and Laws 1993, chapter 172, section 7, subdivision 3.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"ARTICLE 1

LEGISLATIVE FINDINGS; NATURAL DISASTER RELIEF

Section 1. [FINDINGS.]

The legislature finds that the Minnesota agricultural economy and rural communities have been severely damaged by natural disasters in 1993. Cold weather, heavy snows, excessive rainfall, floods, near total crop failures, and grain diseases drastically reduced the income of farm families and the economic vitality of small towns throughout the state.

The legislature further finds that it is in the public interest to act promptly to provide assistance to farm operators and small businesses to restore economic stability, maintain a viable workforce, and reduce the emotional stress caused by the natural disasters. The legislature therefore provides for the implementation of appropriate disaster relief programs in this act.

ARTICLE 2

FARM AND SMALL BUSINESS LOAN INTEREST BUY-DOWN PROGRAM

Section 1. [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this article.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture.

Subd. 3. [ELIGIBLE BORROWER.] "Eligible borrower" means a farmer or small business operator who applies to a participating lender for a loan and meets all qualifications established in section 2 and any further qualifications that may be announced by the commissioner.

Subd. 4. [FARMER.] "Farmer" means a state resident, a domestic family farm corporation, or a family farm partnership as defined in Minnesota Statutes, section 500.24, subdivision 2, operating a farm within the state.

Subd. 5. [FARM LOAN.] "Farm loan" means an original, extended, or renegotiated loan or line of credit obtained by a farmer from a lender for the purpose of financing the operations of a farm. A farm loan includes an open line of credit even though the maximum principal amount of the line of credit may not be drawn at any one time. A farm loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Subd. 6. [INTEREST BUY-DOWN.] "Interest buy-down" means a reduction in the effective interest rate on a farm loan or a small business loan to an eligible borrower due to partial payment of interest costs by the commissioner and partial reduction of interest costs by the participating lender.

Subd. 7. [LENDER.] "Lender" means a bank, credit union, or savings and loan association chartered by the state or federal government, a unit of the farm credit system, the Federal Deposit Insurance Corporation, or another financial institution approved by the commissioner.

Subd. 8. [PARTICIPATING LENDER.] "Participating lender" means a lender who has been granted participating lender status by the commissioner.

Subd. 9. [SMALL BUSINESS.] "Small business" means a business entity as defined in Minnesota Statutes, section 645.445, with its principal place of business in Minnesota.

Subd. 10. [SMALL BUSINESS LOAN.] "Small business loan" means an original, extended, or renegotiated loan or line of credit obtained by a small business for purposes of financing the operations of a small business. A small business loan eligible for interest buy-down must have a maturity date of November 30, 1995, or earlier.

Sec. 2. [ELIGIBILITY; FARM LOAN.]

A farmer is eligible for the farm loan interest buy-down program under this article if a participating lender determines that the farmer meets the criteria in this section.

(a) The farmer suffered significant losses during 1993 from a natural disaster and the farm operation faces economic stress without the assistance of the farm loan interest buy-down program. A determination of significant loss and economic stress by a lender is deemed reasonable and accurate without further audit or substantiation.

(b) The farmer has a reasonable opportunity for long-term financial viability in the farmer's current farm operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 3. [ELIGIBILITY; SMALL BUSINESS LOAN.]

A small business is eligible for the small business loan interest buy-down program if a participating lender determines that the small business meets the criteria in this section.

(a) The small business received, or was eligible to receive, assistance from one or more federal programs because of a natural disaster that occurred during calendar year 1993.

(b) The small business has a reasonable opportunity for long-term financial viability in the small business's current operation. A determination of financial viability by a lender is deemed to be reasonable and accurate without further audit or substantiation.

Sec. 4. [LENDER ELIGIBILITY; OBLIGATIONS; TIMELY APPLICATION.]

Subdivision 1. [ELIGIBLE PARTICIPATING LENDER STATUS.] A lender who meets the requirements established by the commissioner must be approved as a participating lender.

Subd. 2. [RECEIPT OF APPLICATIONS FOR INTEREST BUY-DOWN.] A participating lender shall receive and evaluate loan applications from a farmer or small business. An eligible borrower must complete a loan application with a participating lender before December 31, 1994. In determining whether to make a farm or small business loan, the participating lender may use criteria in addition to those in sections 2 and 3.

Subd. 3. [MAXIMUM INTEREST RATE.] To qualify for interest buy-down payments, a participating lender shall offer to make a farm or small business loan to an eligible borrower at a rate of interest equivalent to that offered to other borrowers having similar security and financial status, less the lender's contribution under the program. The commissioner, in cooperation with the commissioner of commerce, may use appropriate means to verify that the interest rate available to an eligible borrower is substantially the same as that available to other borrowers.

Subd. 4. [PRIORITY.] Properly completed applications for the interest buy-down program take priority in the order they are received by the commissioner.

Sec. 5. [RESPONSIBILITIES OF COMMISSIONER.]

Subdivision 1. [ANNOUNCEMENT OF PROGRAM PROCEDURES.] Within 30 days after the effective date of this article, the commissioner shall announce procedures for the interest buy-down program.

Subd. 2. [PREPARATION AND DISTRIBUTION OF LENDER PARTICIPATION FORMS.] The commissioner, in cooperation with the commissioner of commerce, shall prepare and distribute forms and instructions, including forms for the statement required under section 8, to all lenders in the state.

Subd. 3. [APPROVAL OF APPLICATIONS FOR INTEREST BUY-DOWN PAYMENT.] (a) The commissioner shall review, within five working days of submission by a participating lender, a properly completed application for interest buy-down payments on a farm or small business loan. If a participating lender does not receive written notice that the commissioner has denied interest buy-down payments within seven working days, the borrower is an eligible borrower and interest buy-down payments on the farm or small business loan are approved by the commissioner.

(b) All applications received by the commissioner after appropriated interest buy-down program funds have been encumbered, plus an amount anticipated to become available because of loans that may be retired early, must be returned immediately to the lender with an explanation that participation in the interest buy-down program is denied due to prior commitment of available program funds.

Subd. 4. [BUY-DOWN PAYMENTS TO PARTICIPATING LENDERS.] Within 60 days after a request by a participating lender, the commissioner shall pay to the participating lender one-half of the expected interest buy-down amount. The balance of the state contribution must be paid by the commissioner to the participating lender within 30 days after the loan matures or is repaid in full and the request is submitted by the participating lender. All interest buy-down payments under this article must be made by joint-payee checks in the name of the participating lender and the eligible borrower.

Sec. 6. [STATE CONTRIBUTION; MAXIMUM LOAN.]

The commissioner shall pay to a participating lender for the first \$50,000 of an approved farm or small business loan made to an eligible borrower an amount equal to an annual rate of three percent interest on the loan, but the payment may not exceed \$2,250 per farm or small business loan.

Sec. 7. [LENDER CONTRIBUTION.]

A participating lender shall provide a reduction in interest rate for the first \$50,000 of an approved farm or small business loan made to an eligible borrower in an amount equal to an annual rate of at least one-half of one percent interest on the loan.

Sec. 8. [BORROWER STATEMENT.]

No person may receive a farm or small business loan under this article until the person has signed a statement acknowledging that the relief provided in the interest buy-down program is a form of government spending that has been made available to the person through the collection of taxes. The commissioner must retain a copy of the statement from each recipient.

Sec. 9. [APPROPRIATION; INTEREST BUY-DOWN.]

(a) 15,750,000 is appropriated from the general fund to the commissioner of agriculture for the interest buy-down program in sections 1 to 7. Any unencumbered balance remaining on July 1, 1995, does not cancel but is transferred to and becomes additional funding for the emergency job creation program in article 9, section 1. Not more than \$100,000 of this appropriation may be used by the commissioner for program administrative costs.

(b) The commissioner shall not approve an application for a loan under the interest buy-down program after the appropriation for the program, plus an amount anticipated to become available because of loans that may be retired early, has been fully committed.

Sec. 10. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

SUPPLEMENTAL CROP DISASTER INSURANCE

Section 1. [CROP DISASTER INSURANCE.]

Subdivision 1. [STUDY.] The commissioner of agriculture, in consultation with the commissioner of commerce and farm and insurance organizations in Minnesota, shall perform a comprehensive study to determine the feasibility of establishing a captive nonprofit insurance company to provide supplemental crop disaster insurance coverage to farm operators. The captive insurance company would obtain reinsurance for at least 80 percent of its risk. The companies providing reinsurance would be allowed to invest assets in grain commodity options and the options must be considered admitted assets for purposes of state insurance regulation.

Subd. 2. [REPORT.] Not later than December 15, 1994, the commissioner of agriculture must report to the legislature on the findings and recommendations of the study in subdivision 1.

Sec. 2. [APPROPRIATION.]

\$250,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the study and report in section 1.

ARTICLE 4

PROTEIN ANALYSIS EQUIPMENT LEASE PILOT PROGRAM

Section 1. [17B.042] [PROTEIN ANALYSIS EQUIPMENT; COMMISSIONER MAY PROVIDE BY LEASE.]

Subdivision 1. [EQUIPMENT LEASING PROGRAM; PURPOSE.] The legislature finds that Minnesota wheat producers face a critical problem because country elevators currently use a wide variety of technologies, brands, and models of wheat protein analysis equipment. Inaccurate and inconsistent protein readings on wheat samples result in the loss of millions of dollars of income each year for farmers, and contribute to further decline in the economic base of Minnesota's rural communities. The legislature further finds that country elevators often lack the resources

to acquire adequate, reliable protein testing equipment on their own. It is therefore found to be in the public interest for the commissioner of agriculture to establish a voluntary program to lease to country elevators, at cost, high quality wheat protein testing equipment.

Subd. 2. [SELECTION OF EQUIPMENT; PILOT LEASING PROGRAM.] Not later than April 1, 1995, the commissioner shall evaluate available wheat protein analysis equipment and determine a brand and model to be used in the pilot lease program. Selection may be made on the basis of competitive bid price but must also take into consideration operational factors such as reliability, replicability, durability, ease of calibration and use, and the availability of comprehensive operator training.

Subd. 3. [PARTICIPATION IN PILOT EQUIPMENT LEASE PROGRAM; ELIGIBILITY.] The commissioner shall designate up to eight counties in which to implement the pilot equipment lease program.

Subd. 4. [TERMS OF LEASE.] The commissioner shall establish terms and conditions of the protein equipment test program so that the cost of equipment will be amortized over the estimated useful life of the equipment.

Subd. 5. [MANDATORY EQUIPMENT OPERATOR TRAINING.] The principal protein test equipment operator in each country elevator that participates in the pilot equipment lease program must undergo comprehensive training as determined appropriate by the commissioner.

Sec. 2. [APPROPRIATION; PROTEIN ANALYSIS EQUIPMENT LEASE PILOT PROJECT.]

\$2,000,000 is appropriated from the general fund to the commissioner of agriculture for purposes of the pilot equipment lease program in section 1.

Sec. 3. [APPROPRIATION; GRAIN INSPECTION AND WEIGHING ACCOUNT DEFICIT.]

\$250,000 is appropriated from the general fund to the grain inspection and weighing account established in Minnesota Statutes, chapter 17B, and from the account to the commissioner of agriculture as needed for carrying out the purposes of Minnesota Statutes, chapter 17B.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment.

ARTICLE 5

CORN PRODUCER CHECKOFF FEES

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

17.63 [REFUND OF FEES.]

(a) Any producer, except

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

(2) a producer of paddy wild rice; or

(3) a producer of corn,

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

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

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

ARTICLE 6

VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM

Section 1. [41B.045] [VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "Agricultural product processing facility" means land, buildings, structures, fixtures, and improvements located or to be located in Minnesota and used or operated primarily for the processing or production of marketable products from agriculture crops, including waste and residues from agriculture crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products.

(2) "Value-added agricultural product" means a product derived from agricultural crops, including waste and residues from agricultural crops, but not including livestock or livestock products, poultry or poultry products, or wood or wood products, which are processed by an agricultural product processing facility.

Subd. 2. [ESTABLISHMENT.] The authority shall establish and implement a value-added agricultural product loan program to help farmers finance the purchase of stock in a cooperative proposing to build or purchase and operate an agricultural product processing facility.

Subd. 3. [REVOLVING FUND.] There is established in the state treasury a value-added agricultural product revolving fund which is eligible to receive appropriations. All repayments of financial assistance granted under subdivision 2, including principal and interest, must be deposited into this fund. Interest earned on money in the fund accrues to the fund, and money in the fund is appropriated to the commissioner of agriculture for purposes of the value-added agricultural loan program, including costs incurred by the authority to establish and administer the program.

Subd. 4. [ELIGIBILITY.] To be eligible for this program a borrower must:

- (1) be a resident of Minnesota or a domestic family farm corporation as defined in section 500.24, subdivision 2;
- (2) be a grower of the agricultural product which is to be processed by an agricultural product processing facility;
- (3) demonstrate an ability to repay the loan; and
- (4) meet any other requirements which the authority may impose by rule.

Subd. 5. [LOANS.] (a) The authority may participate in a stock loan with an eligible lender to a farmer who is eligible under subdivision 4. Participation is limited to 45 percent of the principal amount of the loan or \$24,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may differ from the interest rates and repayment terms of the lender's retained portion of the loan, but the authority's interest rate must not exceed 50 percent of the lender's interest rate.

(b) No more than 95 percent of the purchase price of the stock may be financed under this program.

(c) Loans under this program must not be included in the lifetime limitation calculated under section 41B.03, subdivision 1.

(d) Security for stock loans must be the stock purchased, a personal note executed by the borrower, and whatever other security is required by the eligible lender or the authority.

(e) The authority may impose a reasonable nonrefundable application fee for each application for a stock loan. The authority may review the fee annually and make adjustments as necessary. The application fee is initially \$50. Application fees received by the authority must be deposited in the value-added agricultural product revolving fund.

(f) Stock loans under this program will be made using money in the value-added agricultural product revolving fund established under subdivision 3.

(g) The authority may not grant stock loans in a cumulative amount exceeding \$2,000,000 for the financing of stock purchases in any one cooperative.

Subd. 6. [RULES.] The authority may adopt rules necessary for the administration of the program including rules which establish a minimum cost of any agricultural product processing facility for which financial assistance may be given to any farmer to help finance the purchase of stock in a cooperative.

Sec. 2. [APPROPRIATION; VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

\$2,000,000 is appropriated from the general fund to the value-added agricultural product revolving fund for use by the rural finance authority as provided in section 1.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 7

RURAL FINANCE AUTHORITY PROGRAM REVIEW; REPORT

Section 1. [RURAL FINANCE AUTHORITY PROGRAM REVIEW.]

Subdivision 1. [REVIEW OF LOCAL LENDER PARTICIPATION; BARRIERS.] (a) The commissioner of agriculture and the director of the rural finance authority shall initiate an effort to examine local lender participation in programs of the rural finance authority and expand participation in programs of the authority where possible. The effort must examine the reasons why lenders do not participate in programs of the authority. The effort must attempt to determine if current programs of the authority fail to meet the needs of lenders and the scale and types of farming practiced in areas with low participation.

Subd. 2. [REPORT; RECOMMENDATIONS.] Not later than March 1, 1995, the commissioner shall report to the legislature on the findings, conclusions, and recommendations of the investigation and promotion effort. The report must include suggestions for changes in rural finance authority programs to make the programs more attractive to lenders and farm operators in areas where lenders do not participate in rural finance authority programs. The report may recommend statutory changes to make rural finance authority programs more available to Minnesota farm operators.

Sec. 2. [APPROPRIATION; RFA PROGRAM REVIEW.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture for the employment and expenses of additional staff to carry out the rural finance authority examination and promotion effort in section 1. This appropriation remains available until June 30, 1995.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 8

CORPORATE FARMING LAW TASK FORCE

Section 1. [CORPORATE FARMING LAW TASK FORCE.]

Subdivision 1. [PURPOSE.] Current Minnesota law generally precludes corporations from owning farm land or operating a farming enterprise. Corporate farming law has been developed over a period of 14 decades, and the development has included numerous changes to accommodate shifting priorities in agriculture and a recognition that

the economic and social climate of the state is not static. There is a concern whether current corporate farming law, especially as it relates to the breeding and raising of swine, represents the appropriate balance between protection of family farms and opportunity for creative new enterprise structures organized by multiple farmers. Farmers wish to support a corporate farming law that is in the overall best interest of production agriculture and preservation of the family farm unit as the main component of the agricultural economy in the state. The study, legislative report, and legislative recommendations authorized by this section will increase public and legislative understanding of the issues involved.

Subd. 2. [CREATION; MEMBERSHIP.] (a) There is hereby created a corporate farming law task force with ten members appointed as follows:

(1) the chairs of the agriculture policy committees of the Minnesota senate and house of representatives, or their designees;

(2) two members of the Minnesota house of representatives appointed by the speaker of the house;

(3) one member of the Minnesota house of representatives appointed by the minority leader of the house;

(4) two members of the Minnesota senate appointed by the senate committee on rules and administration;

(5) one member of the Minnesota senate appointed by the minority leader of the senate;

(6) one member with education and experience in the area of agricultural economics appointed by the governor of Minnesota; and

(7) one member who is the operator of a production agriculture farm in Minnesota appointed by the governor.

(b) Each of the appointing authorities must make their respective appointments not later than June 15, 1994.

(c) Citizen members of the task force may be reimbursed for expenses as provided in Minnesota Statutes, section 15.059, subdivision 6.

(d) The first meeting of the task force must be called and convened by the chairs of the agriculture policy committees of the senate and the house of representatives. Task force members must then elect a permanent chair from among the task force members.

Subd. 3. [CHARGE.] The task force must examine current and projected impacts of corporate farming enterprises on the economic, social, and environmental conditions and structures of rural Minnesota. The study should consider probable impacts on both agriculture related and nonagricultural businesses in rural communities. Issues of nonpoint source pollution and other environmental issues must also be considered.

Subd. 4. [RESOURCES; STAFF SUPPORT; CONTRACT SERVICES.] The commissioner of agriculture shall provide necessary resources and staff support for the meetings, hearings, activities, and report of the task force. To the extent the task force determines it appropriate to contract with nonstate providers for research or analytical services, the commissioner shall serve as the fiscal agent for the task force. To the extent practicable, the task force may also use services and resources of the Farmers' Legal Action Group, Inc.

Subd. 5. [PUBLIC HEARINGS.] The task force shall hold at least four public hearings on the issue of corporate farming law, with specific emphasis on appropriate regulation of business structures involved in swine breeding and raising. At least three of the hearings must be held in greater Minnesota.

Subd. 6. [REPORT.] Not later than February 15, 1995, the corporate farming law task force shall report to the legislature on the findings of its study. The report must include recommendations for changes in Minnesota Statutes and rules of the department of agriculture that are negative to the best interests of production agriculture in the state and the economic, environmental, and social environment and preservation of the family farm.

Subd. 7. [EXPIRATION.] The corporate farming law task force expires 45 days after its report and recommendations are delivered to the legislature or on May 15, 1995, whichever date is earlier.

Sec. 2. [APPROPRIATION; CORPORATE FARMING LAW TASK FORCE.]

\$50,000 is appropriated from the general fund to the commissioner of agriculture to provide staff and research support for the corporate farming law task force in section 1.

Sec. 3. [EFFECTIVE DATE.]

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

ARTICLE 9

MISCELLANEOUS APPROPRIATIONS

Section 1. [APPROPRIATION; EMERGENCY JOB CREATION; DEPARTMENT OF JOBS AND TRAINING.]

\$3,700,000 is appropriated from the general fund to the commissioner of jobs and training to supplement the federal emergency job creation program. This appropriation is available when federal funding for the emergency job creation program in Minnesota is exhausted. The commissioner may allow projects that would not have been funded by the federal government in order to fund public projects, employing flood victims, that are not necessarily related to flood damage, but which local governments are unable to undertake because of flood expenses. The commissioner may also fund the leasing or other use of specialized equipment and services for projects undertaken with this appropriation. This appropriation is available until August 31, 1995.

Sec. 2. [APPROPRIATION; FARM ADVOCATES.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture to supplement other sources of funding for the farm advocates program. This appropriation is available until June 30, 1995.

Sec. 3. [APPROPRIATION; AGRICULTURAL RESOURCE CENTERS.]

\$100,000 is appropriated from the general fund to the commissioner of agriculture for supplemental funding for agricultural resource centers. This appropriation is available until June 30, 1995.

Sec. 4. [APPROPRIATION; WHEAT SCAB RESEARCH.]

\$200,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, to make grants to the University of Minnesota or other Minnesota educational institutions for research into the problem of wheat scab (vomitoxin) in Minnesota. The research should be designed to minimize the adverse effects of future wheat scab infestations in the short term while seeking to fully eliminate the problem in the long term.

Before making grants under this section, the commissioner shall develop grant criteria priorities including:

- (1) locating a small grains specialist in the wheat growing area of the state;
- (2) long-term variety development and short-term marketing solutions;
- (3) alternative agronomic and management techniques for wheat production that minimize scab and describe the biology and the pathology of wheat scab infestation; and
- (4) alternative uses for scabby wheat that minimize the adverse effects of mycotoxin produced by the scab infestation.

Sec. 5. [APPROPRIATION; FARMERS' LEGAL ACTION GROUP.]

\$100,000 is appropriated from the general fund to the supreme court as supplemental funding for the Farmers' Legal Action Group, Inc. This appropriation is available until June 30, 1995.

Sec. 6. [APPROPRIATION; HIGH OIL SOYBEANS RESEARCH.]

\$200,000 is appropriated from the general fund to the commissioner of agriculture for the fiscal biennium ending June 30, 1995, to make research grants to the University of Minnesota or other educational institutions in Minnesota to develop higher protein, higher oil content varieties of soybeans that would grow in Minnesota.

Sec. 7. [APPROPRIATION; STATE PARK ROAD ACCOUNT.]

\$250,000 is appropriated from the general fund to the commissioner of transportation with instructions that it be added to the state park road account under Minnesota Statutes, section 162.06, subdivision 5.

Sec. 8. [EFFECTIVE DATE.]

This article is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agricultural businesses; providing an interest buy-down program for farmers and small businesses; authorizing a protein analysis equipment lease pilot program; providing for a value-added agricultural product loan program; requiring studies of rural finance authority program participation, the corporate farming law, and supplemental crop disaster insurance; providing supplemental funding for certain emergency employment programs; limiting corn producer checkoff refunds; increasing funding for the farm advocates program, agricultural resource centers, and the Farmers' Legal Action Group; expanding research on grain diseases and soybean varieties; appropriating money; amending Minnesota Statutes 1992, section 17.63; proposing coding for new law in Minnesota Statutes, chapters 17B; and 41B."

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 2168 was read for the second time.

MOTIONS AND RESOLUTIONS

Evans moved that the names of Bergson, Luther and Carruthers be added as authors on H. F. No. 3085. The motion prevailed.

Dempsey moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Friday, April 15, 1994, when the vote was taken on the Bettermann et al amendment to S. F. No. 2913, as amended." The motion prevailed.

Lindner moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Friday, April 15, 1994, when the vote was taken on the Long and Solberg amendment to S. F. No. 2913, as amended." The motion prevailed.

Tompkins moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Friday, April 15, 1994, when the vote was taken on the final passage of H. F. No. 3210, the first engrossment, as amended." The motion prevailed.

Worke moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Friday, April 15, 1994, when the vote was taken on the Onnen amendment to H. F. No. 3210, the first engrossment, as amended." 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. 2189:

Vellenga; Bauerly; Johnson, A.; Carlson and Ness.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2411:

Solberg, Kinkel and Ness.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2617:

Jacobs, Tunheim and Dempsey.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 10:30 a.m., Tuesday, April 19, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:30 a.m., Tuesday, April 19, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

NINETY-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 19, 1994

The House of Representatives convened at 10:30 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Representative Mary Murphy, District 8A, Hermantown, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Knight 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. 1736 and H. F. No. 1917, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Kelso moved that S. F. No. 1736 be substituted for H. F. No. 1917 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2329 and H. F. No. 2440, which had been referred to the Chief Clerk for comparison, were examined and found to be identical.

Beard moved that S. F. No. 2329 be substituted for H. F. No. 2440 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2467 and H. F. No. 2731, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Peterson moved that the rules be so far suspended that S. F. No. 2467 be substituted for H. F. No. 2731 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2885, A bill for an act relating to agriculture; changing the law limiting corporate farming; amending Minnesota Statutes 1992, section 500.24, subdivisions 2 and 3.

Reported the same back with the following amendments:

Page 6, line 24, delete "by" and insert "to"

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3005, A bill for an act relating to state government; creating an employee training incentive program; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3179, A bill for an act relating to waters; preservation of wetlands; drainage and filling for public roads; defining terms; board action on local government plans; action on approval of replacement plans; computation of value; amending Minnesota Statutes 1992, sections 103G.2242, subdivisions 1, 5, 6, 7, and 8; and 103G.237, subdivision 4; Minnesota Statutes 1993 Supplement, sections 103G.222; and 103G.2241.

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

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3211, 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.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 1788, A bill for an act relating to waste management; applying government waste reduction requirements to compilations of game and fish laws; clarifying the state's waste management goals; adding heat pumps to the definition of major appliances; requiring public education on reuse; authorizing larger capital assistance grants to resource recovery projects under certain circumstances; listing preferences for use of packaging; establishing enforcement of the authority of certain counties to inspect records of certain facilities; clarifying management of waste antifreeze and motor oil filters; establishing a process for resolution of disputes related to toxics in packaging and requiring a report; clarifying the prohibition on toxics in products and providing for exemptions; requiring and authorizing training and certification of appliance recyclers and servicers respectively; removing the federal government from the definition of commercial transporter of medical waste; requiring medical waste management plans to contain information regarding mailing of sharps; banning sale of apparel containing mercury switches; authorizing private ownership of solid waste facilities; permitting counties and local governments to impose certain conditions on disposal of unprocessed solid waste; authorizing counties to require record keeping; adding requirements for liners and leachate systems; expanding the restriction on disposal of unprocessed waste from the metropolitan area; requiring a report on management of waste electronic appliances; requiring a report on products that contain mercury; requiring a report on recycling facilities; requiring a report on recycled antifreeze; providing penalties and remedies; amending Minnesota Statutes 1992, sections 8.31, subdivision 1; 97A.051, subdivision 1; 115A.02; 115A.03, subdivision 17a; 115A.072, subdivision 4; 115A.5501, subdivisions 1, 2, and by adding subdivisions; 115A.554; 115A.557, subdivisions 3 and 4; 115A.87; 115A.882, by adding a subdivision; 115A.9157, subdivisions 4 and 5; 115A.918, subdivision 1, and by adding a subdivision; 115A.95; 115A.9561, subdivision 2; 115A.965, subdivision 6, and by adding a subdivision; 116.07, subdivision 4h; 116.76, subdivision 4; 116.92, subdivision 8; 473.803, subdivisions 1 and 1c; 473.811, subdivisions 5 and 5a; 473.843, subdivision 1; 473.844, subdivision 1a; 473.845, subdivision 3; and 473.848, subdivisions 1 and 5; Minnesota Statutes 1993 Supplement, sections 115A.54, subdivision 2a; 115A.5501, subdivision 3; 115A.916; 115A.929; 115A.9651; 115A.981, subdivision 3; 116.79, subdivision 1; 473.149, subdivision 6; 473.846; and 473.848, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1993 Supplement, section 115A.542.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 97A.051, subdivision 1, is amended to read:

Subdivision 1. [COMPILATION OF LAWS.] As soon as practicable after each legislative session, the commissioner, with the cooperation of the attorney general and the revisor of statutes, shall assemble the current laws and permanent rules relating to wild animals and index the laws and rules properly. This compilation shall be printed in pamphlet form of pocket size, and ~~50 copies distributed to each senator, 25 copies to each representative, and ten copies shall be distributed to each county auditor.~~ Section 3.195 governs distribution of copies to members of the legislature. Up to 10,000 additional copies may be printed for general distribution.

Sec. 2. Minnesota Statutes 1992, section 115A.02, is amended to read:

115A.02 [LEGISLATIVE DECLARATION OF POLICY; PURPOSES.]

(a) It is the goal of this chapter to ~~improve~~ protect the state's land, air, water, and other natural resources and the public health by improving waste management in the state to serve the following purposes:

- (1) Reduction in the amount and toxicity of waste generated;
- (2) Separation and recovery of materials and energy from waste;
- (3) Reduction in indiscriminate dependence on disposal of waste;
- (4) Coordination of solid waste management among political subdivisions; and
- (5) Orderly and deliberate development and financial security of waste facilities including disposal facilities.

(b) The waste management goal of the state is to foster an integrated waste management system in a manner appropriate to the characteristics of the waste stream and thereby protect the state's land, air, water, and other natural resources and the public health. The following waste management practices are in order of preference:

- (1) waste reduction and reuse;
- (2) waste recycling;
- (3) composting of yard waste and food waste;
- (4) resource recovery through mixed municipal solid waste composting or incineration; and
- (5) land disposal.

Sec. 3. Minnesota Statutes 1992, section 115A.03, subdivision 17a, is amended to read:

Subd. 17a. [MAJOR APPLIANCES.] "Major appliances" means clothes washers and dryers, dishwashers, hot water heaters, ~~residential heat pumps~~, furnaces, garbage disposals, trash compactors, conventional and microwave ovens, ranges and stoves, air conditioners, dehumidifiers, refrigerators, and freezers.

Sec. 4. Minnesota Statutes 1993 Supplement, section 115A.54, subdivision 2a, is amended to read:

Subd. 2a. [SOLID WASTE MANAGEMENT PROJECTS.] (a) The director shall provide technical and financial assistance for the acquisition and betterment of solid waste management projects as provided in this subdivision and section 115A.52. Money appropriated for the purposes of this subdivision must be distributed as grants.

(b) Except as provided in paragraph (c), a project may receive grant assistance up to 25 percent of the capital cost of the project or \$2,000,000, whichever is less, except that projects constructed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 25 percent of the capital cost of the project; or (2) \$2,000,000 times the number of participating counties, whichever is less.

(c) A recycling project or a project to compost or cocompost waste may receive grant assistance up to 50 percent of the capital cost of the project or \$2,000,000, whichever is less, except that projects completed as a result of intercounty cooperative agreements may receive (1) grant assistance up to 50 percent of the capital cost of the project; or (2) \$2,000,000 times the number of participating counties, whichever is less. The following projects may also receive grant assistance in the amounts specified in this paragraph:

- (1) a project to improve control of or reduce air emissions at an existing resource recovery facility; and
- (2) a project to substantially increase the recovery of materials or energy, substantially reduce the amount or toxicity of waste processing residuals, or expand the capacity of an existing resource recovery facility to meet the resource recovery needs of an expanded region if each county from which waste is or would be received has achieved a recycling rate in excess of the goals in section 115A.551, and is implementing aggressive waste reduction and household hazardous waste management programs.

(d) Notwithstanding paragraph (e), the director may award grants for transfer stations that will initially transfer waste to landfills if the transfer stations are part of a planned resource recovery project, the county where the planned resource recovery facility will be located has a comprehensive solid waste management plan approved by the director, and the solid waste management plan proposes the development of the resource recovery facility. If the proposed resource recovery facility is not in place and operating within eight years of the date of the grant award, the recipient shall repay the grant amount to the state.

(e) Projects without resource recovery are not eligible for assistance.

(f) In addition to any assistance received under paragraph (b) or (c), a project may receive grant assistance for the cost of tests necessary to determine the appropriate pollution control equipment for the project or the environmental effects of the use of any product or material produced by the project.

(g) In addition to the application requirements of section 115A.51, an application for a project serving eligible jurisdictions in only a single county must demonstrate that cooperation with jurisdictions in other counties to develop the project is not needed or not feasible. Each application must also demonstrate that the project is not financially prudent without the state assistance, because of the applicant's financial capacity and the problems inherent in the waste management situation in the area, particularly transportation distances and limited waste supply and markets for resources recovered.

(h) For the purposes of this subdivision, a "project" means a processing facility, together with any transfer stations, transmission facilities, and other related and appurtenant facilities primarily serving the processing facility. The director shall adopt rules for the program by July 1, 1985.

(i) Notwithstanding anything in this subdivision to the contrary, a project to construct a new mixed municipal solid waste transfer station that has an enforceable long-term commitment to serve an existing resource recovery facility may receive grant assistance up to 75 percent of the capital cost of the project if addition of the transfer station will increase substantially the geographical area served by the resource recovery facility and the ability of the resource recovery facility to operate more efficiently on a regional basis and the facility meets the criteria in paragraph (c), the second clause (2). A transfer station eligible for assistance under this paragraph is not eligible for assistance under any other paragraph of this subdivision.

Sec. 5. Minnesota Statutes 1992, section 115A.554, is amended to read:

115A.554 [AUTHORITY OF SANITARY DISTRICTS.]

A sanitary district ~~with the authority to regulate solid waste~~ has the ~~authority~~ authorities and duty ~~duties~~ of counties within the district's boundary for purposes of sections 115A.46, subdivision 4; 115A.48; 115A.551; 115A.552; 115A.553; 115A.919; 115A.929; 115A.93; 115A.96, subdivision 6; 115A.961; 115A.991; 375.18, subdivision 14; ~~and 400.08, subdivision 5 except subdivision 4, paragraph (b); 400.16; and 400.161.~~

Sec. 6. Minnesota Statutes 1992, section 115A.557, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY TO RECEIVE MONEY.] (a) To be eligible to receive money distributed by the office under this section, a county shall within one year of October 4, 1989:

(1) create a separate account in its general fund to credit the money; and

(2) set up accounting procedures to ensure that money in the separate account is spent only for the purposes in subdivision 2.

(b) In each following year, each county shall also:

(1) have in place an approved solid waste management plan or master plan including a recycling implementation strategy under section 115A.551, subdivision 7, or 473.803, subdivision 1e, and a household hazardous waste management plan under section 115A.96, subdivision 6, by the dates specified in those provisions;

(2) submit a report by ~~March~~ April 1 of each year to the office detailing how the money was spent and the resulting gains achieved in solid waste management practices during the previous calendar year; and

(3) provide evidence to the office that local revenue equal to 25 percent of the money sought for distribution under this section will be spent for the purposes in subdivision 2.

(c) The office shall withhold all or part of the funds to be distributed to a county under this section if the county fails to comply with this subdivision and subdivision 2.

Sec. 7. Minnesota Statutes 1992, section 115A.87, is amended to read:

115A.87 [JUDICIAL REVIEW; ATTORNEY GENERAL TO PROVIDE COUNSEL.]

An action challenging a designation must be brought within 60 days of the approval of the designation by the reviewing authority. The action is subject to section 562.02.

In any action challenging a designation ordinance or the implementation of a designation ordinance, the person bringing the challenge shall notify the attorney general. The attorney general may intervene in any administrative or court action to represent the state's interest in designation of solid waste, and, on request of a county whose designation ordinance has been challenged, provide legal representation for the county in any administrative or court action related to the challenge.

Sec. 8. Minnesota Statutes 1992, section 115A.882, subdivision 3, is amended to read:

Subd. 3. [INSPECTION.] A person authorized by a county in which a designation ordinance is effective may, anywhere in the state:

(1) upon presentation of identification and without a search warrant, inspect or copy the records required to be kept on a waste collection vehicle under subdivision 2 and inspect the waste on the vehicle at the time of deposit of the waste at a facility;

(2) when reasonable notice under the circumstances has been given, upon presentation of identification and without a search warrant, inspect or copy the records of an owner or operator of a solid waste facility that are required to be maintained under subdivision 2;

(3) request, in writing, copies of records of a solid waste collector that indicate the type, origin, and weight or, if applicable, the volume of waste collected, the identity of the facility at which the waste was deposited, and the date of deposit at the facility; and

(4) upon presentation of identification and without a search warrant, inspect or copy that portion of the business records of a waste collector necessary to comply with clause (3) at the central record-keeping location of the waste collector only if the collector fails to provide copies of the records within 15 days of receipt of a written request for them, unless the time has been extended by agreement of the parties.

Records or information received, inspected, or copied by a county under this section are classified as nonpublic data as defined in section 13.02, subdivision 9, and may be used by the county solely for enforcement of a designation ordinance. A waste collector or the owner or operator of a waste facility shall maintain business records needed to comply with this section for two years.

Sec. 9. Minnesota Statutes 1992, section 115A.882, is amended by adding a subdivision to read:

Subd. 4. [CIVIL ENFORCEMENT; VENUE.] (a) A person who fails to comply with this section is subject to:

(1) an action to compel performance or to restrain or enjoin any activity that interferes with the requirement to keep records in subdivision 2 or the requirement to allow timely entry and inspection in subdivision 3;

(2) damages caused by the failure to keep records or by refusal to allow timely entry or inspection;

(3) a civil penalty payable to the county seeking enforcement of up to \$10,000 per day for each day of refusal to allow timely entry or inspection; or

(4) any or all of the above.

(b) A county in which a designation ordinance is in effect may enforce this section by commencing an action in district court in the county in which the facility is located or in the county in which the designation ordinance is in effect. The court may compel performance in any manner deemed appropriate by the court, including, but not limited to, issuance of an order to show cause, a temporary restraining order, or an injunction. In addition, the court may order payment of damages or a civil penalty or both. In an action brought by a county to enforce this section in which the county substantially prevails, the court may order payment by the defendant of the county's costs and disbursements, including reasonable attorney fees.

Sec. 10. Minnesota Statutes 1992, section 115A.9157, subdivision 4, is amended to read:

Subd. 4. [PILOT PROJECTS.] By April 15, 1992, manufacturers whose rechargeable batteries or products powered by rechargeable batteries are sold in this state shall implement pilot projects for the collection and proper management of all rechargeable batteries and the participating manufacturers' products powered by nonremovable rechargeable

batteries. Manufacturers may act as a group or through a representative organization. The pilot projects must run for a minimum of 18 months and be designed to collect sufficient statewide data for the design and implementation of permanent collection and management programs that may be reasonably expected to collect at least 90 percent of waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state.

By December 1, 1991, the manufacturers or their representative organization shall submit plans for the projects to the legislative commission. ~~At least every six months during the pilot projects the manufacturers shall submit progress reports to the commission. The commission shall review the plans and progress reports.~~

By November 1, 1993, the manufacturers or their representative organization shall report to the legislative commission the final results of the projects and plans for implementation of permanent programs. The commission shall review the final results and plans.

By October 1, 1994 and by October 1, 1995, each manufacturer or a representative organization shall submit to the commission additional reports that detail progress made toward implementing permanent management programs. The October 1, 1995, report must include a description of the programs implemented under subdivision 5. These progress reports must include the estimated amount of rechargeable batteries subject to this section sold in the state by each manufacturer and the amount of batteries each collected during the previous year. A representative organization may report amounts in aggregate for all the members of the group.

Sec. 11. Minnesota Statutes 1992, section 115A.9157, subdivision 5, is amended to read:

Subd. 5. [COLLECTION AND MANAGEMENT PROGRAMS.] By ~~April 15, 1994~~ September 20, 1995, the manufacturers or their representative organization shall implement permanent programs, based on the results of the pilot projects required in subdivision 4, that may be reasonably expected to collect 90 percent of the waste rechargeable batteries and the participating manufacturers' products powered by rechargeable batteries that are generated in the state. The batteries and products collected must be recycled or otherwise managed or disposed of properly.

In every odd-numbered year after 1995, each manufacturer or a representative organization shall provide information to the commission that specifies at least the estimated amount of rechargeable batteries subject to this section sold in the state by each manufacturer and the amount of batteries each collected during the previous two years. A representative organization may report the amounts in aggregate for all the members of the group.

Sec. 12. Minnesota Statutes 1993 Supplement, section 115A.916, is amended to read:

115A.916 [MOTOR AND VEHICLE FLUIDS AND FILTERS; PROHIBITIONS.]

(a) A person may not knowingly place motor oil, brake fluid, power steering fluid, transmission fluid, motor oil filters, or antifreeze:

- (1) in solid waste or in a solid waste management facility;
- (2) in or on the land, unless approved by the agency; or
- (3) in or on the waters of the state or in a stormwater or wastewater collection or treatment system.

(b) For the purposes of this section, "antifreeze" does not include small amounts of antifreeze contained in water used to flush the cooling system of a vehicle after the antifreeze has been drained and does not include deicer that has been used on the exterior of a vehicle.

(c) This section does not apply to antifreeze placed in a wastewater collection system that includes a publicly or privately owned treatment works that is permitted by the agency until July 1, 1995 December 31, 1996.

(d) Notwithstanding paragraph (a), motor oil filters and portions of motor oil filters may be processed at a permitted mixed municipal solid waste resource recovery facility that directly burns the waste if:

(1) the facility is subject to an industrial waste management plan that addresses management of motor oil filters and the owner or operator of the facility can demonstrate to the satisfaction of the commissioner that the facility is in compliance with that plan;

(2) the facility recovers ferrous metal after incineration for recycling as part of its operation; and

(3) the motor oil filters are collected separately from mixed municipal solid waste and are not combined with it except for the purpose of incinerating the waste.

Sec. 13. Minnesota Statutes 1992, section 115A.918, subdivision 1, is amended to read:

Subdivision 1. [SCOPE.] The definitions in this section apply to this section and sections 115A.919 ~~and 115A.921 to 115A.929.~~

Sec. 14. Minnesota Statutes 1992, section 115A.918, is amended by adding a subdivision to read:

Subd. 2a. [EQUIVALENT.] For mixed municipal solid waste, the measure of "equivalent" or "equivalent cubic yards of waste" is 3.33 cubic yards per ton of waste.

Sec. 15. Minnesota Statutes 1992, section 115A.919, subdivision 3, is amended to read:

Subd. 3. [EXEMPTIONS.] (a) Waste residue from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, or from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from any fee imposed by a county under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate county, except that for facilities operating outside of the metropolitan area the commissioner shall prescribe procedures for verifying the required 85 percent volume reduction.

(b) A facility permitted for the disposal of construction debris is exempt from 25 percent of a fee imposed under subdivision 1 if the facility has implemented a recycling program approved by the county and 25 percent if the facility contains a liner and leachate collection system approved by the agency.

Sec. 16. Minnesota Statutes 1992, section 115A.921, subdivision 1, is amended to read:

Subdivision 1. [MIXED MUNICIPAL SOLID WASTE.] A city or town may impose a fee, not to exceed \$1 per cubic yard of waste, or its equivalent, on operators of facilities for the disposal of mixed municipal solid waste located within the city or town. The revenue from the fees must be credited to the city or town general fund. Revenue produced by 25 cents of the fee must be used only for purposes of landfill abatement or for purposes of mitigating and compensating for the local risks, costs, and other adverse effects of facilities. Revenue produced by the balance of the fee may be used for any general fund purpose.

Waste residue from recycling facilities at which recyclable materials are separated or processed for the purpose of recycling, or from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse shall be exempt from the fee imposed by a city or town under this section if there is at least an 85 percent volume reduction in the solid waste processed. Before any fee is reduced, the verification procedures of section 473.843, subdivision 1, paragraph (c), must be followed and submitted to the appropriate city or town, except that for facilities operating outside of the metropolitan area the commissioner shall prescribe procedures for verifying the required 85 percent volume reduction.

Sec. 17. Minnesota Statutes 1993 Supplement, section 115A.929, is amended to read:

115A.929 [FEES; ACCOUNTING.]

Each ~~local government unit~~ political subdivision that provides for solid waste management shall account for all revenue collected from waste management fees, together with interest earned on revenue from the fees, separately from other revenue collected by the ~~local government unit~~ political subdivision and shall report revenue collected from the fees and use of the revenue separately from other revenue and use of revenue in any required financial report or audit. For the purposes of this section, "waste management fees" means:

(1) all fees, charges, and surcharges collected under sections 115A.919, 115A.921, and 115A.923;

(2) all tipping fees collected at waste management facilities owned or operated by the ~~local government unit~~ political subdivision;

(3) all charges imposed by the ~~local government unit~~ political subdivision for waste collection and management services; and

(4) any other fees, charges, or surcharges imposed on waste or for the purpose of waste management, whether collected directly from generators or indirectly through property taxes or as part of utility or other charges for services provided by the ~~local government unit~~ political subdivision.

Sec. 18. Minnesota Statutes 1992, section 115A.9301, is amended by adding a subdivision to read:

Subd. 3. [ALTERNATIVE.] A local government unit may satisfy the requirements of this section by establishing, for households that generate small volumes of waste, a waste collection unit that is smaller than and priced lower than for other generators if the local government unit:

(1) operates or contracts for the operation of a residential recycling program that collects more categories of recyclable materials than required in section 115A.552;

(2) has a residential participation rate in its recycling programs of at least 70 percent or in excess of the participation rate for the county in which it is located, whichever is greater; and

(3) is located in a county that has exceeded the recycling goals in section 115A.551.

Sec. 19. Minnesota Statutes 1992, section 115A.95, is amended to read:

115A.95 [RECYCLABLE MATERIALS.]

A disposal facility or a resource recovery facility that is composting waste, burning waste, or converting waste to energy or to materials for combustion, and is owned or operated by a public agency or supported by public funds or by obligations issued by a public agency, may not accept source-separated recyclable materials, and a solid waste collector or transporter may not deliver source-separated recyclable materials to such a facility, except for transfer to a recycler, unless the director determines that no other person is willing to accept the recyclable materials.

Sec. 20. Minnesota Statutes 1992, section 115A.9561, subdivision 2, is amended to read:

Subd. 2. [RECYCLING REQUIRED.] Major appliances must be recycled or reused. Each county shall ensure that its residents households have the opportunity to recycle used major appliances. For the purposes of this section, recycling includes:

- (1) the removal of capacitors that may contain PCBs;
- (2) the removal of ballasts that may contain PCBs;
- (3) the removal of chlorofluorocarbon refrigerant gas; and
- (4) the recycling or reuse of the metals, including mercury.

Sec. 21. Minnesota Statutes 1992, section 115A.965, subdivision 6, is amended to read:

Subd. 6. [RULES IMPLEMENTATION; DISPUTE RESOLUTION.] In lieu of adopting rules to implement this section, the commissioner of the pollution control agency, in consultation with the director of the office of waste management, shall adopt rules to implement this section shall seek membership in the toxics in packaging clearinghouse administered by the source reduction task force of the Coalition of Northeastern Governors for the purposes of implementation of this section and resolving issues and disputes that arise in connection with it. The commissioner shall seek a recommendation from the clearinghouse prior to making a decision on an issue or dispute of first impression and shall implement the recommendation unless the commissioner specifically finds that the recommended determination is not in the state's best interest. A package for which a request for exemption has been submitted to the commissioner is not subject to enforcement action pending the commissioner's determination.

Sec. 22. Minnesota Statutes 1992, section 115A.965, is amended by adding a subdivision to read:

Subd. 7. [REPORT.] By September 1 of each odd-numbered year, the commissioner shall prepare and submit to the legislative commission a report to include:

- (1) enforcement actions taken by the commissioner under this section for the reporting period; and
- (2) issues and disputes that have arisen under this section, the recommendations made by the toxics in packaging clearinghouse for resolution of those issues and disputes, and how those issues and disputes were finally resolved by the commissioner.

Sec. 23. Minnesota Statutes 1993 Supplement, section 115A.9651, is amended to read:

115A.9651 [TOXICS IN SPECIFIED PRODUCTS; ENFORCEMENT.]

Subdivision 1. [PROHIBITION.] (a) After July September 1, 1994, no person may deliberately intentionally introduce lead, cadmium, mercury, or hexavalent chromium into any ink, dye, pigment, paint, or fungicide that is intended distributed for use or for sale in this state.

~~Until July 1, 1997, this section does not apply to electrodeposition primer coating or primer coating used on aircraft, porcelain enamel coatings, medical devices, hexavalent chromium in the form of chromic acid when processed at a temperature of at least 750 degrees Fahrenheit, or ink used for computer identification markings.~~

(b) For the purposes of this subdivision, "intentionally introduce" means to deliberately use a metal listed in paragraph (a) as an element during manufacture or distribution of an item listed in paragraph (a). Intentional introduction does not include the incidental presence of any of the prohibited elements.

(c) The total concentration level of all metals listed in paragraph (a) may not exceed 100 parts per million by weight.

Subd. 2. [TEMPORARY EXEMPTION.] (a) An item listed in subdivision 1 is exempt from this section until July 1, 1997, if the manufacturer of the item submits to the commissioner a written request for an exemption by September 1, 1994. The request must include at least:

- (1) an explanation of why compliance is not technically feasible at the time of the request;
- (2) how the manufacturer will comply by July 1, 1997; and
- (3) the name, address, and telephone number of a person the commissioner can contact for further information.

(b) A person who uses an item listed in subdivision 1, into which one of the listed metals has been intentionally introduced, may submit, on behalf of the manufacturer, a request for temporary exemption as provided in paragraph (a). The request must include:

- (1) an explanation of why the person must continue to use the item and a discussion of potential alternatives;
- (2) an explanation of why it is not technically feasible at the time of the request to formulate or manufacture the item without intentionally introducing a listed metal;
- (3) that the person will stop using the item by July 1, 1997, if it still contains an intentionally introduced listed metal; and
- (4) the name, address, and telephone number of a person the commissioner can contact for further information.

(c) A person who submits a request for temporary exemption under paragraph (b) may submit a request for a temporary exemption after September 1, 1994, for an item that the person will use as an alternative to the item for which the request was originally made as long as the new item has a total concentration level of all the listed metals that is significantly less than in the original item. An exemption under this paragraph expires July 1, 1997, and the person who requests it must submit the progress description required in paragraph (e).

(d) By October 1, 1994, and annually thereafter if requests are received under paragraph (c), the commissioner shall submit to the legislative commission on waste management a list of manufacturers and persons that have requested an exemption under this subdivision and the items for which exemptions were sought, along with copies of the requests.

(e) By July 1, 1996, each manufacturer on the list shall submit to the commissioner a description of the progress the manufacturer has made toward compliance with subdivision 1, and the date compliance has been achieved or the date on or before July 1, 1997, by which the manufacturer anticipates achieving compliance. By July 1, 1996, each person who has requested an exemption under paragraph (b) or (c) shall submit to the commissioner:

(1) a description of progress made to eliminate the listed metal or metals from the item or progress made by the person to find a replacement item that does not contain an intentionally introduced listed metal; and

(2) the date or anticipated date the item is or will be free of intentionally introduced metals or the date the person has stopped or will stop using the item.

By October 1, 1996, the commissioner shall submit to the legislative commission a summary of the progress made by the manufacturers and other persons and any recommendations for appropriate legislative or other action to ensure that products are not distributed in the state after July 1, 1997, that violate subdivision 1.

Subd. 3. [APPLICATION; ENFORCEMENT.] (a) This section does not apply to art supplies.

(b) This section may be enforced under sections 115.071 and 116.072. The attorney general or the commissioner of the agency shall coordinate enforcement of this section with the director of the office.

Sec. 24. Minnesota Statutes 1993 Supplement, section 115A.981, subdivision 3, is amended to read:

Subd. 3. [REPORT.] (a) The commissioner shall report to the legislative commission on waste management by July 1 of each odd-numbered year on the economic status and outlook of the state's solid waste management sector including an estimate of the extent to which prices for solid waste management paid by consumers reflect costs related to environmental and public health protection, including a discussion of how prices are publicly and privately subsidized and how identified costs of waste management are not reflected in the prices.

(b) In preparing the report, the commissioner shall:

(1) consult with the director; the metropolitan council; local government units; solid waste collectors, transporters, and processors; owners and operators of solid waste facilities; and other interested persons;

(2) consider and analyze information received under subdivision 2 and information available under section 115A.929; and

(3) analyze information gathered and comments received relating to the most recent solid waste management policy report prepared under section 115A.411.

The commissioner shall also recommend any legislation necessary to ensure adequate and reliable information needed for preparation of the report.

(c) The report must also include:

(1) statewide and facility by facility estimates of the total potential costs and liabilities associated with solid waste disposal facilities for closure and postclosure care, response costs under chapter 115B, and any other potential costs, liabilities, or financial responsibilities;

(2) statewide and facility by facility requirements for proof of financial responsibility under section 116.07, subdivision 4h, and how each facility is meeting those requirements.

Sec. 25. Minnesota Statutes 1992, section 116.07, subdivision 4h, is amended to read:

Subd. 4h. [FINANCIAL RESPONSIBILITY RULES.] (a) The agency shall adopt rules requiring the operator or owner of a solid waste disposal facility to submit to the agency proof of the operator's or owner's financial capability to provide reasonable and necessary response during the operating life of the facility and for 20 30 years after closure

for a mixed municipal solid waste disposal facility or for a minimum of 20 years after closure, as determined by agency rules, for any other solid waste disposal facility, and to provide for the closure of the facility and postclosure care required under agency rules. Proof of financial responsibility is required of the operator or owner of a facility receiving an original permit or a permit for expansion after adoption of the rules. Within 180 days of the effective date of the rules or by July 1, 1987, whichever is later, proof of financial responsibility is required of an operator or owner of a facility with a remaining capacity of more than five years or 500,000 cubic yards that is in operation at the time the rules are adopted. Compliance with the rules and the requirements of paragraph (b) is a condition of obtaining or retaining a permit to operate the facility.

(b) A municipality, as defined in section 475.51, subdivision 2, including a sanitary district, that owns or operates a solid waste disposal facility that was in operation on May 15, 1989, may meet its financial responsibility for all or a portion of the contingency action portion of the reasonable and necessary response costs at the facility by pledging its full faith and credit to meet its responsibility.

The pledge must be made in accordance with the requirements in chapter 475 for issuing bonds of the municipality, and the following additional requirements:

(1) The governing body of the municipality shall enact an ordinance that clearly accepts responsibility for the costs of contingency action at the facility and that reserves, during the operating life of the facility and for 20 years the time period required in paragraph (a) after closure, a portion of the debt limit of the municipality, as established under section 475.53 or other law, that is equal to the total contingency action costs.

(2) The municipality shall require that all collectors that haul to the facility implement a plan for reducing solid waste by using volume-based pricing, recycling incentives, or other means.

(3) When a municipality opts to meet a portion of its financial responsibility by relying on its authority to issue bonds, it shall also begin setting aside in a dedicated long-term care trust fund money that will cover a portion of the potential contingency action costs at the facility, the amount to be determined by the agency for each facility based on at least the amount of waste deposited in the disposal facility each year, and the likelihood and potential timing of conditions arising at the facility that will necessitate response action. The agency may not require a municipality to set aside more than five percent of the total cost in a single year.

(4) A municipality shall have and consistently maintain an investment grade bond rating as a condition of using bonding authority to meet financial responsibility under this section.

(5) The municipality shall file with the commissioner of revenue its consent to have the amount of its contingency action costs deducted from state aid payments otherwise due the municipality and paid instead to the environmental response, compensation, and compliance account created in section 115B.20, if the municipality fails to conduct the contingency action at the facility when ordered by the agency. If the agency notifies the commissioner that the municipality has failed to conduct contingency action when ordered by the agency, the commissioner shall deduct the amounts indicated by the agency from the state aids in accordance with the consent filed with the commissioner.

(6) The municipality shall file with the agency written proof that it has complied with the requirements of paragraph (b).

(c) The method for proving financial responsibility under paragraph (b) may not be applied to a new solid waste disposal facility or to expansion of an existing facility, unless the expansion is a vertical expansion. Vertical expansions of qualifying existing facilities cannot be permitted for a duration of longer than three years.

Sec. 26. [116.073] [FIELD CITATIONS.]

Subdivision 1. [AUTHORITY TO ISSUE.] Pollution control agency staff designated by the commissioner and department of natural resources conservation officers may issue citations to a person who disposes of solid waste as defined in section 116.06, subdivision 22, at a location not authorized by law for the disposal of solid waste without permission of the owner of the property. A citation issued under this subdivision must include a requirement that the person cited remove and properly dispose of or otherwise manage the waste or reimburse any government agency that has disposed of the waste for the reasonable costs of disposal.

Subd. 2. [PENALTY AMOUNT.] The citation must impose the following penalty amounts:

- (1) \$100 per major appliance, as defined in section 115A.03, subdivision 17a, up to a maximum of \$2,000;
- (2) \$25 per waste tire, as defined in section 115A.90, subdivision 11, up to a maximum of \$2,000;
- (3) \$25 per lead acid battery governed by section 115A.915, up to a maximum of \$2,000;
- (4) \$1 per pound of other solid waste or \$20 per cubic foot up to a maximum of \$2,000; and
- (5) up to \$200 for any amount of waste that escapes from a vehicle used for the transportation of solid waste if, after receiving actual notice that waste has escaped the vehicle, the person or company transporting the waste fails to immediately collect the waste.

Subd. 3. [APPEALS.] Citations may be appealed under the procedures in section 116.072, subdivision 6, if the person requests a hearing by notifying the commissioner in writing within 15 days after receipt of the citation. If a hearing is not requested within the 15-day period, the citation becomes a final order not subject to further review.

Subd. 4. [ENFORCEMENT OF FIELD CITATIONS.] Field citations may be enforced under section 116.072, subdivisions 9 and 10.

Subd. 5. [CUMULATIVE REMEDY.] The authority to issue field citations is in addition to other remedies available under statutory or common law, except that the state may not seek penalties under any other provision of law for the incident subject to the citation.

Sec. 27. Minnesota Statutes 1992, section 116.76, subdivision 4, is amended to read:

Subd. 4. [COMMERCIAL TRANSPORTER.] "Commercial transporter" means a person, other than the United States government, who transports infectious or pathological waste for compensation.

Sec. 28. Minnesota Statutes 1993 Supplement, section 116.79, subdivision 1, is amended to read:

Subdivision 1. [PREPARATION OF MANAGEMENT PLANS.] (a) To the extent applicable to the facility, a person in charge of a facility that generates, stores, decontaminates, incinerates, or disposes of infectious or pathological waste must prepare a management plan for the infectious or pathological waste handled by the facility. A person may prepare a common management plan for all generating facilities owned and operated by the person. If a single plan is prepared to cover multiple facilities, the plan must identify common policy and procedures for the facilities and any management procedures that are facility specific. The plan must identify each generating facility covered by the plan. A management plan must list all physicians, dentists, chiropractors, podiatrists, veterinarians, certified nurse practitioners, certified nurse midwives, or physician assistants, employed by, under contract to, or working at the generating facilities, except hospitals or laboratories. A management plan from a hospital must list the number of licensed beds and from a laboratory must list the number of generating employees.

(b) The management plan must describe, to the extent the information is applicable to the facility:

- (1) the type of infectious waste and pathological waste that the person generates or handles;
- (2) the segregation, packaging, labeling, collection, storage, and transportation procedures for the infectious waste or pathological waste that will be followed;
- (3) the decontamination or disposal methods for the infectious or pathological waste that will be used;
- (4) the transporters and disposal facilities that will be used for the infectious waste;
- (5) the steps that will be taken to minimize the exposure of employees to infectious agents throughout the process of disposing of infectious or pathological wastes; and
- (6) the name of the individual responsible for the management of the infectious waste or pathological waste.

(c) If the generator mails sharps for storage, decontamination, or disposal, the plan must specify how the generator will comply with applicable federal laws and rules. The plan must also specify the name, address, and telephone number of the facility to which the sharps are mailed, the name of the person who receives the sharps at the facility, and the annual amount mailed to the facility. If the facility to which the sharps are mailed is not the disposal facility, the plan must also identify the disposal facility.

(d) The management plan must be kept at the facility.

(e) To the extent applicable to the facility, management plans must be accompanied by a statement of the quantity of infectious and pathological waste generated, decontaminated, stored, incinerated, or disposed of at the facility during the previous two-year period. Quantities shall be reported in pounds.

(f) A management plan must be updated at least once every two years.

Sec. 29. Minnesota Statutes 1992, section 116.92, subdivision 8, is amended to read:

Subd. 8. [BAN; TOYS OR, GAMES, AND APPAREL.] A person may not sell for resale or at retail in this state a toy or game that contains mercury, or an item of clothing or wearing apparel that is exempt from sales tax under section 297A.25, subdivision 8, that contains an electric switch that contains mercury.

Sec. 30. Minnesota Statutes 1993 Supplement, section 473.149, subdivision 6, is amended to read:

Subd. 6. [REPORT TO LEGISLATURE.] The council shall report on abatement to the legislative commission on waste management by July 1 of each year. The report must include an assessment of whether the objectives of the metropolitan abatement plan have been met and whether each county and each class of city within each county have achieved the objectives set for it in the council's plan. The report must recommend any legislation that may be required to implement the plan. The report shall include the reports required by sections 115A.551, subdivision 5 4; 473.846; and 473.848, subdivision 4. If in any year the council reports that the objectives of the council's abatement plan have not been met, the council shall evaluate and report on the need to reassign governmental responsibilities among cities, counties, and metropolitan agencies to assure implementation and achievement of the metropolitan and local abatement plans and objectives.

The report in each even-numbered year must include a report on the operating, capital, and debt service costs of solid waste facilities in the metropolitan area; changes in the costs; the methods used to pay the costs; and the resultant allocation of costs among users of the facilities and the general public. The facility costs report must present the cost and financing analysis in the aggregate and broken down by county and by major facility.

Sec. 31. Minnesota Statutes 1992, section 473.803, is amended by adding a subdivision to read:

Subd. 5. [ROLE OF PRIVATE SECTOR; COUNTY OVERSIGHT.] A county may include in its solid waste management master plan and in its plan for county land disposal abatement a determination that the private sector will achieve, either in part or in whole, the goals and requirements of sections 473.149 and 473.803, as long as the county:

(1) retains active oversight over the efforts of the private sector and monitors performance to ensure compliance with the law and the goals and standards of the council and the county as expressed in the metropolitan solid waste management plan and the county master plan;

(2) continues to meet its responsibilities under the law for ensuring proper waste management, including, at a minimum, enforcing waste management law, providing waste education, promoting waste reduction, and providing its residents the opportunity to recycle waste materials; and

(3) continues to provide all required reports on the county's progress in meeting the waste management goals and standards of this chapter and chapter 115A.

Sec. 32. Minnesota Statutes 1992, section 473.811, subdivision 5, is amended to read:

Subd. 5. [ORDINANCES; SOLID WASTE COLLECTION AND TRANSPORTATION.] (a) Each metropolitan county may adopt ordinances governing the collection of solid waste. A county may adopt, but may not be required to adopt, an ordinance that requires the separation from mixed municipal waste, by generators before collection, of materials that can readily be separated for use or reuse as substitutes for raw materials or for transformation into a usable soil amendment.

(b) Each local unit of government within the metropolitan area shall adopt an ordinance governing the collection of solid waste within its boundaries. If the county within which it is located has adopted a collection ordinance, the local unit shall adopt either the county ordinance by reference or a more strict ordinance. If the county within which it is located has adopted a separation ordinance, the ordinance applies in all local units within the county that have failed to meet the local abatement performance standards, as stated in the most recent annual county report.

(c) Ordinances of counties and local government units may establish reasonable conditions respecting but shall not prevent the transportation of solid waste by a licensed collector through and between counties and local units, except as required for the enforcement of any designation of a facility by a county under chapter 115A or for enforcement of the prohibition on disposal of unprocessed mixed municipal solid waste under sections 473.848 and 473.849.

(d) A licensed collector or a metropolitan county or local government unit may request review by the council of an ordinance adopted under this subdivision. The council shall approve or disapprove the ordinance within 60 days of the submission of a request for review. The ordinance shall remain in effect unless it is disapproved.

(e) Ordinances of counties and local units of government:

(1) shall provide for the enforcement of any designation of facilities by the counties under chapter 115A;

(2) may require waste collectors and transporters to deliver unprocessed mixed municipal waste generated in the county to processing facilities; and

(3) may prohibit waste collectors and transporters from delivering unprocessed mixed municipal solid waste generated in the county to disposal facilities for final disposal.

(f) Nothing in this subdivision ~~shall be construed to limit~~ limits the authority of the local government unit to regulate and license collectors of solid waste or to require review or approval by the council for ordinances regulating collection.

Sec. 33. Minnesota Statutes 1992, section 473.811, subdivision 5a, is amended to read:

Subd. 5a. [ORDINANCES; SOLID WASTE FACILITIES.] Each metropolitan county shall by ordinance establish and from time to time revise rules, regulations, and standards for solid waste facilities within the county, relating to location, sanitary operation, periodic inspection and monitoring, maintenance, termination and abandonment, and other pertinent matters. The county ordinance may require facilities accepting mixed municipal solid waste for disposal to install scales. The county ordinance may prohibit disposal facilities from accepting unprocessed mixed municipal solid waste for final disposal. The county ordinance shall require permits or licenses for solid waste facilities and shall require that such facilities be registered with a county office.

Sec. 34. [473.812] [RECORDS; INSPECTION.]

For the purpose of enforcing section 473.811 or ordinances adopted under that section, a county has the responsibilities and authorities for record inspection under section 115A.882, regardless of whether the county has adopted a designation ordinance under sections 115A.80 to 115A.893.

Sec. 35. Minnesota Statutes 1992, section 473.843, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF FEE; APPLICATION.] The operator of a mixed municipal solid waste disposal facility in the metropolitan area shall pay a fee on solid waste accepted and disposed at the facility as follows:

(a) A facility that weighs the waste that it accepts must pay a fee of ~~\$2 per cubic yard based on equivalent cubic yards~~ \$6.66 per ton of waste accepted at the entrance of the facility.

(b) A facility that does not weigh the waste but that measures the volume of the waste that it accepts must pay a fee of \$2 per cubic yard of waste accepted at the entrance of the facility. This fee and the tipping fee must be calculated on the same basis.

(c) Waste residue, from recycling facilities at which recyclable materials are separated or processed for the purposes of recycling, or from energy and resource recovery facilities at which solid waste is processed for the purpose of extracting, reducing, converting to energy, or otherwise separating and preparing solid waste for reuse, is exempt from the fee imposed by this subdivision if there is at least an 85 percent volume reduction in the solid waste processed. To qualify for exemption under this clause, waste residue must be brought to a disposal facility separately. The commissioner of revenue, with the advice and assistance of the council and the agency, shall prescribe procedures for determining the amount of waste residue qualifying for exemption.

Sec. 36. Minnesota Statutes 1992, section 473.844, subdivision 1a, is amended to read:

Subd. 1a. [USE OF FUNDS.] (a) The money in the account may be spent only for the following purposes:

(1) assistance to any person for resource recovery projects funded under subdivision 4 or projects to develop and coordinate markets for reusable or recyclable waste materials, including related public education, planning, and technical assistance;

(2) grants to counties under section 473.8441;

(3) program administration by the metropolitan council;

(4) public education on solid waste reduction and recycling; and

(5) solid waste research; and

(6) grants to multicounty groups for regionwide planning for solid waste management system operations and use of management capacity.

(b) The council shall allocate at least 50 percent of the annual revenue received by the account for grants to counties under section 473.8441.

Sec. 37. Minnesota Statutes 1992, section 473.845, subdivision 3, is amended to read:

Subd. 3. [EXPENDITURES FROM THE FUND.] Money in the fund may only be appropriated to the agency for expenditure for:

(1) reasonable and necessary expenses for closure and postclosure care of a mixed municipal solid waste disposal facility in the metropolitan area for a ~~20-year~~ 30-year period after closure, if the agency determines that the operator or owner will not take the necessary actions requested by the agency for closure and postclosure in the manner and within the time requested;

(2) reasonable and necessary response and postclosure costs at a mixed municipal solid waste disposal facility in the metropolitan area that has been closed for ~~20~~ 30 years in compliance with the closure and postclosure rules of the agency; or

(3) reimbursement to a local government unit for costs incurred over \$400,000 under a work plan approved by the commissioner of the agency to remediate methane at a closed disposal facility owned by the local government unit.

Sec. 38. Minnesota Statutes 1993 Supplement, section 473.846, is amended to read:

473.846 [REPORT TO LEGISLATURE.]

The agency and metropolitan council shall submit to the senate finance committee, the house ways and means committee, and the legislative commission on waste management separate reports describing the activities for which money from the landfill abatement account and contingency action trust fund has been spent ~~during the previous fiscal year~~. The agency shall report by November 1 of each year on expenditures during its previous fiscal year. The council shall report on expenditures during the previous calendar year and must incorporate its report in the report required by section 473.149, due July 1 of each year. The council shall make recommendations to the legislative commission on waste management on the future management and use of the metropolitan landfill abatement account.

Sec. 39. Minnesota Statutes 1992, section 473.848, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTION.] (a) After January 1, 1990 For the purposes of implementing the waste management policies in section 115A.02 and metropolitan area goals related to landfill abatement established under this chapter, a person may not dispose of unprocessed mixed municipal solid waste generated in the metropolitan area at a waste disposal facilities located in the metropolitan area facility unless the waste disposal facility meets the standards in section 473.849 and:

- (1) the waste has been certified as unprocessable by a county under subdivision 2; or
- (2)(i) the waste has been transferred to the disposal facility from a resource recovery facility;
- (ii) no other resource recovery facility in serving the metropolitan area is capable of processing the waste; and
- (iii) the waste has been certified as unprocessable by the operator of the resource recovery facility under subdivision 3.

(b) For purposes of this section, mixed municipal solid waste does not include street sweepings, construction debris, mining waste, foundry sand, and other materials, if they are not capable of being processed by resource recovery as determined by the council.

Sec. 40. Minnesota Statutes 1992, section 473.848, subdivision 5, is amended to read:

Subd. 5. [DEFINITION.] (a) For the purpose of this section, waste is "unprocessed" if it has not, after collection and before disposal, undergone at least one process, as defined in section 115A.03, subdivision 25, excluding storage, exchange, and transfer of the waste. separation of materials for resource recovery through recycling, incineration for energy production, production and use of refuse-derived fuel, composting, or any combination of these processes so that the percentage, by weight, of the collected waste that must be disposed of in a mixed municipal solid waste disposal facility, on an annual average, is not more than:

(1) 35 percent for waste collected from generators for whom a waste collector or local government unit provides collection and management of recyclables separately from collection and management of mixed municipal solid waste; or

(2) 20 percent for waste collected from generators for whom a waste collector or local government unit provides collection of recyclables combined with mixed municipal solid waste.

(b) For the purposes of paragraph (a), a mixed municipal solid waste generator is provided separate collection and management of recyclables if the generator has the opportunity to separately recycle as described in section 115A.552 and the waste collector that serves the generator does not override the opportunity to separately recycle by collecting recyclables combined with mixed municipal solid waste for separate or combined management of the recyclables after collection.

(c) Nothing in this section affects the responsibility of counties for recycling activities under chapter 115A.

Sec. 41. [ELECTRONIC APPLIANCES; REPORT.]

By July 1, 1995, the director of the office of waste management, in consultation with the commissioner of the pollution control agency and counties, shall submit a report to the legislative commission on waste management regarding management of waste electronic appliances that:

(1) identifies types of electronic appliances that contain materials that pose problems in the solid waste management system;

(2) explains how those waste appliances are presently managed and identifies any adverse environmental effects of present management; and

(3) recommends, if necessary, legislation to govern management of waste electronic appliances.

For the purposes of this section, "electronic appliances" includes at least audio, video, computing, printing, communication, and telecommunication equipment and apparatuses that contain electronic components, including but not limited to radios, televisions, computers, computer printers, small electronic kitchen appliances, telefacsimile equipment, and household and commercial communication transmission and reception equipment, but does not include major appliances as defined in Minnesota Statutes, section 115A.03, subdivision 17a.

Sec. 42. [MERCURY IN PRODUCTS; REPORT.]

By December 1, 1994, the commissioner of the pollution control agency, after consultation with interested manufacturers, retailers, public interest groups, political subdivisions, and other persons, shall prepare and submit to the legislative commission on waste management a report that:

- (1) identifies products and portions or elements of products into which mercury is intentionally introduced;
- (2) identifies whether the use of mercury in the products is essential, whether alternatives exist to using mercury, and what those alternatives are; and
- (3) recommends legislation to address public health and environmental protection in the distribution, sale, and use of products into which mercury has been intentionally introduced and to address reduction of mercury in the products and management of the products when they become waste, including recommendations for banning specific products when the costs of management as waste outweigh the benefits that accrue from distribution, sale, and use of the products.

Sec. 43. [RECYCLING FACILITIES; REPORT.]

By July 1, 1995, the commissioner of the pollution control agency shall submit to the legislative commission on waste management a report that contains:

- (1) a description of the different types of recycling facilities and the numbers of each type that are currently in operation;
- (2) a survey of recycling facilities that indicates, for each facility, the type of facility, the extent to which materials delivered to the facility are not actually recycled, and other information pertaining to the facility's performance;
- (3) a discussion of issues affecting the performance of recycling facilities;
- (4) a comparison of markets for commingled and source-separated recyclable materials; and
- (5) recommendations regarding performance standards for recycling facilities, including whether different standards should apply to different types of facilities.

In preparing the report, the commissioner shall consult with the director of the office of waste management, the chair of the metropolitan council, counties, and the recycling industry.

Sec. 44. [DELAYED REPORTS.]

The 1994 date for reports required under Minnesota Statutes, sections 115A.551, subdivision 4; and 115A.557, subdivision 4, is delayed until August 1, 1994.

Sec. 45. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 115A.542, is repealed effective July 1, 1995.

Sec. 46. [APPLICATION.]

Sections 30 to 40 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 47. [EFFECTIVE DATE.]

Section 2 is effective July 1, 1980.

Sections 29 and 44 are effective the day following final enactment.

Section 23 is effective the day following final enactment.

Section 38 is effective June 1, 1994."

Delete the title and insert:

"A bill for an act relating to waste management; applying government waste reduction requirements to compilations of game and fish laws; clarifying the state's waste management goals; adding heat pumps to the definition of major appliances; authorizing larger capital assistance grants to resource recovery projects under certain circumstances; establishing enforcement of the authority of certain counties to inspect records of certain facilities; clarifying management of waste motor oil filters; establishing a process for resolution of disputes related to toxics in packaging and requiring a report; clarifying the prohibition on toxics in certain products and providing for exemptions; authorizing the issuance of field citations; removing the federal government from the definition of commercial transporter of medical waste; requiring medical waste management plans to contain information regarding mailing of sharps; banning sale of apparel containing mercury switches; clarifying the potential role of the private sector in metropolitan waste management; authorizing metropolitan counties to enforce prohibitions on disposal of unprocessed waste and to inspect the records of waste management facilities; expanding the restriction on disposal of unprocessed waste from the metropolitan area; requiring a report on management of waste electronic appliances; requiring a report on products that contain mercury; requiring a report on recycling facilities; amending Minnesota Statutes 1992, sections 97A.051, subdivision 1; 115A.02; 115A.03, subdivision 17a; 115A.554; 115A.557, subdivision 3; 115A.87; 115A.882, subdivision 3, and by adding a subdivision; 115A.9157, subdivisions 4 and 5; 115A.918, subdivision 1, and by adding a subdivision; 115A.919, subdivision 3; 115A.921, subdivision 1; 115A.9301, by adding a subdivision; 115A.95; 115A.9561, subdivision 2; 115A.965, subdivision 6, and by adding a subdivision; 116.07, subdivision 4h; 116.76, subdivision 4; 116.92, subdivision 8; 473.803, by adding a subdivision; 473.811, subdivisions 5 and 5a; 473.843, subdivision 1; 473.844, subdivision 1a; 473.845, subdivision 3; and 473.848, subdivisions 1 and 5; Minnesota Statutes 1993 Supplement, sections 115A.54, subdivision 2a; 115A.916; 115A.929; 115A.9651; 115A.981, subdivision 3; 116.79, subdivision 1; 473.149, subdivision 6; and 473.846; proposing coding for new law in Minnesota Statutes, chapters 116; and 473; repealing Minnesota Statutes 1993 Supplement, section 115A.542."

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 1930, A bill for an act relating to human services; mental health grants; rules concerning psychopathic personalities; treatment for alcohol, drug abuse, and chemical dependency; stepparent income standards under aid to families with dependent children; child support incentives; medical assistance for needy persons; state and county social service plans; organ and tissue transplants; family preservation; commissioner's reports; group residential housing payments and agreements; and paternity proceedings; amending Minnesota Statutes 1992, sections 245.696, subdivision 2; 254A.02, subdivision 11; 254B.04, subdivision 1; 254B.05, subdivision 1; 256.74, subdivision 1a; 256B.69, subdivision 4; 256E.04; 256E.09, subdivision 3; 256H.24; and 257.60; Minnesota Statutes 1993 Supplement, sections 246B.04; 256.979, subdivision 8; 256B.0629, subdivisions 3 and 4; 256F.11, subdivision 3; and 256I.04, subdivisions 1a and 2a; repealing Minnesota Statutes 1992, section 254A.16, subdivisions 3 and 4; Laws 1993, chapter 337, section 16.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2885, 3005, 3179 and 3211 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1736, 2329, 2467, 1788 and 1930 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Munger, Wenzel, Battaglia, Steensma and Johnson, V., introduced:

H. F. No. 3223, A bill for an act relating to the environment; providing annual funding allocations to soil and water conservation districts; appropriating money; amending Minnesota Statutes 1992, section 103C.401, by adding a subdivision.

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

Milbert and Bishop introduced:

H. F. No. 3224, A bill for an act relating to legislation; providing for the engrossment, enrollment, and numbering of bills; amending Minnesota Statutes 1992, section 3C.04, subdivision 5.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Orenstein introduced:

H. F. No. 3225, A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Steensma introduced:

H. F. No. 3226, A bill for an act relating to education; authorizing a local income tax for discretionary school district spending; creating an equalized revenue; proposing coding for new law in Minnesota Statutes, chapters 124A and 290.

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

Simoneau, Kahn and Anderson, I., introduced:

H. F. No. 3227, A bill for an act proposing an amendment to the Minnesota Constitution, article X, section 8; authorizing off-track betting on horse racing; requiring a report to the legislature.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

HOUSE ADVISORIES

The following House Advisory was introduced:

Johnson, A.; Osthoff and Johnson, V., introduced:

H. A. No. 36, A proposal to study Minnesota highway safety laws and programs.

The advisory was referred to the Committee on Transportation and Transit.

REPORT FROM THE COMMITTEE ON RULES AND
LEGISLATIVE ADMINISTRATION

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

House Concurrent Resolution No. 4, A house concurrent resolution providing for a Joint Convention of the Senate and the House of Representatives to elect a member of the Board of Regents of the University of Minnesota.

Reported the same back with the recommendation that the house concurrent resolution be adopted.

Carruthers moved that the report be adopted. The report was adopted.

Carruthers moved that House Concurrent Resolution No. 4 be now adopted.

HOUSE CONCURRENT RESOLUTION NO. 4

A house concurrent resolution providing for a Joint Convention of the Senate and the House of Representatives to elect a member 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:

The House of Representatives and the Senate shall meet in Joint Convention on Thursday, April 21, 1994, at 9:00 a.m., in the Chamber of the House of Representatives to elect a member to the Board of Regents of the University of Minnesota.

The motion prevailed and House Concurrent Resolution No. 4 was adopted.

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. 1957, A bill for an act relating to housing and redevelopment authorities; providing for the membership in the Olmsted county housing and redevelopment authority and for dissolution of the Rochester housing and redevelopment authority; making conforming changes; allowing certain cities the option to form their own authorities.

H. F. No. 2007, A bill for an act relating to employment; making clear that employee includes "at pleasure" employees under the whistleblower law; amending Minnesota Statutes 1992, section 181.931, 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. 1859, A bill for an act relating to housing; establishing penalties for failure to provide a written lease; amending Minnesota Statutes 1993 Supplement, section 504.12.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2893, A bill for an act relating to unemployment compensation; extending benefits for certain employees; providing for a shared work plan; requiring a study; amending Minnesota Statutes 1992, section 268.073, subdivisions 1, 5, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1992, section 268.073, subdivision 6.

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. 2189, A bill for an act relating to education; prekindergarten through grade 12; providing for general education revenue; transportation; special programs; community education; facilities; organization and cooperation; commitment to excellence; other programs; miscellaneous provisions; libraries; state agencies; school bus safety; conforming amendments; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 13.04, by adding a subdivision; 120.101, by adding a subdivision; 120.17, subdivision 1; 121.612, subdivision 7; 121.912, subdivision 5; 121.935, subdivision 6; 122.23, subdivisions 6, 8, 10, 13, and by adding a subdivision; 122.531, subdivision 9; 122.533; 122.91, subdivision 3; 122.937, subdivision 4; 123.35, subdivision 19a, and by adding subdivisions; 123.3514, subdivision 4; 123.39, subdivision 1; 123.58, subdivisions 2 and 4; 124.195, subdivisions 3, 6, and by adding a subdivision; 124.223, subdivision 1; 124.244, subdivision 4; 124.26, subdivision 1b; 124.2601, subdivisions 3, 5, and 7; 124.2711, by adding a subdivision; 124.2713, by adding a subdivision; 124.2721, subdivisions 1 and 5; 124.2725, subdivision 16; 124.278, subdivision 1; 124.6472, subdivision 1; 124.84, by adding a subdivision; 124.85; 124.90, by adding a subdivision; 124.912, by adding a subdivision; 124.95, subdivision 4; 124A.02, by adding subdivisions; 124A.03, subdivision 2a; 124A.22, subdivision 2a; 124A.26, by adding a subdivision; 124C.49; 125.09, subdivision 1; 125.188, subdivision 1; 126.02, subdivision 1; 126.15, subdivision 4; 126.23; 126.69, subdivisions 1 and 3; 126.77, subdivision 1; 126.78; 127.27, subdivision 5; 127.30, by adding a subdivision; 127.31, by adding a subdivision; 127.38; 129C.15, by adding a subdivision; 134.195, subdivision 10; 136D.22, by adding subdivisions; 136D.72, by adding subdivisions; 136D.82, by adding subdivisions; 169.01, subdivision 6; 169.21, subdivision 2; 169.442, subdivision 1; 169.443, subdivision 8, and by adding a subdivision; 169.445, subdivisions 1 and 2; 169.446, subdivision 3; 169.447, subdivision 6; 169.45, subdivision 1; 169.64, subdivision 8; 171.01, subdivision 22; 171.321, subdivision 3; 171.3215; 179A.07, subdivision 6; 260.181, subdivision 2; 272.02, subdivision 8; 475.61, subdivision 4; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 120.062, subdivision 5; 120.064, subdivision 16; 120.17, subdivisions 11b, 12, and 17; 121.11, subdivisions 7c and 7d; 121.702, subdivisions 2 and 9; 121.703; 121.705; 121.706; 121.707; 121.708; 121.709; 121.710; 121.831, subdivision 9; 121.885, subdivisions 1, 2, and 4; 123.3514, subdivisions 6 and 6b; 123.58, subdivisions 6, 7, 8, and 9; 123.951; 124.155, subdivisions 1 and 2; 124.17, subdivisions 1 and 2f; 124.225, subdivisions 1 and 7e; 124.226, subdivisions 3a and 9; 124.2455; 124.26, subdivisions 1c and 2; 124.2711, subdivision 1; 124.2713, subdivision 5; 124.2714; 124.2727, subdivisions 6 and 6a; 124.573, subdivision 2b; 124.6469, subdivision 3; 124.91, subdivisions 3 and 5; 124.914, subdivision 4; 124.95, subdivision 1; 124A.029, subdivision 4; 124A.03, subdivisions 1c, 2, and 3b; 124A.22, subdivisions 5, 6, 8, and 9; 124A.225, subdivisions 1, 3, 4, and 5; 124A.29, subdivision 1; 124A.292, subdivision 3; 125.05, subdivision 1a; 125.138, subdivision 9; 125.185, subdivision 4; 125.230, subdivisions 3, 4, and 6; 125.231, subdivisions 1 and 4; 125.623, subdivision 3; 125.706; 126.239, subdivision 3; 126.70, subdivisions 1 and 2a; 127.46; 171.321, subdivision 2; 275.48; Laws 1992, chapter 499, articles 6, section 34; and 11, section 9; Laws 1993, chapter 224, articles 2, section 15, subdivision 2, as amended; 3, sections 36, subdivision 2; 38, subdivision 22; 5, sections 43; 46, subdivisions 2, 3, and 4; 6, section 30, subdivisions 2 and 6; 7, section 28, subdivisions 3, 4, 9, and 11; 8, sections 20, subdivision 2; 22, subdivisions 6, 7, and 12; 12, sections 39 and 41; and 15, section 2; proposing coding for new law in Minnesota Statutes, chapters 120; 121; 123; 124; 124A; 125; 126; 127; 134; and 169; 473; repealing Minnesota Statutes 1992, sections 121.935, subdivision 7; 122.23, subdivision 13a; 122.91, subdivisions 5 and 7; 122.93, subdivision 7; 122.937; 122.94, subdivisions 2, 3, and 6; 122.945; 136D.22, subdivisions 1 and 3; 136D.71, subdivision 2; 136D.72, subdivisions 1, 2, and 5; 136D.82, subdivisions 1 and 3; 169.441, subdivisions 2 and 3; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 123.80; 124.2727, subdivision 8; 124A.225, subdivision 2; Laws 1992, chapter 499, article 6, section 39, subdivision 3; Law 1993, chapter 224, articles 1, section 37; 8, section 14; Minnesota Rules, parts 3520.3600; 3520.3700; 8700.6410; 8700.9000; 8700.9010; 8700.9020; and 8700.9030.

The Senate has appointed as such committee:

Messrs. Pogemiller and Janezich; Mses. Pappas, Krentz and Robertson.

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. 2710, A bill for an act relating to state government; requiring the commissioner of administration to study and report on the best way to increase electronic services to citizens; proposing coding for new law in Minnesota Statutes, chapter 16B.

The Senate has appointed as such committee:

Messrs. Riveness, Metzen and Terwilliger.

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. 2882, A bill for an act relating to motor carriers; exempt carriers; providing an exemption for transportation of potatoes; amending Minnesota Statutes 1993 Supplement, section 221.025.

The Senate has appointed as such committee:

Messrs. Moe, R. D.; Stumpf and Dille.

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. 2311, A bill for an act relating to taxation; abolishing certain local government levy limitations; amending Minnesota Statutes 1992, sections 12.26, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 103G.625, subdivision 3; 138.053; 164.04, subdivision 3; 164.05, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 268A.06, subdivision 2; 375.167, subdivision 1; 375A.13, subdivision 2; 383A.03, subdivision 4; 383A.411, subdivision 5; 383B.245; 383C.42, subdivision 1; 398.16; 410.06; 412.251; 412.531, subdivision 1; 449.06; 449.08; 449.09; 450.19; 459.06, subdivision 1; 459.14, subdivision 2; 465.54; 469.053, subdivision 7; 469.188; 471.191, subdivision 2; 471.24; 471.57, subdivision 1; 471.61, subdivisions 1 and 2a; 473.711, subdivision 2; Minnesota Statutes 1993 Supplement, section 88.04, subdivision 3; Laws 1933, chapter 423, section 2; Laws 1943, chapters 196, section 6, as amended; 367, section 1, as amended; 510, section 1; Laws 1947, chapters 224, section 1; 340, section 4; Laws 1949, chapters 215, section 2; 252, section 1; 668, section 1; Laws 1953, chapters 154, section 3; 545, section 2; Laws 1957, chapter 213, section 1; Laws 1959, chapters 298,

section 2; 520, section 1; 556, section 1, as amended; Laws 1961, chapters 80, section 1; 81, section 1; 82, section 1; 151, section 1; 209, section 4; 317, section 1; 352, section 1, as amended; 616, section 1, subdivision 1; 643, section 1; Laws 1961, extra session chapter 33, section 3; Laws 1963, chapters 29, section 1; 56, section 1; 103, section 1; Laws 1965, chapters 6, section 2, as amended; 442, section 1; 451, section 2; 512, section 1, subdivision 1; 527, section 1; 617, section 1; Laws 1967, chapters 501, section 1; 526, section 1, subdivision 3; 611, section 1; 660, section 2, subdivision 2; 758, section 1; Laws 1969, chapters 192, section 1, as amended; 534, section 2; 538, section 6, as amended; 602, section 1, subdivision 2; 652, section 1; 659, section 3; 730, section 1; Laws 1971, chapters 404, section 1; 424, section 1; 573, section 1; 876, section 3; Laws 1973, chapter 81, section 1; Laws 1977, chapter 61, section 8; Laws 1979, chapters 1, section 3; 253, section 3; 303, article 10, section 15, subdivision 2, as amended; Laws 1981, chapter 281, section 1; Laws 1983, chapter 326, section 17, subdivision 1; Laws 1984, chapters 380, section 1; 502, article 13, section 8; Laws 1985, chapters 181, section 1; 289, sections 1, 3, 5, subdivision 1, and 6, subdivision 1; Laws 1986, chapters 392, section 1; 399, article 1, section 1, as amended; Laws 1988, chapters 517, section 1; 640, section 3; repealing Minnesota Statutes 1992, sections 373.40, subdivision 6; 471.1921; and 471.63, subdivision 2; Laws 1915, chapter 316, section 1, as amended; Laws 1939, chapter 219, section 1; Laws 1941, chapter 451, section 1; Laws 1961, chapters 30, section 1; 119, section 1; 276, section 1; 439, section 1; Laws 1963, chapter 228, section 1; Laws 1967, chapter 542, section 1, subdivision 3; Laws 1971, chapters 168; 356, section 2; 515, section 1; 770; Laws 1973, chapter 445, section 1; Laws 1974, chapter 209; Laws 1977, chapter 246; Laws 1982, chapter 523, article XII, section 8; Laws 1984, chapter 502, article 13, section 10, as amended; Laws 1986, chapter 399, article 1, section 4; Laws 1989, First Special Session chapter 1, article 5, section 50, as amended; Laws 1990, chapter 604, article 3, sections 50 and 55; and Laws 1991, chapters 3, section 2, subdivision 3; and 291, article 4, section 21.

PATRICK E. FLAHAVER, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Winter moved that the House concur in the Senate amendments to H. F. No. 2311 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2311, A bill for an act relating to taxation; abolishing certain local government levy limitations; amending Minnesota Statutes 1992, sections 12.26, subdivision 2; 18.022, subdivision 2; 18.111, subdivision 1; 103G.625, subdivision 3; 138.053; 164.04, subdivision 3; 164.05, subdivision 1; 174.27; 193.145, subdivision 2; 237.35; 268A.06, subdivision 2; 375.167, subdivision 1; 375A.13, subdivision 2; 383A.03, subdivision 4; 383A.411, subdivision 5; 383B.245; 383C.42, subdivision 1; 398.16; 410.06; 412.251; 412.531, subdivision 1; 449.06; 449.08; 449.09; 450.19; 459.06, subdivision 1; 459.14, subdivision 2; 465.54; 469.053, subdivision 7; 469.188; 471.191, subdivision 2; 471.24; 471.57, subdivision 1; 471.61, subdivisions 1 and 2a; 473.711, subdivision 2; Minnesota Statutes 1993 Supplement, section 88.04, subdivision 3; Laws 1933, chapter 423, section 2; Laws 1943, chapters 196, section 6, as amended; 367, section 1, as amended; 510, section 1; Laws 1947, chapters 224, section 1; 340, section 4; Laws 1949, chapters 215, section 2; 252, section 1; 668, section 1; Laws 1953, chapters 154, section 3; 545, section 2; Laws 1957, chapter 213, section 1; Laws 1959, chapters 298, section 2; 520, section 1; 556, section 1, as amended; Laws 1961, chapters 80, section 1; 81, section 1; 82, section 1; 151, section 1; 209, section 4; 317, section 1; 352, section 1, as amended; 616, section 1, subdivision 1; 643, section 1; Laws 1961, extra session chapter 33, section 3; Laws 1963, chapters 29, section 1; 56, section 1; 103, section 1; Laws 1965, chapters 6, section 2, as amended; 442, section 1; 451, section 2; 512, section 1, subdivision 1; 527, section 1; 617, section 1; Laws 1967, chapters 501, section 1; 526, section 1, subdivision 3; 611, section 1; 660, section 2, subdivision 2; 758, section 1; Laws 1969, chapters 192, section 1, as amended; 534, section 2; 538, section 6, as amended; 602, section 1, subdivision 2; 652, section 1; 659, section 3; 730, section 1; Laws 1971, chapters 404, section 1; 424, section 1; 573, section 1, as amended; 876, section 3; Laws 1973, chapter 81, section 1; Laws 1977, chapter 61, section 8; Laws 1979, chapters 1, section 3; 253, section 3; 303, article 10, section 15, subdivision 2, as amended; Laws 1981, chapter 281, section 1; Laws 1983, chapter 326, section 17, subdivision 1; Laws 1984, chapters 380, section 1; 502, article 13, section 8; Laws 1985, chapters 181, section 1; 289, sections 1, 3, 5, subdivision 1, and 6, subdivision 1; Laws 1986, chapters 392, section 1; 399, article 1, section 1, as amended; Laws 1988, chapters 517, section 1; 640, section 3; repealing Minnesota Statutes 1992, sections 373.40, subdivision 6; 471.1921; and 471.63, subdivision 2; Laws 1915, chapter 316, section 1, as amended; Laws 1939, chapter 219, section 1; Laws 1941, chapter 451, section 1; Laws 1961, chapters 30, section 1; 119, section 1; 276, section 1; 439, section 1; Laws 1963, chapter 228, section 1; Laws 1967, chapter 542, section 1, subdivision 3; Laws 1971, chapters 168; 356, section 2; 515, section 1; 770; Laws 1973, chapter 445, section 1; Laws 1974, chapter 209; Laws 1977, chapter 246; Laws 1982, chapter 523, article XII, section 8; Laws 1984, chapter 502, article 13, section 10, as amended; Laws 1986, chapter 399, article 1, section 4; Laws 1989, First Special Session chapter 1, article 5, section 50, as amended; Laws 1990, chapter 604, article 3, sections 50 and 55; and Laws 1991, chapters 3, section 2, subdivision 3; and 291, article 4, section 21.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 2913, A bill for an act relating to state government; supplementing appropriations for public safety; the environment and natural resources; the general legislative, judicial, and administrative expenses of state government; community development; and human services; fixing and limiting the amount of fees, penalties, and other costs to be collected in certain cases; transferring certain duties and functions; amending Minnesota Statutes 1992, sections 3.737, subdivisions 1 and 4; 16A.124, subdivisions 2 and 7; 16A.127, as amended; 16A.15, subdivision 3; 16B.01, subdivision 4; 16B.05, subdivision 2; 16B.06, subdivisions 1 and 2; 41A.09, subdivisions 2 and 5; 43A.37, subdivision 1; 60K.06; 60K.19, subdivision 8; 62A.046; 62A.048; 62A.27; 62D.102; 82.20, subdivisions 7 and 8; 82.21, by adding a subdivision; 82B.08, subdivisions 4 and 5; 82B.09, subdivision 1; 82B.19, subdivision 1; 83.25; 84.0887, by adding subdivisions; 84A.32, subdivision 1; 85A.02, subdivision 17; 144.804, subdivision 1; 144A.47; 171.06, subdivision 3; 176.102, subdivisions 3a and 14; 176.611, subdivision 6a; 204B.27, by adding a subdivision; 221.041, by adding a subdivision; 221.171, subdivision 2; 245.97, subdivision 1; 246.18, by adding a subdivision; 252.025, by adding a subdivision; 256.74, by adding a subdivision; 256.9365, subdivisions 1 and 3; 256B.056, by adding a subdivision; 256B.0625, subdivision 25, and by adding a subdivision; 256B.0641, subdivision 1; 256B.431, subdivision 17; 256H.05, subdivision 6; 257.62, subdivisions 1, 5, and 6; 257.64, subdivision 3; 257.69, subdivisions 1 and 2; 296.02, subdivision 7; 354.06, subdivision 1; 462A.05, by adding a subdivision; 477A.12; 504.33, subdivision 4; 504.35; 518.171, subdivision 5; and 518.613, subdivision 7; Minnesota Statutes 1993 Supplement, sections 15.50, subdivision 2; 41A.09, subdivision 3; 62A.045; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3; 97A.028, subdivisions 1 and 3; 116J.966, subdivision 1; 138.763, subdivision 1; 144A.071, subdivisions 3 and 4a; 239.785, subdivision 2, and by adding a subdivision; 245.97, subdivision 6; 246.18, subdivision 4; 252.46, subdivision 6, and by adding a subdivision; 256.969, subdivision 24; 256B.431, subdivision 24; 256I.04, subdivision 3; 257.55, subdivision 1; 257.57, subdivision 2; 268.98, subdivision 1; 477A.13; 477A.14; 504.33, subdivision 7; 518.171, subdivisions 1, 3, 4, 7, and 8; 518.611, subdivisions 2 and 4; 518.613, subdivision 2; and 518.615, subdivision 3; Laws 1993, chapter 369, section 5, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 62A; 145; 148; 268; and 518; repealing Minnesota Statutes 1992, sections 16A.06, subdivision 8; 16A.124, subdivision 6; 43A.21, subdivision 5; 62C.141; 62C.143; 62D.106; 62E.04, subdivisions 9 and 10; 268.32; 268.551; 268.552; 355.04; and 355.06; Laws 1985, First Special Session chapter 12, article 11, section 19.

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

Messrs. Merriam, Cohen, Morse, Kroening and Frederickson.

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

Solberg 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. 2913. 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. 760.

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. 760

A bill for an act relating to natural resources; granting power to the commissioner of natural resources to give nominal gifts, acknowledge contributions, and sell advertising; appropriating money; amending Minnesota Statutes 1992, section 84.027, by adding a subdivision.

April 12, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 760, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 760 be further amended as follows:

Page 1, line 15, after the period insert "The total value of items given to the public under this paragraph may not exceed \$25,000 per year."

Page 1, delete lines 16 to 21 and insert:

"(b) The commissioner may recognize the contribution of money or in-kind services on plaques, signs, publications, audio-visual materials, and media advertisements by allowing the organization's contribution to be acknowledged in print of readable size."

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

Senate Conferees: LEONARD R. PRICE, STEVEN MORSE AND GENE MERRIAM.

House Conferees: KEN WOLF, LOREN JENNINGS AND JOHN DORN.

Wolf moved that the report of the Conference Committee on S. F. No. 760 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 760, A bill for an act relating to natural resources; granting power to the commissioner of natural resources to give nominal gifts, acknowledge contributions, and sell advertising; appropriating money; amending Minnesota Statutes 1992, section 84.027, by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:
S. F. No. 1912.

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. 1912

A bill for an act relating to insurance; accident and health; permitting short-term coverage; amending Minnesota Statutes 1993 Supplement, section 62A.65, by adding a subdivision.

April 13, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1912, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

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

Senate Conferees: JIM VICKERMAN, CAL LARSON AND KEVIN M. CHANDLER.

House Conferees: ROGER COOPER, GREGORY M. DAVIDS AND BECKY LOUREY.

Cooper moved that the report of the Conference Committee on S. F. No. 1912 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1912, A bill for an act relating to insurance; accident and health; permitting short-term coverage; amending Minnesota Statutes 1993 Supplement, section 62A.65, by adding a subdivision.

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

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

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

S. F. No. 1744.

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. 1744

A bill for an act relating to the city of Lakefield; allowing the city of Lakefield to expand its public utilities commission to five members.

April 14, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1744, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment.

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

Senate Conferees: JIM VICKERMAN, STEVE L. MURPHY AND FLORIAN CHMIELEWSKI.

House Conferees: KATY OLSON, TED WINTER AND JIM GIRARD.

Olson, K., moved that the report of the Conference Committee on S. F. No. 1744 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1744, A bill for an act relating to the city of Lakefield; allowing the city of Lakefield to expand its public utilities commission to five members.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frerichs Goodno Gruenes Ornen

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

Mr. Speaker:

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

H. F. No. 2124, A bill for an act relating to retirement; state university and state community college individual retirement account plans; clarifying various plan provisions; providing for plan coverage for technical college teachers; providing for an optional election of plan coverage for certain state university and community college teachers; mandating the preparation of plan recodification legislation; amending Minnesota Statutes 1992, sections 353.27, subdivision 7a; 354.05, subdivision 2a; 354.42, subdivision 7; 354B.01, by adding a subdivision; 354B.015; and 354B.02, subdivision 2, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 352.04, subdivision 9; 354A.011, subdivision 27; 354B.02, subdivision 1; and 354B.05, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 354B; proposing coding for new law as Minnesota Statutes, chapter 354C.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 2124 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2124, A bill for an act relating to retirement; state university and state community college individual retirement account plans; clarifying various plan provisions; providing for plan coverage for technical college teachers; providing for an optional election of plan coverage for certain state university and community college teachers; mandating the preparation of plan recodification legislation; amending Minnesota Statutes 1992, sections 353.27, subdivision 7a; 354.05, subdivision 2a; 354.42, subdivision 7; 354B.01, by adding a subdivision; 354B.015; and 354B.02, subdivision 2, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 352.04, subdivision 9; 354A.011, subdivision 27; 354B.02, subdivision 1; and 354B.05, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 354B; proposing coding for new law as Minnesota Statutes, chapter 354C.

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

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

Those who voted in the affirmative were:

Abrams	Cooper	Goodno	Johnson, A.	Lieder	Mosel	Ozment
Anderson, R.	Dauner	Greenfield	Johnson, R.	Limmer	Munger	Pauly
Asch	Davids	Greiling	Johnson, V.	Lindner	Murphy	Pawlenty
Battaglia	Dawkins	Gruenes	Kalis	Long	Neary	Pelowski
Bauerly	Dehler	Gutknecht	Kelley	Lourey	Nelson	Perlt
Bergson	Delmont	Hasskamp	Kelso	Luther	Ness	Peterson
Bertram	Dempsey	Haukoos	Kinkel	Lynch	Olson, E.	Pugh
Bettermann	Dorn	Hausman	Klinzing	Macklin	Olson, K.	Reding
Bishop	Erhardt	Holsten	Knickerbocker	Mahon	Olson, M.	Rest
Brown, C.	Evans	Hugoson	Knight	Mariani	Onnen	Rhodes
Brown, K.	Farrell	Huntley	Koppendrayner	McCollum	Opatz	Rice
Carlson	Finseth	Jacobs	Krinkie	McGuire	Orenstein	Rodosovich
Carruthers	Frerichs	Jaros	Krueger	Milbert	Orfield	Rukavina
Clark	Garcia	Jefferson	Lasley	Molnau	Osthoff	Sarna
Commers	Girard	Jennings	Leppik	Morrison	Ostrom	Seagren

Sekhon	Solberg	Swenson	Tunheim	Vickerman	Wejzman	Worke
Simoneau	Stanius	Tomassoni	Van Dellen	Wagenius	Wenzel	Workman
Skoglund	Steensma	Tompkins	Van Engen	Waltman	Winter	Spk. Anderson, I.
Smith	Svigum	Trimble	Vellenga	Weaver	Wolf	

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. 2540, 1808 and 1948.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2540, A bill for an act relating to energy; classifying and requiring information on applications for the municipal energy conservation investment loan program; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 216C.37, subdivision 3, and by adding subdivisions; Minnesota Statutes 1993 Supplement, section 216C.37, subdivision 1; repealing Minnesota Statutes 1992, section 216C.37, subdivision 8.

The bill was read for the first time.

Jacobs moved that S. F. No. 2540 and H. F. No. 2590, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1808, A bill for an act relating to workers' compensation; providing coverage for certain civil air patrol volunteers; amending Minnesota Statutes 1992, section 176.011, subdivision 9.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

S. F. No. 1948, A bill for an act relating to agriculture; providing for family farm limited liability companies and authorized farm limited liability companies; removing limitation on number of shareholders or partners for authorized farm corporations and partnerships; amending Minnesota Statutes 1992, section 500.24, subdivision 2.

The bill was read for the first time.

Winter moved that S. F. No. 1948 and H. F. No. 2885, now on Technical 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. 3209:

Rest, Jacobs, Rukavina, Dawkins and Goodno.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2675

A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public waters in Aitkin county.

April 18, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 2675, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendment and that H. F. No. 2675, as amended by the Senate, adopted March 30, 1994, be further amended as follows:

Page 1, line 23, delete "one lot" and insert "two lots"

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

House Conferees: BECKY LOUREY, ROGER COOPER AND DENNIS OZMENT.

Senate Conferees: BOB LESSARD, FLORIAN CHMIELEWSKI AND GENE MERRIAM.

Lourey moved that the report of the Conference Committee on H. F. No. 2675 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2675, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public waters in Aitkin county.

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

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

Those who voted in the affirmative were:

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

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

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. Nos. 3122 and 3193.

H. F. No. 3122, A bill for an act relating to public finance; changing procedures for allocating bonding authority; amending Minnesota Statutes 1992, sections 474A.02, subdivisions 8a, 13a, and 23a; 474A.03, subdivision 1; 474A.04, subdivision 1a; 474A.061, subdivision 4; 474A.091, subdivisions 3 and 5; and 474A.131, subdivision 3, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 474A.047, subdivision 1; and 474A.061, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

The Speaker called Kahn to the Chair.

H. F. No. 3193 was reported to the House.

Rest moved to amend H. F. No. 3193, the first engrossment, as follows:

Page 13, lines 15 to 18, delete the new language

The motion prevailed and the amendment was adopted.

Bettermann moved to amend H. F. No. 3193, the first engrossment, as amended, as follows:

Page 2, after line 34, insert:

"Sec. 2. Minnesota Statutes 1992, section 124.95, is amended by adding a subdivision to read:

Subd. 7. [EFFECT OF RECEIPT OF CERTAIN AIDS.] The receipt of aid under section 273.1398, this section, or any successor provisions to be used to pay debt service for repayment of the principal and interest on school district bonds shall not for any purpose constitute the financing of a project in whole or in part by state funds."

Page 22, line 22, before "Section" insert "Section 2 is effective the day following final enactment and applies to fiscal year 1993 and thereafter."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Bettermann amendment and the roll was called. There were 60 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Holsten	Leppik	Ness	Peterson	Vickerman
Anderson, R.	Erhardt	Hugoson	Limmer	Olson, E.	Rhodes	Waltman
Bauerly	Finseth	Johnson, V.	Lindner	Olson, K.	Seagren	Weaver
Bertram	Frerichs	Kelso	Lynch	Olson, M.	Stanis	Wolf
Bettermann	Girard	Klinzing	Macklin	Onnen	Sviggum	Worke
Bishop	Goodno	Knight	Molnau	Opatz	Swenson	Workman
Commers	Gruenes	Koppendrayner	Morrison	Ostrom	Tunheim	
Davids	Gutknecht	Krinkie	Mosel	Pauly	Van Dellen	
Dehler	Haukoos	Lasley	Nelson	Pawlenty	Van Engen	

Those who voted in the negative were:

Asch	Dawkins	Jacobs	Krueger	Neary	Rodosovich	Trimble
Battaglia	Delmont	Jaros	Lieder	Orenstein	Rukavina	Wagenius
Beard	Dempsey	Jefferson	Long	Orfield	Sarna	Wejzman
Bergson	Evans	Jennings	Lourey	Osthoff	Sekhon	Wenzel
Brown, C.	Farrell	Johnson, A.	Luther	Ozment	Simoneau	Winter
Brown, K.	Garcia	Johnson, R.	Mahon	Pelowski	Skoglund	Spk. Anderson, I.
Carlson	Greenfield	Kahn	Mariani	Perlt	Smith	
Carruthers	Greiling	Kalis	McCollum	Pugh	Solberg	
Clark	Hasskamp	Kelley	McGuire	Reding	Steensma	
Cooper	Hausman	Kinkel	Milbert	Rest	Tomassoni	
Dauner	Huntley	Knickerbocker	Murphy	Rice	Tompkins	

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

H. F. No. 3193, A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt; authorizing the use of revenue recapture by certain housing agencies; clarifying a property tax exemption; allowing school districts to make and levy for certain contract or lease purchases; changing contract requirements for certain projects; changing certain debt service fund requirements; authorizing use of special assessments for on-site water contamination improvements; authorizing an increase in the membership of county housing and redevelopment authorities; amending Minnesota Statutes 1992, sections 270A.03, subdivision 2; 383.06, subdivision 2; 429.011, by adding a subdivision; 429.031, subdivision 3; 469.006, subdivision 1; 469.015, subdivision 4; 469.158; 469.184, by adding a subdivision; 471.56, subdivision 5; 471.562, subdivision 3, and by adding a subdivision; 475.52, subdivision 1; 475.53, subdivision 5; 475.54, subdivision 16; 475.66, subdivision 1; and 475.79; Minnesota Statutes 1993 Supplement, sections 124.91, subdivision 3; 272.02, subdivision 1; and 469.033, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 469.

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

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

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Anderson, R.	Bauerly	Bettermann	Brown, K.	Clark	Dauner	Dehler
Asch	Bergson	Bishop	Carlson	Commers	Davids	Delmont

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

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

SPECIAL ORDERS

S. F. No. 2500 was reported to the House.

Trimble moved that S. F. No. 2500 be continued on Special Orders. The motion prevailed.

H. F. No. 3011 was reported to the House.

Osthoff moved that H. F. No. 3011 be continued on Special Orders until Friday, April 22, 1994. The motion prevailed.

H. F. No. 2603 was reported to the House.

Pugh moved that H. F. No. 2603 be continued on Special Orders. The motion prevailed.

H. F. No. 2651 was reported to the House.

Reding moved that H. F. No. 2651 be continued on Special Orders. The motion prevailed.

S. F. No. 2009, A bill for an act relating to public safety; increasing membership of emergency response commission by one representative of emergency managers; amending Minnesota Statutes 1992, section 299K.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 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bishop	Dauner	Evans	Gutknecht	Jaros	Kelso
Anderson, R.	Brown, C.	Davidson	Finseth	Hasskamp	Jefferson	Kinkel
Asch	Brown, K.	Dawkins	Frerichs	Haukoos	Johnson, A.	Klinzing
Battaglia	Carlson	Dehler	Garcia	Hausman	Johnson, R.	Knickerbocker
Beard	Carruthers	Delmont	Girard	Holsten	Johnson, V.	Knight
Bergson	Clark	Dempsey	Goodno	Hugoson	Kahn	Koppendraye
Bertram	Commers	Dorn	Greiling	Huntley	Kalis	Krinkie
Bettermann	Cooper	Erhardt	Gruenes	Jacobs	Kelley	Krueger

Lasley	Mariani	Ness	Pauly	Sarna	Tomassoni	Wenzel
Leppik	McCollum	Olson, E.	Pawlenty	Seagren	Tompkins	Winter
Lieder	McGuire	Olson, K.	Pelowski	Sekhon	Trimble	Wolf
Limmer	Milbert	Olson, M.	Perlt	Simoneau	Tunheim	Worke
Lindner	Molnau	Onnen	Peterson	Skoglund	Van Dellen	Workman
Long	Morrison	Opatz	Pugh	Smith	Van Engen	Spk. Anderson, I.
Lourey	Mosel	Orenstein	Reding	Solberg	Vellenga	
Luther	Munger	Orfield	Rest	Stanisus	Vickerman	
Lynch	Murphy	Osthoff	Rhodes	Steensma	Waltman	
Macklin	Neary	Ostrom	Rodosovich	Sviggum	Weaver	
Mahon	Nelson	Ozment	Rukavina	Swenson	Wejman	

The bill was passed and its title agreed to.

S. F. No. 2303 was reported to the House.

Ostrom; Osthoff; Johnson, V., and Pauly moved to amend S. F. No. 2303 as follows:

Page 1, line 18, strike "subdivision 2" and insert "subdivisions 2 and 3"

Page 1, line 26, after the semicolon, insert "and"

Page 2, line 3, strike "; and" and insert a new period

Page 2, lines 4 to 9, delete the new language and strike the old language and insert:

"Subd. 3. [REFRESHER COURSE.] The department of public safety, in consultation with other traffic safety and medical professionals, may establish without rulemaking a refresher course for persons who have completed the original course under subdivision 2. The refresher course shall be four hours or more, and based on the curriculum established under subdivision 2. The department of public safety shall establish criteria for and approve training agencies or organizations authorized to conduct the refresher course.

Subd. 4. [COMPLETION CERTIFICATE.] Persons 55 years old and older may retake the original course or take the refresher course every three years and receive a course completion certificate to remain eligible for the premium reduction in subdivision 1. The department of public safety shall provide criteria for the issuance of the course completion certificates."

Page 2, line 11, delete everything after "1995" and insert a new period

Page 2, delete lines 12 and 13

The motion prevailed and the amendment was adopted.

S. F. No. 2303, A bill for an act relating to highway safety; requiring persons age 55 or over to complete a refresher course in accident prevention in order to remain eligible for a reduction in private passenger vehicle insurance rates; amending Minnesota Statutes 1992, section 65B.28.

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 14 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Anderson, R.	Beard	Bettermann	Brown, K.	Clark	Dauner	Delmont
Asch	Bergson	Bishop	Carlson	Commers	Davids	Dempsey

Dorn	Hugoson	Klinzing	Macklin	Olson, K.	Rest	Trimble
Erhardt	Huntley	Knickerbocker	Mahon	Opatz	Rice	Van Dellen
Evans	Jacobs	Knight	Mariani	Orenstein	Rukavina	Van Engen
Farrell	Jaros	Koppendrayer	McCollum	Orfield	Sarna	Vellenga
Finseth	Jefferson	Krinkie	McGuire	Osthoff	Seagren	Vickerman
Garcia	Jennings	Krueger	Milbert	Ostrom	Sekhon	Wagenius
Girard	Johnson, A.	Lasley	Molnau	Ozment	Simoneau	Waltman
Goodno	Johnson, R.	Leppik	Morrison	Pauly	Skoglund	Weaver
Greenfield	Johnson, V.	Lieder	Mosel	Pawlenty	Smith	Wejcman
Greiling	Kahn	Limmer	Munger	Pelowski	Stanis	Wenzel
Gruenes	Kalis	Long	Murphy	Perlt	Sviggum	Winter
Hasskamp	Kelley	Lourey	Neary	Peterson	Swenson	Wolf
Hausman	Kelso	Luther	Nelson	Pugh	Tomassoni	Worke
Holsten	Kinkel	Lynch	Olson, E.	Reding	Tompkins	Spk. Anderson, I.

Those who voted in the negative were:

Dehler	Gutknecht	Lindner	Olson, M.	Rhodes	Solberg	Tunheim
Frerichs	Haukoos	Ness	Onnen	Rodosovich	Steensma	Workman

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

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today:

H. F. No. 2028; S. F. No. 2104; H. F. Nos. 2731 and 3079; S. F. No. 1903; H. F. No. 2436; S. F. No. 2210; and H. F. No. 392.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1809, A bill for an act proposing an amendment to the Minnesota Constitution by adding a section to article IV; authorizing the legislature to provide by law for the admissibility of evidence, including DNA evidence and statistical population frequency evidence, in civil and criminal trials and hearings.

Reported the same back with the following amendments:

Page 1, line 13, after "law" insert ", passed by the vote of three-fifths of the members of each house of the legislature."

Page 1, line 24, after "statute" insert ", passed by the vote of three-fifths of the members of each house of the legislature."

With the recommendation that when so amended the bill pass.

The report was adopted.

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 1918, A bill for an act relating to licensing; requiring the bureau of business licenses to expand services of the bureau; requiring a report to the governor and the legislature.

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

The report was adopted.

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2227, A bill for an act relating to electric currents in earth; requiring the public utilities commission to appoint a team of science advisors; mandating scientific framing of research questions; providing for studies of stray voltage and the effects of earth as a conductor of electricity; requiring scientific peer review of findings and conclusions; providing for a report to the public utilities commission; appropriating money.

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

The report was adopted.

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2918, A bill for an act relating to natural resources; motor vehicles; establishing special vehicle license plates for wetlands wildlife purposes; creating the wetlands wildlife legacy account; proposing coding for new law in Minnesota Statutes, chapters 84; and 168.

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

The report was adopted.

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 1706, A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; providing for a transfer of land; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; providing for intervenor compensation; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1809 and 1918 were read for the second time.

SPECIAL ORDERS

H. F. No. 3051, A bill for an act relating to local government; providing for creation of water and sewer district and Cross Lake area water and sanitary sewer board to administer the district; providing for collection, treatment, and disposal of sewage in the Cross Lake area; amending Laws 1993, chapter 55, section 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

Simoneau was excused between the hours of 12:50 p.m. and 2:10 p.m.

S. F. No. 584 was reported to the House.

Pugh moved to amend S. F. No. 584 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [554.01] [DEFINITIONS.]

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

Subd. 2. [GOVERNMENT.] "Government" includes a branch, department, agency, official, employee, agent, or other person with authority to act on behalf of the federal government, this state, or any political subdivision of this state, including municipalities and their boards, commissions, and departments, or other public authority.

Subd. 3. [JUDICIAL CLAIM; CLAIM.] "Judicial claim" or "claim" includes any civil lawsuit, cause of action, claim, cross-claim, counterclaim, or other judicial pleading or filing seeking damages for an alleged injury. "Judicial claim" does not include a claim solely for injunctive relief.

Subd. 4. [MOTION.] "Motion" includes any motion to dismiss, motion for summary judgment, or any other judicial pleading filed to dispose of a judicial claim.

Subd. 5. [MOVING PARTY.] "Moving party" means any person on whose behalf the motion described in section 554.02, subdivision 1, is filed seeking dismissal of an action under this chapter.

Subd. 6. [PUBLIC PARTICIPATION.] "Public participation" means speech or lawful conduct that is genuinely aimed in whole or in part at procuring favorable government action.

Subd. 7. [RESPONDING PARTY.] "Responding party" means any person against whom a motion described in section 554.02, subdivision 1, is filed.

Sec. 2. [554.02] [PROTECTION OF CITIZENS TO PARTICIPATE IN GOVERNMENT.]

Subdivision 1. [APPLICABILITY.] This section applies to any motion in a judicial proceeding to dispose of a judicial claim on the grounds that the claim materially relates to an act of the moving party that involves public participation.

Subd. 2. [PROCEDURE.] (a) On the filing of any motion described in subdivision 1:

(1) discovery must be suspended pending the final disposition of the motion, including any appeal; provided that the court may, on motion and after a hearing and for good cause shown, order that specified and limited discovery be conducted;

(2) the responding party has the burden of proof, of going forward with the evidence, and of persuasion on the motion;

(3) the court shall grant the motion and dismiss the judicial claim unless the court finds that the responding party has produced clear and convincing evidence that the acts of the moving party are not immunized from liability under section 554.03; and

(4) any governmental body to which the moving party's acts were directed or the attorney general's office may intervene in, defend, or otherwise support the moving party.

(b) The hearing and decision on the motion must be expedited, including any appeal or other writ, whether interlocutory or not, from a trial court order denying the motion or a trial court failure to rule on the motion.

Sec. 3. [554.03] [IMMUNITY.]

Lawful conduct or speech that is genuinely aimed in whole or in part at procuring favorable government action is immune from liability, unless the conduct or speech constitutes a tort or a violation of a person's constitutional rights.

Sec. 4. [554.04] [FEES AND DAMAGES.]

Subdivision 1. [ATTORNEY FEES AND COSTS.] The court shall award a moving party who prevails in a motion under this chapter reasonable attorney fees and costs associated with the bringing of the motion.

Subd. 2. [DAMAGES.] (a) A moving party may petition the court for damages under this section in conjunction with a motion under this chapter.

(b) If a motion under this chapter is granted and the moving party demonstrates that the respondent brought the cause of action in the underlying lawsuit for the purpose of harassment, to inhibit the moving party's public participation, to interfere with the moving party's exercise of protected constitutional rights, or otherwise wrongfully injure the moving party, the court shall award the moving party actual damages. The court may award the moving party punitive damages under section 549.20. A motion to amend the pleadings under section 549.191 is not required under this section, but the claim for punitive damages must meet all other requirements of section 549.191.

Sec. 5. [554.05] [GENERAL PROVISIONS.]

Subdivision 1. [RELATIONSHIP TO OTHER LAW.] Nothing in this chapter limits or precludes any rights the moving party or responding party may have under any other constitutional, statutory, case or common law, or rule.

Subd. 2. [RULE OF CONSTRUCTION.] This chapter must be construed liberally to effectuate its purposes and intent fully.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day after final enactment."

The motion prevailed and the amendment was adopted.

Macklin and Dawkins moved to amend S. F. No. 584, as amended, as follows:

Page 3, line 4, delete "FEES AND"

Page 3, delete lines 5 to 8

Page 3, line 9, delete "Subd. 2. [DAMAGES.]"

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

S. F. No. 584, A bill for an act relating to free speech; protecting citizens and organizations from civil lawsuits for exercising their rights of public participation in government; proposing coding for new law as Minnesota Statutes, chapter 554.

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 32 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Jaros	Lasley	Olson, K.	Rhodes	Trimble
Anderson, R.	Delmont	Jefferson	Leppik	Ornen	Rice	Tunheim
Asch	Dorn	Jennings	Lieder	Opatz	Rodosovich	Vellenga
Battaglia	Erhardt	Johnson, A.	Long	Orenstein	Rukavina	Wagenius
Bauerly	Evans	Johnson, R.	Lourey	Orfield	Sarna	Weaver
Beard	Farrell	Johnson, V.	Luther	Osthoff	Seagren	Wejcman
Bergson	Garcia	Kahn	Mahon	Ostrom	Sekhon	Wenzel
Bertram	Greenfield	Kalis	McCollum	Ozment	Skoglund	Winter
Brown, C.	Greiling	Kelley	Milbert	Pelowski	Solberg	Wolf
Brown, K.	Hasskamp	Kelso	Mosel	Perlt	Steensma	Worke
Carlson	Hausman	Kinkel	Munger	Peterson	Sviggum	Spk. Anderson, I.
Carruthers	Holsten	Klinzing	Murphy	Pugh	Swenson	
Clark	Huntley	Koppendrayner	Neary	Reding	Tomassoni	
Cooper	Jacobs	Krueger	Olson, E.	Rest	Tompkins	

Those who voted in the negative were:

Bettermann	Dempsey	Gruenes	Krinkie	Molnau	Smith	Waltman
Commers	Finseth	Gutknecht	Limmer	Morrison	Stanius	Workman
Dauner	Frerichs	Haukoos	Lindner	Ness	Van Dellen	
Davids	Girard	Hugoson	Lynch	Olson, M.	Van Engen	
Dehler	Goodno	Knight	Macklin	Pawlenty	Vickerman	

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

The Speaker resumed the Chair.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2900:

Pelowski, Carlson, Kinkel, Dorn and Morrison.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2913:

Krueger, Battaglia, Rice, Greenfield and Anderson, R.

SPECIAL ORDERS, Continued

H. F. No. 2028 was reported to the House.

McGuire moved to amend H. F. No. 2028, the first engrossment, as follows:

Page 12, after line 36, insert:

"Sec. 18. Minnesota Statutes 1992, section 144.581, subdivision 5, is amended to read:

Subd. 5. [CLOSED MEETINGS; RECORDING.] (a) Notwithstanding subdivision 4 or section 471.705, a public hospital or an organization established under this section may hold a closed meeting to discuss specific marketing activity and contracts that might be entered into pursuant to the marketing activity in cases where the hospital or organization is in competition with health care providers that offer similar goods or services, and where disclosure of information pertaining to those matters would cause harm to the competitive position of the hospital or organization, provided that the goods or services do not require a tax levy. No contracts referred to in this paragraph may be entered into earlier than 15 days after the proposed contract has been described at a public meeting and the description entered in the minutes, except for contracts for consulting services or with individuals for personal services.

(b) A meeting may not be closed under paragraph (a) except by a majority vote of the board of directors in a public meeting. The time and place of the closed meeting must be announced at the public meeting. A written roll of members present at the closed meeting must be available to the public after the closed meeting. The proceedings of a closed meeting must be tape-recorded and preserved by the board of directors for two years. The data on the tape are nonpublic data under section 13.02, subdivision 9. However, the data become public data under section 13.02, subdivision 14, two years after the meeting, or when the hospital or organization takes action on matters referred to in paragraph (a), except for contracts for consulting services. In the case of personal service contracts, the data become public when the contract is signed. For entities subject to section 471.345, a contract entered into by the board is subject to the requirements of section 471.345.

(c) The board of directors may not discuss a tax levy, bond issuance, or other expenditure of money not directly related to specific marketing activities and contracts described in paragraph (a) at a closed meeting."

Page 28, after line 25, insert:

"Sec. 34. Minnesota Statutes 1992, section 471.705, is amended to read:

471.705 [MEETINGS OF GOVERNING BODIES; OPEN TO PUBLIC; EXCEPTIONS.]

Subdivision 1. [~~REQUIREMENT~~ PRESUMPTION OF OPENNESS.] Except as otherwise expressly provided by statute, all meetings, including executive sessions, of any state agency, board, commission or department when required or permitted by law to transact public business in a meeting, and the governing body of any school district

however organized, unorganized territory, county, city, town, or other public body, and of any committee, subcommittee, board, department or commission thereof, shall be open to the public, ~~except meetings of the commissioner of corrections.~~ The votes of the members of such state agency, board, commission, or department or of such governing body, committee, subcommittee, board, department, or commission on any action taken in a meeting herein required to be open to the public shall be recorded in a journal kept for that purpose, which and the journal shall be open to the public during all normal business hours where such records are kept. The vote of each member shall be recorded on each appropriation of money, except for payments of judgments, claims and amounts fixed by statute. This section shall not apply to any state agency, board, or commission when exercising quasi-judicial functions involving disciplinary proceedings.

Subd. 1a. [~~LABOR NEGOTIATIONS, EXCEPTION.~~] Subdivision 1 does not apply to a meeting held pursuant to the procedure in this subdivision. The governing body of a public employer may by a majority vote in a public meeting decide to hold a closed meeting to consider strategy for labor negotiations, including negotiation strategies or developments or discussion and review of labor negotiation proposals, conducted pursuant to sections 179A.01 to 179A.25. The time of commencement and place of the closed meeting shall be announced at the public meeting. A written roll of members and all other persons present at the closed meeting shall be made available to the public after the closed meeting. The proceedings of a closed meeting to discuss negotiation strategies shall be ~~tape-recorded~~ tape-recorded at the expense of the governing body ~~and. The recording shall be preserved by it for two years after the contract is signed and shall be made available to the public after all labor contracts are signed by the governing body for the current budget period.~~

If an action is brought claiming that public business other than discussions of labor negotiation strategies or developments or discussion and review of labor negotiation proposals was transacted at a closed meeting held pursuant to this subdivision during the time when the tape is not available to the public, the court shall review the recording of the meeting in camera. If the court ~~determines that no violation of this section is found~~ finds that this subdivision was not violated, the action shall be dismissed and the recording shall be sealed and preserved in the records of the court until otherwise made available to the public pursuant to this ~~section~~ subdivision. If the court ~~determines that a violation of this section is found~~ finds that this subdivision was violated, the recording may be introduced at trial in its entirety subject to any protective orders as requested by either party and deemed appropriate by the court.

~~The prevailing party in an action brought before or after the tape is made available to the public which establishes that a violation of this section has occurred shall recover costs and reasonable attorney's fees as determined by the court.~~

Subd. 1b. [~~AGENDA WRITTEN MATERIALS.~~] In any meeting which under subdivision 1 must be open to the public, at least one copy of any printed materials relating to the agenda items of the meeting ~~which are prepared or distributed by or at the direction of the governing body or its employees and which are:~~

- (1) distributed at the meeting to all members of the governing body;
- (2) distributed before the meeting to all members; or
- (3) available in the meeting room to all members;

shall be available in the meeting room for inspection by the public. ~~The materials shall be available to the public while the governing body considers their subject matter. This subdivision does not apply to materials classified by law as other than public as defined in chapter 13, or to materials relating to the agenda items of a closed meeting held in accordance with the procedures in subdivision 1a or other law permitting the closing of meetings. Only if a member intentionally violates the requirements of this subdivision, shall that member shall be subject to a civil penalty in an amount not to exceed \$100. An action to enforce this penalty may be brought by any person in any court of competent jurisdiction where the administrative office of the member is located the penalties provided by subdivision 2.~~

Subd. 1c. [NOTICE OF MEETINGS.] (a) [REGULAR MEETINGS.] A schedule of the regular meetings of a public body shall be kept on file at its primary offices. If a public body decides to hold a regular meeting at a time or place different from the time or place stated in its schedule of regular meetings, it shall give the same notice of the meeting that is provided in this subdivision for a special meeting.

(b) [SPECIAL MEETINGS.] For a special meeting, except an emergency meeting or a special meeting for which a notice requirement is otherwise expressly established by statute, the public body shall post written notice of the date, time, place, and purpose of the meeting on the principal bulletin board of the public body, or if the public body has no principal bulletin board, on the door of its usual meeting room. The notice shall also be mailed or otherwise delivered to each person who has filed a written request for notice of special meetings with the public body. This notice shall be posted and mailed or delivered at least three days before the date of the meeting. As an alternative to mailing or otherwise delivering notice to persons who have filed a written request for notice of special meetings, the public body may publish the notice once, at least three days before the meeting, in the official newspaper of the public body or, if there is none, in a qualified newspaper of general circulation within the area of the public body's authority. A person filing a request for notice of special meetings may limit the request to notification of meetings concerning particular subjects, in which case the public body is required to send notice to that person only concerning special meetings involving those subjects. A public body may establish an expiration date for requests for notices of special meetings pursuant to this paragraph and require refiling of the request once each year. Not more than 60 days before the expiration date of a request for notice, the public body shall send notice of the refiling requirement to each person who filed during the preceding year.

(c) [EMERGENCY MEETINGS.] For an emergency meeting, the public body shall make good faith efforts to provide notice of the meeting to each news medium that has filed a written request for notice if the request includes the news medium's telephone number. Notice of the emergency meeting shall be given by telephone or by any other method used to notify the members of the public body. Notice shall be provided to each news medium which has filed a written request for notice as soon as reasonably practicable after notice has been given to the members. Notice shall include the subject of the meeting. Posted or published notice of an emergency meeting shall not be required. An "emergency" meeting is a special meeting called because of circumstances that, in the judgment of the public body, require immediate consideration by the public body. If matters not directly related to the emergency are discussed or acted upon at an emergency meeting, the minutes of the meeting shall include a specific description of the matters. The notice requirement of this clause supersedes any other statutory notice requirement for a special meeting that is an emergency meeting.

(d) [RECESSED OR CONTINUED MEETINGS.] If a meeting is a recessed or continued session of a previous meeting, and the time and place of the meeting was established during the previous meeting and recorded in the minutes of that meeting, then no further published or mailed notice is necessary. For purposes of this clause, the term "meeting" includes a public hearing conducted pursuant to chapter 429 or any other law or charter provision requiring a public hearing by a public body.

(e) [CLOSED MEETINGS.] The notice requirements of this subdivision apply to closed meetings.

(f) [STATE AGENCIES.] For a meeting of an agency, board, commission, or department of the state, (i) the notice requirements of this subdivision apply only if a statute governing meetings of the agency, board, or commission does not contain specific reference to the method of providing notice, and (ii) all provisions of this subdivision relating to publication shall be satisfied by publication in the State Register.

(g) [ACTUAL NOTICE.] If a person receives actual notice of a meeting of a public body at least 24 hours before the meeting, all notice requirements of this subdivision are satisfied with respect to that person, regardless of the method of receipt of notice.

(h) [LIABILITY.] No fine or other penalty may be imposed on a member of a public body for a violation of this subdivision unless it is established that the violation was ~~willful and deliberate~~ intentional by the member.

Subd. 1d. [TREATMENT OF DATA CLASSIFIED AS NOT PUBLIC.] (a) Except as provided in this section, meetings may not be closed to discuss data that are not public data. Data that are not public data may be discussed at a meeting subject to this section without liability or penalty, if the disclosure relates to a matter within the scope of the public body's authority, and is reasonably necessary to conduct the business or agenda item before the public body, and is without malice. ~~During an open meeting, a public body shall make reasonable efforts to protect from disclosure data that are not public data, including where practical acting by means of reference to a letter, number, or other designation that does not reveal the identity of the data subject.~~ Data discussed at an open meeting retain the data's original classification; however, a record of the meeting, regardless of form, shall be public.

(b) Any portion of a meeting must be closed if expressly required by other law or if the following types of data are discussed:

(1) data that would identify alleged victims or reporters of criminal sexual conduct, domestic abuse, or maltreatment of minors or vulnerable adults;

(2) active investigative data as defined in section 13.82, subdivision 5, or internal affairs data relating to allegations of law enforcement personnel misconduct collected or created by a state agency, statewide system, or political subdivision; or

(3) educational data, health data, medical data, welfare data, or mental health data that are not public data under section 13.32, 13.38, 13.42, or 13.46, subdivision 2 or 7.

(c) A public body shall close a meeting for preliminary consideration of allegations or charges against an individual subject to its authority. If the members conclude that discipline of any nature may be warranted, further meetings or hearings must be open. A meeting must also be open at the request of the individual who is the subject of the meeting.

(d) A public body may close a meeting to evaluate the performance of an individual who is subject to its authority. The public body shall identify the individual to be evaluated prior to closing a meeting. At its next open meeting, the public body shall summarize its conclusions regarding the evaluation. A meeting must be open at the request of the individual who is the subject of the meeting.

(e) Meetings may be closed if the closure is expressly authorized by statute or permitted by the attorney-client privilege.

(f) A public body may close a meeting to discuss or review the qualifications of applicants for public employment prior to the designation of any applicant as a finalist for a position. "Finalist" shall have the meaning given in section 13.43.

Subd. 1e. [REASONS FOR CLOSING A MEETING.] Before closing a meeting, a public body shall state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.

Subd. 2. ~~[VIOLATION, PENALTY PENALTIES.]~~ (a) Any person who violates ~~subdivision 1~~ this section shall be subject to personal liability in the form of a civil penalty in an amount not to exceed ~~\$100~~ \$300 for a single occurrence, which shall not be paid by the public body. An action to enforce this penalty may be brought by any person in any court of competent jurisdiction where the administrative office of the governing body is located. Upon a third violation by the same person connected with the same governing body, such person shall forfeit any further right to serve on such governing body or in any other capacity with such public body for a period of time equal to the term of office such person was then serving. The court determining the merits of any action in connection with any alleged third violation shall receive competent, relevant evidence in connection therewith and, upon finding as to the occurrence of a separate third violation, unrelated to the previous violations issue its order declaring the position vacant and notify the appointing authority or clerk of the governing body. As soon as practicable thereafter the appointing authority or the governing body shall fill the position as in the case of any other vacancy.

(b) In addition to other remedies, the court may award reasonable costs, disbursements, and up to \$7,500 in attorney's fees to any party in an action under this section. A public body may by separate motion at a public meeting pay, or direct its insurer or self-insurance administrator to pay to the extent that a policy or coverage agreement so requires, costs, disbursements, and attorney's fees incurred by or awarded against any of its members in an action brought under this section, unless the court finds that the member was guilty of malfeasance in office, willful neglect of duty, or bad faith.

(c) No monetary penalties may be imposed on a member of a public body, or attorney's fees awarded to a plaintiff, if the defendant establishes that there was no specific intent to violate this section.

Subd. 3. ~~[POPULAR NAME CITATION.]~~ This section may be cited as the "Minnesota open meeting law".

Page 28, line 26, after "DATE" insert "; APPLICATION"

Page 28, after line 29, insert:

"(c) Any increased civil penalties or any awards of attorney's fees, provided under section 34 shall apply only to actions for violations occurring on or after August 1, 1994."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Krueger moved to amend H. F. No. 2028, the first engrossment, as amended, as follows:

Page 8, delete section 10

Renumber remaining sections

The motion prevailed and the amendment was adopted.

Krueger and Kahn moved to amend H. F. No. 2028, the first engrossment, as amended, as follows:

Page 8, after line 20, insert:

"Subd. 3. [EXCEPTION.] Notwithstanding the classification of this data as protected nonpublic data under subdivision 2, the state administration shall disclose data referred to in this section to appropriate committees of the legislature if disclosure is requested by those committees or required by sections 16A.10 and 16A.11."

The motion prevailed and the amendment was adopted.

Sviggum moved to amend H. F. No. 2028, the first engrossment, as amended, as follows:

Page 1, after line 31, insert:

"Section 1. Minnesota Statutes 1992, section 13.01, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY.] All state agencies, political subdivisions and statewide systems shall be governed by this chapter. State agencies include the Minnesota house of representatives, the Minnesota senate, the Governor's office and all agents thereof."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 52 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Girard	Holsten	Knight	Lindner	Mosel
Bettermann	Dempsey	Goodno	Hugoson	Koppendrayner	Lynch	Ness
Bishop	Erhardt	Gruenes	Johnson, V.	Krinkie	Macklin	Olson, M.
Commers	Finseth	Gutknecht	Klinzing	Leppik	Molnau	Onnen
Davids	Frerichs	Haukoos	Knickerbocker	Limmer	Morrison	Ozment

Pauly	Seagren	Sviggum	Van Dellen	Waltman	Worke
Pawlenty	Smith	Swenson	Van Engen	Weaver	Workman
Rhodes	Stanius	Tompkins	Vickerman	Wolf	

Those who voted in the negative were:

Anderson, R.	Cooper	Huntley	Krueger	Murphy	Peterson	Trimble
Asch	Dauner	Jacobs	Lasley	Neary	Pugh	Tunheim
Battaglia	Dawkins	Jaros	Lieder	Nelson	Reding	Vellenga
Bauerly	Delmont	Jefferson	Long	Olson, E.	Rest	Wagenius
Beard	Dorn	Jennings	Lourey	Olson, K.	Rodosovich	Wejcman
Bergson	Evans	Johnson, A.	Luther	Opatz	Rukavina	Wenzel
Bertram	Farrell	Johnson, R.	Mahon	Orenstein	Sarna	Winter
Brown, C.	Garcia	Kahn	Mariani	Orfield	Sekhon	Spk. Anderson, I.
Brown, K.	Greenfield	Kalis	McCollum	Osthoff	Skoglund	
Carlson	Greiling	Kelley	McGuire	Ostrom	Solberg	
Carruthers	Hasskamp	Kelso	Milbert	Pelowski	Steensma	
Clark	Hausman	Kinkel	Munger	Perlt	Tomassoni	

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

Sviggum moved to amend H. F. No. 2028, the first engrossment, as amended, as follows:

Page 8, after line 7, insert:

"Sec. 10. [13.646] [LEGISLATIVE AND BUDGET PROPOSAL DATA.]

All data relating to anticipated legislative or budget proposals, including preliminary drafts and working papers, that are created, collected, or maintained by legislative members, the Governor and staff are classified as public data not on individuals."

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 47 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Haukoos	Krinkie	Olson, M.	Stanius	Waltman
Bergson	Finseth	Holsten	Limmer	Onnen	Sviggum	Weaver
Bettermann	Frerichs	Hugoson	Lindner	Ozment	Swenson	Wolf
Commers	Girard	Johnson, V.	Lynch	Pauly	Tompkins	Worke
Dauids	Goodno	Klinzing	Macklin	Pawlenty	Van Dellen	Workman
Dehler	Gruenes	Knight	Molnau	Rhodes	Van Engen	
Dempsey	Gutknecht	Koppendrayner	Ness	Smith	Vickerman	

Those who voted in the negative were:

Anderson, R.	Carruthers	Greenfield	Johnson, R.	Long	Munger	Pelowski
Asch	Clark	Greiling	Kahn	Lourey	Murphy	Perlt
Battaglia	Cooper	Hasskamp	Kalis	Luther	Neary	Peterson
Bauerly	Dauner	Hausman	Kelley	Mahon	Nelson	Pugh
Beard	Dawkins	Huntley	Kelso	Mariani	Olson, E.	Reding
Bertram	Delmont	Jacobs	Kinkel	McCollum	Opatz	Rest
Bishop	Dorn	Jaros	Krueger	McGuire	Orenstein	Rice
Brown, C.	Evans	Jefferson	Lasley	Milbert	Orfield	Rodosovich
Brown, K.	Farrell	Jennings	Leppik	Morrison	Osthoff	Rukavina
Carlson	Garcia	Johnson, A.	Lieder	Mosel	Ostrom	Sarna

Seagren	Skoglund	Tomassoni	Vellenga	Wenzel
Sekhon	Solberg	Trimble	Wagenius	Winter
Simoneau	Steensma	Tunheim	Wejcman	Spk. Anderson, I.

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

Workman moved to amend H. F. No. 2028, the first engrossment, as amended, as follows:

Page 12, after line 32, insert:

"(g) A medical provider shall release health records of an individual to that individual's adult children upon the individual's death."

A roll call was requested and properly seconded.

The question was taken on the Workman amendment and the roll was called. There were 18 yeas and 114 nays as follows:

Those who voted in the affirmative were:

Bettermann	Haukoos	Johnson, V.	Krinkie	Onnen	Tompkins
Frerichs	Holsten	Knight	Lynch	Stanius	Van Engen
Girard	Hugoson	Koppendrayner	Molnau	Swenson	Workman

Those who voted in the negative were:

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

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

Krueger moved to amend H. F. No. 2028, the first engrossment, as amended, as follows:

Page 1, delete line 4 of the Krueger and Kahn amendment, and insert:

"Sec. 10. [LEGISLATIVE AND BUDGET PROPOSAL DATA.]

Legislative and budget proposal data from the Governor is classified"

Page 1, line 5 of the Krueger and Kahn amendment, delete "of this data" and "under subdivision 2," and insert a period

Page 1, line 6 of the Krueger and Kahn amendment, delete "the state administration" and insert "The state"

The motion prevailed and the amendment was adopted.

Seagren moved to amend H. F. No. 2028, the first engrossment, as amended, as follows:

Page 15, line 36, delete "without" and insert "only with"

Page 16, line 1, delete "and without" and insert "or"

The motion prevailed and the amendment was adopted.

H. F. No. 2028, A bill for an act relating to data practices; classifying data as private, confidential, or nonpublic; providing for access to certain law enforcement and court services data on juveniles; providing law enforcement access to certain welfare and patient directory information; providing for treatment of customer data by videotape sellers and service providers; providing for data access to conduct fetal, infant, and maternal death studies; extending a provision for conduct of medical research absent prior patient consent; amending Minnesota Statutes 1992, sections 13.03, subdivision 4; 13.38, by adding a subdivision; 13.39, by adding a subdivision; 13.41, subdivision 2, and by adding a subdivision; 13.57; 13.71, by adding subdivisions; 13.76, by adding a subdivision; 13.82, by adding a subdivision; 13.99, subdivisions 7, 39, 45, 53, 60, 71, 79, and by adding subdivisions; 144.581, subdivision 5; 171.12, subdivision 7; 260.161, by adding a subdivision; 471.705; Minnesota Statutes 1993 Supplement, sections 13.43, subdivision 2; 13.46, subdivision 2; 13.643, by adding a subdivision; 13.82, subdivision 4; 121.8355, by adding a subdivision; 144.335, subdivision 3a; 144.651, subdivisions 2, 21, and 26; 168.346; 245.493, by adding a subdivision; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 144; 145; proposing coding for new law as Minnesota Statutes, chapter 325I.

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

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

Those who voted in the affirmative were:

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

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

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

GENERAL ORDERS

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

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Rest from the Committee on Taxes to which was referred:

H. F. No. 2951, A bill for an act relating to taxation; imposing a surtax on the tax liabilities of individuals, estates, and trusts; abolishing the tax on hospitals and health care providers; appropriating the proceeds of the surtax to the health care access fund; amending Minnesota Statutes 1992, sections 290.06, by adding a subdivision; and 290.62; Minnesota Statutes 1993 Supplement, sections 62P.04, subdivision 1; 214.16, subdivision 3; and 270B.01, subdivision 8; repealing Minnesota Statutes 1992, sections 295.50, as amended; 295.51, as amended; 295.52, as amended; 295.53, as amended; 295.54, as amended; 295.55, as amended; 295.57, as amended; 295.58, as amended; and 295.59, as amended; Minnesota Statutes 1993 Supplement, sections 144.1484, subdivision 2; and 295.582.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [HEALTH CARE ACCESS RESERVE ACCOUNT.]

Subdivision 1. [HEALTH CARE ACCESS ESTABLISHMENT.] There is established a health care access reserve account in the general fund of the state treasury for the deposit of funds to ensure adequate funding for providing universal health care coverage for the biennium beginning July 1, 1995.

Subd. 2. [INITIAL TRANSFER.] The commissioner of finance shall transfer \$75,000,000 to the health care access reserve account on July 1, 1994."

Delete the title and insert:

"A bill for an act relating to health care financing; establishing a health care access reserve account; transferring money."

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

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 3220, A bill for an act relating to taxation; increasing the rate of tax on the income of certain individuals, estates, and trusts; abolishing the tax on hospitals and health care providers; appropriating the revenue from the rate increase to the health care access fund; amending Minnesota Statutes 1992, sections 290.06, subdivisions 2c and 2d; and 290.62; Minnesota Statutes 1993 Supplement, sections 62P.04, subdivision 1; 214.16, subdivision 3; and 270B.01, subdivision 8; repealing Minnesota Statutes 1992, sections 295.50, as amended; 295.52, as amended; and 295.55, as amended; Minnesota Statutes 1993 Supplement, sections 144.1484, subdivision 2; 295.51, subdivision 1; 295.53; 295.54; 295.57; 295.58; 295.582; and 295.59.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 62P.04, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Health carrier" has the definition provided in section 62A.011.

(c) "Total expenditures" mean incurred claims or expenditures on health care services, administrative expenses, charitable contributions, and all other payments made by health carriers out of premium revenues, except taxes and assessments, and payments or allocations made to establish or maintain reserves. Total expenditures are equivalent to the amount of total revenues minus taxes and assessments. Taxes and assessments means payments for taxes, contributions to the Minnesota comprehensive health association, the provider's surcharge under section 256.9657, the MinnesotaCare provider tax under section 295.52, assessments by the health coverage reinsurance association, assessments by the Minnesota life and health insurance guaranty association, and any new assessments imposed by federal or state law.

Sec. 2. Minnesota Statutes 1993 Supplement, section 214.16, subdivision 3, is amended to read:

Subd. 3. [GROUNDS FOR DISCIPLINARY ACTION.] The board shall take disciplinary action, which may include license revocation, against a regulated person for:

(1) intentional failure to provide the commissioner of health or the health care analysis unit established under section 62J.30 with the data required under chapter 62J;

(2) intentional failure to provide the commissioner of revenue with data on gross revenue and other information required for the commissioner to implement sections 295.50 to 295.58; and

(3) intentional failure to pay the health care provider tax required under section 295.52.

Sec. 3. Minnesota Statutes 1993 Supplement, section 270B.01, subdivision 8, is amended to read:

Subd. 8. [MINNESOTA TAX LAWS.] For purposes of this chapter only, "Minnesota tax laws" means the taxes administered by or paid to the commissioner under chapters 289A (except taxes imposed under sections 298.01, 298.015, and 298.24), 290, 290A, 291, and 297A and sections 295.50 to 295.59, and includes any laws for the assessment, collection, and enforcement of those taxes.

Sec. 4. Minnesota Statutes 1992, section 290.06, subdivision 2c, is amended to read:

Subd. 2c. [SCHEDULES OF RATES FOR INDIVIDUALS, ESTATES, AND TRUSTS.] (a) The income taxes imposed by this chapter upon married individuals filing joint returns and surviving spouses as defined in section 2(a) of the Internal Revenue Code of 1986 as amended through December 31, 1991, must be computed by applying to their taxable net income the following schedule of rates:

- (1) On the first ~~\$19,910~~ \$22,880, 6 percent;
- (2) On all over ~~\$19,910~~ \$22,880, but not over ~~\$79,120~~ \$75,000, 8 percent;
- (3) On all over ~~\$79,120~~ \$75,000, 10.2 percent.

Married individuals filing separate returns, estates, and trusts must compute their income tax by applying the above rates to their taxable income, except that the income brackets will be one-half of the above amounts.

(b) The income taxes imposed by this chapter upon unmarried individuals must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$13,620~~ \$15,650, 6 percent;
- (2) On all over ~~\$13,620~~ \$15,650, but not over ~~\$44,750~~ \$42,420, 8 percent;
- (3) On all over ~~\$44,750~~ \$42,420, 10.2 percent.

(c) The income taxes imposed by this chapter upon unmarried individuals qualifying as a head of household as defined in section 2(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991, must be computed by applying to taxable net income the following schedule of rates:

- (1) On the first ~~\$16,770~~ \$19,270, 6 percent;

(2) On all over ~~\$16,770~~ \$19,270, but not over ~~\$67,390~~ \$63,870, 8 percent;

(3) On all over ~~\$67,390~~ \$63,870, 10.2 percent.

(d) In lieu of a tax computed according to the rates set forth in this subdivision, the tax of any individual taxpayer whose taxable net income for the taxable year is less than an amount determined by the commissioner must be computed in accordance with tables prepared and issued by the commissioner of revenue based on income brackets of not more than \$100. The amount of tax for each bracket shall be computed at the rates set forth in this subdivision, provided that the commissioner may disregard a fractional part of a dollar unless it amounts to 50 cents or more, in which case it may be increased to \$1.

(e) An individual who is not a Minnesota resident for the entire year must compute the individual's Minnesota income tax as provided in this subdivision. After the application of the nonrefundable credits provided in this chapter, the tax liability must then be multiplied by a fraction in which:

(1) the numerator is the individual's Minnesota source federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, less the deduction allowed by section 217 of the Internal Revenue Code of 1986, as amended through December 31, 1991, after applying the allocation and assignability provisions of section 290.081, clause (a), or 290.17; and

(2) the denominator is the individual's federal adjusted gross income as defined in section 62 of the Internal Revenue Code of 1986, as amended through December 31, 1991, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 5. Minnesota Statutes 1992, section 290.06, subdivision 2d, is amended to read:

Subd. 2d. [INFLATION ADJUSTMENT OF BRACKETS.] (a) For taxable years beginning after December 31, 1991, the minimum and maximum dollar amounts for each rate bracket for which a tax is imposed in subdivision 2c shall be adjusted for inflation by the percentage determined under paragraph (b). For the purpose of making the adjustment as provided in this subdivision all of the rate brackets provided in subdivision 2c shall be the rate brackets as they existed for taxable years beginning after December 31, 1990, and before January 1, 1992, except that the minimum and maximum dollar amounts for each rate bracket as amended in section 4 shall be adjusted according to this subdivision for taxable years beginning after December 31, 1995. The rate applicable to any rate bracket must not be changed. The dollar amounts setting forth the tax shall be adjusted to reflect the changes in the rate brackets. The rate brackets as adjusted must be rounded to the nearest \$10 amount. If the rate bracket ends in \$5, it must be rounded up to the nearest \$10 amount.

(b) The commissioner shall adjust the rate brackets and by the percentage determined pursuant to the provisions of section 1(f) of the Internal Revenue Code of 1986, as amended through December 31, 1991, except that in section 1(f)(3)(B) the word "1990" shall be substituted for the word "1987." For 1991, the commissioner shall then determine the percent change from the 12 months ending on August 31, 1990, to the 12 months ending on August 31, 1991, and in each subsequent year, from the 12 months ending on August 31, 1990, to the 12 months ending on August 31 of the year preceding the taxable year. For taxable years beginning after December 31, 1995, the rate brackets amended in section 4 shall be adjusted according to the percentage change from the 12 months ending on August 31, 1994, to the 12 months ending on August 31 of the year preceding the taxable year. The determination of the commissioner pursuant to this subdivision shall not be considered a "rule" and shall not be subject to the administrative procedure act contained in chapter 14.

No later than December 15 of each year, the commissioner shall announce the specific percentage that will be used to adjust the tax rate brackets.

Sec. 6. Minnesota Statutes 1992, section 290.62, is amended to read:

290.62 [DISTRIBUTION OF REVENUES.]

(a) Except as provided in paragraph (b), all revenues derived from the taxes, interest, penalties and charges under this chapter shall, notwithstanding any other provisions of law, be paid into the state treasury and credited to the general fund, and be distributed as follows:

(1) There shall, notwithstanding any other provision of the law, be paid from this general fund all refunds of taxes erroneously collected from taxpayers under this chapter as provided herein;

(2) There is hereby appropriated to the persons entitled to payment herein, from the fund or account in the state treasury to which the money was credited, an amount sufficient to make the refund and payment.

(b) The amount of revenue determined by the commissioner to have been derived from the rate increase in section 4 shall be paid into the state treasury and credited to the health care access fund.

Sec. 7. [REPEALER.]

Minnesota Statutes 1992, sections 295.50, as amended by Laws 1993, chapter 345, article 13, sections 3, 4, 5, 6, 7, 8, 9, 10, and 24, and First Special Session chapter 6, sections 19, 20, 21, 22, and 23; 295.51, as amended by Laws 1993, chapter 345, article 13, sections 11 and 24, and First Special Session chapter 6, section 24; 295.52, as amended by Laws 1993, chapter 345, article 13, sections 12 and 13, and First Special Session chapter 6, section 25; 295.53, as amended by Laws 1993, chapter 345, article 13, sections 14, 15, 16, and 17, and First Special Session chapter 6, sections 26 and 27; 295.55, as amended by Laws 1993, chapter 345, article 13, section 19; Minnesota Statutes 1993 Supplement, sections 144.1484, subdivision 2; 295.54; 295.57; 295.58; 295.582; and 295.59, are repealed.

Sec. 8. [EFFECTIVE DATE.]

Sections 4 and 6 are effective for taxable years beginning after December 31, 1994. Section 7 is effective for gross revenues generated by services performed and goods sold after September 30, 1994."

Delete the title and insert:

"A bill for an act relating to taxation; increasing individual income tax rates; repealing the gross revenues tax on hospitals, surgical centers, health care providers, pharmacies, and wholesale drug distributors; amending Minnesota Statutes 1992, section 290.06, subdivisions 2c and 2d; and 290.62; Minnesota Statutes 1993 Supplement, sections 62P.04, subdivision 1; 214.16, subdivision 3; and 270B.01, subdivision 8; repealing Minnesota Statutes 1992, sections 295.50, as amended; 295.51, as amended; 295.52, as amended; 295.53, as amended; and 295.55, as amended; Minnesota Statutes 1993 Supplement, sections 144.1484, subdivision 2; 295.54; 295.57; 295.58; 295.582; and 295.59."

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

The report was adopted.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1662:

Wejcman, Farrell, Garcia, Rukavina and Swenson.

MOTIONS AND RESOLUTIONS

Clark moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, April 18, 1994, when the vote was taken on the repassage of S. F. No. 2260, as amended by Conference." The motion prevailed.

Clark moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, April 18, 1994, when the vote was taken on the repassage of H. F. No. 2626, as amended by the Senate." The motion prevailed.

Knight moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Monday, April 18, 1994, when the vote was taken on the repassage of H. F. No. 2626, as amended by the Senate." The motion prevailed.

Wenzel moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Friday, April 15, 1994, when the vote was taken on the Haukoos amendment to H. F. No. 3210, the first engrossment, as amended." The motion prevailed.

Solberg moved that H. F. No. 2243, now on General Orders, be re-referred to the Committee on Ways and Means. The motion prevailed.

Winter moved that H. F. No. 2726 be returned to its author. The motion prevailed.

Dehler introduced:

House Resolution No. 13, A house resolution honoring Larry Rassier as he retires from the Sartell school board.

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

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 10:00 a.m., Wednesday, April 20, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Wednesday, April 20, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

NINETY-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 20, 1994

The House of Representatives convened at 10:00 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by the Reverend Paul Johnson, Plymouth Congregational Church, Minneapolis, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Mosel was excused until 10:30 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Garcia 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. 1948 and H. F. No. 2885, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Winter moved that the rules be so far suspended that S. F. No. 1948 be substituted for H. F. No. 2885 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2540 and H. F. No. 2590, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Jacobs moved that the rules be so far suspended that S. F. No. 2540 be substituted for H. F. No. 2590 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Rest from the Committee on Taxes to which was referred:

H. F. No. 2171, A bill for an act relating to metropolitan government; requiring the metropolitan council to adopt rules allocating comprehensive choice housing among cities and towns in the metropolitan area; requiring metropolitan council review of efforts of cities and towns to comply with the allocation; establishing penalties for noncompliance; proposing coding for new law in Minnesota Statutes, chapters 16A; and 473.

Reported the same back without recommendation.

The report was adopted.

Rest from the Committee on Taxes to which was referred:

H. F. No. 2648, A bill for an act relating to transportation; authorizing issuance of debt instruments for transit purposes; amending Minnesota Statutes 1992, section 473.39, by adding a subdivision.

Reported the same back with the following amendments:

Page 1, line 9, before "The" insert "(a)"

Page 1, line 11, delete "\$90,000,000" and insert "\$31,000,000"

Page 1, after line 14, insert:

"(b) The provisions of this paragraph apply only if the Minnesota supreme court holds that the state may not issue bonds or incur debt under the Minnesota Constitution, article XI, section 5, clause (a), to provide the money appropriated by section 2, paragraph (b). The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not to exceed \$22,000,000, which may be used by the transit commission for transit vehicles and capital improvements, and related costs including the cost of issuance and sale of obligations.

(c) None of the proceeds of the bonds issued under this section or section 3 may be used for light rail transit construction or acquisition, planning, design, engineering, or any other related or similar costs.

Sec. 2. [TRANSIT CAPITAL IMPROVEMENTS.]

(a) \$36,600,000 is appropriated from the bond proceeds fund to the commissioner of transportation to make grants to the metropolitan transit commission to acquire, construct and improve land, buildings, and related improvements for transit purposes.

(b) \$22,000,000 is appropriated from the bond proceeds fund to the commissioner of transportation to make grants to the metropolitan transit commission for transit vehicles and other capital equipment used by the commission to provide transit services.

Sec. 3. [BOND SALE.]

To provide the money appropriated in this act from the state bond proceeds fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to \$58,600,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, and by the Minnesota Constitution, article XI, sections 4 to 7."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "authorizing the issuance of state bonds; appropriating money;"

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

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 2171 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1948 and 2540 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Jaros introduced:

H. F. No. 3228, A bill for an act relating to appropriations; appropriating money for permanent berthing of the U.S.S. Des Moines in Duluth.

The bill was read for the first time and referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

Orenstein introduced:

H. F. No. 3229, A bill for an act proposing an amendment to the Minnesota Constitution, article I, adding a section to provide that the right to keep and bear arms shall not be abridged.

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. 2175, A bill for an act relating to the city of Saint Paul; authorizing a program for the replacement of lead pipes and the charging or assessment of costs for the program and the issuance of general or special obligations to pay the costs of the program.

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. 2411, A bill for an act relating to retirement; providing for coverage of employees of lessee of Itasca Medical Center facilities by the public employees retirement association.

The Senate has appointed as such committee:

Messrs. Lessard, Finn and Mrs. Pariseau.

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. 2617, A bill for an act relating to alcoholic beverages; defining terms; regulating agreements between brewers and wholesalers; providing for amounts of malt liquor that may be brewed in a brewery-restaurant; providing exemption from law regulating nondiscrimination in liquor wholesaling; prohibiting certain solicitations by wholesalers; allowing only owner of a brand of distilled spirits to register that brand; denying registration to certain brand labels; requiring reports by certain brewers; requiring permits for transporters of distilled spirits and wine; removing requirements that retail licensees be citizens or resident aliens; allowing counties to issue on-sale licenses to hotels; allowing political committees to obtain temporary on-sale licenses; restricting issuance of off-sale licenses to drugstores; allowing counties to issue exclusive liquor store licenses in certain towns; allowing counties to issue wine auction licenses; restricting issuance of temporary on-sale licenses to one organization or for one location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating wine tastings; allowing on-sales of intoxicating liquor after 8 p.m. on Christmas eve; allowing certain sales by off-sale retailers to on-sale retailers' restricting use of coupons by retailers, wholesalers, and manufacturers; providing for inspection of premises of temporary on-sale licensees; authorizing issuance of licenses by certain cities and counties; amending Minnesota Statutes 1992, sections 325B.02; 325B.04; 325B.05; 325B.12; 340A.101, subdivision 13; 340A.301, subdivisions 6, 7, and by adding a subdivision; 340A.307, subdivision 4; 340A.308; 340A.311; 340A.404, subdivisions 6 and 10; 340A.405, subdivisions 1, 2, and 4; 340A.410, by adding a subdivision; 340A.412, subdivision 3; 340A.416, subdivision 3; 340A.505; and 340A.907; Minnesota Statutes 1993 Supplement, sections 340A.402; and 340A.415; proposing coding for new law in Minnesota Statutes, chapters 325B; and 340A.

The Senate has appointed as such committee:

Messrs. Solon, Metzen and Day.

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. 3209, A bill for an act relating to the financing and operation of state and local government; conforming with changes in the federal income tax law; changing tax brackets, rates, bases, exemptions, withholding, payments, and refunds; allowing tax credits; providing aids to local governments; changing the calculation of property tax refunds; modifying property tax provisions relating to petitions, procedures, valuation, levies, classifications, homesteads, credits, and exemptions; abolishing limited market value; changing certain tax return or report requirements; changing operation of the local government trust fund; authorizing special assessments; authorizing local taxes; enacting provisions relating to certain cities, counties, special taxing districts, and towns; changing certain redemption provisions; reforming state budget procedures; changing the deposit of certain revenues; changing certain bonding provisions and authorizing bonding; modifying tax increment financing requirements; requiring certain permits and permit fees; requiring certain disclosures; requiring studies; transferring and appropriating money and limiting appropriations; amending Minnesota Statutes 1992, sections 16A.711, subdivisions 4 and 5; 60A.15, by adding a subdivision; 124.196; 271.06, subdivision 7; 272.121, subdivision 1; 273.111, subdivision 11; 273.1398, by adding a subdivision; 273.1399, by adding a subdivision; 273.165, subdivision 1; 278.05, subdivision 6; 289A.02, by adding a subdivision; 289A.25, subdivision 5; 290.01, subdivision 19d, and by adding a subdivision; 290.05, subdivision 3, and by adding a subdivision; 290.06, subdivisions 2c and 2d; 290.067, subdivision 1; 290.068, subdivision 2; 290.0802, subdivisions 1 and 2; 290.0921, subdivision 2; 290.35, by adding a subdivision; 290A.04, subdivisions 2 and 2a; 296.16, subdivision 1; 297.01, by adding a subdivision; 297A.01, by adding a subdivision; 297A.02, subdivision 2, and by adding a subdivision; 297A.021, by adding a subdivision; 297A.135, subdivision 1; 297A.15, subdivision 5; 297A.25, subdivision 9, and by adding subdivisions; 297A.256; 297A.44, subdivision 4; 297C.03, subdivision 6; 297C.13, subdivision 1; 298.017, subdivision 2; 298.26; 340A.311; 360.036, subdivisions 2 and 3; 360.037, subdivision 2; 360.042, subdivision 10; 469.004, subdivision 1a; 469.175, subdivisions 3, 4, and by adding a subdivision; 469.1761, subdivisions 1, 2, and 3; 469.177, subdivision 1a; 473.341; 473H.05, by adding a subdivision; 473H.18; and 580.23, as amended; Minnesota Statutes 1993 Supplement, sections 16A.712; 84.794, subdivision 1; 84.803, subdivision 1; 270.78; 273.11, subdivisions 5, 16, and by adding a subdivision; 273.121; 273.124, subdivision 1; 273.13, subdivisions 23 and 24; 275.065, subdivision 3; 276.04, subdivision 2; 278.01, subdivision 1; 289A.11, subdivision 1; 289A.26, subdivision 7; 289A.60, subdivision 21; 290.01, subdivision 19; 290.091, subdivision 2; 290A.03, subdivision 3; 290A.04, subdivisions 2h, as amended, and 6; 290A.23, subdivision 1; 296.02, subdivision 1a; 296.025, subdivision 1a; 297A.01, subdivision 16; 297B.03; 469.176, subdivisions 1b and 4c; and 477A.03, subdivision 1; Laws 1969, chapter 499, section 2; Laws 1993, chapter 375, article 9, section 51; proposing coding for new law in Minnesota Statutes, chapters 16A; 275; 296; 297A; 297B; 462C; 469; and 473; repealing Minnesota Statutes 1992, sections 290.05, subdivision 6; and 290.067, subdivision 6; Minnesota Statutes 1993 Supplement, sections 82.19, subdivision 9; 273.11, subdivision 1a; and 289A.25, subdivision 5a.

The Senate has appointed as such committee:

Mr. Johnson, D. J.; Ms. Flynn and Reichgott Junge; Messrs. Hottinger and Belanger.

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. 228, A bill for an act relating to local government; providing for annexation elections; changing conditions permitting annexation by ordinance; amending Minnesota Statutes 1992, sections 414.031, by adding a subdivision; and 414.033, subdivision 2; repealing Minnesota Statutes 1992, section 414.033, subdivision 2a.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Brown, C., moved that the House concur in the Senate amendments to H. F. No. 228 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 228, A bill for an act relating to local government; providing procedures and criteria for municipal annexations; providing for the application of city development regulations; amending Minnesota Statutes 1992, sections 414.01, subdivision 14, and by adding a subdivision; 414.0325, subdivision 1a; 414.033, subdivisions 2, 2a, and by adding subdivisions; 414.061, subdivision 5; 414.07, subdivision 1; and 414.09, subdivisions 1 and 2.

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

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

Those who voted in the affirmative were:

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

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. 2148, A bill for an act relating to human services; providing monitoring and evaluation of emergency health services on a pilot project basis; authorizing an advisory committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Brown, K., moved that the House concur in the Senate amendments to H. F. No. 2148 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2148, A bill for an act relating to human services; providing monitoring and evaluation of emergency health services on a pilot project basis; authorizing advisory committees.

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 17 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bettermann	Frerichs	Haukoos	Knight	Pawlenty	Van Engen
Commers	Girard	Holsten	Krinkie	Sviggum	Worke
Dauids	Gutknecht	Hugoson	Lindner	Van Dellen	

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. 2159, A bill for an act relating to limited liability companies; providing for the application of unemployment compensation laws; amending Minnesota Statutes 1993 Supplement, section 268.04, subdivision 12.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rest moved that the House concur in the Senate amendments to H. F. No. 2159 and that the bill be repassed as amended by the Senate. The motion prevailed.

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

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

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

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Dauids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler

Delmont	Haukoos	Kinkel	Macklin	Olson, M.	Rice	Trimble
Dempsey	Hausman	Klinzing	Mahon	Onnen	Rodosovich	Tunheim
Dorn	Holsten	Knickerbocker	Mariani	Opatz	Rukavina	Van Dellen
Erhardt	Hugoson	Knight	McCollum	Orenstein	Sarna	Van Engen
Evans	Huntley	Koppendrayner	McGuire	Orfield	Seagren	Vellenga
Farrell	Jacobs	Krinkie	Milbert	Ostrom	Sekhon	Vickerman
Finseth	Jaros	Krueger	Molnau	Ozment	Simoneau	Wagenius
Frerichs	Jefferson	Lasley	Morrison	Pauly	Skoglund	Waltman
Garcia	Jennings	Leppik	Mosel	Pawlenty	Smith	Weaver
Girard	Johnson, A.	Lieder	Munger	Pelowski	Solberg	Wejcmann
Goodno	Johnson, R.	Limmer	Murphy	Perlt	Stanis	Wenzel
Greenfield	Johnson, V.	Lindner	Neary	Peterson	Steensma	Winter
Greiling	Kahn	Long	Nelson	Pugh	Sviggum	Worke
Gruenes	Kalis	Lourey	Ness	Reding	Swenson	Workman
Gutknecht	Kelley	Luther	Olson, E.	Rest	Tomassoni	Spk. Anderson, I.
Hasskamp	Kelso	Lynch	Olson, K.	Rhodes	Tompkins	

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

Mr. Speaker:

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

S. F. No. 1712, A bill for an act relating to towns; providing for financial audits in certain circumstances; amending Minnesota Statutes 1992, section 367.36, subdivision 1.

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

Messrs. Johnson, D. E.; Riveness and Hottinger.

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

Cooper 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. 1712. The motion prevailed.

Mr. Speaker:

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

S. F. No. 2393, A bill for an act relating to the jobs and training department; making changes of a technical and housekeeping nature; amending Minnesota Statutes 1992, sections 248.011; 248.07, subdivisions 1, 2, 3, 4, 5, 13, 14a, and 16; 248.11; 268A.09; and 268A.11, subdivisions 1 and 3; Minnesota Statutes 1993 Supplement, sections 248.10; and 268A.02, subdivision 2; repealing Minnesota Statutes 1992, sections 268A.12.

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

Messrs. Larson and Metzen; Ms. Johnston; Messrs. Vickerman and Riveness.

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

Jefferson 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. 2393. The motion prevailed.

Mr. Speaker:

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

S. F. No. 2709, A bill for an act relating to agriculture; amending provisions regarding the pricing of certain dairy products; amending Minnesota Statutes 1993 Supplement, section 32.72.

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

Messrs. Berg, Larson and Sams.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Hugoson moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2709. The motion prevailed.

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 a member of the Board of Regents of the University of Minnesota.

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. 2033, 2858, 1961, 1863, 609, 2036 and 2371.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2033, A bill for an act relating to local government; authorizing the board of county commissioners of Benton county to establish an economic development authority.

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

S. F. No. 2858, A bill for an act relating to counties; Hennepin; changing the personnel system to a human resources system; making other changes to the system; amending Minnesota Statutes 1992, sections 383B.26; 383B.27; 383B.28; 383B.29; 383B.31; 383B.32, subdivisions 2, 3, and 4; 383B.34, subdivision 2; 383B.37, subdivision 1; 383B.38, subdivision 1; 383B.39; and 383B.41; repealing Minnesota Statutes 1992, sections 383B.33, subdivision 1; 383B.38, subdivisions 2, 3, and 4; and 383B.40.

The bill was read for the first time.

Wejzman moved that S. F. No. 2858 and H. F. No. 2770, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1961, A bill for an act relating to driving while intoxicated; imposing increased penalties on persons who operate a snowmobile or motorboat while intoxicated and who have previously been convicted of driving a motor vehicle while intoxicated; extending maximum length for multiple gross misdemeanor sentences and combined gross misdemeanor and misdemeanor sentences; extending maximum length of a stayed gross misdemeanor DWI sentence and certain felony sentences; authorizing consecutive sentences for multiple crimes committed by repeat DWI offenders; authorizing certain cities to transfer responsibility for petty misdemeanor and misdemeanor offenses to the county attorney; clarifying prosecution authority for certain offenses; amending Minnesota Statutes 1992, sections 84.91, subdivision 5; 86B.331, subdivision 5; 169.797, subdivision 4; Minnesota Statutes 1993 Supplement, sections 169.121, subdivisions 3 and 3a; 171.24; 487.25, subdivision 10; 609.035; 609.135, subdivision 2; and 609.15, subdivision 2.

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

S. F. No. 1863, A bill for an act relating to crime; imposing felony penalties for refusing to return a child to a parent or lawful custodian, residing with a minor, or contributing to a minor being a runaway; imposing a gross misdemeanor penalty for contributing to a minor being a habitual truant; amending Minnesota Statutes 1992, section 609.26, subdivisions 1 and 6.

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

S. F. No. 609, A bill for an act relating to retirement; the Minneapolis teachers retirement fund association; providing for purchase of allowable service credit for public school employment outside the state of Minnesota; proposing coding for new law in Minnesota Statutes, chapter 354A.

The bill was read for the first time.

Orfield moved that S. F. No. 609 and H. F. No. 662, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2036, A bill for an act relating to human services; modifying the conduct of state agency hearings; modifying certain requirements for prior authorization of services under medical assistance; amending Minnesota Statutes 1992, section 256.045, subdivisions 3, 4, and 5.

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

S. F. No. 2371, A bill for an act relating to health; requiring the commissioner of health to carry out appropriate education, prevention, and outreach activities in communities that traditionally engage in female genital mutilation.

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2882

A bill for an act relating to motor carriers; exempt carriers; providing an exemption for transportation of potatoes; amending Minnesota Statutes 1993 Supplement, section 221.025.

April 19, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 2882, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from the Krentz amendment and that the House concur in the Moe amendment.

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

House Conferees: EDGAR OLSON, BERNARD L. "BERNIE" LIEDER AND JIM TUNHEIM.

Senate Conferees: ROGER D. MOE, LEROY A. STUMPF AND STEVE DILLE.

Olson, E., moved that the report of the Conference Committee on H. F. No. 2882 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2882, A bill for an act relating to motor carriers; exempt carriers; providing an exemption for transportation of potatoes; amending Minnesota Statutes 1993 Supplement, section 221.025.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Koppendraye	Morrison	Perlt	Swenson
Anderson, R.	Dehler	Holsten	Krinkie	Mosel	Peterson	Tomassoni
Asch	Delmont	Hugoson	Krueger	Munger	Pugh	Tompkins
Battaglia	Dempsey	Huntley	Lasley	Murphy	Reding	Trimble
Bauerly	Dorn	Jacobs	Leppik	Neary	Rest	Tunheim
Beard	Erhardt	Jaros	Lieder	Nelson	Rhodes	Van Dellen
Bergson	Evans	Jefferson	Limmer	Ness	Rice	Van Engen
Bertram	Farrell	Jennings	Lindner	Olson, E.	Rodosovich	Vellenga
Bettermann	Finseth	Johnson, A.	Long	Olson, K.	Rukavina	Vickerman
Bishop	Frerichs	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Brown, C.	Garcia	Johnson, V.	Luther	Onnen	Seagren	Waltman
Brown, K.	Girard	Kahn	Lynch	Opatz	Sekhon	Weaver
Carlson	Goodno	Kalis	Macklin	Orenstein	Simoneau	Wejzman
Carruthers	Greenfield	Kelley	Mahon	Orfield	Skoglund	Wenzel
Clark	Greiling	Kelso	Mariani	Osthoff	Smith	Winter
Commers	Gruenes	Kinkel	McCollum	Ostrom	Solberg	Wolf
Cooper	Gutknecht	Klinzing	McGuire	Ozment	Stanius	Worke
Dauner	Hasskamp	Knickerbocker	Milbert	Pauly	Steensma	Workman
Davids	Haukoos	Knight	Molnau	Pawlenty	Sviggun	Spk. Anderson, I.

The bill was repassed, as amended by Conference, and its title agreed to.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. Nos. 3005 and 3211; S. F. No. 1788; and H. F. Nos. 2054, 2894 and 1316.

H. F. No. 3005, A bill for an act relating to state government; creating an employee training incentive program; proposing coding for new law in Minnesota Statutes, chapter 43A.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Lasley	Neary	Rest	Van Dellen
Anderson, R.	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Engen
Asch	Dempsey	Jacobs	Lieder	Ness	Rice	Vellenga
Battaglia	Dorn	Jaros	Limmer	Olson, E.	Rodosovich	Vickerman
Bauerly	Erhardt	Jefferson	Lindner	Olson, K.	Rukavina	Wagenius
Beard	Evans	Jennings	Long	Olson, M.	Sarna	Waltman
Bergson	Farrell	Johnson, A.	Lourey	Onnen	Seagren	Weaver
Bertram	Finseth	Johnson, R.	Luther	Opatz	Sekhon	Wejcmann
Bettermann	Frerichs	Johnson, V.	Lynch	Orenstein	Simoneau	Wenzel
Bishop	Garcia	Kahn	Macklin	Orfield	Skoglund	Winter
Brown, C.	Girard	Kalis	Mahon	Osthoff	Smith	Wolf
Brown, K.	Goodno	Kelley	Mariani	Ostrom	Solberg	Worke
Carlson	Greenfield	Kelso	McCollum	Ozment	Stanislaus	Workman
Carruthers	Greiling	Kinkel	McGuire	Pauly	Steensma	Spk. Anderson, I.
Clark	Gruenes	Klinzing	Milbert	Pawlenty	Sviggum	
Commers	Gutknecht	Knickerbocker	Molnau	Pelowski	Swenson	
Cooper	Hasskamp	Knight	Morrison	Perlt	Tomassoni	
Dauner	Haukoos	Koppendrayer	Mosel	Peterson	Tompkins	
Davids	Hausman	Krinkie	Munger	Pugh	Trimble	
Dawkins	Holsten	Krueger	Murphy	Reding	Tunheim	

The bill was passed and its title agreed to.

H. F. No. 3211 was reported to the House.

Steensma, Trimble and Morrison moved to amend H. F. No. 3211 as follows:

Page 2, after line 20, insert:

"(f) For medical services provided to Karl A. Kolbe, who required medical treatment after being bitten by a cat while performing community service work in Stearns county.....\$1,363.23."

Page 2, line 21, delete "(f)" and insert "(g)"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Morrison, Steensma, Trimble and Solberg moved to amend H. F. No. 3211, as amended, as follows:

Page 1, after line 4, insert:

"Sec. 2. [3.749] [LEGISLATIVE CLAIMS; FILING FEE.]

A person filing a claim with the joint senate-house subcommittee on claims must pay a filing fee of \$5. The money must be deposited by the clerk of the subcommittee into the general fund. A claimant who is successful in obtaining an award from the subcommittee shall be reimbursed for the fee paid."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "imposing a fee;"

Page 1, line 3, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapter 3"

The motion prevailed and the amendment was adopted.

H. F. No. 3211, A bill for an act relating to claims against the state; providing for payment of various claims; imposing a fee; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 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 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krinkie	Munger	Reding	Trimble
Anderson, R.	Dehler	Hugoson	Krueger	Murphy	Rest	Tunheim
Asch	Delmont	Huntley	Lasley	Neary	Rhodes	Van Dellen
Battaglia	Dempsey	Jacobs	Leppik	Nelson	Rice	Van Engen
Bauerly	Dorn	Jaros	Lieder	Ness	Rodosovich	Vellenga
Beard	Erhardt	Jefferson	Limmer	Olson, K.	Rukavina	Vickerman
Bergson	Evans	Jennings	Lindner	Olson, M.	Sarna	Wagenius
Bertram	Farrell	Johnson, A.	Long	Onnen	Seagren	Waltman
Bettermann	Finseth	Johnson, R.	Lourey	Opatz	Sekhon	Weaver
Bishop	Frerichs	Johnson, V.	Luther	Orenstein	Simoneau	Wejzman
Brown, C.	Garcia	Kahn	Lynch	Osthoff	Skoglund	Wenzel
Brown, K.	Girard	Kalis	Macklin	Ostrom	Smith	Winter
Carlson	Goodno	Kelley	Mahon	Ozment	Solberg	Wolf
Carruthers	Greiling	Kelso	Mariani	Pauly	Stanis	Worke
Clark	Gruenes	Kinkel	McCollum	Pawlenty	Steensma	Workman
Commers	Gutknecht	Klinzing	Milbert	Pelowski	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Knickerbocker	Molnau	Perlt	Swenson	
Dauner	Haukoos	Knight	Morrison	Peterson	Tomassoni	
Davids	Hausman	Koppendrayner	Mosel	Pugh	Tompkins	

The bill was passed, as amended, and its title agreed to.

The Speaker called Bauerly to the Chair.

S. F. No. 1788 was reported to the House.

Trimble moved to amend S. F. No. 1788, the unofficial engrossment, as follows:

Page 22, after line 15, insert:

"Sec. 27. Minnesota Statutes 1992, section 116.731, is amended by adding a subdivision to read:

Subd. 4a. [VENTING.] A person may not knowingly vent or otherwise release into the environment any CFC used as a refrigerant in appliances."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Johnson, V., and Pelowski moved to amend S. F. No. 1788, the unofficial engrossment, as amended, as follows:

Page 24, after line 11, insert:

"Sec. 30. Minnesota Statutes 1993 Supplement, section 400.04, subdivision 4, is amended to read:

Subd. 4. [MANAGEMENT AND SERVICE CONTRACTS.] ~~Notwithstanding sections 375.21 and 471.345, a county may enter into contracts for the construction, installation, maintenance and operation of property and facilities on private or public lands and may contract for the furnishing of solid waste management services upon terms and conditions determined by the board, with or without advertisement for bids, including the use of conditional sales contracts and lease purchase agreements. If a county contract is let by negotiation, without advertising for bids, the county shall conduct negotiations and award the contract using a fair and open procedure and in full compliance with section 471.705."~~

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Brown, C., was excused between the hours of 11:10 a.m. and 1:10 p.m.

Ozment moved to amend S. F. No. 1788, the unofficial engrossment, as amended, as follows:

Page 11, after line 24, insert:

"Sec. 15. Minnesota Statutes 1992, section 115A.919, is amended by adding a subdivision to read:

Subd. 1a. [FEE LIMIT; TRANSFER STATIONS.] (a) A county by ordinance may impose a fee, not to exceed \$7.50 per cubic yard of waste or its equivalent, on operators of facilities for the transfer of unprocessed municipal solid waste to a disposal facility.

(b) A county that imposes a fee on operators of facilities for the transfer of solid waste to a disposal facility may not collect a fee under subdivision 1 from a disposal facility for the same waste. The use of fees collected under this subdivision is subject to the provisions of subdivision 1.

(c) A county that has entered into any cooperative arrangement with other counties that includes the use of a transfer station for waste management may not impose the fee authorized in this subdivision unless all counties who are parties to the cooperative arrangement agree to the imposition of the fee and the amount of the fee."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Ozment amendment and the roll was called.

Pursuant to rule 2.05, Pugh requested that he be excused from voting on the Ozment amendment to S. F. No. 1788, the unofficial engrossment, as amended. The request was granted.

There were 2 yeas and 129 nays as follows:

Those who voted in the affirmative were:

Ozment Stanius

Those who voted in the negative were:

Abrams	Dehler	Hugoson	Krueger	Munger	Reding	Tunheim
Anderson, R.	Delmont	Huntley	Lasley	Murphy	Rest	Van Dellen
Asch	Dempsey	Jacobs	Leppik	Neary	Rhodes	Van Engen
Battaglia	Dorn	Jaros	Lieder	Nelson	Rice	Vellenga
Bauerly	Erhardt	Jefferson	Limmer	Ness	Rodosovich	Vickerman
Beard	Evans	Jennings	Lindner	Olson, E.	Rukavina	Wagenius
Bergson	Farrell	Johnson, A.	Long	Olson, K.	Sarna	Waltman
Bertram	Finseth	Johnson, R.	Lourey	Olson, M.	Seagren	Weaver
Bettermann	Frerichs	Johnson, V.	Luther	Onnen	Sekhon	Wejzman
Bishop	Garcia	Kahn	Lynch	Opatz	Simoneau	Wenzel
Brown, K.	Girard	Kalis	Macklin	Orenstein	Skoglund	Winter
Carlson	Goodno	Kelley	Mahon	Orfield	Smith	Wolf
Carruthers	Greenfield	Kelso	Mariani	Osthoff	Solberg	Worke
Clark	Greiling	Kinkel	McCollum	Ostrom	Steensma	Workman
Commers	Gruenes	Klinzing	McGuire	Pauly	Swiggum	Spk. Anderson, I.
Cooper	Hasskamp	Knickerbocker	Milbert	Pawlenty	Swenson	
Dauner	Haukoos	Knight	Molnau	Pelowski	Tomassoni	
Davids	Hausman	Koppendrayner	Morrison	Perlt	Tompkins	
Dawkins	Holsten	Krinkie	Mosel	Peterson	Trimble	

The motion did not prevail and the amendment was not adopted.

Sekhon moved to amend S. F. No. 1788, the unofficial engrossment, as amended, as follows:

Page 24, after line 11, insert:

"Sec. 30. [325E.41] [DECEPTIVE TRADE PRACTICES; ENVIRONMENTAL MARKETING CLAIMS.]

Subdivision 1. [ADOPTION OF FEDERAL GUIDES.] A manufacturer, packager, wholesaler, or retailer who makes, in any manner, an environmental claim for a product sold or offered for sale or distribution in this state, including those related to the product's packaging, shall comply with Code of Federal Regulations, title 16, part 260, "Guides for the Use of Environmental Marketing Claims."

Subd. 2. [INVESTIGATION; ENFORCEMENT.] A person who violates this section is subject to the penalties and remedies in section 8.31."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sekhon amendment and the roll was called.

Pursuant to rule 2.05, Pugh requested that he be excused from voting on the Sekhon amendment to S. F. No. 1788, the unofficial engrossment, as amended. The request was granted.

There were 50 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dorn	Jaros	Lourey	Olson, K.	Rukavina	Wenzel
Asch	Evans	Jefferson	Luther	Orenstein	Sekhon	Spk. Anderson, I.
Battaglia	Farrell	Johnson, A.	McCollum	Ostrom	Skoglund	
Bauerly	Garcia	Kahn	McGuire	Ozment	Trimble	
Brown, K.	Greenfield	Kelley	Milbert	Pauly	Tunheim	
Carlson	Greiling	Kelso	Munger	Reding	Vellenga	
Carruthers	Hausman	Lasley	Murphy	Rest	Wagenius	
Clark	Huntley	Long	Neary	Rice	Wejzman	

Those who voted in the negative were:

Abrams	Dempsey	Jennings	Leppik	Ness	Rhodes	Van Dellen
Bergson	Erhardt	Johnson, R.	Lieder	Olson, E.	Rodosovich	Van Engen
Bertram	Finseth	Johnson, V.	Limmer	Olson, M.	Seagren	Vickerman
Bettermann	Frerichs	Kalis	Lindner	Onnen	Smith	Waltman
Bishop	Girard	Kinkel	Lynch	Opatz	Solberg	Weaver
Commers	Gruenes	Klinzing	Macklin	Orfield	Stanisus	Winter
Cooper	Gutknecht	Knickerbocker	Mahon	Osthoff	Steensma	Wolf
Dauner	Haukoos	Knight	Molnau	Pawlenty	Sviggum	Worke
Davids	Holsten	Koppendrayner	Morrison	Pelowski	Swenson	Workman
Dehler	Hugoson	Krinkie	Mosel	Perlt	Tomassoni	
Delmont	Jacobs	Krueger	Nelson	Peterson	Tompkins	

The motion did not prevail and the amendment was not adopted.

S. F. No. 1788, A bill for an act relating to waste management; applying government waste reduction requirements to compilations of game and fish laws; clarifying the state's waste management goals; adding heat pumps to the definition of major appliances; requiring public education on reuse; authorizing larger capital assistance grants to resource recovery projects under certain circumstances; listing preferences for use of packaging; establishing enforcement of the authority of certain counties to inspect records of certain facilities; clarifying management of waste antifreeze and motor oil filters; establishing a process for resolution of disputes related to toxics in packaging and requiring a report; clarifying the prohibition on toxics in products and providing for exemptions; requiring and authorizing training and certification of appliance recyclers and servicers respectively; removing the federal government from the definition of commercial transporter of medical waste; requiring medical waste management plans to contain information regarding mailing of sharps; banning sale of apparel containing mercury switches; authorizing private ownership of solid waste facilities; permitting counties and local governments to impose certain conditions on disposal of unprocessed solid waste; authorizing counties to require record keeping; adding requirements for liners and leachate systems; expanding the restriction on disposal of unprocessed waste from the metropolitan area; requiring a report on management of waste electronic appliances; requiring a report on products that contain mercury; requiring a report on recycling facilities; requiring a report on recycled antifreeze; providing penalties and remedies; amending Minnesota Statutes 1992, sections 8.31, subdivision 1; 97A.051, subdivision 1; 115A.02; 115A.03, subdivision 17a; 115A.072, subdivision 4; 115A.5501, subdivisions 1, 2, and by adding subdivisions; 115A.554; 115A.557, subdivisions 3 and 4; 115A.87; 115A.882, by adding a subdivision; 115A.9157, subdivisions 4 and 5; 115A.918, subdivision 1, and by adding a subdivision; 115A.95; 115A.9561, subdivision 2; 115A.965, subdivision 6, and by adding a subdivision; 116.07, subdivision 4h; 116.76, subdivision 4; 116.92, subdivision 8; 473.803, subdivisions 1 and 1c; 473.811, subdivisions 5 and 5a; 473.843, subdivision 1; 473.844, subdivision 1a; 473.845, subdivision 3; and 473.848, subdivisions 1 and 5; Minnesota Statutes 1993 Supplement, sections 115A.54, subdivision 2a; 115A.5501, subdivision 3; 115A.916; 115A.929; 115A.9651; 115A.981, subdivision 3; 116.79, subdivision 1; 473.149, subdivision 6; 473.846; and 473.848, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1993 Supplement, section 115A.542.

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.

Pursuant to rule 2.05, Pugh requested that he be excused from voting on S. F. No. 1788, the unofficial engrossment, as amended. The request was granted.

There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Huntley	Lasley	Nelson	Rhodes	Van Dellen
Anderson, R.	Dorn	Jacobs	Leppik	Ness	Rice	Van Engen
Asch	Erhardt	Jaros	Lieder	Olson, E.	Rodosovich	Vellenga
Battaglia	Evans	Jefferson	Limmer	Olson, K.	Rukavina	Vickerman
Bauerly	Farrell	Jennings	Lindner	Olson, M.	Sarna	Wagenius
Bergson	Finseth	Johnson, A.	Long	Onnen	Seagren	Waltman
Bertram	Frerichs	Johnson, R.	Lourey	Opatz	Sekhon	Weaver
Bettermann	Garcia	Johnson, V.	Luther	Orenstein	Simoneau	Wejcman
Bishop	Girard	Kahn	Lynch	Orfield	Skoglund	Wenzel
Brown, K.	Goodno	Kalis	Macklin	Osthoff	Smith	Winter
Carlson	Greenfield	Kelley	Mahon	Ostrom	Solberg	Wolf
Carruthers	Greiling	Kelso	McCollum	Ozment	Stanis	Worke
Clark	Gruenes	Kinkel	McGuire	Pauly	Steensma	Workman
Commers	Gutknecht	Klinzing	Milbert	Pawlenty	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Knickerbocker	Molnau	Pelowski	Swenson	
Dauner	Haukoos	Knight	Morrison	Perlt	Tomassoni	
Davids	Hausman	Koppendrayner	Mosel	Peterson	Tompkins	
Dehler	Holsten	Krinkie	Munger	Reding	Trimble	
Delmont	Hugoson	Krueger	Murphy	Rest	Tunheim	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2054, A bill for an act relating to natural resources; authorizing the commissioner of administration to sell lands in the Gordy Yaeger wildlife management area in Olmsted 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 129 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Hugoson	Krueger	Murphy	Rest	Tunheim
Anderson, R.	Dempsey	Huntley	Lasley	Neary	Rhodes	Van Dellen
Asch	Dorn	Jacobs	Leppik	Nelson	Rice	Van Engen
Battaglia	Erhardt	Jaros	Lieder	Ness	Rodosovich	Vellenga
Bauerly	Evans	Jefferson	Limmer	Olson, E.	Rukavina	Vickerman
Beard	Farrell	Jennings	Lindner	Olson, K.	Sarna	Wagenius
Bergson	Finseth	Johnson, A.	Long	Olson, M.	Seagren	Waltman
Bertram	Frerichs	Johnson, R.	Lourey	Onnen	Sekhon	Weaver
Bettermann	Garcia	Johnson, V.	Luther	Opatz	Simoneau	Wejcman
Bishop	Girard	Kahn	Lynch	Orenstein	Skoglund	Wenzel
Brown, K.	Goodno	Kalis	Macklin	Ostrom	Smith	Winter
Carlson	Greenfield	Kelley	Mahon	Ozment	Solberg	Wolf
Carruthers	Greiling	Kelso	McCollum	Pauly	Stanis	Worke
Clark	Gruenes	Kinkel	McGuire	Pawlenty	Steensma	Workman
Commers	Gutknecht	Klinzing	Milbert	Pelowski	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Knickerbocker	Molnau	Perlt	Swenson	
Dauner	Haukoos	Knight	Morrison	Peterson	Tomassoni	
Davids	Hausman	Koppendrayner	Mosel	Pugh	Tompkins	
Dehler	Holsten	Krinkie	Munger	Reding	Trimble	

The bill was passed and its title agreed to.

H. F. No. 2894, A bill for an act relating to the environment; providing for evaluation of motor vehicle salvage facilities by the pollution control agency; providing for a report to the legislature; reallocating money; proposing coding for new law in Minnesota Statutes, chapter 116.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Hugoson	Krueger	Munger	Pugh	Tompkins
Anderson, R.	Dempsey	Huntley	Lasley	Murphy	Reding	Trimble
Asch	Dorn	Jacobs	Leppik	Neary	Rest	Turheim
Battaglia	Erhardt	Jaros	Lieder	Nelson	Rhodes	Van Dellen
Bauerly	Evans	Jefferson	Limmer	Ness	Rice	Van Engen
Bergson	Farrell	Jennings	Lindner	Olson, E.	Rodosovich	Vellenga
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rukavina	Vickerman
Bettermann	Frerichs	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Bishop	Garcia	Johnson, V.	Luther	Onnen	Seagren	Waltman
Brown, K.	Girard	Kahn	Lynch	Opatz	Sekhon	Weaver
Carlson	Goodno	Kalis	Macklin	Orenstein	Simoneau	Wejcmán
Carruthers	Greenfield	Kelley	Mahon	Osthoff	Skoglund	Wenzel
Clark	Greiling	Kelso	Mariani	Ostrom	Smith	Winter
Commers	Gruenes	Kinkel	McCollum	Ozment	Solberg	Wolf
Cooper	Gutknecht	Klinzing	McGuire	Pauly	Stanis	Worke
Dauner	Hasskamp	Knickerbocker	Milbert	Pawlenty	Steensma	Workman
Davids	Haukoos	Knight	Molnau	Pelowski	Sviggum	Spk. Anderson, I.
Dawkins	Hausman	Koppendrayner	Morrison	Perlt	Swenson	
Dehler	Holsten	Krinkie	Mosel	Peterson	Tomassoni	

The bill was passed and its title agreed to.

H. F. No. 1316 was reported to the House.

Lourey moved to amend H. F. No. 1316, the third engrossment, as follows:

Page 4, line 2, delete "odd" and insert "even"

Page 4, line 5, delete "1998" and insert "1999"

Page 4, line 6, delete "1996" and insert "1997"

Page 4, line 7, delete "1994" and insert "1995"

Page 5, delete lines 8 and 9

Renumber remaining clauses in the subdivision

Page 8, after line 10, insert:

"Subd. 3. [CLINICAL NUTRITIONISTS.] For one year after the effective date of rules adopted by the board under section 4, the board shall issue a license as a nutritionist to an applicant who is a certified clinical nutritionist, certified by the International and American Association of Clinical Nutritionists who meets the standards for certification and recertification established by the Clinical Nutrition Certification Board and works in cooperation with a medical doctor.

Subd. 4. [NUTRITION SPECIALISTS.] For one year after the effective date of rules adopted by the board under section 4, the board shall issue a license as a nutritionist to an applicant who is a certified nutrition specialist, certified by the Board for Nutrition Specialists."

Page 11, line 25, before "curandero", insert "provider of nutritional advice, including a"

Page 11, line 25, after "woman" insert a comma

Page 11, line 26, after "to" insert "or based on"

Page 11, line 32, delete "or"

Page 11, line 34, delete the period and insert "; or"

Page 11, after line 34, insert:

"(12) any person involved in dietary or nutritional counseling pursuant to a research study supervised by a Minnesota institution of higher learning or state agency which has been approved by an institutional review board to ensure the informed consent and safety of study participants."

Renumber the remaining subdivision

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 1316, A bill for an act relating to occupations and professions; establishing a board of nutrition and dietetics practice; requiring nutritionists and dietitians to be licensed; establishing licensing requirements and exemptions; authorizing rulemaking; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 214.01, subdivision 2; and 214.04, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 148.

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 26 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Jefferson	Long	Olson, K.	Rodosovich	Vellenga
Anderson, R.	Dorn	Jennings	Lourey	Opatz	Rukavina	Vickerman
Asch	Erhardt	Johnson, A.	Luther	Orenstein	Sarna	Wagenius
Battaglia	Evans	Johnson, R.	Macklin	Orfield	Seagren	Weaver
Bauerly	Farrell	Kahn	Mahon	Osthoff	Sekhon	Wejcman
Beard	Finseth	Kalis	Mariani	Ostrom	Simoneau	Wenzel
Bergson	Garcia	Kelley	McCollum	Ozment	Skoglund	Winter
Bertram	Goodno	Kelso	McGuire	Pauly	Smith	Wolf
Bishop	Greiling	Kinkel	Milbert	Pelowski	Solberg	Worke
Brown, K.	Hasskamp	Klinzing	Morrison	Perlt	Stanis	Spk. Anderson, I.
Carlson	Haukoos	Knickerbocker	Mosel	Peterson	Steensma	
Carruthers	Hausman	Koppendrayner	Munger	Pugh	Swenson	
Clark	Holsten	Krueger	Murphy	Reding	Tomassoni	
Cooper	Huntley	Lasley	Neary	Rest	Tompkins	
Dehler	Jacobs	Leppik	Nelson	Rhodes	Trimble	
Delmont	Jaros	Limmer	Olson, E.	Rice	Tunheim	

Those who voted in the negative were:

Bettermann	Frerichs	Johnson, V.	Lynch	Pawlenty	Workman
Commers	Girard	Knight	Molnau	Sviggum	
Dauner	Gruenes	Krinkie	Ness	Van Dellen	
Davids	Gutknecht	Lieder	Olson, M.	Van Engen	
Dawkins	Hugoson	Lindner	Onnen	Waltman	

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

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 1363, A bill for an act relating to 911 emergency telephone service; authorizing a fee to fund enhanced 911 service; appropriating money; amending Minnesota Statutes 1992, sections 403.02, by adding a subdivision; and 403.11, subdivisions 1 and 4; proposing coding for new law in Minnesota Statutes, chapter 403.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 1899, A bill for an act relating to state government; revising procedures used for adoption and review of administrative rules; correcting erroneous, ambiguous, obsolete, and omitted text and obsolete references; eliminating redundant, conflicting, and superseded provisions in Minnesota Rules; making various technical changes; amending Minnesota Statutes 1992, sections 10A.02, by adding a subdivision; 14.05, subdivision 1; 14.12; 14.38, subdivisions 1, 7, 8, and 9; 14.46, subdivisions 1 and 3; 14.47, subdivisions 1, 2, and 6; 14.50; 14.51; 17.84; 84.027, by adding a subdivision; and 128C.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 3.841; and 3.984, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 3; and 14; correcting Minnesota Rules, parts 1200.0300; 1400.0500; 3530.0200; 3530.1500; 3530.2614; 3530.2642; 4685.0100; 4685.3000; 4685.3200; 4692.0020; 5000.0400; 7045.0075; 7411.7100; 7411.7400; 7411.7700; 7883.0100; 8130.3500; 8130.6500; 8800.1200; 8800.1400; 8800.3100; 8820.0600; 8820.2300; 9050.1070; and 9505.2175; repealing Minnesota Statutes 1992, sections 3.842; 3.843; 3.844; 3.845; 3.846; 14.03, subdivision 3; 14.05, subdivisions 2 and 3; 14.06; 14.08; 14.09; 14.11; 14.115; 14.131; 14.1311; 14.14; 14.15; 14.16; 14.18, subdivision 1; 14.19; 14.20; 14.22; 14.225; 14.23; 14.235; 14.24; 14.25; 14.26; 14.27; 14.28; 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; 14.36; 14.365; 14.38, subdivisions 4, 5, and 6; and 17.83; Minnesota Statutes 1993 Supplement, sections 3.984; and 14.10; Minnesota Rules, parts 1300.0100; 1300.0200; 1300.0300; 1300.0400; 1300.0500; 1300.0600; 1300.0700; 1300.0800; 1300.0900; 1300.0940; 1300.0942; 1300.0944; 1300.0946; 1300.0948; 1300.1000; 1300.1100; 1300.1200; 1300.1300; 1300.1400; 1300.1500; 1300.1600; 1300.1700; 1300.1800; 1300.1900; 1300.2000; 4685.2600; 4692.0020, subpart 2; 4692.0045; 7856.1000, subpart 5; 8017.5000; 8130.9500, subpart 6; 8130.9912; 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956; 8130.9958; 8130.9968; 8130.9972; 8130.9980; 8130.9992; and 8130.9996.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2048, A bill for an act relating to health; requiring the legislative auditor to study the administrative costs of providing health care services; appropriating money.

Reported the same back with the following amendments:

Page 1, line 17, delete "commissioner" and insert "legislative auditor"

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2132, A bill for an act relating to commerce; agriculture; adding labeling requirements for salvaged food; adding licensing and permit requirements for salvaged food distributors; adding record keeping requirements; requiring salvaged food served for compensation to be identified; providing for labeling of Canadian wild rice; amending Minnesota Statutes 1992, sections 30.49, subdivision 2; and 31.495, subdivisions 1, 2, 5, and by adding subdivisions.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2227, A bill for an act relating to electric currents in earth; requiring the public utilities commission to appoint a team of science advisors; mandating scientific framing of research questions; providing for studies of stray voltage and the effects of earth as a conductor of electricity; requiring scientific peer review of findings and conclusions; providing for a report to the public utilities commission; appropriating money.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2520, A bill for an act relating to the environment; authorizing a person who wishes to construct or expand an air emission facility to reimburse certain costs of the pollution control agency; requiring a report to the legislature; amending Minnesota Statutes 1992, section 116.07, subdivision 4d.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2775, A bill for an act relating to motor vehicles; requiring a study of motor vehicle registration at emissions inspection stations; authorizing issuance of youth charter carrier permits; amending Minnesota Statutes 1992, sections 221.011, by adding a subdivision; and 221.121, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 221.111.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2825, A bill for an act relating to game and fish; authorizing nonresident multiple zone antlerless deer licenses; exemptions from pest control licensing; trapping hours; exemptions from fur buying and selling licensure; purchase of archery deer licenses after the firearms season opens; taking big game by handgun in a shotgun deer zone; possession of firearms in muzzle-loader only deer zones; amending Minnesota Statutes 1992, sections 97A.475, subdivision 3; 97A.485, subdivision 9; 97B.031, subdivision 2; 97B.051; 97B.211, subdivision 2; 97B.301, by adding a subdivision; 97B.905, subdivision 1; 97B.931; and 97C.321, subdivision 2; Minnesota Statutes 1993 Supplement, sections 18B.32, subdivision 1; and 97B.041.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2918, A bill for an act relating to natural resources; motor vehicles; establishing special vehicle license plates for wetlands wildlife purposes; creating the wetlands wildlife legacy account; proposing coding for new law in Minnesota Statutes, chapters 84; and 168.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2920, A bill for an act relating to the environment; reestablishing the office of waste management as the office of environmental assistance; transferring environmental assistance programs from the pollution control agency to the office; transferring waste management and policy planning from the metropolitan council to the office; amending Minnesota Statutes 1992, sections 115A.03, by adding a subdivision; 115A.055; 115A.06, subdivision 2; 115A.072; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 5; 115A.411, subdivision 1; 115A.42; 115A.5501, subdivision 2; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.912, subdivision 1; 115A.96, subdivision 2; 116F.02, subdivision 2; 473.149, subdivisions 1, 3, 5, and by adding a subdivision; 473.8011; 473.803, subdivisions 2 and 4; and 473.823, subdivision 5; Minnesota Statutes 1993 Supplement, sections 115A.551, subdivision 4; 115A.96, subdivisions 3 and 4; 115A.981, subdivision 3; 473.149, subdivision 6; 473.803, subdivision 3; and 473.846; repealing Minnesota Statutes 1992, sections 115A.81, subdivision 3; 115A.914, subdivision 1; 115A.952; 116F.06, subdivisions 2, 3, 4, and 5; 116F.08; 473.181, subdivision 4; and 473.803, subdivision 1b; Minnesota Statutes 1993 Supplement, section 473.149, subdivision 4.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2985, A bill for an act relating to crime; requiring reports of certain deaths; modifying provisions relating to habitual offenders and forfeited vehicles; clarifying the conditions under which a juvenile who violates the underage drinking law may receive driver license suspension; establishing prosecutorial duties; changing penalties; requiring a study; establishing a pilot program; appropriating money; amending Minnesota Statutes 1992, sections 84.91, subdivisions 5 and 7; 84.911, by adding a subdivision; 86B.331, subdivisions 5 and 7; 86B.335, by adding a subdivision; 86B.341, subdivision 1; 168.042, subdivision 8; 169.121, subdivision 11; 169.791, subdivision 2; 169.797, subdivision 4; 171.12, subdivision 2; 609.02, subdivision 2, and by adding a subdivision; 609.105; and 629.471, subdivision 2; Minnesota Statutes 1993 Supplement, sections 84.924, subdivision 3; 169.121, subdivisions 1c, 3, 3a, and 4; 169.1217, subdivision 9; 169.129; 171.24; 340A.503, subdivision 1; and 609.035; proposing coding for new law in Minnesota Statutes, chapter 169; repealing Minnesota Statutes 1992, sections 84.87, subdivision 2b; and 84.928, subdivision 3.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3086, A bill for an act relating to the environment; expanding the authority of the commissioner of the pollution control agency to release persons from liability for contamination from petroleum tanks; establishing an environmental cleanup program for landfills; increasing the solid waste generator fee; providing penalties; appropriating money; abolishing the metropolitan landfill contingency action trust fund; transferring trust fund assets; amending Minnesota Statutes 1992, sections 115.073; 115B.42, subdivision 1, and by adding subdivisions; 115C.03, subdivision 9; 383D.71, subdivision 1; 473.801, subdivisions 1 and 4; 473.841; 473.842, subdivision 1; and 473.843,

subdivision 2; amending Minnesota Statutes 1993 Supplement, sections 115B.42, subdivision 2; and 116.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

S. F. No. 1706, A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; providing for a transfer of land; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; providing for intervenor compensation; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 1363, 1899, 2048, 2132, 2227, 2520, 2775, 2825, 2918, 2920, 2985 and 3086 were read for the second time.

SECOND READING OF SENATE BILLS

S. F. No. 1706 was read for the second time.

SPECIAL ORDERS

S. F. No. 2500 was reported to the House.

Trimble moved to amend S. F. No. 2500 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. [354A.023] [ST. PAUL TEACHERS RETIREMENT FUND ASSOCIATION GOVERNANCE.]

Subdivision 1. [APPLICATION.] Notwithstanding any provision of chapter 317A, section 354A.021, article V, of the restated articles of incorporation of the teachers retirement fund association of St. Paul, Minnesota, effective July 1, 1978, as amended, or articles II, sections 4 and 5; III, section 1; and V, section 1, of the restated bylaws of the teachers retirement fund association of St. Paul, Minnesota, effective July 1, 1978, as amended, to the contrary, relative to the St. Paul teachers retirement fund association, this section governs the membership composition of its board of trustees, the terms in office of board members, board member eligibility, electorate composition and eligibility, and election procedures.

Subd. 2. [BOARD OF TRUSTEES COMPOSITION.] The management of the St. Paul teachers retirement fund association is vested in a board of ten trustees. The board membership is composed of one ex officio board member, who is the then current chair of the board of independent school district No. 625, St. Paul, and nine trustees elected by and from the members of the St. Paul teachers retirement fund association as provided in subdivision 4.

Subd. 3. [BOARD OF TRUSTEES TERMS.] (a) The term of the ex officio board member is coincidental with that person's term of office as the chair of the board of independent school district No. 625, St. Paul.

(b) The term of elected members of the board is three years and until the successor has been elected and qualified. The term begins and ends on the third Thursday in the month of January of the applicable year. The terms of elected members of the board must be staggered.

Subd. 4. [BOARD MEMBER REPRESENTATION.] (a) Of the nine trustees elected by and from the members of the St. Paul teachers retirement fund association, six board members must be active members of the fund and three board members must be fund retirement annuitants, disabilitants, or surviving spouse benefit recipients.

(b) Two active member board positions and one annuity or benefit recipient board position must be filled at each board of trustee election.

(c) Only active members may vote for the elected board member positions representing active members and only retirement annuitants, disabilitants, and surviving spouse benefit recipients may vote for the elected board member positions representing annuity or benefit recipients.

(d) If an elected board member changes membership group status before the end of the person's term, the person must resign from the board of trustees. However, the person may be a candidate for the appropriate membership group board position in a subsequent election.

(e) If there is a vacancy in an elected board member position, the vacancy must be filled by a special election held for that purpose. The special election must be conducted in a manner consistent with this section, and, if not inconsistent with this section, article IV of the bylaws of the St. Paul teachers retirement fund association in effect on the date of enactment of this section.

Subd. 5. [ELECTIONS BY MAIL BALLOT.] (a) Voting for elected board members must be conducted using paper ballots, which must be mailed by the chief administrative officer of the fund to eligible members and must be returned by mail.

(b) Return envelopes for ballots may not have the postage paid by the fund unless all return envelopes for ballots are so treated. Return envelopes for ballots may not have the postage paid by any candidate for a board member position or on behalf of any candidate for a board member position.

(c) The ballot for a regular election must be provided to eligible members by November 1 and must be returned with a postmark no later than midnight of the Friday of the third week of November. In the event of a vacancy in an elected board member position, the ballot for a special election must be provided to eligible members within three weeks of the vacancy and must be returned by eligible voting members with a postmark no later than midnight of the Friday of the fourth full week following the vacancy.

Subd. 6. [SECRETARY-TREASURER NOT TO BE BOARD MEMBER.] (a) Effective on the January 19 next following the effective date of this section, the person who holds the position of secretary of the St. Paul teachers retirement fund association and the person who holds the position of treasurer of the St. Paul teachers retirement fund association or the person who holds the combined position of secretary-treasurer of the St. Paul teachers retirement fund association may not also be an elected board member of the fund association.

(b) The chief administrative officer of the St. Paul teachers retirement fund association must be known as the executive director of the fund.

Subd. 7. [ARTICLE AND BYLAW AMENDMENTS AUTHORIZED.] At the next annual meeting of the St. Paul teachers retirement fund association or at a special meeting of the association called by the board of trustees for that purpose, the association may consider and adopt any amendments to its articles of incorporation or bylaws needed to conform or implement this section.

Sec. 2. [EFFECTIVE DATE.]

(a) Section 1 is effective on the day following approval of all provisions by majority vote at the first annual or special membership meeting of the St. Paul teachers retirement fund association occurring after the date of enactment.

(b) The board of trustees of the St. Paul teachers retirement fund association shall propose the question on the approval of these provisions to the fund membership at the applicable membership meeting. The provisions of section 1 are a single question and may not be divided or voted upon as separate items.

(c) Nothing in section 1 may be construed to reduce the term of any elected member of the board of trustees of the St. Paul teachers retirement fund association serving as such on the effective date of section 1.

ARTICLE 2

Section 1. [356.219] [DISCLOSURE OF ADDITIONAL PUBLIC PENSION PLAN INVESTMENT INFORMATION.]

Subdivision 1. [REPORT REQUIRED.] The state board of investment on behalf of the public pension funds and programs for which it is the investment authority and any Minnesota public pension plan not wholly invested through the state board of investments, including a local police or firefighters' relief association governed by sections 69.77 or 69.771 to 69.775, shall report the information specified in subdivision 2 to the state auditor. The state auditor may prescribe a form or forms for the purposes of the reporting requirements contained in this section.

Subd. 2. [CONTENT AND TIMING OF REPORTS.] (a) The following information shall be included in the report required by subdivision 1:

- (1) the market value of all investments at the close of the reporting period;
- (2) regular payroll-based contributions to the fund;
- (3) other contributions and revenue paid into the fund, including, but not limited to, state or local nonpayroll based contributions, repaid refunds, and buybacks;
- (4) total benefits paid to members;
- (5) fees paid for investment management services;
- (6) salaries and other administrative expenses paid; and
- (7) total return on investment.

The report must also include a written statement of the investment policy in effect on June 30, 1988, and any investment policy changes made subsequently and shall include the effective date of each policy change. The information required under this subdivision must be reported separately for each investment account or investment portfolio included in the pension fund.

(b) The information specified in paragraph (a) must be provided separately for each quarter for the fiscal years of the pension fund ending during calendar years 1989 through 1991 and on a monthly basis thereafter. The required information through fiscal year 1993 must be submitted to the state auditor on or before October 1, 1994, and subsequently within six months of the end of each fiscal year.

Subd. 3. [PENALTY FOR NONCOMPLIANCE.] Failure to comply with the reporting requirements of this section shall result in a withholding of all state aid to which the pension plan may otherwise be entitled. The state auditor shall instruct the commissioners of revenue and finance to withhold state aid from any pension plan that fails to comply with the reporting requirements contained in this section.

Subd. 4. [INVESTMENT DISCLOSURE REPORT.] Using the information provided under subdivision 2, the state auditor shall prepare an annual report to the legislature on the components of investment performance resulting from stages in the investment decision making process of various public pension plans subject to this section. The state auditor may contract with a qualified consultant or consulting firm to perform the analysis and prepare the report required under this subdivision.

Sec. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to retirement; St. Paul teachers retirement fund association; requiring proportional representation for various membership groups on the association board of trustees; requiring disclosure of certain investment information; proposing coding for new law in Minnesota Statutes, chapters 354A; and 356."

The motion prevailed and the amendment was adopted.

S. F. No. 2500, as amended, was read for the third time.

MOTION FOR RECONSIDERATION

Bertram moved that the action whereby S. F. No. 2500, as amended, was given its third reading earlier today be now reconsidered. The motion prevailed.

Trimble moved that S. F. No. 2500, as amended, be continued on Special Orders. The motion prevailed.

H. F. No. 2603 was reported to the House.

Pugh moved that H. F. No. 2603 be continued on Special Orders until Monday, April 25, 1994. The motion prevailed.

H. F. No. 2651 was reported to the House.

Reding moved that H. F. No. 2651 be continued on Special Orders. The motion prevailed.

S. F. No. 2329, A bill for an act relating to taxation; property; providing an exemption for power facilities containing cogeneration systems; amending Minnesota Statutes 1993 Supplement, section 272.02, 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 119 yeas and 11 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Greenfield	Johnson, V.	Long	Murphy	Pelowski
Anderson, R.	Dauids	Greiling	Kahn	Lourey	Neary	Perlt
Asch	Dawkins	Gruenes	Kalis	Luther	Nelson	Peterson
Battaglia	Dehler	Hasskamp	Kelley	Lynch	Ness	Pugh
Bauerly	Delmont	Hausman	Kelso	Macklin	Olson, E.	Reding
Beard	Dempsey	Holsten	Kinkel	Mahon	Olson, K.	Rest
Bergson	Dorn	Hugoson	Klinzing	Mariani	Onnen	Rhodes
Bertram	Erhardt	Huntley	Knickerbocker	McCollum	Opatz	Rice
Bishop	Evans	Jacobs	Krueger	McGuire	Orenstein	Rodosovich
Carlson	Farrell	Jaros	Lasley	Milbert	Orfield	Rukavina
Carruthers	Finseth	Jefferson	Leppik	Molnau	Ostrom	Sarna
Clark	Frerichs	Jennings	Lieder	Morrison	Ozment	Seagren
Commers	Garcia	Johnson, A.	Limmer	Mosel	Pauly	Sekhon
Cooper	Goodno	Johnson, R.	Lindner	Munger	Pawlenty	Simoneau

Skoglund	Stanius	Tomassoni	Tunheim	Vellenga	Wejcman	Wolf
Smith	Steensma	Tompkins	Van Dellen	Wagenius	Wenzel	Workman
Solberg	Swenson	Trimble	Van Engen	Weaver	Winter	Spk. Anderson, I.

Those who voted in the negative were:

Bettermann	Knight	Krinkie	Osthoff	Vickerman	Worke
Girard	Koppendraye	Olson, M.	Sviggun	Waltman	

The bill was passed and its title agreed to.

S. F. No. 2104 was reported to the House.

Wejcman and Kahn moved to amend S. F. No. 2104 as follows:

Page 1, line 9, delete "241.445" and insert "611A.362"

Page 1, line 22, delete "241.446" and insert "611A.363"

Page 2, line 26, after "grant" insert "under this section"

Page 2, line 36, delete "241.447" and insert "611A.364"

Page 3, line 25, delete "241.448" and insert "611A.365"

Page 4, line 12, after the period, insert "No more than 6 members may be of the same gender."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

S. F. No. 2104, A bill for an act relating to children; establishing an abused child program under the commissioner of corrections; creating an advisory committee; specifying powers and duties of the commissioner and the advisory committee; proposing coding for new law in Minnesota Statutes, chapter 241.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Cooper	Dorn	Girard	Haukoos	Jefferson
Anderson, R.	Bettermann	Dauner	Erhardt	Goodno	Hausman	Jennings
Asch	Bishop	Davids	Evans	Greenfield	Holsten	Johnson, A.
Battaglia	Brown, K.	Dawkins	Farrell	Greiling	Hugoson	Johnson, R.
Bauerly	Carlson	Dehler	Finseth	Gruenes	Huntley	Johnson, V.
Beard	Carruthers	Delmont	Frerichs	Gutknecht	Jacobs	Kahn
Bergson	Clark	Dempsey	Garcia	Hasskamp	Jaros	Kalis

Kelley	Limmer	Morrison	Orenstein	Rest	Stanius	Wagenius
Kelso	Long	Mosel	Orfield	Rhodes	Steensma	Waltman
Kinkel	Lourey	Munger	Osthoff	Rice	Sviggum	Weaver
Klinzing	Luther	Murphy	Ostrom	Rodosovich	Swenson	Wejcman
Knickerbocker	Lynch	Neary	Ozment	Rukavina	Tomassoni	Wenzel
Knight	Macklin	Nelson	Pauly	Sarna	Tompkins	Winter
Koppendrayner	Mahon	Ness	Pawlenty	Seagren	Trimble	Wolf
Krinkie	Mariani	Olson, E.	Pelowski	Sekhon	Tunheim	Worke
Krueger	McCollum	Olson, K.	Perlt	Simoneau	Van Dellen	Workman
Lasley	McGuire	Olson, M.	Peterson	Skoglund	Van Engen	Spk. Anderson, I.
Leppik	Milbert	Onnen	Pugh	Smith	Vellenga	
Lieder	Molnau	Opatz	Reding	Solberg	Vickerman	

The bill was passed, as amended, and its title agreed to.

S. F. No. 2467 was reported to the House.

Peterson moved that S. F. No. 2467 be continued on Special Orders. The motion prevailed.

H. F. No. 3079, A bill for an act relating to natural resources; authorizing the commissioner of natural resources to make subgrants of certain money; amending Minnesota Statutes 1992, section 84.085, subdivision 1; repealing Minnesota Statutes 1992, section 88.063.

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 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Huntley	Lasley	Murphy	Reding	Trimble
Anderson, R.	Dempsey	Jacobs	Leppik	Neary	Rest	Tunheim
Asch	Dorn	Jaros	Lieder	Nelson	Rhodes	Van Dellen
Battaglia	Erhardt	Jefferson	Limmer	Ness	Rice	Van Engen
Bauerly	Evans	Jennings	Lindner	Olson, E.	Rodosovich	Vellenga
Beard	Farrell	Johnson, A.	Long	Olson, K.	Rukavina	Vickerman
Bergson	Finseth	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Bertram	Frerichs	Johnson, V.	Luther	Onnen	Seagren	Waltman
Bettermann	Garcia	Kahn	Lynch	Opatz	Sekhon	Weaver
Bishop	Girard	Kalis	Macklin	Orenstein	Simoneau	Wejcman
Brown, K.	Goodno	Kelley	Mahon	Orfield	Skoglund	Wenzel
Carlson	Greiling	Kelso	Mariani	Osthoff	Smith	Winter
Carruthers	Gruenes	Kinkel	McCollum	Ostrom	Solberg	Wolf
Clark	Gutknecht	Klinzing	McGuire	Ozment	Stanius	Worke
Commers	Hasskamp	Knickerbocker	Milbert	Pauly	Steensma	Workman
Dauner	Haukoos	Knight	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Davids	Hausman	Koppendrayner	Morrison	Pelowski	Swenson	
Dawkins	Holsten	Krinkie	Mosel	Peterson	Tomassoni	
Dehler	Hugoson	Krueger	Munger	Pugh	Tompkins	

Those who voted in the negative were:

Perlt

The bill was passed and its title agreed to.

S. F. No. 1903, A bill for an act relating to agricultural economy; increasing extent of authorized state participation in rural finance authority loan restructuring program; repealing authorization for the commissioner of finance to issue obligations to assist agricultural-industrial facilities in Detroit Lakes; amending Minnesota Statutes 1992, section 41B.04, subdivision 8; repealing Laws 1992, chapter 543.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Krinkie	Mosel	Peterson	Tomassoni
Anderson, R.	Delmont	Hugoson	Krueger	Munger	Pugh	Tompkins
Asch	Dempsey	Huntley	Lasley	Murphy	Reding	Trimble
Battaglia	Dorn	Jacobs	Leppik	Neary	Rest	Tunheim
Bauerly	Erhardt	Jaros	Lieder	Nelson	Rhodes	Van Dellen
Beard	Evans	Jefferson	Limmer	Ness	Rice	Van Engen
Bergson	Farrell	Jennings	Lindner	Olson, E.	Rodosovich	Vellenga
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rukavina	Vickerman
Bettermann	Frerichs	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Bishop	Garcia	Johnson, V.	Luther	Onnen	Seagren	Waltman
Brown, K.	Girard	Kahn	Lynch	Opatz	Sekhon	Weaver
Carlson	Goodno	Kalis	Macklin	Orenstein	Simoneau	Wejcman
Carruthers	Greenfield	Kelley	Mahon	Orfield	Skoglund	Wenzel
Clark	Greiling	Kelso	Mariani	Osthoff	Smith	Winter
Commers	Gruenes	Kinkel	McCollum	Ostrom	Solberg	Wolf
Cooper	Gutknecht	Klinzing	McGuire	Pauly	Stanius	Worke
Dauner	Hasskamp	Knickerbocker	Milbert	Pawlenty	Steensma	Workman
Davids	Haukoos	Knight	Molnau	Pelowski	Sviggum	Spk. Anderson, I.
Dawkins	Hausman	Koppendrayar	Morrison	Perlt	Swenson	

The bill was passed and its title agreed to.

H. F. No. 2436 was reported to the House.

Dawkins and Murphy moved to amend H. F. No. 2436, the first engrossment, as follows:

Page 1, lines 20 and 25, delete "voucher" and insert "certificate"

Page 2, lines 12, 15, 18, and 20, delete "voucher" and insert "certificate"

The motion prevailed and the amendment was adopted.

H. F. No. 2436, A bill for an act relating to youth and young adult corps; authorizing insurance and education awards to members; amending Minnesota Statutes 1992, section 84.0887, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carruthers	Cooper	Dawkins
Anderson, R.	Bauerly	Bertram	Brown, K.	Clark	Dauner	Dehler
Asch	Beard	Bettermann	Carlson	Commers	Davids	Delmont

Dempsey	Hausman	Klinzing	Mahon	Onnen	Rice	Trimble
Dorn	Holsten	Knickerbocker	Mariani	Opatz	Rodosovich	Tunheim
Erhardt	Hugoson	Knight	McCollum	Orenstein	Rukavina	Van Dellen
Evans	Huntley	Koppendraye	McGuire	Orfield	Sarna	Van Engen
Farrell	Jacobs	Krinkie	Milbert	Osthoff	Seagren	Vellenga
Finseth	Jaros	Krueger	Molnau	Ostrom	Sekhon	Vickerman
Frerichs	Jefferson	Lasley	Morrison	Ozment	Simoneau	Wagenius
Garcia	Jennings	Leppik	Mosel	Pauly	Skoglund	Waltman
Girard	Johnson, A.	Lieder	Munger	Pawlenty	Smith	Weaver
Goodno	Johnson, R.	Limmer	Murphy	Pelowski	Solberg	Wejcmn
Greenfield	Johnson, V.	Lindner	Neary	Perlt	Stanis	Wenzel
Greiling	Kahn	Long	Nelson	Peterson	Steensma	Winter
Gruenes	Kalis	Lourey	Ness	Pugh	Sviggum	Wolf
Gutknecht	Kelley	Luther	Olson, E.	Reding	Swenson	Worke
Hasskamp	Kelso	Lynch	Olson, K.	Rest	Tomassoni	Workman
Haukoos	Kinkel	Macklin	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.

The bill was passed, as amended, and its title agreed to.

S. F. No. 2210 was reported to the House.

McCollum, Evans, McGuire, Asch, Krinkie and Perlt moved to amend S. F. No. 2210 as follows:

Page 4, delete section 3

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Asch moved to amend S. F. No. 2210, as amended, as follows:

Page 3, line 31, delete "through negotiation," and insert "only after a duly noticed public hearing held before the Ramsey county board, and approval of the county board evidenced by a resolution adopted at a meeting held at least seven days after the public hearing,"

Osthoff moved to amend the Asch amendment to S. F. No. 2210, as amended, as follows:

Page 1, line 5, after the second "board" insert a comma and delete "evidenced by a"

Page 1, delete lines 6 to 7

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Asch amendment, as amended, to S. F. No. 2210, as amended. The motion prevailed and the amendment, as amended, was adopted.

Asch, Mariani, Farrell, Dawkins, Trimble and Evans moved to amend S. F. No. 2210, as amended, as follows:

Page 4, line 2, after the period, insert "Preference for access to services and facilities by patients of similar health status shall be given to indigent patients."

A roll call was requested and properly seconded.

The question was taken on the Asch et al amendment and the roll was called. There were 17 yeas and 114 nays as follows:

Those who voted in the affirmative were:

Asch	Farrell	Johnson, V.	Mariani	Orfield	Trimble
Dawkins	Garcia	Knight	Onnen	Rukavina	Wejzman
Evans	Huntley	Krinkie	Orenstein	Swenson	

Those who voted in the negative were:

Abrams	Delmont	Jaros	Limmer	Nelson	Rhodes	Van Engen
Anderson, R.	Dempsey	Jefferson	Lindner	Ness	Rice	Vellenga
Battaglia	Dorn	Jennings	Long	Olson, E.	Rodosovich	Vickerman
Bauerly	Erhardt	Johnson, A.	Lourey	Olson, K.	Sarna	Wagenius
Beard	Finseth	Johnson, R.	Luther	Olson, M.	Seagren	Waltman
Bergson	Girard	Kahn	Lynch	Opatz	Sekhon	Weaver
Bertram	Goodno	Kalis	Macklin	Osthoff	Simoneau	Wenzel
Bettermann	Greenfield	Kelley	Mahon	Ostrom	Skoglund	Winter
Bishop	Greiling	Kelso	McCullum	Ozment	Smith	Wolf
Brown, K.	Gruenes	Kinkel	McGuire	Pauly	Solberg	Worke
Carlson	Gutknecht	Klinzing	Milbert	Pawlenty	Stanis	Workman
Carruthers	Hasskamp	Krickerbocker	Molnau	Pelowski	Steensma	Spk. Anderson, I.
Commers	Haukoos	Koppendrayer	Morrison	Perlt	Sviggum	
Cooper	Hausman	Krueger	Mosel	Peterson	Tomassoni	
Dauner	Holsten	Lasley	Munger	Pugh	Tompkins	
Davids	Hugoson	Leppik	Murphy	Reding	Tunheim	
Dehler	Jacobs	Lieder	Neary	Rest	Van Dellen	

The motion did not prevail and the amendment was not adopted.

S. F. No. 2210, A bill for an act relating to health; Ramsey Health Care, Inc.; authorizing the public corporation to incorporate as a nonprofit corporation; terminating its status as a public corporation; providing for the care of the indigent of Ramsey county and other counties; providing for certain of its powers and duties; repealing Minnesota Statutes 1992, sections 246A.01; 246A.02; 246A.03; 246A.04; 246A.05; 246A.06; 246A.07; 246A.08; 246A.09; 246A.10; 246A.11; 246A.12; 246A.13; 246A.14; 246A.15; 246A.16; 246A.17; 246A.18; 246A.19; 246A.20; 246A.21; 246A.22; 246A.23; 246A.24; 246A.25; 246A.26; and 246A.27.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 125 yeas and 8 nays as follows:

Those who voted in the affirmative were:

Abrams	Davids	Gutknecht	Kalis	Long	Nelson	Pugh
Anderson, R.	Hawkins	Hasskamp	Kelley	Lourey	Ness	Reding
Battaglia	Dehler	Haukoos	Kelso	Luther	Olson, E.	Rest
Bauerly	Delmont	Hausman	Kinkel	Lynch	Olson, K.	Rhodes
Beard	Dempsey	Holsten	Klinzing	Macklin	Opatz	Rice
Bergson	Dorn	Hugoson	Krickerbocker	Mahon	Orenstein	Rodosovich
Bertram	Erhardt	Huntley	Knight	Mariani	Orfield	Rukavina
Bishop	Evans	Jacobs	Koppendrayer	McGuire	Osthoff	Sarna
Brown, K.	Finseth	Jaros	Krinkie	Milbert	Ostrom	Seagren
Carlson	Frerichs	Jefferson	Krueger	Molnau	Ozment	Sekhon
Carruthers	Girard	Jennings	Lasley	Morrison	Pauly	Simoneau
Clark	Goodno	Johnson, A.	Leppik	Mosel	Pawlenty	Skoglund
Commers	Greenfield	Johnson, R.	Lieder	Munger	Pelowski	Smith
Cooper	Greiling	Johnson, V.	Limmer	Murphy	Perlt	Solberg
Dauner	Gruenes	Kahn	Lindner	Neary	Peterson	Stanis

Steensma
Sviggum
Swenson

Tomassoni
Tompkins
Trimble

Tunheim
Van Dellen
Vellenga

Vickerman
Wagenius
Waltman

Weaver
Wejcman
Wenzel

Winter
Wolf
Worke

Workman
Spk. Anderson, I.

Those who voted in the negative were:

Asch
Bettermann

Farrell
Garcia

McCollum
Olson, M.

Onnen
Van Engen

The bill was passed, as amended, and its title agreed to.

H. F. No. 392 was reported to the House.

Johnson, R.; Kahn and Long moved to amend H. F. No. 392, the first engrossment, as follows:

Page 2, line 16, delete "or"

Page 2, line 17, delete the period and insert "; or

(7) areas utilized for surgery, surgical recovery, emergency backup power systems, and electrical closets within facilities licensed under chapter 144."

Page 2, after line 17, insert:

"(c) Subdivision 1 does not apply to a residential building in which at least 70 percent of the dwelling units are owner-occupied."

Reletter subsequent paragraph

Page 2, delete lines 24 to 33, and insert:

"(e) When there are practical difficulties involved in complying with the times prescribed in subdivision 3 or 4, the commissioner, or the state fire marshal as the commissioner's designee, may vary or modify the times upon application of a building owner or the owner's representative, provided that the spirit and intent of the law are observed and public welfare and safety are assured."

Subd. 3. [REPORTING.] By January 1, 1996, the owner of a building subject to subdivision 1 shall submit to the state fire marshal a letter stating the owner's intention to comply with this act and providing a schedule for completion."

Page 3, after line 11, insert:

"(b) As an alternative to the schedule in paragraph (a), a person or entity that owns more than one building subject to this section may comply with this section by following the schedule in this paragraph:

<u>Years after effective date</u>	<u>Percent of buildings owned by person or entity with operational automatic sprinkler system or protected by an accepted alternative method</u>
<u>6 years</u>	<u>25 percent</u>
<u>9 years</u>	<u>50 percent</u>
<u>12 years</u>	<u>75 percent</u>
<u>15 years</u>	<u>100 percent"</u>

Reletter paragraphs accordingly

The motion prevailed and the amendment was adopted.

Long moved to amend H. F. No. 392, the first engrossment, as amended, as follows:

Page 2, after line 17, insert:

"(7) a residential structure built to type 1 or type 2 non-combustible construction standards using steel, iron, concrete or masonry structural elements with fire resistive walls, floors and ceilings, and in which smoke detectors, fire extinguishers and fire alarm systems are installed pursuant to the provisions of the Minnesota State Fire Code."

A roll call was requested and properly seconded.

The question was taken on the Long amendment and the roll was called. There were 71 yeas and 57 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Holsten	Limmer	Nelson	Rhodes	Wagenius
Anderson, R.	Evans	Hugoson	Lindner	Olson, K.	Seagren	Weaver
Bettermann	Finseth	Jacobs	Long	Olson, M.	Sekhon	Wejcman
Bishop	Frerichs	Johnson, A.	Lourey	Ornen	Skoglund	Wolf
Brown, K.	Garcia	Kelley	Lynch	Orenstein	Sviggum	Worke
Clark	Girard	Kelso	Mahon	Orfield	Tompkins	
Cooper	Goodno	Klinzing	Mariani	Ostrom	Trimble	
Dauner	Greenfield	Knickerbocker	McGuire	Pauly	Van Dellen	
Davids	Greiling	Koppendraye	Molnau	Pawlenty	Van Engen	
Dawkins	Gruenes	Krinkie	Morrison	Peterson	Vellenga	
Dehler	Hausman	Leppik	Neary	Rest	Vickerman	

Those who voted in the negative were:

Asch	Dempsey	Johnson, R.	Luther	Osthoff	Sarna	Wenzel
Battaglia	Dorn	Johnson, V.	McCollum	Ozment	Simoneau	Winter
Beard	Farrell	Kahn	Milbert	Pelowski	Smith	Workman
Bergson	Gutknecht	Kalis	Mosel	Perlt	Stanis	
Bertram	Haukoos	Kinkel	Munger	Pugh	Steensma	
Brown, C.	Huntley	Knight	Murphy	Reding	Swenson	
Carlson	Jaros	Krueger	Ness	Rice	Tomassoni	
Carruthers	Jefferson	Lasley	Olson, E.	Rodosovich	Tunheim	
Delmont	Jennings	Lieder	Opatz	Rukavina	Waltman	

The motion prevailed and the amendment was adopted.

Hausman and Mariani moved to amend H. F. No. 392, the first engrossment, as amended, as follows:

Page 4, after line 9, insert:

"Sec. 2. [LOCAL COMPENSATION.]

A home rule charter or statutory city that is required to pay for improvements under section 1 must receive an equivalent amount in additional local government aids."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Hausman and Mariani amendment and the roll was called. There were 26 yeas and 100 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Greenfield	Krinkie	Milbert	Orfield	Skoglund	Wagenius
Clark	Greiling	Limmer	Morrison	Osthoff	Smith	Wejzman
Dawkins	Hausman	Long	Olson, K.	Pauly	Trimble	
Farrell	Knickerbocker	McGuire	Orenstein	Pugh	Vellenga	

Those who voted in the negative were:

Abrams	Delmont	Huntley	Krueger	Nelson	Rodosovich	Van Engen
Asch	Dempsey	Jacobs	Lasley	Ness	Rukavina	Vickerman
Battaglia	Dorn	Jaros	Leppik	Olson, E.	Sarna	Waltman
Bauerly	Erhardt	Jennings	Lieder	Olson, M.	Seagren	Weaver
Beard	Evans	Johnson, A.	Lindner	Onnen	Sekhon	Wenzel
Bergson	Finseth	Johnson, R.	Lourey	Opatz	Simoneau	Winter
Bertram	Frerichs	Johnson, V.	Luther	Ostrom	Solberg	Wolf
Bettermann	Garcia	Kahn	Lynch	Ozment	Stanius	Worke
Brown, K.	Girard	Kalis	Mahon	Pawlenty	Steensma	Workman
Carlson	Goodno	Kelley	McCollum	Pelowski	Sviggum	Spk. Anderson, I.
Carruthers	Gruenes	Kelso	Molnau	Perlt	Swenson	
Cooper	Gutknecht	Kinkel	Mosel	Peterson	Tomassoni	
Dauner	Haukoos	Klinzing	Munger	Reding	Tompkins	
Dauids	Holsten	Knight	Murphy	Rhodes	Tunheim	
Dehler	Hugoson	Koppendraye	Neary	Rice	Van Dellen	

The motion did not prevail and the amendment was not adopted.

Pelowski was excused while in conference.

H. F. No. 392, A bill for an act relating to public safety; requiring installation of automatic sprinkler systems in certain existing high-rise buildings; proposing coding for new law in Minnesota Statutes, chapter 299F.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 106 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Huntley	Krueger	Murphy	Reding	Trimble
Asch	Dempsey	Jacobs	Lasley	Neary	Rest	Tunheim
Battaglia	Dorn	Jaros	Leppik	Nelson	Rhodes	Van Dellen
Bauerly	Erhardt	Jefferson	Lieder	Ness	Rice	Van Engen
Beard	Evans	Jennings	Limmer	Olson, E.	Rodosovich	Vellenga
Bergson	Farrell	Johnson, A.	Lourey	Olson, K.	Rukavina	Wagenius
Bertram	Finseth	Johnson, R.	Luther	Opatz	Sarna	Wejzman
Bishop	Frerichs	Johnson, V.	Macklin	Orenstein	Sekhon	Wenzel
Brown, C.	Garcia	Kahn	Mariani	Orfield	Simoneau	Winter
Brown, K.	Goodno	Kalis	McCollum	Osthoff	Skoglund	Spk. Anderson, I.
Carlson	Greenfield	Kelley	McGuire	Ostrom	Smith	
Carruthers	Greiling	Kelso	Milbert	Ozment	Solberg	
Clark	Gutknecht	Kinkel	Molnau	Pawlenty	Steensma	
Cooper	Hasskamp	Klinzing	Morrison	Perlt	Swenson	
Dauner	Haukoos	Knickerbocker	Mosel	Peterson	Tomassoni	
Dawkins	Holsten	Koppendraye	Munger	Pugh	Tompkins	

Those who voted in the negative were:

Anderson, R.	Girard	Krinkie	Olson, M.	Stanis	Weaver
Bettermann	Gruenes	Lindner	Ornen	Sviggum	Wolf
Dauids	Hugoson	Lynch	Pauly	Vickerman	Worke
Dehler	Knight	Mahon	Seagren	Waltman	Workman

The bill was passed, as amended, and its title agreed to.

The Speaker resumed the Chair.

Carruthers moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Carruthers moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following 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. 2351, A bill for an act relating to crime and crime prevention; appropriating money for the attorney general, department of administration, public defense, courts, corrections, criminal justice, and crime prevention and education programs; increasing penalties for a variety of violent crimes; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; enhancing 911 telephone service; providing a number of new investigative tools for law enforcement agencies; regulating explosives and blasting agents; modifying programs in state and local correctional facilities; increasing crime victim rights and protections; increasing court witness fees; requiring a study of civil commitment laws; completing the state takeover of public defender services; authorizing a variety of crime prevention programs; making it a crime to engage in behavior that transmits the HIV virus; requiring dangerous repeat offenders to serve mandatory minimum terms; requiring inmates to contribute to costs of confinement; providing mandatory minimum sentences for certain criminal sexual conduct offenses; providing that certain sex offenders shall serve indeterminate sentences; making it a crime to possess a dangerous weapon in any courthouse and certain state public buildings; mandating that parents are responsible for providing health care to children; amending Minnesota Statutes 1992, sections 2.722, subdivision 1; 8.06; 13.99, subdivision 79; 84.9691; 123.3514, subdivision 3, and by adding a subdivision; 126.02, subdivision 1; 144.125; 145A.05, by adding a subdivision; 152.01, by adding a subdivision; 152.021, subdivision 1; 152.024, subdivision 1; 169.89, subdivision 2; 171.18, subdivision 1; 171.22, subdivision 2; 241.26, subdivision 7; 243.05, subdivision 1, and by adding subdivisions; 243.166, subdivision 5; 243.18, subdivision 1; 243.23, subdivision 2; 243.24, subdivision 1; 244.09, by adding a subdivision; 244.12, subdivisions 1 and 2; 244.15, subdivision 4; 253B.19, subdivision 2; 260.161, by adding a subdivision; 299A.31; 299A.32, subdivision 3; 299A.38, subdivision 3; 299C.065, as amended; 299C.11; 299C.14; 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 299F.71; 299F.72, subdivision 2, and by adding subdivisions; 299F.73; 299F.74; 299F.75; 299F.77; 299F.78, subdivision 1; 299F.79; 299F.80; 299F.82; 299F.83; 352.91, by adding subdivisions; 352.92, subdivision 2; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 403.02, by adding a subdivision; 403.11, subdivisions 1 and 4; 477A.012, by adding a subdivision; 480.09, by adding a subdivision; 485.06; 494.05; 508.11; 600.23,

subdivision 1; 609.0331; 609.0332; 609.152, by adding a subdivision; 609.165, by adding a subdivision; 609.185; 609.2231, subdivision 2; 609.224, by adding a subdivision; 609.245; 609.25, subdivision 2; 609.321, subdivision 12; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 11, 12, and by adding subdivisions; 609.342, subdivisions 1 and 2; 609.3451, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.497, subdivision 1, and by adding a subdivision; 609.506, by adding subdivisions; 609.52, subdivision 3; 609.5315, subdivision 3; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1, 1b, 1c, and by adding a subdivision; 609.713, subdivision 3; 609.72, subdivision 1; 609.855; 609.87, by adding a subdivision; 609.88, subdivision 1; 609.89, subdivision 1; 611.21; 611.26, subdivisions 4 and 6; 611A.036; 611A.045, subdivision 3; 611A.19; 611A.53, subdivision 2; 617.23; 624.714, subdivision 3; 626.556, subdivisions 3a and 10e; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; and 631.425, subdivision 6; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 144.651, subdivisions 2, 21, and 26; 152.022, subdivision 1; 152.023, subdivision 2; 171.24; 242.51; 243.166, subdivisions 1, 2, 3, 4, 6, and 9; 243.18, subdivision 2; 244.05, subdivisions 4 and 5; 244.101, by adding a subdivision; 244.14, subdivision 3; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; 299C.10, subdivision 1; 299C.65, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 462A.202, by adding a subdivision; 473.407, subdivision 1; 480.30; 518B.01, subdivisions 2, 6, and 14; 593.48; 609.11, subdivisions 4, 5, 7, 8, and by adding a subdivision; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.378, subdivision 1; 609.531, subdivision 1; 609.66, subdivision 1a; 609.685, subdivision 3; 609.713, subdivision 1; 609.748, subdivision 5; 609.902, subdivision 4; 611.17; 611.20, subdivision 2; 611.27, subdivision 4; 611A.04, subdivision 1; 611A.06, subdivision 1; 611A.52, subdivision 8; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 1; 624.7132, subdivisions 1 and 12; 624.7181; 626.556, subdivision 2; and 626.861, subdivision 4; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 116j; 126; 144; 241; 243; 245; 253B; 268; 299C; 299F; 403; 609; 611A; 626; and 629; repealing Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815, as amended; 609.0332, subdivision 2; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; and 299F.811.

PATRICK E. FLAHAVEN, Secretary of the Senate

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 2351, 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.

MOTIONS AND RESOLUTIONS

Steensma moved that the name of Tunheim be added as an author on H. F. No. 3226. The motion prevailed.

Johnson, A., moved that the name of Swenson be added as an author on H. A. No. 36. The motion prevailed.

Mariani moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Tuesday, April 19, 1994, when the vote was taken on the final passage of S. F. No. 584, as amended." The motion prevailed.

Seagren moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Monday, April 18, 1994, when the vote was taken on the final passage of H. F. No. 1919, as amended." The motion prevailed.

Morrison moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Tuesday, April 19, 1994, when the vote was taken on the second Sviggum amendment to H. F. No. 2028, the first engrossment, as amended." The motion prevailed.

Bishop moved that H. F. No. 3186 be returned to its author. The motion prevailed.

Carruthers moved that H. F. No. 2171, now on Technical General Orders, be re-referred to the Committee on Rules and Legislative Administration. 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. 2351:

Skoglund, Murphy, Pugh, Orenstein and Limmer.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1712:

Cooper, Ozment and Brown, C.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 8:45 a.m., Thursday, April 21, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 8:45 a.m., Thursday, April 21, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

NINETY-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 21, 1994

The House of Representatives convened at 8:45 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Pastor Eric Hansen, Blue Earth Assembly of God, Blue Earth, Minnesota.

The roll was called and the following members were present:

Abrams	Dehler	Holsten	Krueger	Munger	Peterson	Tompkins
Anderson, R.	Delmont	Hugoson	Lasley	Murphy	Pugh	Trimble
Asch	Dempsey	Huntley	Leppik	Neary	Reding	Tunheim
Battaglia	Dorn	Jacobs	Lieder	Nelson	Rest	Van Dellen
Bauerly	Erhardt	Jaros	Limmer	Ness	Rhodes	Van Engen
Beard	Evans	Jefferson	Lindner	Olson, E.	Rice	Vellenga
Bergson	Farrell	Jennings	Long	Olson, K.	Rodosovich	Vickerman
Bertram	Finseth	Johnson, A.	Lourey	Olson, M.	Rukavina	Wagenius
Bettermann	Frerichs	Johnson, R.	Luther	Onnen	Sarna	Waltman
Bishop	Garcia	Johnson, V.	Lynch	Opatz	Seagren	Weaver
Brown, C.	Girard	Kahn	Macklin	Orenstein	Sekhon	Wejzman
Brown, K.	Goodno	Kalis	Mahon	Orfield	Simoneau	Wenzel
Carlson	Greenfield	Kelley	Mariani	Osthoff	Skoglund	Winter
Carruthers	Greiling	Kelso	McCollum	Ostrom	Smith	Wolf
Commers	Gruenes	Kinkel	McGuire	Ozment	Solberg	Worke
Cooper	Gutknecht	Klinzing	Milbert	Pauly	Steensma	Workman
Dauner	Hasskamp	Knight	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Davids	Haukoos	Koppendrayner	Morrison	Pelowski	Swenson	
Dawkins	Hausman	Krinkie	Mosel	Perlt	Tomassoni	

A quorum was present.

Clark was excused until 9:30 a.m. Knickerbocker and Stanius were excused until 10:20 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Kalis 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. 609 and H. F. No. 662, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Orfield moved that the rules be so far suspended that S. F. No. 609 be substituted for H. F. No. 662 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2858 and H. F. No. 2770, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wejcman moved that the rules be so far suspended that S. F. No. 2858 be substituted for H. F. No. 2770 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 15, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1880, memorializing the Congress of the United States to propose an amendment to the United States Constitution, for ratification by the states, specifying that Congress and the states shall have the power to prohibit the physical desecration of the flag of the United States.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 15, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 2936, relating to Ramsey county; providing for funding the maintenance of turnback roads in Ramsey county.

H. F. No. 2269, relating to retirement; teachers retirement association; authorizing annuity adjustment for a certain annuitant.

H. F. No. 1966, relating to peace officers; authorizing officers of states adjoining Minnesota to render assistance to peace officers of this state on request; granting these officers arrest authority in this state under certain circumstances; extending the state and local government tort liability laws to the conduct of these officers.

H. F. No. 1928, relating to motor vehicles; authorizing special license plates for vehicles owned by volunteer ambulance drivers.

H. F. No. 2665, relating to parks and recreation; adding lands to certain state parks; converting certain recreation areas to state parks; deleting land from a recreation area; combining a trail and certain waysides into a recreation area; abolishing a state park; allowing sale of tax-forfeited land within Tettegouche State Park.

H. F. No. 2967, relating to local government; giving the Minneapolis school district and the municipal building commission the same authority as the city of Minneapolis to negotiate certain trade and craft contracts.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
	1880	Resolution No. 5	1:28 p.m. April 15	April 15
1911		438	1:42 p.m. April 15	April 15
	2936	439	1:27 p.m. April 15	April 15
	2269	440	1:30 p.m. April 15	April 15
	1966	441	1:32 p.m. April 15	April 15
1951		442	1:45 p.m. April 15	April 15
	1928	443	1:34 p.m. April 15	April 15
1825		444	1:47 p.m. April 15	April 15
2672		445	1:50 p.m. April 15	April 15
2070		446	1:52 p.m. April 15	April 15
2267		447	1:55 p.m. April 15	April 15
	2665	448	1:35 p.m. April 15	April 15
819		449	1:58 p.m. April 15	April 15
	2967	450	1:40 p.m. April 15	April 15

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 18, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 2634, relating to transportation; requiring understandable notice of requirements for appealing town road damage awards.

H. F. No. 2373, relating to agriculture; modifying certain provisions relating to wheat and barley promotion orders and the payment and refund of checkoff fees.

H. F. No. 2772, relating to state government; public employment; establishing a pilot project in certain agencies; permitting the waiver of rules governing the classified and unclassified service of the state by joint committees.

H. F. No. 2212, relating to the environment; genetically engineered organisms; authorizing the department of agriculture to exempt certain federally monitored releases; authorizing the environmental quality board to adopt rules relating to certain releases; providing for certain exemptions.

H. F. No. 2553, relating to retirement; public employees retirement association; permitting purchase of service credit by certain soil and water conservation district employees.

H. F. No. 1844, relating to highways; designating trunk highway marked No. 212 as the Minnesota Veterans Memorial Highway.

H. F. No. 2657, relating to state parks; establishing a special state park permit for physically handicapped persons who do not own motor vehicles.

H. F. No. 1927, relating to public employment; authorizing a Medicare coverage referendum for certain city of Karlstad hospital employees.

H. F. No. 1936, relating to game and fish; requiring return to the water of fish snagged in certain waters.

H. F. No. 2139, relating to real estate; regulating trust accounts; clarifying a definition for purposes of licensing real estate appraisers; regulating dual agency disclosure.

H. F. No. 2856, relating to state lands; authorizing the sale of certain tax-forfeited lands that border public water in Mower county.

H. F. No. 985, relating to retirement; public employees police and fire fund; modifying the disability benefit limitation for reemployed disabilitants.

H. F. No. 2321, relating to state lands; authorizing public sale of certain tax-forfeited land that borders public water in Clay and Wilkin counties.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
	2634	451	3:04 p.m. April 18	April 18
	2373	452	3:05 p.m. April 18	April 18
	2772	453	3:06 p.m. April 18	April 18
	2212	454	3:07 p.m. April 18	April 18
2262		455	3:02 p.m. April 18	April 18
	2553	456	3:08 p.m. April 18	April 18
	1844	457	3:09 p.m. April 18	April 18
	2657	458	3:10 p.m. April 18	April 18
	1927	459	3:12 p.m. April 18	April 18
	1936	460	3:14 p.m. April 18	April 18
	2139	461	3:14 p.m. April 18	April 18
	2856	462	3:16 p.m. April 18	April 18
	985	463	3:17 p.m. April 18	April 18
	2321	464	3:20 p.m. April 18	April 18

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 609 and 2858 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Lieder; Garcia; Johnson, V.; Kalis and Anderson, I., introduced:

H. F. No. 3230, A bill for an act proposing an amendment to the Minnesota Constitution; dedicating part of tax on vehicles to public transit; expanding transportation purposes for which highway user tax proceeds may be used by the metropolitan area; providing for annual inflation adjustments to motor fuel tax rate contingent on approval of constitutional dedication of motor fuel excise tax revenues; amending the Minnesota Constitution, article XI, by adding a section; and article XIV, section 5; amending Minnesota Statutes 1992, section 296.02, by adding a subdivision; repealing Minnesota Statutes 1992, section 297B.09.

The bill was read for the first time and referred to the Committee on Rules and Legislative Administration.

Carruthers moved that the House recess subject to the call of the Chair to meet with the Senate in Joint Convention. 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 Pastor Eric Hansen, Blue Earth Assembly of God, Blue Earth, Minnesota.

The roll being called, the following Senators answered to their names: Adkins, Anderson and Beckman.

Senator Moe, R. D., moved that further proceedings of the roll call be dispensed with. The motion prevailed and a quorum was declared present.

REPORT FROM THE HOUSE AND SENATE COMMITTEES ON EDUCATION

April 19, 1994

To the Honorable Irv Anderson, Speaker of the House of Representatives, as President of the Joint Convention of the Senate and House of Representatives meeting to elect a Regent of the University of Minnesota.

The House Committee on Education and the Senate Committee on Education make the following report:

We have selected Hyon T. Kim as nominee for the Fourth Congressional District Regent of the University of Minnesota to fill the remainder of the term of Ann Wynia to expire in 1997.

We hereby submit the recommendation and the terms of said person in nomination for the office and terms herein before designated.

Respectfully submitted,

LYNDON R. CARLSON, Chair
House Education Committee
Co-Chair of the Joint Committee

LEROY A. STUMPF, Co-Chair
Senate Education Committee
Co-Chair of the Joint Committee

LAWRENCE J. POGEMILLER, Co-Chair
Senate Education Committee
Co-Chair of the Joint Committee

Representative Carlson and Senators Stumpf and Pogemiller moved that the report of the Joint Committee be adopted.

The motion prevailed and the report was adopted.

ELECTION OF REGENT

Pursuant to the Joint Rules of the Senate and House of Representatives, the Joint Convention proceeded to elect a Regent from the Fourth Congressional District.

Hyon T. Kim was nominated by the Joint Committee for the remainder of the term of Ann Wynia to expire in 1997.

There being no further nominations, the President declared nominations closed.

The Secretary called the roll.

169 members voted for Hyon T. Kim, Fourth Congressional District Regent, for the remainder of the term of Ann Wynia to expire in 1997, as follows:

SENATE ROLL CALL

Adkins	Chandler	Hottinger	Kiscaden	Metzen	Piper	Samuelson
Anderson	Cohen	Janezich	Krentz	Morse	Ranum	Solon
Benson, D. D.	Day	Johnson, D. E.	Lesewski	Neuville	Reichgott Junge	Spear
Benson, J. E.	Finn	Johnson, D. J.	Luther	Novak	Riveness	Stumpf
Berg	Flynn	Johnson, J. B.	Marty	Oliver	Robertson	Terwilliger
Berglin	Frederickson	Johnston	McGowan	Olson	Runbeck	Vickerman
Betzold	Hanson	Kelly	Merriam	Pappas	Sams	Wiener

HOUSE OF REPRESENTATIVES ROLL CALL

Abrams	Dawkins	Haukoos	Knight	Morrison	Peterson	Trimble
Anderson, R.	Dehler	Hausman	Krueger	Mosel	Pugh	Tunheim
Asch	Delmont	Holsten	Lasley	Munger	Reding	Van Dellen
Battaglia	Dempsey	Hugoson	Leppik	Murphy	Rest	Van Engen
Bauerly	Dorn	Huntley	Lieder	Neary	Rhodes	Vellenga
Beard	Erhardt	Jacobs	Limner	Nelson	Rice	Wagenius
Bergson	Evans	Jaros	Lindner	Ness	Rodosovich	Waltman
Bertram	Farrell	Jefferson	Long	Olson, K.	Rukavina	Wejcman
Bettermann	Finneth	Jennings	Lourey	Onnen	Sarna	Winter
Bishop	Frerichs	Johnson, A.	Luther	Opatz	Seagren	Wolf
Brown, C.	Garcia	Johnson, R.	Lynch	Orenstein	Sekhon	Worke
Brown, K.	Girard	Johnson, V.	Macklin	Orfield	Simoneau	Workman
Carlson	Goodno	Kahn	Mahon	Osthoff	Skoglund	
Carruthers	Greenfield	Kalis	Mariani	Ostrom	Steensma	
Commers	Greiling	Kelley	McCollum	Ozment	Sviggum	
Cooper	Gruenes	Kelso	McGuire	Pauly	Swenson	
Dauner	Gutknecht	Kinkel	Milbert	Pelowski	Tomassoni	
Davids	Hasskamp	Klinzing	Molnau	Perlt	Tompkins	

25 members voted for Gerald Christenson, Fourth Congressional District Regent, for the remainder of the term of Ann Wynia to expire in 1997, as follows:

SENATE ROLL CALL

Belanger	Chmielewski	Knutson	Laidig	Larson	Moe, R. D.	Price
Bertram	Dille	Kroening	Langseth	Lessard	Murphy	Stevens

HOUSE OF REPRESENTATIVES ROLL CALL

Koppendrayner
KrinkieOlson, E.
Olson, M.Pawlenty
SmithSolberg
VickermanWeaver
Wenzel

Pres. Anderson, I.

DECLARATION OF ELECTION

Hyon T. Kim having received the largest number of votes at the Joint Convention was declared by the President of the Joint Convention to be elected to the Board of Regents of the University of Minnesota.

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.

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. 2013, A bill for an act relating to public employment; correcting unintended omissions from previous early retirement legislation; ratifying certain prior payments.

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. 2275, A bill for an act relating to taxes; making tax policy, collections, and administrative changes; amending Minnesota Statutes 1992, sections 168.011, subdivision 8; 168.012, subdivision 9; 239.05, subdivision 10a; 239.761, subdivision 3; 270.052; 270.0605; 270.10, by adding a subdivision; 270.60, subdivisions 1 and 2; 270.69, subdivision 4, and by adding a subdivision; 270.70, subdivision 2; 270.72, subdivision 1; 270B.02, subdivisions 3 and 5; 270B.03, subdivision 1; 270B.12, subdivision 3, and by adding a subdivision; 270B.14, by adding a subdivision; 273.12; 289A.37, subdivision 1; 289A.60, by adding subdivisions; 290.01, subdivision 3a; 290A.08; 290A.18, subdivision 2; 296.01, subdivisions 14, 18, 19, 20, 32, 34, and by adding subdivisions; 296.02, subdivision 1; 296.025, subdivision 1, and by adding a subdivision; 296.06, subdivision 2; 296.12, subdivisions 1, 2, 3, 4, 5, 8, 10, and 11; 296.15, subdivisions 2, 4, 5, and 6; 296.16, subdivision 2; 296.165, subdivision 1; 296.25, subdivision 1, and by adding a subdivision; 297.03, subdivision 7; 297A.25, subdivision 9; and 297C.13, subdivision 1; Minnesota Statutes 1993 Supplement, sections 116.07, subdivision 10; 270.06; 270.41, subdivision 5; 270B.01, subdivision 8; 272.115, subdivision 1; 273.124, subdivision 13; 275.065, subdivision 6; 289A.18, subdivision 4; 289A.20, subdivision 4; 290.01, subdivision 19; 297A.01, subdivision 15; 297A.07, subdivision 1; and 297A.25, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 270; 296; 297; 384; and 385; repealing Minnesota Statutes 1992, sections 270.0604, subdivision 6; 272.09; 272.46, subdivision 1; 272.47; 296.03; 296.14; 296.15, subdivision 3; and 297A.07, subdivision 2.

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. 2351, A bill for an act relating to crime and crime prevention; appropriating money for the attorney general, department of administration, public defense, courts, corrections, criminal justice, and crime prevention and education programs; increasing penalties for a variety of violent crimes; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; enhancing 911 telephone service; providing a number of new investigative tools for law enforcement agencies; regulating explosives and blasting agents; modifying programs in state and local correctional facilities; increasing crime victim rights and protections; increasing court witness fees; requiring a study of civil commitment laws; completing the state takeover of public defender services; authorizing a variety of crime prevention programs; making it a crime to engage in behavior that transmits the HIV virus; requiring dangerous repeat offenders to serve mandatory minimum terms; requiring inmates to contribute to costs of confinement; providing mandatory minimum sentences for certain criminal sexual conduct offenses; providing that certain sex offenders shall serve indeterminate sentences; making it a crime to possess a dangerous weapon in any courthouse and certain state public buildings; mandating that parents are responsible for providing health care to children; amending Minnesota Statutes 1992, sections 2.722, subdivision 1; 8.06; 13.99, subdivision 79; 84.9691; 123.3514, subdivision 3, and by adding a subdivision; 126.02, subdivision 1; 144.125; 145A.05, by adding a subdivision; 152.01, by adding a subdivision; 152.021, subdivision 1; 152.024, subdivision 1; 169.89, subdivision 2; 171.18, subdivision 1; 171.22, subdivision 2; 241.26, subdivision 7; 243.05, subdivision 1, and by adding subdivisions; 243.166, subdivision 5; 243.18, subdivision 1; 243.23, subdivision 2; 243.24, subdivision 1; 244.09, by adding a subdivision; 244.12, subdivisions 1 and 2; 244.15, subdivision 4; 253B.19, subdivision 2; 260.161, by adding a subdivision; 299A.31; 299A.32, subdivision 3; 299A.38, subdivision 3; 299C.065, as amended; 299C.11; 299C.14; 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 299F.71; 299F.72, subdivision 2, and by adding subdivisions; 299F.73; 299F.74; 299F.75; 299F.77; 299F.78, subdivision 1; 299F.79; 299F.80; 299F.82; 299F.83; 352.91, by adding subdivisions; 352.92, subdivision 2; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 403.02, by adding a subdivision; 403.11, subdivisions 1 and 4; 477A.012, by adding a subdivision; 480.09, by adding a subdivision; 485.06; 494.05; 508.11; 600.23, subdivision 1; 609.0331; 609.0332; 609.152, by adding a subdivision; 609.165, by adding a subdivision; 609.185; 609.2231, subdivision 2; 609.224, by adding a subdivision; 609.245; 609.25, subdivision 2; 609.321, subdivision 12; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 11, 12, and by adding subdivisions; 609.342, subdivisions 1 and 2; 609.3451, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.497, subdivision 1, and by adding a subdivision; 609.506, by adding subdivisions; 609.52, subdivision 3; 609.5315, subdivision 3; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1, 1b, 1c, and by adding a subdivision; 609.713, subdivision 3; 609.72, subdivision 1; 609.855; 609.87, by adding a subdivision; 609.88, subdivision 1; 609.89, subdivision 1; 611.21; 611.26, subdivisions 4 and 6; 611A.036; 611A.045, subdivision 3; 611A.19; 611A.53, subdivision 2; 617.23; 624.714, subdivision 3; 626.556, subdivisions 3a and 10e; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; and 631.425, subdivision 6; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 144.651, subdivisions 2, 21, and 26; 152.022, subdivision 1; 152.023, subdivision 2; 171.24; 242.51; 243.166, subdivisions 1, 2, 3, 4, 6, and 9; 243.18, subdivision 2; 244.05, subdivisions 4 and 5; 244.101, by adding a subdivision; 244.14, subdivision 3; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; 299C.10, subdivision 1; 299C.65, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 462A.202, by adding a subdivision; 473.407, subdivision 1; 480.30; 518B.01, subdivisions 2, 6, and 14; 593.48; 609.11, subdivisions 4, 5, 7, 8, and by adding a subdivision; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.346, subdivision 2; 609.378, subdivision 1; 609.531, subdivision 1; 609.66, subdivision 1a; 609.685, subdivision 3; 609.713, subdivision 1; 609.748, subdivision 5; 609.902, subdivision 4; 611.17; 611.20, subdivision 2; 611.27, subdivision 4; 611A.04, subdivision 1; 611A.06, subdivision 1; 611A.52, subdivision 8; 624.712, subdivision 5; 624.713, subdivision 1; 624.7131, subdivision 1; 624.7132, subdivisions 1 and 12; 624.7181; 626.556, subdivision 2; and 626.861, subdivision 4; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 8; 16B; 116j; 126; 144; 241; 243; 245; 253B; 268; 299C; 299F; 403; 609; 611A; 626; and 629; repealing Minnesota Statutes 1992, sections 152.01, subdivision 17; 260.315; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815, as amended; 609.0332, subdivision 2; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; and 299F.811.

The Senate has appointed as such committee:

Messrs. Spear and Beckman; Ms. Ranum; Messrs. McGowan and Kelly.

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. 2882, A bill for an act relating to motor carriers; exempt carriers; providing an exemption for transportation of potatoes; amending Minnesota Statutes 1993 Supplement, section 221.025.

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 following change in the membership of the Conference Committee on S. F. No. 2900:

The name of Mrs. Benson, J. E., has been stricken, and the name of Mr. Larson has been added.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2303, A bill for an act relating to highway safety; requiring persons age 55 or over to complete a refresher course in accident prevention in order to remain eligible for a reduction in private passenger vehicle insurance rates; amending Minnesota Statutes 1992, section 65B.28.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Ms. Pappas, Mr. Larson and Ms. Flynn.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Ostrom 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. 2303. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 584, A bill for an act relating to free speech; protecting citizens and organizations from civil lawsuits for exercising their rights of public participation in government; proposing coding for new law as Minnesota Statutes, chapter 554.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mses. Krentz, Reichgott Junge and Robertson.

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

Pugh 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. 584. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2009, A bill for an act relating to public safety; increasing membership of emergency response commission by one representative of emergency managers; amending Minnesota Statutes 1992, section 299K.03, subdivision 3.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Terwilliger, Metzen and Beckman.

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

Olson, M., 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. 2009. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2710, A bill for an act relating to health; modifying provisions relating to lead abatement; amending Minnesota Statutes 1992, sections 144.871, subdivision 3; and 144.874, subdivision 12, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 16B.61, subdivision 3; 144.871, subdivision 2; 144.872, subdivision 2; 144.874, subdivisions 1, 3, 9, and 11a; 144.878, subdivisions 2 and 5; and 326.71, subdivision 4; repealing Minnesota Statutes 1993 Supplement, section 144.877.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Solon, Vickerman and Benson, D. D.

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 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. 2710. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1788, A bill for an act relating to waste management; applying government waste reduction requirements to compilations of game and fish laws; clarifying the state's waste management goals; adding heat pumps to the definition of major appliances; requiring public education on reuse; authorizing larger capital assistance grants to resource recovery projects under certain circumstances; listing preferences for use of packaging; establishing

enforcement of the authority of certain counties to inspect records of certain facilities; clarifying management of waste antifreeze and motor oil filters; establishing a process for resolution of disputes related to toxics in packaging and requiring a report; clarifying the prohibition on toxics in products and providing for exemptions; requiring and authorizing training and certification of appliance recyclers and servicers respectively; removing the federal government from the definition of commercial transporter of medical waste; requiring medical waste management plans to contain information regarding mailing of sharps; banning sale of apparel containing mercury switches; authorizing private ownership of solid waste facilities; permitting counties and local governments to impose certain conditions on disposal of unprocessed solid waste; authorizing counties to require record keeping; adding requirements for liners and leachate systems; expanding the restriction on disposal of unprocessed waste from the metropolitan area; requiring a report on management of waste electronic appliances; requiring a report on products that contain mercury; requiring a report on recycling facilities; requiring a report on recycled antifreeze; providing penalties and remedies; amending Minnesota Statutes 1992, sections 8.31, subdivision 1; 97A.051, subdivision 1; 115A.02; 115A.03, subdivision 17a; 115A.072, subdivision 4; 115A.5501, subdivisions 1, 2, and by adding subdivisions; 115A.554; 115A.557, subdivisions 3 and 4; 115A.87; 115A.882, by adding a subdivision; 115A.9157, subdivisions 4 and 5; 115A.918, subdivision 1, and by adding a subdivision; 115A.95; 115A.9561, subdivision 2; 115A.965, subdivision 6, and by adding a subdivision; 116.07, subdivision 4h; 116.76, subdivision 4; 116.92, subdivision 8; 473.803, subdivisions 1 and 1c; 473.811, subdivisions 5 and 5a; 473.843, subdivision 1; 473.844, subdivision 1a; 473.845, subdivision 3; and 473.848, subdivisions 1 and 5; Minnesota Statutes 1993 Supplement, sections 115A.54, subdivision 2a; 115A.5501, subdivision 3; 115A.916; 115A.929; 115A.9651; 115A.981, subdivision 3; 116.79, subdivision 1; 473.149, subdivision 6; 473.846; and 473.848, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; 325E; and 473; repealing Minnesota Statutes 1993 Supplement, section 115A.542.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mses. Johnson, J. B., and Wiener; Messrs. Chandler, Mondale and Stevens.

Said Senate File is herewith transmitted to the House with the request that the House appoint a like committee.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wagenius moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 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. 1788. The motion prevailed.

The Speaker called Kahn to the Chair.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2405, A bill for an act relating to retirement; making various administrative and minor substantive changes in the laws governing the Minnesota state retirement system, the public employees retirement association, the teachers retirement association, and police and firefighters retirement law; requiring disclosure of certain investment information; amending Minnesota Statutes 1992, sections 352.01, subdivisions 11 and 13; 352.029, subdivision 1, and by adding subdivisions; 352.04, subdivisions 2 and 3; 352.119, by adding a subdivision; 352B.265; 352D.04, subdivision 2; 353.03, subdivisions 1 and 3a; 354.05, subdivisions 2, 21, 22, 35, and by adding subdivisions; 354.06, subdivisions 2a and 4; 354.071, subdivision 5; 354.091; 354.10, subdivisions 1 and 2; 354.41, subdivision 4, and by adding subdivisions; 354.42, subdivisions 3 and 5; 354.44, subdivisions 1a, 4, and 5a; 354.47; 354.48, subdivision 2; 354.49, subdivision 1; 354.52, subdivisions 2, 2a, 4, and by adding subdivisions; 354.66, subdivisions 2, 3, and by adding a subdivision; and 356.30, subdivision 1; Minnesota Statutes 1993 Supplement, sections 3A.02, subdivision 5; 352.22, subdivision 2; 352.93, subdivision 2a; 352.96, subdivision 4; 352B.08, subdivision 2a; 353.01, subdivisions 10, 12a, 16, and 28; 353.017, subdivisions 1, 3, and by adding subdivisions; 353.27, subdivision 7; 353.37, subdivisions 1, 2, and 4; 353.65, subdivision 3a; 353A.08, subdivision 3; 354.05, subdivision 8; and 354.46, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapters 354; 356; and 423A; repealing Minnesota Statutes 1992, sections 352.15, subdivision 2; 352D.09, subdivision 6; 354.05, subdivisions 15 and 29; 354.43, subdivision 3; 354.57; 354.65; and 356.18.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments to H. F. No. 2405 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2405, A bill for an act relating to retirement; making various administrative and minor substantive changes in the laws governing the Minnesota state retirement system, the public employees retirement association, the teachers retirement association, and police and firefighters retirement; amending Minnesota Statutes 1992, sections 352.01, subdivisions 11 and 13; 352.029, subdivision 1, and by adding subdivisions; 352.04, subdivisions 2 and 3; 352.119, by adding a subdivision; 352B.265; 352D.04, subdivision 2; 353.03, subdivisions 1 and 3a; 354.05, subdivisions 2, 21, 22, 35, and by adding subdivisions; 354.06, subdivisions 2a and 4; 354.071, subdivision 5; 354.091; 354.10, subdivisions 1 and 2; 354.41, subdivision 4, and by adding subdivisions; 354.42, subdivisions 3 and 5; 354.44, subdivisions 1a, 4, and 5a; 354.47; 354.48, subdivision 2; 354.49, subdivision 1; 354.52, subdivisions 2, 2a, 4, and by adding subdivisions; 354.66, subdivisions 2, 3, and by adding a subdivision; and 356.30, subdivision 1; Minnesota Statutes 1993 Supplement, sections 3A.02, subdivision 5; 352.22, subdivision 2; 352.93, subdivision 2a; 352.96, subdivision 4; 352B.08, subdivision 2a; 353.01, subdivisions 10, 12a, 16, and 28; 353.017, subdivisions 1, 3, and by adding subdivisions; 353.27, subdivision 7; 353.37, subdivisions 1, 2, and 4; 353.65, subdivision 3a; 353A.08, subdivision 3; 354.05, subdivision 8; and 354.46, subdivisions 1 and 5; proposing coding for new law in Minnesota Statutes, chapters 354; 356; and 423A; repealing Minnesota Statutes 1992, sections 352.15, subdivision 2; 352D.09, subdivision 6; 354.05, subdivisions 15 and 29; 354.43, subdivision 3; 354.57; 354.65; and 356.18.

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 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Krueger	Neary	Rest	Tunheim
Anderson, R.	Delmont	Hugoson	Lasley	Nelson	Rhodes	Van Dellen
Asch	Dempsey	Huntley	Leppik	Ness	Rice	Van Engen
Battaglia	Dorn	Jacobs	Lieder	Olson, E.	Rodosovich	Vellenga
Bauerly	Erhardt	Jaros	Long	Olson, K.	Rukavina	Vickerman
Beard	Evans	Jefferson	Lourey	Onnen	Sarna	Wagenius
Bergson	Farrell	Jennings	Luther	Opatz	Seagren	Waltman
Bertram	Finseth	Johnson, A.	Lynch	Orenstein	Sekhon	Weaver
Bettermann	Frerichs	Johnson, R.	Macklin	Orfield	Simoneau	Wejzman
Bishop	Garcia	Johnson, V.	Mahon	Osthoff	Skoglund	Wenzel
Brown, K.	Girard	Kahn	Mariani	Ostrom	Smith	Wolf
Carlson	Goodno	Kalis	McCollum	Ozment	Solberg	Worke
Carruthers	Greenfield	Kelley	McGuire	Pauly	Stanius	Workman
Clark	Greiling	Kelso	Milbert	Pawlenty	Steensma	Spk. Anderson, I.
Commers	Gruenes	Kinkel	Molnau	Pelowski	Sviggum	
Cooper	Gutknecht	Klinzing	Morrison	Perlt	Swenson	
Dauner	Hasskamp	Knickerbocker	Mosel	Peterson	Tomassoni	
Davids	Haukoos	Koppendrayner	Munger	Pugh	Tompkins	
Dawkins	Hausman	Krinkie	Murphy	Reding	Trimble	

Those who voted in the negative were:

Knight	Limmer	Lindner	Olson, M.
--------	--------	---------	-----------

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. 423, A bill for an act relating to health; clean indoor air act; adding common areas of apartments to public places where smoking is prohibited; amending Minnesota Statutes 1992, section 144.413, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Garcia moved that the House concur in the Senate amendments to H. F. No. 423 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 423, A bill for an act relating to health; clean indoor air act; adding common areas of apartments to public places where smoking is prohibited; amending Minnesota Statutes 1992, section 144.413, 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 111 yeas and 21 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Jacobs	Lieder	Neary	Peterson	Swenson
Asch	Dorn	Jefferson	Limmer	Nelson	Pugh	Tomassoni
Battaglia	Erhardt	Jennings	Long	Ness	Reding	Trimble
Bauerly	Evans	Johnson, A.	Lourey	Olson, E.	Rest	Tunheim
Beard	Farrell	Johnson, R.	Luther	Olson, K.	Rhodes	Van Dellen
Bergson	Frerichs	Johnson, V.	Lynch	Olson, M.	Rice	Van Engen
Bertram	Garcia	Kahn	Macklin	Onnen	Rodosovich	Vellenga
Bettermann	Goodno	Kalis	Mahon	Opatz	Rukavina	Vickerman
Brown, K.	Greenfield	Kelley	Mariani	Orenstein	Sarna	Wagenius
Carlson	Greiling	Kelso	McCollum	Orfield	Seagren	Waltman
Carruthers	Gruenes	Kinkel	McGuire	Ostrom	Sekhon	Weaver
Clark	Hasskamp	Klinzing	Molnau	Ozment	Simoneau	Wejcman
Commers	Haukoos	Knickerbocker	Morrison	Pauly	Skoglund	Wenzel
Cooper	Hausman	Krueger	Mosel	Pawlenty	Solberg	Winter
Dauner	Holsten	Lasley	Munger	Pelowski	Stanisus	Spk. Anderson, I.
Dawkins	Huntley	Leppik	Murphy	Perlt	Steensma	

Those who voted in the negative were:

Anderson, R.	Dempsey	Gutknecht	Knight	Lindner	Smith	Wolf
Davids	Finseth	Hugoson	Koppendrayner	Milbert	Sviggum	Worke
Dehler	Girard	Jaros	Krinkie	Osthoff	Tompkins	Workman

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. 664, A bill for an act relating to education; modifying certain teacher retirement programs to encourage experienced teachers to participate in job sharing; amending Minnesota Statutes 1992, sections 354.66, subdivisions 2 and 4; and 354A.094, subdivisions 3 and 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Greiling moved that the House concur in the Senate amendments to H. F. No. 664 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 664, A bill for an act relating to education; modifying the teacher retirement program to provide an incentive for experienced teachers to participate in job sharing; amending Minnesota Statutes 1992, sections 354.66, subdivisions 2 and 4; and 354A.094, subdivisions 3 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 111 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Hausman	Knickerbocker	Morrison	Perlt	Steensma
Anderson, R.	Davids	Holsten	Knight	Mosel	Peterson	Swenson
Asch	Dawkins	Huntley	Krinkie	Munger	Pugh	Tomassoni
Battaglia	Delmont	Jacobs	Krueger	Murphy	Reding	Tompkins
Bauerly	Dempsey	Jaros	Lasley	Neary	Rest	Trimble
Beard	Dorn	Jefferson	Leppik	Ness	Rhodes	Tunheim
Bergson	Erhardt	Jennings	Lieder	Olson, E.	Rice	Vellenga
Bertram	Evans	Johnson, A.	Limmer	Olson, K.	Rodosovich	Wagenius
Bishop	Farrell	Johnson, R.	Long	Opatz	Rukavina	Waltman
Brown, C.	Finseth	Johnson, V.	Lourey	Orenstein	Sarna	Weaver
Brown, K.	Garcia	Kahn	Luther	Orfield	Seagren	Wejzman
Carlson	Goodno	Kalis	Macklin	Ostrom	Sekhon	Wenzel
Carruthers	Greenfield	Kelley	Mariani	Ozment	Simoneau	Winter
Clark	Greiling	Kelso	McCollum	Pauly	Skoglund	Workman
Commers	Gruenes	Kinkel	McGuire	Pawlenty	Smith	Spk. Anderson, I.
Cooper	Hasskamp	Klinzing	Milbert	Pelowski	Solberg	

Those who voted in the negative were:

Bettermann	Gutknecht	Lindner	Nelson	Stanis	Vickerman
Dehler	Haukoos	Lynch	Olson, M.	Svigum	Wolf
Frerichs	Hugoson	Mahon	Onnen	Van Dellen	Worke
Girard	Koppendray	Molnau	Osthoff	Van Engen	

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. 1901, A bill for an act relating to local government; permitting the city of Hutchinson to incur debt for certain improvements; authorizing a reverse referendum on the issuance of city bonds.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Ness moved that the House concur in the Senate amendments to H. F. No. 1901 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1901, A bill for an act relating to local government; permitting the city of Hutchinson to incur debt for certain improvements; authorizing a reverse referendum on the issuance of city bonds.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 131 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Krinkie	Mosel	Peterson	Tompkins
Anderson, R.	Dehler	Holsten	Krueger	Munger	Pugh	Trimble
Asch	Delmont	Huntley	Lasley	Murphy	Reding	Tunheim
Battaglia	Dempsey	Jacobs	Leppik	Neary	Rhodes	Van Dellen
Bauerly	Dorn	Jaros	Lieder	Nelson	Rice	Van Engen
Beard	Erhardt	Jefferson	Limmer	Ness	Rodosovich	Vellenga
Bergson	Evans	Jennings	Lindner	Olson, E.	Rukavina	Vickerman
Bertram	Farrell	Johnson, A.	Long	Olson, K.	Sarna	Wagenius
Bettermann	Finseth	Johnson, R.	Lourey	Olson, M.	Seagren	Waltman
Bishop	Frerichs	Johnson, V.	Luther	Onnen	Sekhon	Weaver
Brown, C.	Garcia	Kahn	Lynch	Opatz	Simoneau	Wejcmann
Brown, K.	Girard	Kalis	Macklin	Orenstein	Skoglund	Wenzel
Carlson	Goodno	Kelley	Mahon	Orfield	Smith	Winter
Carruthers	Greenfield	Kelso	Mariani	Osthoff	Solberg	Wolf
Clark	Greiling	Kinkel	McCollum	Ostrom	Stanis	Worke
Commers	Gruenes	Klinzing	McGuire	Ozment	Steensma	Workman
Cooper	Gutknecht	Knickerbocker	Milbert	Pauly	Sviggum	Spk. Anderson, I.
Dauner	Hasskamp	Knight	Molnau	Pelowski	Swenson	
Davids	Haukoos	Koppendrayer	Morrison	Perlt	Tomassoni	

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. 2498 and 2429.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2498, A bill for an act relating to retirement; offering options of coverage for employees of the higher education board upon merger of the state university system, community college board, and technical college board; amending Minnesota Statutes 1992, sections 136E.04, by adding a subdivision; 354.66, subdivision 2; 354B.07, subdivision 1; and 354B.08; Minnesota Statutes 1993 Supplement, sections 352.01, subdivision 2b; 353.01, subdivision 2a; 354B.02, subdivision 3c; and 354B.05, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 136C; and 136E.

The bill was read for the first time.

Reding moved that S. F. No. 2498 and H. F. No. 2698, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2429, A bill for an act relating to natural resources; modifying the list of protected game birds; authorizing nonresident multiple zone antlered deer licenses; purchase of archery deer licenses after the firearms season opens; administration of contraceptive chemicals to wild animals; taking big game by handgun in a shotgun deer zone; possession of firearms in muzzle-loader only deer zones; modifying restrictions on operation of snowmobiles by minors; providing for free small game licenses for disabled veterans; undesirable exotic aquatic plants and wild animals; Eurasian wild pigs; clarifying the requirement to wear blaze orange clothing during deer season; allowing local road authorities to remove beaver dams and lodges near public roads; allowing released game birds to be

recaptured without a license; allowing use of retractable broadhead arrows in taking big game; defining tip-up to include certain mechanical devices for hooking fish; allowing nonresidents to take rough fish by harpooning; requiring the department of natural resources to share in the expense of partition fences; allowing the taking of two deer in designated counties during the 1994 and 1995 hunting seasons; abolishing the nonresident bear guide license; amending Minnesota Statutes 1992, sections 18.317, subdivisions 1, 1a, 2, 3, 4, and 5; 84.966, subdivision 1; 84.967; 84.968, subdivision 2; 84.969; 86B.401, subdivision 11; 97A.015, subdivisions 24, 45, and 52; 97A.105, subdivision 6; 97A.115, subdivision 2; 97A.441, by adding a subdivision; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.501, by adding a subdivision; 97B.031, subdivision 2; 97B.211, subdivision 2; 97B.601, subdivision 3; 97B.605; 97B.631; 97B.655, subdivision 1; 97B.701, by adding a subdivision; 97B.711, subdivision 1; 97C.321, subdivision 2; and 344.03, subdivision 1; Minnesota Statutes 1993 Supplement, sections 18.317, subdivision 3a; 84.872; 84.969, subdivisions 1 and 2; 84.9695, subdivisions 1, 8, and 10; 97B.041; 97B.071; and 97B.711, subdivision 2; Laws 1993, chapters 129, section 4, subdivision 4; and 273, section 1; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 1992, section 97A.475, subdivision 17.

The bill was read for the first time.

Milbert moved that S. F. No. 2429 and H. F. No. 2825, now on Technical General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Long was excused between the hours of 11:00 a.m. and 12:40 p.m.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. Nos. 2918, 2158 and 2227.

H. F. No. 2918 was reported to the House.

Battaglia moved to amend H. F. No. 2918 as follows:

Page 1, line 14, delete "used by" and insert "is appropriated to"

The motion prevailed and the amendment was adopted.

Finseth moved to amend H. F. No. 2918, as amended, as follows:

Page 1, line 16, delete "may" and insert "shall"

The motion prevailed and the amendment was adopted.

H. F. No. 2918, A bill for an act relating to natural resources; motor vehicles; establishing special vehicle license plates for wetlands wildlife purposes; creating the wetlands wildlife legacy account; proposing coding for new law in Minnesota Statutes, chapters 84; and 168.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Bishop	Carlson	Commers	Davids
Anderson, R.	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Asch	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler

Delmont	Haukoos	Kinkel	Mahon	Onnen	Rukavina	Van Dellen
Dempsey	Hausman	Klinzing	Mariani	Opatz	Sarna	Van Engen
Dorn	Holsten	Knickerbocker	McCollum	Orenstein	Seagren	Vickerman
Erhardt	Hugoson	Knight	McGuire	Orfield	Sekhon	Wagenius
Evans	Huntley	Koppendrayner	Milbert	Osthoft	Simoneau	Waltman
Farrell	Jacobs	Krinkie	Molnau	Ostrom	Skoglund	Weaver
Finseth	Jaros	Krueger	Morrison	Ozment	Smith	Wejcman
Frerichs	Jefferson	Lasley	Mosel	Pauly	Solberg	Wenzel
Garcia	Jennings	Leppik	Munger	Pawlenty	Stanius	Winter
Girard	Johnson, A.	Lieder	Murphy	Perlt	Steensma	Wolf
Goodno	Johnson, R.	Limmer	Neary	Peterson	Sviggum	Worke
Greenfield	Johnson, V.	Lindner	Nelson	Pugh	Swenson	Workman
Greiling	Kahn	Lourey	Ness	Reding	Tomassoni	Spk. Anderson, I.
Gruenes	Kalis	Luther	Olson, E.	Rhodes	Tompkins	
Gutknecht	Kelley	Lynch	Olson, K.	Rice	Trimble	
Hasskamp	Kelso	Macklin	Olson, M.	Rodosovich	Tunheim	

The bill was passed, as amended, and its title agreed to.

H. F. No. 2158, A bill for an act relating to pollution; requiring that certain towns, cities, and counties have ordinances complying with pollution control agency rules regarding individual sewage treatment systems; requiring the agency to license sewage treatment professionals; requiring rulemaking; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 100 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Hasskamp	Knickerbocker	Munger	Rest	Van Dellen
Anderson, R.	Dauner	Haukoos	Krueger	Murphy	Rhodes	Van Engen
Asch	Dawkins	Hausman	Lasley	Neary	Rice	Vellenga
Battaglia	Delmont	Huntley	Leppik	Ness	Rodosovich	Weaver
Bauerly	Dempsey	Jacobs	Lieder	Olson, E.	Rukavina	Wejcman
Beard	Dorn	Jaros	Limmer	Opatz	Sarna	Wenzel
Bergson	Erhardt	Jefferson	Lourey	Orenstein	Seagren	Wolf
Bertram	Evans	Jennings	Luther	Orfield	Sekhon	Worke
Bishop	Farrell	Johnson, A.	Lynch	Ostrom	Simoneau	Workman
Brown, C.	Frerichs	Johnson, V.	Mahon	Ozment	Skoglund	Spk. Anderson, I.
Brown, K.	Garcia	Kahn	Mariani	Pauly	Smith	
Carlson	Girard	Kalis	McCollum	Pawlenty	Solberg	
Carruthers	Goodno	Kelley	McGuire	Perlt	Swenson	
Clark	Greiling	Kelso	Milbert	Pugh	Tomassoni	
Commers	Gutknecht	Kinkel	Mosel	Reding	Trimble	

Those who voted in the negative were:

Dauids	Holsten	Knight	Macklin	Olson, M.	Steensma	Vickerman
Dehler	Hugoson	Koppendrayner	Molnau	Onnen	Sviggum	Waltman
Finseth	Johnson, R.	Krinkie	Nelson	Peterson	Tompkins	Winter
Gruenes	Klinzing	Lindner	Olson, K.	Stanius	Tunheim	

The bill was passed and its title agreed to.

H. F. No. 2227, A bill for an act relating to electric currents in earth; requiring the public utilities commission to appoint a team of science advisors; mandating scientific framing of research questions; providing for studies of stray

voltage and the effects of earth as a conductor of electricity; requiring scientific peer review of findings and conclusions; providing for a report to the public utilities commission; appropriating money.

The bill was read for the third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krinkie	Munger	Peterson	Tomassoni
Anderson, R.	Dehler	Hugoson	Krueger	Murphy	Pugh	Tompkins
Asch	Delmont	Huntley	Lasley	Neary	Reding	Trimble
Battaglia	Dempsey	Jacobs	Leppik	Nelson	Rest	Tunheim
Bauerly	Dorn	Jaros	Lieder	Ness	Rhodes	Van Dellen
Beard	Erhardt	Jefferson	Limmer	Olson, E.	Rice	Van Engen
Bergson	Evans	Jennings	Lindner	Olson, K.	Rodosovich	Vellenga
Bertram	Farrell	Johnson, A.	Lourey	Olson, M.	Rukavina	Vickerman
Bettermann	Finseth	Johnson, R.	Luther	Ornen	Sarna	Wagenius
Bishop	Frerichs	Johnson, V.	Lynch	Opatz	Seagren	Waltman
Brown, C.	Garcia	Kahn	Macklin	Orenstein	Sekhon	Weaver
Brown, K.	Girard	Kalis	Mahon	Orfield	Simoneau	Wejcman
Carlson	Goodno	Kelley	Mariani	Osthoff	Skoglund	Wenzel
Carruthers	Greiling	Kelso	McCollum	Ostrom	Smith	Winter
Clark	Gruenes	Kinkel	McGuire	Ozment	Solberg	Wolf
Commers	Gutknecht	Klinzing	Milbert	Pauly	Stanis	Worke
Cooper	Hasskamp	Knickerbocker	Molnau	Pawlenty	Steensma	Workman
Dauner	Haukoos	Knight	Morrison	Pelowski	Swiggum	Spk. Anderson, I.
Davids	Hausman	Koppendrayner	Mosel	Perlt	Swenson	

The bill was passed and its title agreed to.

SPECIAL ORDERS

S. F. No. 2500 was reported to the House.

Trimble moved that S. F. No. 2500 be continued on Special Orders until Monday, April 25, 1994. The motion prevailed.

H. F. No. 2651 was reported to the House.

Pursuant to rule 1.09 relating to the continuing of bills on Special Orders, H. F. No. 2651 was returned to General Orders.

S. F. No. 2467 was reported to the House.

Tunheim moved to amend S. F. No. 2467 as follows:

Page 1, line 16, strike "19.5" and insert "24"

Page 1, line 17, reinstate the stricken language and delete the underscored language

A roll call was requested and properly seconded.

The question was taken on the Tunheim amendment and the roll was called. There were 18 yeas and 109 nays as follows:

Those who voted in the affirmative were:

Carlson	Finseth	Kalis	Olson, E.	Perlt	Solberg
Dawkins	Hasskamp	Lieder	Olson, K.	Rodosovich	Tunheim
Evans	Jaros	Milbert	Opatz	Rukavina	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Dehler	Hugoson	Krueger	Munger	Pugh	Trimble
Anderson, R.	Delmont	Huntley	Lasley	Murphy	Reding	Van Dellen
Asch	Dempsey	Jacobs	Leppik	Neary	Rest	Van Engen
Battaglia	Dorn	Jefferson	Limmer	Nelson	Rhodes	Vickerman
Beard	Erhardt	Johnson, A.	Lindner	Ness	Sarna	Wagenius
Bergson	Frerichs	Johnson, R.	Lourey	Olson, M.	Seagren	Waltman
Bertram	Garcia	Johnson, V.	Luther	Ornen	Sekhon	Weaver
Bettermann	Girard	Kahn	Lynch	Orenstein	Simoneau	Wejcman
Bishop	Goodno	Kelley	Macklin	Orfield	Skoglund	Wenzel
Brown, C.	Greenfield	Kelso	Mahon	Osthoff	Smith	Winter
Brown, K.	Greiling	Kinkel	Mariani	Ostrom	Stanisus	Wolf
Clark	Gruenes	Klinzing	McCollum	Ozment	Steensma	Worke
Commers	Gutknecht	Knickerbocker	McGuire	Pauly	Sviggum	Workman
Cooper	Haukoos	Knight	Molnau	Pawlenty	Swenson	
Dauner	Hausman	Koppendrayner	Morrison	Pelowski	Tomassoni	
Davids	Holsten	Krinkie	Mosel	Peterson	Tompkins	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

S. F. No. 2467, A bill for an act relating to game and fish; modifying size limits for walleye; changing the boundary of the West Central Goose Zone; amending Minnesota Statutes 1993 Supplement, section 97C.401, 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 3 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Greiling	Kahn	Lourey	Ness	Pugh
Anderson, R.	Dauner	Gruenes	Kalis	Luther	Olson, E.	Reding
Asch	Davids	Gutknecht	Kelley	Lynch	Olson, K.	Rest
Battaglia	Dawkins	Hasskamp	Kelso	Macklin	Olson, M.	Rhodes
Bauerly	Delmont	Haukoos	Kinkel	Mahon	Ornen	Rodosovich
Beard	Dempsey	Hausman	Klinzing	Mariani	Opatz	Rukavina
Bergson	Dorn	Holsten	Knickerbocker	McCollum	Orenstein	Sarna
Bertram	Erhardt	Hugoson	Knight	McGuire	Orfield	Seagren
Bettermann	Evans	Huntley	Koppendrayner	Milbert	Osthoff	Sekhon
Bishop	Farrell	Jacobs	Krinkie	Molnau	Ostrom	Simoneau
Brown, C.	Finseth	Jaros	Krueger	Morrison	Ozment	Skoglund
Brown, K.	Frerichs	Jefferson	Lasley	Mosel	Pauly	Smith
Carlson	Garcia	Jennings	Leppik	Munger	Pawlenty	Solberg
Carruthers	Girard	Johnson, A.	Lieder	Murphy	Pelowski	Steensma
Clark	Goodno	Johnson, R.	Limmer	Neary	Perlt	Sviggum
Commers	Greenfield	Johnson, V.	Lindner	Nelson	Peterson	Swenson

Tomassoni	Tunheim	Vickerman	Weaver	Winter	Spk. Anderson, I.
Tompkins	Van Dellen	Wagenius	Wejcman	Wolf	
Trimble	Van Engen	Waltman	Wenzel	Workman	

Those who voted in the negative were:

Dehler	Stanisus	Worke
--------	----------	-------

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today:

S. F. No. 1930; H. F. No. 1918; S. F. Nos. 2642 and 1948; H. F. No. 3179; and S. F. No. 609.

SPECIAL ORDERS, Continued

S. F. No. 1930, A bill for an act relating to human services; mental health grants; rules concerning psychopathic personalities; treatment for alcohol, drug abuse, and chemical dependency; stepparent income standards under aid to families with dependent children; child support incentives; medical assistance for needy persons; state and county social service plans; organ and tissue transplants; family preservation; commissioner's reports; group residential housing payments and agreements; and paternity proceedings; amending Minnesota Statutes 1992, sections 245.696, subdivision 2; 254A.02, subdivision 11; 254B.04, subdivision 1; 254B.05, subdivision 1; 256.74, subdivision 1a; 256B.69, subdivision 4; 256E.04; 256E.09, subdivision 3; 256H.24; and 257.60; Minnesota Statutes 1993 Supplement, sections 246B.04; 256.979, subdivision 8; 256B.0629, subdivisions 3 and 4; 256F.11, subdivision 3; and 256I.04, subdivisions 1a and 2a; repealing Minnesota Statutes 1992, section 254A.16, subdivisions 3 and 4; Laws 1993, chapter 337, section 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 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Koppendraye	Mosel	Perlt	Swenson
Anderson, R.	Dehler	Holsten	Krinkie	Munger	Peterson	Tomassoni
Asch	Delmont	Hugoson	Krueger	Murphy	Pugh	Tompkins
Battaglia	Dempsey	Huntley	Lasley	Neary	Reding	Trimble
Bauerly	Dorn	Jacobs	Leppik	Nelson	Rest	Tunheim
Beard	Erhardt	Jaros	Lieder	Ness	Rhodes	Van Dellen
Bergson	Evans	Jefferson	Limmer	Olson, E.	Rice	Van Engen
Bertram	Farrell	Jennings	Lindner	Olson, K.	Rodosovich	Vickerman
Bettermann	Finseth	Johnson, A.	Lourey	Olson, M.	Rukavina	Wagenius
Bishop	Frerichs	Johnson, R.	Luther	Ornen	Sarna	Waltman
Brown, C.	Garcia	Johnson, V.	Lynch	Opatz	Seagren	Weaver
Brown, K.	Girard	Kahn	Macklin	Orenstein	Sekhon	Wejcman
Carlson	Goodno	Kalis	Mahon	Orfield	Simoneau	Wenzel
Carruthers	Greenfield	Kelley	Mariani	Osthoff	Skoglund	Winter
Clark	Greiling	Kelso	McCollum	Ostrom	Smith	Wolf
Commers	Gruenes	Kinkel	McGuire	Ozment	Solberg	Worke
Cooper	Gutknecht	Klinzing	Milbert	Pauly	Stanisus	Workman
Dauner	Hasskamp	Knickerbocker	Molnau	Pawlenty	Steensma	Spk. Anderson, I.
Davids	Haukoos	Knight	Morrison	Pelowski	Sviggum	

The bill was passed and its title agreed to.

H. F. No. 1918, A bill for an act relating to licensing; requiring the bureau of business licenses to expand services of the bureau; requiring a report to the governor and the legislature.

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 8 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Haukoos	Koppendrayner	Mosel	Perlt	Swenson
Anderson, R.	Dehler	Hausman	Krueger	Munger	Peterson	Tomassoni
Asch	Delmont	Holsten	Lasley	Murphy	Pugh	Tompkins
Battaglia	Dempsey	Huntley	Leppik	Neary	Reding	Trimble
Bauerly	Dorn	Jacobs	Lieder	Nelson	Rest	Tunheim
Beard	Erhardt	Jaros	Limmer	Ness	Rhodes	Van Dellen
Bergson	Evans	Jefferson	Lindner	Olson, E.	Rice	Vellenga
Bertram	Farrell	Jennings	Lourey	Olson, K.	Rodosovich	Vickerman
Bishop	Finseth	Johnson, A.	Luther	Onnen	Rukavina	Wagenius
Brown, C.	Frerichs	Johnson, R.	Lynch	Opatz	Sarna	Waltman
Brown, K.	Garcia	Johnson, V.	Macklin	Orenstein	Seagren	Weaver
Carlson	Girard	Kahn	Mahon	Orfield	Sekhon	Wejcman
Carruthers	Goodno	Kalis	Mariani	Osthoff	Simoneau	Wenzel
Clark	Greenfield	Kelley	McCollum	Ostrom	Skoglund	Winter
Commers	Greiling	Kelso	McGuire	Ozment	Smith	Wolf
Cooper	Gruenes	Kinkel	Milbert	Pauly	Solberg	Worke
Dauner	Gutknecht	Klinzing	Molnau	Pawlenty	Steensma	Spk. Anderson, I.
Davids	Hasskamp	Knickerbocker	Morrison	Pelowski	Sviggum	

Those who voted in the negative were:

Bettermann	Knight	Olson, M.	Van Engen
Hugoson	Krinkie	Stanius	Workman

The bill was passed and its title agreed to.

S. F. No. 2642 was reported to the House.

Dawkins moved to amend S. F. No. 2642 as follows:

Page 6, after line 8, insert:

"Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

The motion prevailed and the amendment was adopted.

S. F. No. 2642, as amended, was read for the third time.

Dawkins moved that S. F. No. 2642, as amended, be continued on Special Orders. The motion prevailed.

S. F. No. 1948 was reported to the House.

Winter moved that S. F. No. 1948 be continued on Special Orders. The motion prevailed.

H. F. No. 3179 was reported to the House.

Munger moved to amend H. F. No. 3179, the first engrossment, as follows:

Page 1, after line 10, insert:

"Section 1. [84.947] [WETLANDS WILDLIFE LEGACY ACCOUNT.]

Subdivision 1. [ACCOUNT ESTABLISHED.] The wetlands wildlife legacy account is created in the state treasury.

Subd. 2. [REVENUE FROM SPECIAL VEHICLE LICENSE PLATES.] Revenue from the \$30 contribution made under section 168.1296 must be credited to the wetlands wildlife legacy account and is appropriated to the commissioner for the purposes of this section.

Subd. 3. [USE OF ACCOUNT MONEY.] Money in the wetlands wildlife legacy account shall be used for acquiring, preserving, enhancing, restoring, establishing, and managing wetlands for the benefit of wildlife and for the management of migratory waterfowl and other wetlands wildlife."

Page 11, after line 25, insert:

"Sec. 10. [168.1296] [SPECIAL WETLANDS WILDLIFE LEGACY LICENSE PLATES.]

Subdivision 1. [GENERAL REQUIREMENTS AND PROCEDURES.] The commissioner of public safety shall issue special wetlands wildlife legacy license plates to an applicant who:

- (1) is an owner or joint owner of a passenger automobile, pickup truck, or van;
- (2) pays a fee determined by the commissioner to cover the costs of handling and manufacturing the plates;
- (3) pays the registration tax required under section 168.12;
- (4) pays the fees required under this chapter;
- (5) contributes \$30 annually to the wetlands wildlife legacy account established in section 84.947; and
- (6) complies with laws and rules governing registration and licensing of vehicles and drivers.

Subd. 2. [DESIGN.] After consultation with interested groups, the commissioners of natural resources and public safety shall jointly select a suitable symbol representing Minnesota wetlands wildlife for use by the commissioner of public safety to design the special plates.

Subd. 3. [NO REFUND.] Contributions under this section must not be refunded.

Subd. 4. [PLATE TRANSFERS.] Notwithstanding section 168.12, subdivision 1, on payment of a transfer fee of \$5, plates issued under this section may be transferred to another passenger automobile, pickup truck, or van owned or jointly owned by the person to whom the special plates were issued.

Subd. 5. [CONTRIBUTION AND FEES CREDITED.] The \$30 contribution collected under this section must be credited to the wetlands wildlife legacy account. The fees collected under this section must be deposited in the highway user tax distribution fund. Fees collected under this section do not include the contributions collected for the wetlands wildlife legacy account.

Subd. 6. [RECORD.] The commissioner shall maintain a record of the number of special plates issued under this section."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Finseth; Johnson, R.; Tunheim and Lieder moved to amend H. F. No. 3179, the first engrossment, as amended, as follows:

Page 1, after line 10, insert:

"Section 1. Minnesota Statutes 1992, section 103F.516, subdivision 1, is amended to read:

Subdivision 1. [EASEMENTS.] Upon application by a landowner, the board may acquire permanent easements on land containing type 1, 2, ~~or 3,~~ or 6 wetlands, as defined in United States Fish and Wildlife Service Circular No. 39 (1971 edition)."

Page 5, line 7, after "2" insert "or 6"

Renumber the sections in sequence and correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Finseth et al amendment and the roll was called. There were 66 yeas and 63 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Hugoson	Krinkie	Ness	Rhodes	Van Engen
Bertram	Erhardt	Jennings	Leppik	Olson, E.	Rodosovich	Vickerman
Bettermann	Finseth	Johnson, R.	Lieder	Olson, K.	Seagren	Waltman
Bishop	Frerichs	Johnson, V.	Limmer	Olson, M.	Smith	Weaver
Brown, C.	Girard	Kalis	Lindner	Onnen	Stanius	Worke
Commers	Goodno	Kelso	Lynch	Ostrom	Sviggum	Workman
Cooper	Gruenes	Kinkel	Macklin	Pauly	Swenson	
Davids	Gutknecht	Knickerbocker	Molnau	Pawlenty	Tompkins	
Dehler	Haukoos	Knight	Morrison	Pelowski	Tunheim	
Dempsey	Holsten	Koppendrayer	Mosel	Perlt	Van Dellen	

Those who voted in the negative were:

Anderson, R.	Clark	Hausman	Krueger	Munger	Reding	Tomassoni
Asch	Dauner	Huntley	Lasley	Murphy	Rest	Trimble
Battaglia	Dawkins	Jacobs	Lourey	Neary	Rice	Vellenga
Bauerly	Delmont	Jaros	Luther	Nelson	Rukavina	Wagenius
Beard	Evans	Jefferson	Mahon	Opatz	Sarna	Wejzman
Bergson	Farrell	Johnson, A.	Mariani	Orenstein	Sekhon	Wenzel
Brown, K.	Garcia	Kahn	McCollum	Orfield	Simoneau	Winter
Carlson	Greenfield	Kelley	McGuire	Osthoff	Skoglund	Wolf
Carruthers	Greiling	Klinzing	Milbert	Peterson	Steensma	Spk. Anderson, I.

The motion prevailed and the amendment was adopted.

H. F. No. 3179, A bill for an act relating to waters; preservation of wetlands; creating the wetlands wildlife legacy account; modifying easements; drainage and filling for public roads; defining terms; board action on local government plans; action on approval of replacement plans; computation of value; establishing special vehicle license plates for wetlands wildlife purposes; amending Minnesota Statutes 1992, sections 103F.516, subdivision 1; 103G.2242, subdivisions 1, 5, 6, 7, and 8; and 103G.237, subdivision 4; Minnesota Statutes 1993 Supplement, sections 103G.222; and 103G.2241; proposing coding for new law in Minnesota Statutes, chapters 84; and 168.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Koppendraye	Morrison	Perlt	Swenson
Anderson, R.	Dehler	Holsten	Krinkie	Mosel	Peterson	Tomassoni
Asch	Delmont	Hugoson	Krueger	Munger	Pugh	Tompkins
Battaglia	Dempsey	Huntley	Lasley	Murphy	Reding	Trimble
Bauerly	Dorn	Jacobs	Leppik	Neary	Rest	Tunheim
Beard	Erhardt	Jaros	Lieder	Nelson	Rhodes	Van Dellen
Bergson	Evans	Jefferson	Limner	Ness	Rice	Van Engen
Bertram	Farrell	Jennings	Lindner	Olson, E.	Rodosovich	Vellenga
Bettermann	Finseth	Johnson, A.	Long	Olson, K.	Rukavina	Vickerman
Bishop	Frerichs	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Brown, C.	Garcia	Johnson, V.	Luther	Ornen	Seagren	Waltman
Brown, K.	Girard	Kahn	Lynch	Opatz	Sekhon	Weaver
Carlson	Goodno	Kalis	Macklin	Orenstein	Simoneau	Wejcman
Carruthers	Greenfield	Kelley	Mahon	Orfield	Skoglund	Wenzel
Clark	Greiling	Kelso	Mariani	Ostrom	Smith	Winter
Commers	Gruenes	Kinkel	McCollum	Ozment	Solberg	Wolf
Cooper	Gutknecht	Klinzing	McGuire	Pauly	Stanis	Worke
Dauner	Hasskamp	Knickerbocker	Milbert	Pawlenty	Steensma	Workman
Davids	Haukoos	Knight	Molnau	Pelowski	Sviggum	Spk. Anderson, I.

The bill was passed, as amended, and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bills as Special Orders to be acted upon immediately following printed Special Orders for today:

H. F. Nos. 2920, 2132, 3100, 2775 and 881; S. F. Nos. 2540 and 2690; and H. F. No. 2698.

SPECIAL ORDERS, Continued

H. F. No. 2920 was reported to the House.

Solberg moved to amend H. F. No. 2920, the second engrossment, as follows:

Page 3, line 7, after "responsibilities" insert ", equipment and office supplies"

The motion prevailed and the amendment was adopted.

H. F. No. 2920, A bill for an act relating to the environment; reestablishing the office of waste management as the office of environmental assistance; transferring environmental assistance programs from the pollution control agency to the office; transferring waste management and policy planning from the metropolitan council to the office; amending Minnesota Statutes 1992, sections 115A.03, by adding a subdivision; 115A.055; 115A.06, subdivision 2; 115A.072; 115A.12; 115A.14, subdivision 4; 115A.15, subdivision 5; 115A.411, subdivision 1; 115A.42; 115A.5501, subdivision 2; 115A.84, subdivision 3; 115A.86, subdivision 2; 115A.912, subdivision 1; 115A.96, subdivision 2; 116F.02, subdivision 2; 473.149, subdivisions 1, 3, 5, and by adding a subdivision; 473.8011; 473.803, subdivisions 2 and 4; and 473.823, subdivision 5; Minnesota Statutes 1993 Supplement, sections 115A.551, subdivision 4; 115A.96, subdivisions

3 and 4; 115A.981, subdivision 3; 473.149, subdivision 6; 473.803, subdivision 3; and 473.846; repealing Minnesota Statutes 1992, sections 115A.81, subdivision 3; 115A.914, subdivision 1; 115A.952; 116F.06, subdivisions 2, 3, 4, and 5; 116F.08; 473.181, subdivision 4; and 473.803, subdivision 1b; Minnesota Statutes 1993 Supplement, section 473.149, subdivision 4.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 100 yeas and 32 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Huntley	Krueger	Munger	Peterson	Steensma
Anderson, R.	Dawkins	Jacobs	Lasley	Murphy	Pugh	Tomassoni
Asch	Dehler	Jaros	Leppik	Neary	Reding	Trimble
Battaglia	Delmont	Jefferson	Lieder	Nelson	Rest	Tunheim
Bauerly	Dorn	Jennings	Limmer	Olson, E.	Rhodes	Vellenga
Beard	Evans	Johnson, A.	Long	Olson, K.	Rice	Wagenius
Bergson	Farrell	Johnson, R.	Lourey	Ornen	Rodosovich	Wejzman
Bertram	Finseth	Johnson, V.	Luther	Opatz	Rukavina	Wenzel
Bettermann	Garcia	Kahn	Mahon	Orenstein	Sarna	Winter
Brown, C.	Greenfield	Kalis	Mariani	Osthoff	Seagren	Spk. Anderson, I.
Brown, K.	Greiling	Kelley	McCollum	Ostrom	Sekhon	
Carlson	Gutknecht	Kelso	McGuire	Ozment	Simoneau	
Carruthers	Hasskamp	Kinkel	Milbert	Pauly	Skoglund	
Clark	Hausman	Klinzing	Morrison	Pelowski	Smith	
Cooper	Holsten	Knickerbocker	Mosel	Perlt	Solberg	

Those who voted in the negative were:

Commers	Girard	Knight	Macklin	Stanis	Van Engen	Worke
Davids	Goodno	Koppendraye	Molnau	Svigum	Vickerman	Workman
Dempsey	Gruenes	Krinkie	Ness	Swenson	Waltman	
Erhardt	Haukoos	Lindner	Olson, M.	Tompkins	Weaver	
Frerichs	Hugoson	Lynch	Pawlenty	Van Dellen	Wolf	

The bill was passed, as amended, and its title agreed to.

Carruthers moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Carruthers moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Reports of Standing Committees.

REPORTS OF STANDING COMMITTEES

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 2171, A bill for an act relating to metropolitan government; requiring the metropolitan council to adopt rules allocating comprehensive choice housing among cities and towns in the metropolitan area; requiring metropolitan council review of efforts of cities and towns to comply with the allocation; establishing penalties for noncompliance; proposing coding for new law in Minnesota Statutes, chapters 16A; and 473.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [473.202] [AFFORDABLE HOUSING.]

Subdivision 1. [POLICY; GOALS.] In order to protect and enhance the social and economic health of the metropolitan region and each community in the region, it is the legislature's policy to encourage development of a full range of housing options in every community in the metropolitan area. The legislature's goals are to: provide citizens with housing choices; remove barriers to the development of a comprehensive range of housing; create incentives for each community to develop housing that will serve residents as their income and housing needs change; reduce traffic congestion in the metropolitan area by providing people opportunities to live near their work in housing that is affordable to them; allow people to live near where jobs are being created; allow people to remain in their community as their situations and needs change; and have each community implement the housing policy and goals of the region.

Subd. 2. [DEFINITIONS.] The definitions in this subdivision apply to this section.

(a) "Affordable housing" means housing that requires households to spend no more than 30 percent of their household income on housing and housing-related expenses.

(b) "Comprehensive choice housing" means single-family and multifamily housing that is affordable for households with incomes less than or equal to 30 percent, 50 percent, and 80 percent of area median income.

(c) "Comprehensive choice housing allotment" means a city's or town's allocation of comprehensive choice housing distributed on a fair-share basis under subdivision 3.

(d) "Median income" means median household income, adjusted for family size, for the Minneapolis-St. Paul metropolitan statistical area, as determined by the federal Department of Housing and Urban Development.

(e) "Substantial compliance" means that at least 75 percent of the cities and towns in a sub-area of the metropolitan region are certified as meeting the comprehensive choice requirements under subdivision 3, paragraph (b), clause (5).

Subd. 3. [COMPREHENSIVE CHOICE HOUSING ALLOTMENT; GUIDELINES.] (a) Before July 1, 1995, the metropolitan council shall adopt guidelines for establishing comprehensive choice housing in the metropolitan urban service area and freestanding growth centers. The council shall contract with the office of administrative hearings to conduct public hearings to adopt guidelines under this subdivision. The council shall give notice at least 30 days before the hearing by publishing a notice in the State Register and mailing a notice to persons and groups who have requested notification. At the hearing, the public shall have an opportunity to give testimony and question council members and council staff.

(b) Guidelines adopted under this subdivision must:

(1) analyze the metropolitan urban service area's and freestanding growth centers' present and prospective need for comprehensive choice housing, including the need for single-family and multifamily housing for individuals and households at 30 percent, 50 percent, and 80 percent of median income. Local, state, and federal agencies shall work cooperatively with the council to identify, collect, and augment relevant data and studies without duplicating other analytical efforts;

(2) using the formula required by paragraph (c), allocate the metropolitan urban service area's and freestanding growth centers' comprehensive choice housing needs, on a fair-share basis, to cities and towns in the metropolitan urban service area and freestanding growth centers' areas;

(3) determine the extent to which each city or town has, in the past, accomplished its comprehensive choice housing allotment. For the purpose of determining substantial compliance with comprehensive choice housing allotment, full credit shall be given for current and past efforts to provide affordable housing;

(4) study and identify on a city-by-city basis, the existing barriers to comprehensive choice housing including, but not limited to, zoning requirements, development agreements, and local development practices that impose barriers to the development of comprehensive choice housing;

(5) describe actions that a city or town may take to:

(i) eliminate barriers to comprehensive choice housing;

(ii) make use of available opportunities and resources to meet the objective of providing comprehensive choice housing development; and

(iii) maintain housing affordability;

(6) establish annual review procedures, requirements, and guidelines for council review and certification of city and town compliance with the fair-share housing allocation; and

(7) establish procedures through which the council shall adopt and execute a plan to facilitate, coordinate, and, subject to its authority under sections 473.194 to 473.201, cause the development of affordable housing in all cities and towns where the supply of affordable housing is inadequate to meet the objectives under this section. Based on the factors in clause (2), the plan shall prioritize the proposed development of affordable comprehensive choice housing in inverse proportion to the percentage of available low- and moderate-income affordable housing in each respective city or town.

(c) Using the most current and reliable information available, the council shall develop, as required by paragraph (b), clause (2), a formula for allocating the metropolitan area's comprehensive choice housing needs to cities and towns within the metropolitan urban service area and to freestanding growth centers. The formula developed by the council shall include the following factors:

(1) distribution of housing units by value or rent and the proportion of those units affordable to households with incomes at or below 30 percent, 50 percent, and 80 percent of median income considering housing tenure, type, and availability;

(2) income distribution of households considering the number of households with incomes that are 30 percent, 50 percent, and 80 percent of median income, and the proportion of those households paying more than 30 percent of their household income on housing and housing-related expenses;

(3) job base, considering those jobs that provide employment opportunities for lower-income households and the ratio of jobs to households;

(4) future development potential considering vacant land, the council's forecasts of households and employment, and the annual deviation from the council's forecasts resulting from variation in overall housing construction in the metropolitan area;

(5) future redevelopment potential in cities and towns with inadequate supplies of vacant land to meet their allocation needs, considering age and value of housing, and redevelopment plans of cities and towns; and

(6) cities' and towns' current and past efforts to provide and sanction housing or housing assistance for low-income households.

Sec. 2. [APPLICATION.]

Section 1 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to metropolitan government; requiring the metropolitan council to adopt guidelines allocating comprehensive choice housing among cities and towns in the metropolitan area; requiring metropolitan council review of efforts of cities and towns to comply with the allocation; proposing coding for new law in Minnesota Statutes, chapter 473."

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2243, A bill for an act relating to employment; restoring the purchasing power of a minimum wage salary; amending Minnesota Statutes 1992, section 177.24, subdivision 1.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2525, A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring administrative rulemaking; setting timelines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; establishing and regulating health care cooperatives; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.15, subdivision 1; 62A.303; 62A.48, subdivision 1; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 16, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.08, subdivisions 2, 5, 6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 144.1485; 144.581, subdivision 2; 145.64, subdivision 1; 256.9358, subdivision 4; 290.092, subdivision 2; 295.50, by adding subdivisions; 295.55, subdivisions 2 and 3; and 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.31, subdivision 1h; 62A.36, subdivision 1; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivision 2; 62J.2916, subdivision 2; 62J.32, subdivision 4; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, subdivision 11, and by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 19, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 80A.15, subdivision 2; 144.1464; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9354, subdivision 5, and by adding a subdivision; 256.9363, subdivisions 6, 7, and 9; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, and 12b; 295.52, subdivision 5; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; Laws 1992, chapter 549, article 9, section 22; proposing coding for new law in Minnesota Statutes, chapters 43A; 62A; 62J; 62N; 62P; 144; 317A; proposing coding for new law as Minnesota Statutes, chapters 62Q; and 308B; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16.

Reported the same back with the following amendments:

Page 125, after line 4, insert:

"(c) Notwithstanding any law to the contrary, no further enrollment in MinnesotaCare, and no additional hiring of staff for the department of human services and the department of health shall take place after September 30, 1995, unless a plan to balance the MinnesotaCare budget for the 1996-1997 biennium has been passed by the 1995 legislature."

Page 210, line 2, delete "6" and insert "8"

Page 210, line 7, delete "6" and insert "8"

Page 211, after line 24, insert:

"General Fund	-0-	\$4,579,000"
---------------	-----	--------------

Page 211, line 25, delete "18,527,000" and insert "16,820,000"

Page 211, delete lines 26 and 27

Page 212, line 9, delete "1,740,000" and insert "3,447,000"

Page 212, delete lines 10 and 11

Page 212, delete lines 31 to 43

Page 212, line 44, delete "Sec. 3." and insert "Sec. 2."

Page 213, line 1, after the period, insert "Of the amount transferred in fiscal year 1995, \$4,579,000 is appropriated to the commissioner of human services for general assistance medical care grants."

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 2951, A bill for an act relating to health care financing; establishing a health care access reserve account; transferring money.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3041, A bill for an act relating to metropolitan government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money; amending Minnesota Statutes 1992, sections 423A.02, subdivision 1; 423B.01, subdivision 9; 423B.15, subdivision 3; 473.551; 473.552; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Laws 1989, chapter 319, article 19, section 7, subdivisions 1, as amended, and 4, as amended; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571.

Reported the same back with the following amendments:

Page 26, line 27, after "revenues" insert ", minus the amount to be retained by the city of Minneapolis, as calculated in subclause (iv) below,"

Page 26, line 31, delete "outside of Minneapolis" and after the period, insert "Before money is transmitted to the state treasury under clause (2):"

(i) the commissioner of finance must determine the amount of money that the amateur sports commission has spent for programs in the city of Minneapolis, as a percentage of the total amount of money spent by the amateur sports commission for programs of the commission, not counting appropriations for purposes of the lease entered into under section 473.556, subdivision 16;

(ii) the commissioner of finance must determine the population of the city of Minneapolis, as a percentage of the state population based on the most recent federal census;

(iii) the commissioner must determine and certify to the city of Minneapolis the amount of additional money the amateur sports commission would need to spend on programs in Minneapolis so that the percentage calculated in subclause (i) would equal the percentage in subclause (ii); and

(iv) the city of Minneapolis must subtract from the amount otherwise payable to the state general fund under clause (2), and retain in the city treasury, the amount calculated under subclause (iii)."

Page 35, line 30, after "commission" insert ", the city of Minneapolis or the Minneapolis community development agency, or any or all of them, as the commission may deem appropriate,"

Page 35, line 35, delete "between" and insert "with"

Page 35, line 36, delete "organizations and the commission" and insert "organization"

Page 36, line 1, after "termination" insert "of the use of the basketball and hockey arena"

Page 36, line 2, after the period, insert "The agreements shall afford to the commission, the city of Minneapolis, or the Minneapolis community development agency, or each or all of them, as the commission deems appropriate, the remedies that are deemed necessary and appropriate to provide reasonable assurances that the major league professional basketball organization or another major league professional basketball organization shall comply with the agreements. The remedies may include the payment of liquidated damages equivalent to direct and consequential damages incurred by reason of the breach of the agreements or the alternative remedies or security arrangements as the commission reasonably determines to be as or more effective in accomplishing the purposes of this paragraph."

Page 36, delete lines 3 to 22

Page 36, line 23, delete everything before "The"

Page 36, line 32, delete "include"

Page 36, line 33, delete "provisions to protect the commission and the council" and insert "address contingencies that may arise"

Page 36, line 35, delete "agreement" and insert "agreements" and after "organization" insert "for the use of the basketball and hockey arena"

With the recommendation that when so amended the bill pass.

The report was adopted.

Solberg from the Committee on Ways and Means to which was referred:

H. F. No. 3220, A bill for an act relating to taxation; increasing individual income tax rates; repealing the gross revenues tax on hospitals, surgical centers, health care providers, pharmacies, and wholesale drug distributors; amending Minnesota Statutes 1992, section 290.06, subdivisions 2c and 2d; and 290.62; Minnesota Statutes 1993 Supplement, sections 62P.04, subdivision 1; 214.16, subdivision 3; and 270B.01, subdivision 8; repealing Minnesota Statutes 1992, sections 295.50, as amended; 295.51, as amended; 295.52, as amended; 295.53, as amended; and 295.55, as amended; Minnesota Statutes 1993 Supplement, sections 144.1484, subdivision 2; 295.54; 295.57; 295.58; 295.582; and 295.59.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

House Resolution No. 12, A house resolution expressing support for the Household Eco Team Program on Earth Day, 1994.

Reported the same back with the recommendation that the resolution be adopted.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. Nos. 2171, 2243, 2525, 2951, 3041 and 3220 were read for the second time.

MOTIONS AND RESOLUTIONS

Greenfield moved that the name of Ostrom be added as an author on H. F. No. 3220. The motion prevailed.

Mosel moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Wednesday, April 20, 1994, when the vote was taken on the repassage of H. F. No. 228, as amended by the Senate." The motion prevailed.

Mosel moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Wednesday, April 20, 1994, when the vote was taken on the repassage of H. F. No. 2148, as amended by the Senate." The motion prevailed.

Wejcman moved that S. F. No. 1961 be recalled from the Committee on Judiciary and together with H. F. No. 2985, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

Pawlenty moved that H. F. No. 2758 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. 584:

Pugh, Sekhon and Rhodes.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1788:

Wagenius, McCollum, Sekhon, Pauly and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2303:

Ostrom; Johnson, V., and Olson, K.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2393:

Jefferson; Evans; Greiling; Brown, K., and Knickerbocker.

The Speaker announced the following change in membership of the Conference Committee on S. F. No. 1662:

Delete the name of Rukavina. Add the name of Bishop.

CERTIFICATION

April 21, 1994

To the Governor
State of Minnesota

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 Thursday, April 21, 1994, have elected as a member of the Board of Regents of the University of Minnesota the following member to hold her respective office for the remainder of the term of Ann Wynia to expire in 1997:

Hyon T. Kim, Fourth Congressional District.

ALLAN H. SPEAR
President of the Senate

IRV ANDERSON
Speaker of the House
of Representatives

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 10:00 a.m., Friday, April 22, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 10:00 a.m., Friday, April 22, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

NINETY-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 22, 1994

The House of Representatives convened at 10:00 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

Abrams	Dawkins	Hausman	Krinkie	Mosel	Perlt	Swenson
Anderson, R.	Dehler	Holsten	Krueger	Munger	Peterson	Tomassoni
Asch	Delmont	Hugoson	Lasley	Murphy	Pugh	Tompkins
Battaglia	Dempsey	Huntley	Leppik	Neary	Reding	Trimble
Bauerly	Dorn	Jacobs	Lieder	Nelson	Rest	Tunheim
Beard	Erhardt	Jaros	Limmer	Ness	Rhodes	Van Dellen
Bergson	Evans	Jefferson	Lindner	Olson, E.	Rice	Van Engen
Bertram	Farrell	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Bettermann	Finseth	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bishop	Frerichs	Johnson, V.	Luther	Onnen	Sarna	Wagenius
Brown, C.	Garcia	Kahn	Lynch	Opatz	Seagren	Waltman
Brown, K.	Girard	Kalis	Macklin	Orenstein	Sekhon	Weaver
Carlson	Goodno	Kelley	Mahon	Orfield	Simoneau	Wejcman
Carruthers	Greenfield	Kelso	Mariani	Osthoff	Skoglund	Wenzel
Clark	Greiling	Kinkel	McCollum	Ostrom	Smith	Winter
Commers	Gruenes	Klinzing	McGuire	Ozment	Solberg	Wolf
Cooper	Gutknecht	Knickerbocker	Milbert	Pauly	Stanis	Worke
Dauner	Hasskamp	Knight	Molnau	Pawlenty	Steensma	Workman
Davids	Haukoos	Koppendraye	Morrison	Pelowski	Sviggum	Spk. Anderson, I.

A quorum was present.

Jennings was excused until 11:30 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Winter moved that further reading of the Journal be dispensed with and that the Journal be approved as corrected by the Chief Clerk. The motion prevailed.

REPORTS OF CHIEF CLERK

S. F. No. 1961 and H. F. No. 2985, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wejcman moved that the rules be so far suspended that S. F. No. 1961 be substituted for H. F. No. 2985 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2429 and H. F. No. 2825, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Milbert moved that the rules be so far suspended that S. F. No. 2429 be substituted for H. F. No. 2825 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2498 and H. F. No. 2698, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Reding moved that the rules be so far suspended that S. F. No. 2498 be substituted for H. F. No. 2698 and that the House File be indefinitely postponed. The motion prevailed.

REPORTS OF STANDING COMMITTEES

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

H. F. No. 3227, A bill for an act proposing an amendment to the Minnesota Constitution, article X, section 8; authorizing off-track betting on horse racing; requiring a report to the legislature.

Reported the same back with the recommendation that the bill pass.

The report was adopted.

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 103, A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling; prescribing the powers and duties of licensees and the board; giving the gambling control board director cease and desist authority for violations of board rules; adding restrictions for bingo halls, distributors, and manufacturers; providing more flexibility in denying a license application to ensure the integrity of the lawful gambling industry; strengthening the gambling control board's enforcement ability by increasing licensing requirements; establishing the combined receipts tax as a lawful purpose expenditure; expanding definition of lawful purpose to include certain senior citizen activities, certain real estate taxes and assessments, and wildlife management projects; prohibiting the use of lawful purpose contributions by local governmental units in pension or retirement funds; exempting organizations with gross receipts of \$50,000 or less from the annual audit; expanding the definition of a class C license; making class C licensee reporting requirements quarterly; modifying the definition of allowable expense to include some advertising costs; eliminating additional compensation for the state lottery director; clarifying and strengthening the regulation of the conduct of bingo; prohibiting certain forms of gambling by persons under 18; modifying the definition of net profits for local assessments; prescribing penalties; amending Minnesota Statutes 1992, sections 240.13, subdivision 8; 240.25, by adding a subdivision; 240.26, subdivision 3; 299L.03, subdivisions 1 and 2; 299L.07, by adding a subdivision; 349.12, subdivisions 1, 3a, 4, 8, 11, 18, 19, 21, 23, 25, 30, 32, 34, and by adding a subdivision; 349.151, subdivision 4; 349.152, subdivisions 2 and 3; 349.153; 349.154, subdivision 2; 349.16, subdivisions 6 and 8; 349.161, subdivisions 1, 3, and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 1a, 3, 5, and 6; 349.164, subdivisions 1, 3, and 6; 349.1641; 349.166, subdivisions 1, 2, and 3; 349.167, subdivisions 1 and 4; 349.168, subdivisions 3 and 6; 349.169, subdivision 1; 349.17, subdivisions 2, 4, 5, and by adding a subdivision; 349.174; 349.18, subdivisions 1, 1a, and 2; 349.19, subdivisions 2, 5, 6, 8, and 9; 349.191, subdivisions 1, 4, and by adding a subdivision; 349.211, subdivisions 1 and 2; 349.2122; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 4, and by adding a subdivision; 349.213, subdivision 1; 349A.03, subdivision 2; 349A.12, subdivisions 1, 2, 5, and 6; and 609.755; proposing coding for new law in Minnesota Statutes, chapters 471; and 609; repealing Minnesota Statutes 1992, sections 349A.03, subdivision 3; and 349A.08, subdivision 3.

Reported the same back with the following amendments to the unofficial engrossment:

Pages 28 and 29, delete sections 18, 19, and 20

Page 30, line 29, delete "21 to 24" and insert "18 to 21"

Page 30, delete lines 30 and 31

Page 142, after line 25, insert:

"Sec. 4. Minnesota Statutes 1992, section 349A.06, is amended by adding a subdivision to read:

Subd. 1a. [SALES AT AIRPORT.] The metropolitan airports commission shall permit the sale of lottery tickets at the Minneapolis-St. Paul International Airport, and the director may sell lottery tickets or issue contracts to retailers for the sale of lottery tickets at the airport. Notwithstanding section 349.18, subdivision 1, lottery tickets may be sold at the airport on premises leased for the conduct of lawful gambling."

Page 145, line 22, delete "1 to to 10" and insert "1 to 3 and 5 to 11" and after the period, insert "Section 4 is effective the day following final enactment."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 6, delete everything after the semicolon

Page 1, line 7, delete everything before "recodifying"

Page 2, line 15, after the first semicolon, insert "349A.06, 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. No. 3227 was read for the second time.

SECOND READING OF SENATE BILLS

S. F. Nos. 1961, 2429, 2498 and 103 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Rukavina introduced:

H. F. No. 3231, A bill for an act relating to economic development; providing a new general system of law and insurance provisions for the compensation of employment related injuries; transferring the jurisdiction and personnel of the workers' compensation court of appeals; providing rights, duties, and remedies; providing for the restructuring of certain public assistance programs; providing for the creation of enterprise zones; authorizing expenditures from the housing trust fund account; authorizing pilot projects and an urban homesteading program; appropriating money;

amending Minnesota Statutes 1992, sections 161.123; 256.73, by adding a subdivision; 256.74, by adding a subdivision; 256.98, subdivision 8; 256D.09, by adding a subdivision; 290.06, by adding a subdivision; 297A.15, by adding a subdivision; 297A.25, by adding a subdivision; 462A.201, by adding a subdivision; 473.375, by adding a subdivision; 473.387, by adding a subdivision; 473.388, subdivision 2; and 473.405, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 256.031, subdivision 3; 256.734; 256.87, subdivisions 1, 1a, and 5; and 462A.222, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 176C; 176D; 256; 469; and 473; repealing Minnesota Statutes 1992, sections 79.01; 79.074; 79.081; 79.085; 79.095; 79.096; 79.10; 79.253; 79.50; 79.52; 79.53; 79.531; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.001; 176.011, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9a, 11a, 12, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, and 27; 176.021; 176.031; 176.041, subdivisions 1, 2, 3, 4, 5a, and 6; 176.051; 176.061; 176.071; 176.081; 176.095; 176.101; 176.1011; 176.102; 176.1021; 176.103; 176.104; 176.1041; 176.105; 176.106; 176.111, subdivisions 1, 2, 3, 4, 6, 7, 8, 9a, 10, 12, 14, 15, 16, 17, 18, 20, and 21; 176.121; 176.129; 176.130; 176.1311; 176.132; 176.1321; 176.133; 176.135; 176.1351; 176.136, subdivisions 1, 1a, 1c, 2, and 3; 176.1361; 176.137; 176.139; 176.141; 176.145; 176.151; 176.155; 176.161; 176.165; 176.171; 176.175; 176.178; 176.179; 176.181; 176.182; 176.183; 176.184; 176.185; 176.186; 176.191; 176.192; 176.194; 176.195; 176.201; 176.205; 176.211; 176.215; 176.221; 176.222; 176.225; 176.231; 176.232; 176.234; 176.235; 176.238; 176.239; 176.245; 176.251; 176.253; 176.261; 176.2615; 176.271; 176.275; 176.281; 176.291; 176.295; 176.301; 176.305; 176.306; 176.307; 176.311; 176.312; 176.321; 176.322; 176.325; 176.331; 176.341; 176.351; 176.361; 176.371; 176.381; 176.391; 176.401; 176.411; 176.421; 176.442; 176.451; 176.461; 176.471; 176.481; 176.491; 176.511; 176.521, subdivisions 2a and 3; 176.522; 176.531; 176.540; 176.541; 176.551; 176.561; 176.571; 176.572; 176.581; 176.591; 176.603; 176.611; 176.641; 176.645; 176.651; 176.66; 176.669; 176.82; 176.83; 176.84; 176.85; 176.86; 504.33, subdivisions 1, 2, 4, 6, and 8; and 504.34, subdivisions 3, 4, 5, and 6; Minnesota Statutes 1993 Supplement, sections 79.211; 79.251; 79.252; 79.255; 79.361; 79.362; 79.363; 79.371; 79.51; 176.011, subdivision 10; 176.041, subdivision 1a; 176.091; 176.092; 176.111, subdivision 5; 176.136, subdivision 1b; 176.521, subdivisions 1 and 2; 176.5401; 504.33, subdivisions 3, 5, and 7; and 504.34, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Rukavina introduced:

H. F. No. 3232, A bill for an act relating to workers' compensation; providing a new general system of law and insurance provisions for the compensation of employment related injuries; transferring the jurisdiction and personnel of the workers' compensation court of appeals; providing rights, duties, and remedies; proposing coding for new law as Minnesota Statutes, chapters 176C; and 176D; repealing Minnesota Statutes 1992, sections 79.01; 79.074; 79.081; 79.085; 79.095; 79.096; 79.10; 79.253; 79.50; 79.52; 79.53; 79.531; 79.54; 79.55; 79.56; 79.57; 79.58; 79.59; 79.60; 79.61; 79.62; 176.001; 176.011, subdivisions 1, 2, 3, 4, 5, 6, 7, 7a, 8, 9a, 11a, 12, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 26, and 27; 176.021; 176.031; 176.041, subdivisions 1, 2, 3, 4, 5a, and 6; 176.051; 176.061; 176.071; 176.081; 176.095; 176.101; 176.1011; 176.102; 176.1021; 176.103; 176.104; 176.1041; 176.105; 176.106; 176.111, subdivisions 1, 2, 3, 4, 6, 7, 8, 9a, 10, 12, 14, 15, 16, 17, 18, 20, and 21; 176.121; 176.129; 176.130; 176.1311; 176.132; 176.1321; 176.133; 176.135; 176.1351; 176.136, subdivisions 1, 1a, 1c, 2, and 3; 176.1361; 176.137; 176.139; 176.141; 176.145; 176.151; 176.155; 176.161; 176.165; 176.171; 176.175; 176.178; 176.179; 176.181; 176.182; 176.183; 176.184; 176.185; 176.186; 176.191; 176.192; 176.194; 176.195; 176.201; 176.205; 176.211; 176.215; 176.221; 176.222; 176.225; 176.231; 176.232; 176.234; 176.235; 176.238; 176.239; 176.245; 176.251; 176.253; 176.261; 176.2615; 176.271; 176.275; 176.281; 176.291; 176.295; 176.301; 176.305; 176.306; 176.307; 176.311; 176.312; 176.321; 176.322; 176.325; 176.331; 176.341; 176.351; 176.361; 176.371; 176.381; 176.391; 176.401; 176.411; 176.421; 176.442; 176.451; 176.461; 176.471; 176.481; 176.491; 176.511; 176.521, subdivisions 2a and 3; 176.522; 176.531; 176.540; 176.541; 176.551; 176.561; 176.571; 176.572; 176.581; 176.591; 176.603; 176.611; 176.641; 176.645; 176.651; 176.66; 176.669; 176.82; 176.83; 176.84; 176.85; 176.86; Minnesota Statutes 1993 Supplement, sections 79.211; 79.251; 79.252; 79.255; 79.361; 79.362; 79.363; 79.371; 79.51; 176.011, subdivision 10; 176.041, subdivision 1a; 176.091; 176.092; 176.111, subdivision 5; 176.136, subdivision 1b; 176.521, subdivisions 1 and 2; and 176.5401.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

There being no objection, House Resolution No. 12 was reported to the House.

HOUSE RESOLUTION NO. 12

A house resolution expressing support for the Household Eco Team Program on Earth Day, 1994.

Whereas, the Global Action Plan for the Earth's Household Eco Team Program empowers citizens to take direct personal environmental action, which is measurable at the household level; and

Whereas, the Household Eco Team Program is designed to help transform people's desire to make a difference into effective actions that will make a difference and, hopefully, tip the balance in favor of preserving our Earth's delicate ecosystem; and

Whereas, the Household Eco Team Program complements the state's commitment to adopt and implement a carbon dioxide reduction plan by helping individuals to change their behavior and reduce emissions of greenhouse gases; and

Whereas, the Household Eco Team Program complements the state's efforts to comply with the goal of recycling 45 percent of the waste stream by 1996 (not including yard waste) by helping individuals to reduce waste generation and increase recycling; and

Whereas, the Household Eco Team Program complements the state's efforts to reduce reliance on the automobile by helping individuals make more environmentally sound transportation decisions; and

Whereas, the Household Eco Team Program helps build community by facilitating cooperation, communication, and team building at the neighborhood level; and

Whereas, the results of the program's 653 Eco Teams in 12 countries which have completed the six-month program are as follows for the average household:

35 percent less garbage to the landfill

30 percent less water use

13 percent less fuel for transportation

16 percent reduction in CO₂ emissions

\$404 in savings; and

Whereas, the Household Eco Team Program has launched a statewide campaign entitled, "Minnesota Puts Its House in Order" on Earth Day 1993 to create 1,000 Eco Teams within three years; and

Whereas, the Household Eco Team Program proposes to work jointly with state groups to make Minnesota a model for the program; and

Whereas, the state has several networks which could assist the efforts of the Household Eco Team Program including the resources of the Office of Waste Management, the Pollution Control Agency, the Housing Finance Agency, and the Department of Trade and Economic Development; *Now, Therefore,*

Be It Resolved by the House of Representatives of the State of Minnesota that it endorses and supports the Household Eco Team Program on this Earth Day 1994.

The Speaker introduced Mari Harris, the Director of Urban Outreach, from Minneapolis, Minnesota, who sang a song in honor of Earth Day.

Munger moved that House Resolution No. 12 be now adopted. The motion prevailed and House Resolution No. 12 was adopted.

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. 1921, A bill for an act relating to retirement; increasing employee contribution rates and benefit computation formulas for the teachers retirement fund; amending Minnesota Statutes 1992, sections 354.42, subdivision 2; and 354.44, subdivision 6.

H. F. No. 3120, A bill for an act relating to military affairs; expediting payment to forces ordered to active duty; amending Minnesota Statutes 1992, section 192.52.

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. 2551, A bill for an act relating to retirement; enabling certain retired members of the public employees retirement association to rescind a selection of a joint and survivor annuity and to receive a normal retirement annuity.

H. F. No. 3122, A bill for an act relating to public finance; changing procedures for allocating bonding authority; amending Minnesota Statutes 1992, sections 474A.02, subdivisions 8a, 13a, and 23a; 474A.03, subdivision 1; 474A.04, subdivision 1a; 474A.061, subdivision 4; 474A.091, subdivisions 3 and 5; and 474A.131, subdivision 3, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 474A.047, subdivision 1; and 474A.061, subdivision 2a.

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. 2675, A bill for an act relating to state lands; authorizing public sale of certain tax-forfeited land that borders public waters in Aitkin county.

The 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 amendments to the following Senate File:

S. F. No. 2104, A bill for an act relating to children; establishing an abused child program under the commissioner of corrections; creating an advisory committee; specifying powers and duties of the commissioner and the advisory committee; proposing coding for new law in Minnesota Statutes, chapter 241.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mses. Runbeck, Wiener and Kiscaden.

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

Wejcman 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. 2104. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate Files, herewith transmitted:

S. F. Nos. 2013, 2669, 2707 and 2129.

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. 1996, 309, 1986, 2042, 1867 and 2192.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2013, A bill for an act relating to taxation; motor fuels; providing for the disposition of unrefunded gasoline tax attributable to off-highway motorcycle use; amending Minnesota Statutes 1992, section 296.16, subdivision 1; Minnesota Statutes 1993 Supplement, section 84.794, subdivision 1.

The bill was read for the first time and referred to the Committee on Taxes.

S. F. No. 2669, A bill for an act relating to public employment; establishing a public employees insurance cooperative task force; appropriating money.

The bill was read for the first time and referred to the Committee on Governmental Operations and Gambling.

S. F. No. 2707, A bill for an act relating to the attorney general; changing procedures for charging fees; appropriating money; amending Minnesota Statutes 1992, section 8.06; Minnesota Statutes 1993 Supplement, section 8.15.

The bill was read for the first time and referred to the Committee on Judiciary.

S. F. No. 2129, A bill for an act relating to adoption; regulating certain advertising and payments in connection with adoption; regulating agencies; providing for direct adoptive placement; providing for the enforceability of postadoption contact agreements; providing penalties; amending Minnesota Statutes 1992, sections 144.227, subdivision 1, and by adding a subdivision; 245A.03, subdivision 1; 245A.04, by adding a subdivision; 245A.07, by adding a subdivision; 259.21, by adding subdivisions; 259.22, subdivisions 1, 2, and by adding a subdivision; 259.27, by adding a subdivision; 259.31; and 317A.907, subdivision 6; Minnesota Statutes 1993 Supplement, section 245A.03, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 259.

The bill was read for the first time.

Rest moved that S. F. No. 2129 and H. F. No. 2337, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1996, A bill for an act relating to employment; modifying the definition of employer for personnel records review purposes; defining special investigators for purposes of inclusion in the unclassified civil service of St. Louis county; amending Minnesota Statutes 1992, sections 181.960, subdivision 1; 181.961, by adding a subdivision; and 383C.035.

The bill was read for the first time.

Wolf moved that S. F. No. 1996 and H. F. No. 2535, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 309, A bill for an act relating to St. Paul; authorizing the city to require employees to reside in the city.

The bill was read for the first time.

Trimble moved that S. F. No. 309 and H. F. No. 881, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 1986, A bill for an act relating to wetlands; changing provisions relating to compensation required when a wetland replacement plan is not approved; amending Minnesota Statutes 1992, section 103G.237, subdivision 4.

The bill was read for the first time and referred to the Committee on Environment and Natural Resources.

S. F. No. 2042, A bill for an act relating to lawful gambling; authorizing class D licensees to transmit and receive telecasts of horse races; amending Minnesota Statutes 1992, section 240.13, subdivision 1.

The bill was read for the first time and referred to the Committee on Governmental Operations and Gambling.

S. F. No. 1867, A bill for an act relating to health; requesting the legislative auditor to study the administrative costs of providing health care services; appropriating money.

The bill was read for the first time.

Rukavina moved that S. F. No. 1867 and H. F. No. 2048, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2192, A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring administrative rulemaking; setting timelines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.02, subdivision 3; 60A.15, subdivision 1; 62A.303; 62D.02, subdivision 4; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.06; 62L.07, subdivision 2; 62L.08, subdivisions 2, 5, 6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 144.335, by adding a subdivision; 144.581, subdivision 2; 256.9355, by adding a subdivision; 256.9358, subdivision 4; 295.50, by adding subdivisions; and 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivisions 1a and 2; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 16, 19, and 26; 62L.03,

subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, and 6; 256.9356, subdivision 3; 256.9362, subdivision 6; 256.9363, subdivisions 6, 7, and 9; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, and 12b; 295.52, subdivision 5; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; Laws 1992, chapter 549, article 9, section 22; proposing coding for new law in Minnesota Statutes, chapters 62A; 62J; 62N; 62P; 144; and 317A; proposing coding for new law as Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16.

The bill was read for the first time.

Greenfield moved that S. F. No. 2192 and H. F. No. 2525, now on General Orders, 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. 2411

A bill for an act relating to retirement; providing for coverage of employees of lessee of Itasca Medical Center facilities by the public employees retirement association.

April 20, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

We, the undersigned conferees for H. F. No. 2411, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment

We request adoption of this report and repassage of the bill.

House Conferees: LOREN A. SOLBERG, ANTHONY G. "TONY" KINKEL AND ROBERT NESS.

Senate Conferees: BOB LESSARD, HAROLD R. "SKIP" FINN AND PAT PARISEAU.

Solberg moved that the report of the Conference Committee on H. F. No. 2411 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2411, A bill for an act relating to retirement; providing for coverage of employees of lessee of Itasca Medical Center facilities by the public employees retirement association.

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 122 yeas and 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hugoson	Lieder	Ness	Rhodes	Van Dellen
Anderson, R.	Dehler	Huntley	Lindner	Olson, E.	Rodosovich	Van Engen
Asch	Delmont	Jacobs	Long	Olson, K.	Rukavina	Vellenga
Battaglia	Dempsey	Jaros	Lourey	Olson, M.	Sarna	Vickerman
Bauerly	Dorn	Johnson, A.	Luther	Onnen	Seagren	Wagenius
Bergson	Evans	Johnson, R.	Lynch	Opatz	Sekhon	Waltman
Bertram	Farrell	Johnson, V.	Macklin	Orenstein	Simoneau	Weaver
Bettermann	Finseth	Kahn	Mahon	Orfield	Skoglund	Wejcman
Bishop	Garcia	Kalis	McCollum	Osthoff	Smith	Wenzel
Brown, C.	Goodno	Kelley	McGuire	Ostrom	Solberg	Winter
Brown, K.	Greenfield	Kelso	Milbert	Ozment	Stanius	Wolf
Carlson	Greiling	Kinkel	Molnau	Pauly	Steensma	Worke
Carruthers	Gruenes	Klinzing	Morrison	Pelowski	Sviggum	Workman
Clark	Gutknecht	Knickerbocker	Mosel	Perlt	Swenson	Spk. Anderson, I.
Commers	Hasskamp	Koppendrayner	Munger	Peterson	Tomassoni	
Cooper	Haukoos	Krueger	Murphy	Pugh	Tompkins	
Dauner	Hausman	Lasley	Neary	Reding	Trimble	
Davids	Holsten	Leppik	Nelson	Rest	Tunheim	

Those who voted in the negative were:

Ferichs	Knight	Krinkie	Limmer	Pawlenty
---------	--------	---------	--------	----------

The bill was repassed, as amended by Conference, and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bill as a Special Order to be acted upon immediately preceding printed Special Orders for today:

H. F. No. 2171.

SPECIAL ORDERS

The Speaker called Bauerly to the Chair.

H. F. No. 2171 was read for the third time.

The Speaker resumed the Chair.

H. F. No. 2171, A bill for an act relating to metropolitan government; requiring the metropolitan council to adopt rules allocating comprehensive choice housing among cities and towns in the metropolitan area; requiring metropolitan council review of efforts of cities and towns to comply with the allocation; establishing penalties for noncompliance; proposing coding for new law in Minnesota Statutes, chapters 16A; and 473.

The bill was placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 79 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Jacobs	Lieder	Neary	Reding	Tunheim
Battaglia	Dawkins	Jaros	Long	Nelson	Rest	Vellenga
Bauerly	Delmont	Jefferson	Lourey	Olson, E.	Rhodes	Wagenius
Beard	Dorn	Jennings	Luther	Olson, K.	Rukavina	Wejzman
Bergson	Evans	Johnson, A.	Mahon	Opatz	Sarna	Wenzel
Bertram	Farrell	Kahn	Mariani	Orenstein	Sekhon	Winter
Brown, C.	Garcia	Kalis	McCollum	Orfield	Simoneau	Spk. Anderson, I.
Brown, K.	Greenfield	Kelley	McGuire	Osthoff	Skoglund	
Carlson	Greiling	Kinkel	Milbert	Ostrom	Solberg	
Carruthers	Hasskamp	Klinzing	Mosel	Pelowski	Steensma	
Clark	Hausman	Krueger	Munger	Peterson	Tomassoni	
Cooper	Huntley	Lasley	Murphy	Pugh	Trimble	

Those who voted in the negative were:

Abrams	Erhardt	Holsten	Krinkie	Ness	Seagren	Vickerman
Asch	Finseth	Hugoson	Leppik	Olson, M.	Smith	Waltman
Bettermann	Frerichs	Johnson, R.	Limmer	Onnen	Stanis	Weaver
Bishop	Girard	Johnson, V.	Lindner	Ozment	Swigum	Wolf
Commers	Goodno	Kelso	Lynch	Pauly	Swenson	Worke
Davids	Gruenes	Knickerbocker	Macklin	Pawlenty	Tompkins	Workman
Dehler	Gutknecht	Knight	Molnau	Perlt	Van Dellen	
Dempsey	Haukoos	Koppendrayner	Morrison	Rodosovich	Van Engen	

The bill was passed and its title agreed to.

REPORT FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, from the Committee on Rules and Legislative Administration, pursuant to rule 1.09, designated the following bill as a Special Order to be acted upon immediately preceding printed Special Orders for today:

H. F. No. 1899.

SPECIAL ORDERS, Continued

H. F. No. 1899 was reported to the House.

Greiling moved to amend H. F. No. 1899, the first engrossment, as follows:

Page 25, line 16, after "rule" insert "adopted under authority delegated by law"

The motion prevailed and the amendment was adopted.

Leppik and Greiling moved to amend H. F. No. 1899, the first engrossment, as amended, as follows:

Page 4, lines 4 and 10, delete "administrative rules advisor" and insert "governor"

Page 4, lines 15 and 16, delete "administrative rules advisor" and insert "governor"

Page 8, line 5, delete "ADMINISTRATIVE RULES ADVISOR'S" and insert "GOVERNOR'S"

Page 8, lines 6, 10, and 14, delete "administrative rules advisor" and insert "governor"

Page 8, line 17, delete "administrative rules advisor and the"

Page 10, lines 14 and 15, delete "administrative rules advisor" and insert "governor"

Page 11, line 2, delete "administrative rules advisor" and insert "governor"

Page 11, lines 10 and 11, delete "the administrative rules advisor,"

Page 15, lines 9 and 10, delete "administrative rules advisor" and insert "governor"

Page 20, line 18, delete ", the administrative rules counsel,"

Page 23, line 7, delete "and the administrative rules advisor"

Page 23, lines 9 and 10, delete "; ADMINISTRATIVE RULES ADVISOR"

Delete page 23, line 34 to page 24, line 6

Page 24, line 23, delete the first comma and insert "and"

Page 24, lines 23 and 24, delete ", and the administrative rules counsel"

Page 33, line 32, delete everything after "14.204"

Page 33, line 33, delete everything before the period

The motion prevailed and the amendment was adopted.

Swiggum moved to amend H. F. No. 1899, the first engrossment, as amended, as follows:

Page 4, lines 4 and 10, delete "administrative rules advisor or the"

Page 4, line 15, delete "administrative"

Page 4, line 16, delete "rules advisor and to the"

Page 8, delete lines 5 to 12

Page 8, line 14, delete "the administrative rules advisor,"

Page 8, line 17, delete "administrative rules advisor and the"

Page 10, delete lines 14 to 27

Page 11, line 1, delete "the"

Page 11, line 2, delete "administrative rules advisor,"

Page 11, line 10, delete the third "the"

Page 11, line 11, delete "administrative rules advisor,"

Page 15, delete lines 7 to 17

Page 23, line 7, delete "and the administrative rules advisor"

Page 23, line 9 to page 24, line 6, delete section 28

Page 33, line 32, delete everything after "14.204"

Page 33, line 33, delete everything before the period

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Leppik, Reding, Greiling, Evans, Abrams, Pauly, Long, Kahn, Bettermann, Rhodes, Hausman and Olson, K., moved to amend H. F. No. 1899, the first engrossment, as amended, as follows:

Page 33, delete lines 23 to 33, and insert:

"Sec. 44. Minnesota Statutes 1992, section 128C.02, subdivision 4, is amended to read:

Subd. 4. [RULES ARE APA EXEMPT.] (a) Except as otherwise provided in paragraphs (b) and (c), the rules of the league are exempt from sections 14.02, 14.04 to 14.36, 14.38, 14.44 to 14.45, and 14.57 to 14.62 chapter 14.

(b) After July 1, 1994, the adoption, amendment, and repeal of all league rules relating to student eligibility to participate in contests by and between pupils of the Minnesota high schools that are delegated to the league under section 128C.01 are subject to chapter 14.

(c) This paragraph applies to all league rules in effect as of July 1, 1994, relating to student eligibility to participate in contests by and between pupils of the Minnesota high schools that are delegated to the league under section 128C.01.

Upon written petition in the form prescribed under section 14.221 signed by 300 persons requesting the adoption of a rule to which this paragraph applies, the Minnesota state high school league shall initiate rulemaking proceedings in accordance with sections 14.203 to 14.208. If rulemaking proceedings are not initiated on the rule by the publication of a notice of proposed rule adoption within 90 days of receipt of the petition, the rule expires."

Amend the title as follows:

Page 1, line 13, delete everything before the semicolon, and insert "subdivision 4"

A roll call was requested and properly seconded.

The question was taken on the Leppik et al amendment and the roll was called. There were 62 yeas and 71 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Jaros	Long	Neary	Reding	Skoglund
Asch	Evans	Kahn	Lourey	Nelson	Rest	Steensma
Battaglia	Farrell	Kalis	Mahon	Olson, E.	Rhodes	Trimble
Bettermann	Garcia	Kelley	Mariani	Olson, K.	Rice	Van Engen
Bishop	Greenfield	Kelso	McCollum	Opatz	Rukavina	Vellenga
Brown, C.	Greiling	Knickerbocker	McGuire	Orenstein	Sarna	Wagenius
Clark	Hasskamp	Leppik	Morrison	Orfield	Seagren	Wejzman
Cooper	Hausman	Lieder	Mosel	Pauly	Sekhon	Winter
Dawkins	Huntley	Limmer	Munger	Peterson	Simoneau	

Those who voted in the negative were:

Anderson, R.	Dempsey	Hugoson	Krinkie	Olson, M.	Solberg	Wenzel
Bauerly	Dorn	Jacobs	Krueger	Ornen	Stanis	Wolf
Beard	Erhardt	Jefferson	Lasley	Osthoff	Sviggum	Worke
Bergson	Finseth	Jennings	Lindner	Ostrom	Swenson	Workman
Bertram	Frerichs	Johnson, A.	Luther	Ozment	Tomassoni	Spk. Anderson, I.
Brown, K.	Girard	Johnson, R.	Lynch	Pawlenty	Tompkins	
Carlson	Goodno	Johnson, V.	Macklin	Pelowski	Tunheim	
Commers	Gruenes	Kinkel	Milbert	Perlt	Van Dellen	
Dauner	Gutknecht	Klinzing	Molnau	Pugh	Vickerman	
Davids	Haukoos	Knight	Murphy	Rodosovich	Waltman	
Dehler	Holsten	Koppendraye	Ness	Smith	Weaver	

The motion did not prevail and the amendment was not adopted.

H. F. No. 1899, A bill for an act relating to state government; revising procedures used for adoption and review of administrative rules; correcting erroneous, ambiguous, obsolete, and omitted text and obsolete references; eliminating redundant, conflicting, and superseded provisions in Minnesota Rules; making various technical changes; amending Minnesota Statutes 1992, sections 10A.02, by adding a subdivision; 14.05, subdivision 1; 14.12; 14.38, subdivisions 1, 7, 8, and 9; 14.46, subdivisions 1 and 3; 14.47, subdivisions 1, 2, and 6; 14.50; 14.51; 17.84; 84.027, by adding a subdivision; and 128C.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 3.841; and 3.984, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 3; and 14; correcting Minnesota Rules, parts 1200.0300; 1400.0500; 3530.0200; 3530.1500; 3530.2614; 3530.2642; 4685.0100; 4685.3000; 4685.3200; 4692.0020; 5000.0400; 7045.0075; 7411.7100; 7411.7400; 7411.7700; 7883.0100; 8130.3500; 8130.6500; 8800.1200; 8800.1400; 8800.3100; 8820.0600; 8820.2300; 9050.1070; and 9505.2175; repealing Minnesota Statutes 1992, sections 3.842; 3.843; 3.844; 3.845; 3.846; 14.03, subdivision 3; 14.05, subdivisions 2 and 3; 14.06; 14.08; 14.09; 14.11; 14.115; 14.131; 14.1311; 14.14; 14.15; 14.16; 14.18, subdivision 1; 14.19; 14.20; 14.22; 14.225; 14.23; 14.235; 14.24; 14.25; 14.26; 14.27; 14.28; 14.29; 14.30; 14.305; 14.31; 14.32; 14.33; 14.34; 14.35; 14.36; 14.365; 14.38, subdivisions 4, 5, and 6; and 17.83; Minnesota Statutes 1993 Supplement, sections 3.984; and 14.10; Minnesota Rules, parts 1300.0100; 1300.0200; 1300.0300; 1300.0400; 1300.0500; 1300.0600; 1300.0700; 1300.0800; 1300.0900; 1300.0940; 1300.0942; 1300.0944; 1300.0946; 1300.0948; 1300.1000; 1300.1100; 1300.1200; 1300.1300; 1300.1400; 1300.1500; 1300.1600; 1300.1700; 1300.1800; 1300.1900; 1300.2000; 4685.2600; 4692.0020, subpart 2; 4692.0045; 7856.1000, subpart 5; 8017.5000; 8130.9500, subpart 6; 8130.9912; 8130.9913; 8130.9916; 8130.9920; 8130.9930; 8130.9956; 8130.9958; 8130.9968; 8130.9972; 8130.9980; 8130.9992; and 8130.9996.

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 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krinkie	Mosel	Perlt	Tomassoni
Anderson, R.	Dehler	Hugoson	Krueger	Munger	Peterson	Tompkins
Asch	Delmont	Huntley	Lasley	Murphy	Pugh	Trimble
Battaglia	Dempsey	Jacobs	Leppik	Neary	Reding	Tunheim
Bauerly	Dorn	Jaros	Lieder	Nelson	Rest	Van Dellen
Beard	Erhardt	Jefferson	Limmer	Ness	Rhodes	Van Engen
Bergson	Evans	Jennings	Lindner	Olson, E.	Rice	Vellenga
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rukavina	Vickerman
Bettermann	Frerichs	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Bishop	Garcia	Johnson, V.	Luther	Ornen	Seagren	Waltman
Brown, C.	Girard	Kahn	Lynch	Opatz	Sekhona	Weaver
Brown, K.	Goodno	Kalis	Macklin	Orenstein	Simoneau	Wejzman
Carlson	Greenfield	Kelley	Mahon	Orfield	Skoglund	Wenzel
Carruthers	Greiling	Kelso	Mariani	Osthoff	Smith	Winter
Clark	Gruenes	Kinkel	McCollum	Ostrom	Solberg	Wolf
Commers	Gutknecht	Klinzing	McGuire	Ozment	Stanis	Worke
Cooper	Hasskamp	Knickerbocker	Milbert	Pauly	Steensma	Workman
Dauner	Haukoos	Knight	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Davids	Hausman	Koppendraye	Morrison	Pelowski	Swenson	

Those who voted in the negative were:

Farrell Rodosovich

The bill was passed, as amended, and its title agreed to.

Carruthers moved that the remaining bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Carruthers moved that the bills on General Orders for today be continued. The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following 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. 2410, A bill for an act relating to natural resources; sale of native tree seed and tree planting stock; terms and conditions governing the leasing of state timber lands; amending Minnesota Statutes 1992, sections 89.36, subdivision 3; 89.37, by adding a subdivision; 90.101, subdivision 2; 90.151, subdivision 1; 90.161, subdivisions 1 and 2; 90.191, subdivision 2; and 90.193; Minnesota Statutes 1993 Supplement, sections 90.101, subdivision 1; and 90.121; repealing Minnesota Statutes 1992, section 90.151, subdivisions 13 and 14.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rukavina moved that the House refuse to concur in the Senate amendments to H. F. No. 2410, 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.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2009:

Olson, M.; Klinzing and Molnau.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2104:

Wejcman, Murphy and Luther.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2709:

Hugoson, Wenzel and Nelson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2710:

Clark, Mariani and Tompkins.

Carruthers moved that when the House adjourns today it adjourn until 8:00 a.m., Monday, April 25, 1994. The motion prevailed.

The Speaker called Bauerly to the Chair.

MESSAGES FROM THE SENATE, Continued

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. 2028, A bill for an act relating to data practices; classifying data as private, confidential, or nonpublic; providing for access to certain law enforcement and court services data on juveniles; providing law enforcement access to certain welfare and patient directory information; providing for treatment of customer data by videotape sellers and service providers; providing for data access to conduct fetal, infant, and maternal death studies; extending a provision for conduct of medical research absent prior patient consent; amending Minnesota Statutes 1992, sections 13.03, subdivision 4; 13.38, by adding a subdivision; 13.39, by adding a subdivision; 13.41, subdivision 2, and by adding a subdivision; 13.57; 13.71, by adding subdivisions; 13.76, by adding a subdivision; 13.82, by adding a subdivision; 13.99, subdivisions 7, 39, 45, 53, 60, 71, 79, and by adding subdivisions; 144.581, subdivision 5; 171.12, subdivision 7; 260.161, by adding a subdivision; 471.705; Minnesota Statutes 1993 Supplement, sections 13.43, subdivision 2; 13.46, subdivision 2; 13.643, by adding a subdivision; 13.82, subdivision 4; 121.8355, by adding a subdivision; 144.335, subdivision 3a; 144.651, subdivisions 2, 21, and 26; 168.346; 245.493, by adding a subdivision; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 144; 145; proposing coding for new law as Minnesota Statutes, chapter 325L.

PATRICK E. FLAHAVER, Secretary of the Senate

McGuire moved that the House refuse to concur in the Senate amendments to H. F. No. 2028, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2028:

McGuire, Skoglund and Macklin.

ADJOURNMENT

Carruthers moved that the House adjourn. The motion prevailed, and Speaker pro tempore Bauerly declared the House stands adjourned until 8:00 a.m., Monday, April 25, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

NINETY-SEVENTH DAY

SAINT PAUL, MINNESOTA, MONDAY, APRIL 25, 1994

The House of Representatives convened at 8:00 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Rabbi Joe Black, Temple Israel, Minneapolis, Minnesota.

The members of the House gave the pledge of allegiance to the flag of the United States of America.

The roll was called and the following members were present:

Abrams	Dehler	Hugoson	Lasley	Neary	Rest	Van Dellen
Anderson, R.	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Engen
Asch	Dempsey	Jacobs	Lieder	Ness	Rice	Vellenga
Battaglia	Dorn	Jaros	Limmer	Olson, E.	Rodosovich	Vickerman
Bauerly	Erhardt	Jefferson	Lindner	Olson, K.	Rukavina	Wagenius
Beard	Evans	Jennings	Long	Olson, M.	Sarna	Waltman
Bergson	Farrell	Johnson, A.	Lourey	Onnen	Seagren	Weaver
Bertram	Finseth	Johnson, R.	Luther	Opatz	Sekhon	Wejcman
Bettermann	Frerichs	Johnson, V.	Lynch	Orenstein	Simoneau	Wenzel
Bishop	Garcia	Kahn	Macklin	Orfield	Skoglund	Winter
Brown, C.	Girard	Kalis	Mahon	Osthoff	Smith	Wolf
Brown, K.	Goodno	Kelley	Mariani	Ostrom	Solberg	Worke
Carlson	Greenfield	Kelso	McCollum	Ozment	Stanius	Workman
Carruthers	Greiling	Kinkel	McGuire	Pauly	Steensma	Spk. Anderson, I.
Clark	Gruenes	Klinzing	Milbert	Pawlenty	Sviggum	
Commers	Gutknecht	Knickerbocker	Molnau	Pelowski	Swenson	
Cooper	Hasskamp	Knight	Morrison	Perlt	Tomassoni	
Dauner	Haukoos	Koppendrayner	Mosel	Peterson	Tompkins	
Davids	Hausman	Krinkie	Munger	Pugh	Trimble	
Dawkins	Holsten	Krueger	Murphy	Reding	Tunheim	

A quorum was present.

The Chief Clerk proceeded to read the Journal of the preceding day. Rhodes 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. 309 and H. F. No. 881, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Trimble moved that the rules be so far suspended that S. F. No. 309 be substituted for H. F. No. 881 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1867 and H. F. No. 2048, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rukavina moved that the rules be so far suspended that S. F. No. 1867 be substituted for H. F. No. 2048 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 1996 and H. F. No. 2535, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Wolf moved that the rules be so far suspended that S. F. No. 1996 be substituted for H. F. No. 2535 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2129 and H. F. No. 2337, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Rest moved that the rules be so far suspended that S. F. No. 2129 be substituted for H. F. No. 2337 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2192 and H. F. No. 2525, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Greenfield moved that the rules be so far suspended that S. F. No. 2192 be substituted for H. F. No. 2525 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 21, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House Files:

H. F. No. 3091, relating to Minnesota Statutes; correcting erroneous, ambiguous, and omitted text and obsolete references; eliminating certain redundant, conflicting, and superseded provisions; making miscellaneous technical corrections to statutes and other laws.

H. F. No. 1659, relating to probate; updating article 2 on intestacy, wills, and donative transfers; correcting a reference; recodifying the Minnesota multiparty accounts act.

H. F. No. 2666, relating to local government; prohibiting the adoption of certain zoning ordinances by municipalities, counties, and towns.

H. F. No. 2299, relating to retirement; the Duluth joint police and firefighters consolidation account; clarifying certain language relating to calculation of pension benefits contained in the bylaws of the Duluth firefighters relief association.

H. F. No. 2248, relating to agriculture; changing certain pesticide posting requirements.

H. F. No. 936, relating to the department of jobs and training; changing its name to the department of economic security.

H. F. No. 1914, relating to financial institutions; reciprocal interstate banking; reciprocal interstate savings and loan acquisitions and branching; removing the geographical limitation contained in the definition of reciprocating state.

H. F. No. 524, relating to traffic regulations; authorizing rural postal carriers to operate rural mail delivery vehicles equipped with tires having metal studs, with restrictions; requiring permit from commissioner of transportation; providing a penalty.

H. F. No. 1909, relating to retirement; local police and salaried firefighters relief associations and consolidation accounts; requiring continuation of surviving spouse benefits upon remarriage.

H. F. No. 2626, relating to retirement; authorizing purchase of prior service credit from the teachers retirement association by a certain member.

H. F. No. 2426, relating to traffic regulations; allowing any city to establish citizen enforcement programs to enforce vehicle parking laws relating to the physically disabled.

H. F. No. 1496, relating to health; modifying the definition of review organization; allowing review organizations to provide information to purchasers and other review organizations; providing confidentiality protection and protection from discovery process for the transfer of the information; clarifying the scope of confidentiality of review organization records; exempting medical societies from reporting obligations when performing peer review functions.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1994 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
	3091	465	11:52 a.m. April 21	April 21
2066		466	1:44 p.m. April 20	April 20
1741		467	1:45 p.m. April 20	April 20
2491		468	1:45 p.m. April 20	April 20
2422		469	1:46 p.m. April 20	April 20
1806		470	1:47 p.m. April 20	April 20
2551		471	1:50 p.m. April 20	April 20
	1659	472	1:40 p.m. April 20	April 20
	2666	473	1:42 p.m. April 20	April 20
	2299	474	1:43 p.m. April 20	April 20
1794		475	1:52 p.m. April 20	April 20
2255		476	1:54 p.m. April 20	April 20
2579		477	1:55 p.m. April 20	April 20
1774		478	1:58 p.m. April 20	April 20
2081		480	12:07 p.m. April 21	April 21
	2248	482	11:53 a.m. April 21	April 21
	936	483	11:55 a.m. April 21	April 21
	1914	484	11:55 a.m. April 21	April 21
	524	486	11:57 a.m. April 21	April 21
	1909	491	11:58 a.m. April 21	April 21
	2626	494	12:00 p.m. April 21	April 21
	2426	495	12:02 p.m. April 21	April 21
	1496	497	12:04 p.m. April 21	April 21

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 21, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

It is my honor to inform you that I have received, approved, signed and deposited in the Office of the Secretary of State the following House File:

H. F. No. 1835, relating to game and fish; agreements on taking and possession of fish taken from Ontario boundary waters.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
ST. PAUL 55155

The Honorable Irv Anderson
Speaker of the House of Representatives

The Honorable Allan H. Spear
President of the Senate

I have the honor to inform you that the following enrolled Act of the 1994 Session of the State Legislature has been received from the Office of the Governor and is deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

<i>S.F. No.</i>	<i>H.F. No.</i>	<i>Session Laws Chapter No.</i>	<i>Time and Date Approved 1994</i>	<i>Date Filed 1994</i>
	1835	479	4:47 p.m. April 21	April 21

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. Nos. 309, 1867, 1996, 2129 and 2192 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Pugh introduced:

H. F. No. 3233, A bill for an act relating to commerce; enacting the Minnesota residential mortgage lending, servicing, and brokering act; establishing licensing and enforcement mechanisms; amending Minnesota Statutes 1992, section 47.206, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 82C; repealing Minnesota Statutes 1992, sections 47.808; and 82.175.

The bill was read for the first time and referred to the Committee on Commerce and Economic Development.

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. 2054, A bill for an act relating to natural resources; authorizing the commissioner of administration to sell lands in the Gordy Yaeger wildlife management area in Olmsted county; appropriating money.

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. 3136, A bill for an act relating to attorneys-at-law; prohibiting fees for public bond counsel from being based primarily on the amount of bonds sold; proposing coding for new law in Minnesota Statutes, chapter 481.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 3136 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3136, A bill for an act relating to attorneys-at-law; prohibiting fees for public bond counsel from being based primarily on the amount of bonds sold; proposing coding for new law in Minnesota Statutes, chapter 481.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Lasley	Neary	Rhodes	Van Engen
Anderson, R.	Delmont	Hugoson	Leppik	Nelson	Rice	Vellenga
Asch	Dempsey	Huntley	Lieder	Ness	Rodosovich	Vickerman
Battaglia	Dorn	Jacobs	Limmer	Olson, E.	Rukavina	Wagenius
Bauerly	Erhardt	Jaros	Lindner	Olson, K.	Sarna	Waltman
Beard	Evans	Jefferson	Long	Onnen	Seagren	Weaver
Bergson	Farrell	Jennings	Lourey	Opatz	Sekhon	Wejcmann
Bertram	Finseth	Johnson, A.	Luther	Orenstein	Simoneau	Wenzel
Bettermann	Frerichs	Johnson, R.	Macklin	Orfield	Skoglund	Winter
Brown, C.	Garcia	Johnson, V.	Mahon	Ostrom	Smith	Wolf
Brown, K.	Girard	Kahn	Mariani	Ozment	Solberg	Worke
Carlson	Goodno	Kalis	McCollum	Pauly	Stanius	Workman
Carruthers	Greenfield	Kelley	McGuire	Pawlenty	Steensma	Spk. Anderson, I.
Clark	Greiling	Kelso	Milbert	Pelowski	Svigum	
Commers	Gruenes	Klinzing	Molnau	Perlt	Swenson	
Cooper	Gutknecht	Knight	Morrison	Peterson	Tomassoni	
Dauner	Hasskamp	Koppendrayner	Mosel	Pugh	Tompkins	
Davids	Haukoos	Krinkie	Munger	Reding	Trimble	
Dawkins	Hausman	Krueger	Murphy	Rest	Tunheim	

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. 2508, A bill for an act relating to motor vehicles; making technical corrections; exempting license plates on state lottery vehicles from registration tax when used for security or criminal investigation purposes; taxing commuter vans as buses for vehicle registration purposes; allowing holder of personalized license plates to have priority for those plates in next registration period as long as holder keeps registration current; providing for temporary 60-day permits while waiting for special ready reserve license plates or special collegiate license plates; requiring vehicle dealers to file information relating to temporary registration permits issued to new purchasers; requiring drive-away in transit license plates and insurance for transporting vehicles; regulating vehicle dealers; requiring that parking certificate for disabled person hang from rearview mirror; specifying parking certificate expiration times for persons with permanent and temporary disabilities; providing for administrative hearings regarding deputy registrars; requiring district court agents to retain filing fee for receiving and forwarding drivers' license applications and fees; requiring secured parties to be notified when a dealer buys a late model or high value salvage vehicle; providing exemption from uniform fire code for dispensing certain flammable liquids; amending Minnesota Statutes 1992, sections 168.011, subdivision 7; 168.012, by adding a subdivision; 168.013, subdivision 1f, and by adding a subdivision; 168.053, subdivision 1; 168.054; 168.09, subdivision 7; 168.092, subdivision 2; 168.12, subdivision 2a; 168.126, subdivision 1; 168.27, subdivisions 1, 12, 13, 15, 16, and 17; 168.33, subdivision 2; 168A.11, subdivision 2; 168A.153, subdivision 2; 169.345, subdivision 1; and 325F.662, subdivision 3; Minnesota Statutes 1993 Supplement, sections 169.345, subdivision 3; and 171.06, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299F.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Steensma moved that the House concur in the Senate amendments to H. F. No. 2508 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2508, A bill for an act relating to motor vehicles; making technical corrections; exempting license plates on state lottery vehicles from registration tax when used for security or criminal investigation purposes; taxing commuter vans as buses for vehicle registration purposes; allowing holder of personalized license plates to have priority for those plates in next registration period as long as holder keeps registration current; providing for temporary 60-day permits while waiting for special ready reserve license plates or special collegiate license plates; requiring vehicle dealers to file information relating to temporary registration permits issued to new purchasers; requiring drive-away in transit license plates and insurance for transporting vehicles; regulating vehicle dealers; requiring that parking certificate for disabled person hang from rearview mirror; specifying parking certificate expiration times for persons with permanent and temporary disabilities; clarifying an exemption for towing authorities from four-hour waiting period; requiring district court agents to retain filing fee for receiving and forwarding drivers' license applications and fees; requiring secured parties to be notified when a dealer buys a late model or high value salvage vehicle; providing exemption from uniform fire code for dispensing certain flammable liquids; amending Minnesota Statutes 1992, sections 168.011, subdivision 7; 168.012, by adding a subdivision; 168.013, subdivision 1f, and by adding a subdivision; 168.053, subdivision 1; 168.054; 168.09, subdivision 7; 168.092, subdivision 2; 168.12, subdivision 2a; 168.126, subdivision 1; 168.27, subdivisions 1, 12, 13, 15, 16, and 17; 168A.11, subdivision 2; 168A.153, subdivision 2; 169.041, subdivision 4; 169.345, subdivision 1; and 325F.662, subdivision 3; Minnesota Statutes 1993 Supplement, sections 169.345, subdivision 3; and 171.06, subdivision 4; proposing coding for new law in Minnesota Statutes, chapter 299F.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Bergson	Carlson	Dauids	Erhardt	Girard	Hasskamp
Anderson, R.	Bertram	Carruthers	Dawkins	Evans	Goodno	Haukoos
Asch	Bettermann	Clark	Dehler	Farrell	Greenfield	Hausman
Battaglia	Bishop	Commers	Delmont	Finseth	Greiling	Holsten
Bauerly	Brown, C.	Cooper	Dempsey	Frerichs	Gruenes	Hugoson
Beard	Brown, K.	Dauner	Dorn	Garcia	Gutknecht	Huntley

Jacobs	Knickerbocker	Lynch	Nelson	Perlt	Skoglund	Vellenga
Jaros	Knight	Macklin	Ness	Peterson	Smith	Vickerman
Jefferson	Koppendrayser	Mahon	Olson, E.	Pugh	Solberg	Wagenius
Jennings	Krinkie	Mariani	Olson, K.	Reding	Stanis	Waltman
Johnson, A.	Krueger	McCollum	Onnen	Rest	Steensma	Weaver
Johnson, R.	Lasley	McGuire	Opatz	Rhodes	Swiggum	Wejzman
Johnson, V.	Leppik	Milbert	Orenstein	Rice	Swenson	Wenzel
Kahn	Lieder	Molnau	Orfield	Rodosovich	Tomassoni	Winter
Kalis	Limmer	Morrison	Ostrom	Rukavina	Tompkins	Wolf
Kelley	Lindner	Mosel	Ozment	Sarna	Trimble	Worke
Kelso	Long	Munger	Pauly	Seagren	Tunheim	Workman
Kinkel	Lourey	Murphy	Pawlenty	Sekhon	Van Dellen	Spk. Anderson, I.
Klinzing	Luther	Neary	Pelowski	Simoneau	Van Engen	

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. 2143, A bill for an act relating to telecommunications; regulating competitive telephone services and incentive plans; extending expiration dates and making technical changes for certain regulatory provisions; amending Minnesota Statutes 1992, sections 237.161, by adding a subdivision; 237.57, subdivision 4; 237.58, subdivision 1; 237.59, subdivisions 1, 2, 3, 5, and by adding a subdivision; 237.60, subdivision 2; 237.62, subdivision 1; and 237.625, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Rules, parts 7815.0700; 7815.0800; 7815.0900; 7815.1000; 7815.1100; 7815.1200; 7815.1300; 7815.1400; and 7815.1500; Laws 1987, chapter 340, section 26; Laws 1989, chapter 74, sections 25 and 27; Laws 1990, chapter 513, section 3; and Laws 1993, chapter 41, section 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jacobs moved that the House concur in the Senate amendments to H. F. No. 2143 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2143, A bill for an act relating to telecommunications; regulating competitive telephone services and incentive plans; extending expiration dates and making technical changes for certain regulatory provisions; amending Minnesota Statutes 1992, sections 237.161, by adding a subdivision; 237.57, subdivision 4; 237.58, subdivision 1; 237.59, subdivisions 1, 2, 3, 5, and by adding a subdivision; 237.60, subdivision 2; 237.62, subdivision 1; 237.625, subdivision 1; and 325E.26, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237; repealing Minnesota Rules, parts 7815.0700; 7815.0800; 7815.0900; 7815.1000; 7815.1100; 7815.1200; 7815.1300; 7815.1400; and 7815.1500; Laws 1987, chapter 340, section 26; Laws 1989, chapter 74, sections 25 and 27; Laws 1990, chapter 513, section 3; and Laws 1993, chapter 41, section 1.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Brown, C.	Commers	Dehler	Evans	Girard
Anderson, R.	Bergson	Brown, K.	Cooper	Delmont	Farrell	Goodno
Asch	Bertram	Carlson	Dauner	Dempsey	Finseth	Greenfield
Battaglia	Bettermann	Carruthers	Davids	Dorn	Frerichs	Greiling
Bauerly	Bishop	Clark	Dawkins	Erhardt	Garcia	Gruenes

Gutknecht	Kahn	Limmer	Mosel	Pauly	Sekhon	Van Engen
Hasskamp	Kalis	Lindner	Munger	Pawlenty	Simoneau	Vellenga
Haukoos	Kelley	Long	Murphy	Pelowski	Skoglund	Vickerman
Hausman	Kelso	Lourey	Neary	Perlt	Smith	Wagenius
Holsten	Kinkel	Luther	Nelson	Peterson	Solberg	Waltman
Hugoson	Klinzing	Lynch	Ness	Pugh	Stanius	Weaver
Huntley	Knickerbocker	Macklin	Olson, E.	Reding	Steensma	Wejcman
Jacobs	Knight	Mahon	Olson, K.	Rest	Sviggum	Wenzel
Jaros	Koppendraye	Mariani	Onnen	Rhodes	Swenson	Winter
Jefferson	Krinkie	McCollum	Opatz	Rice	Tomassoni	Wolf
Jennings	Krueger	McGuire	Orenstein	Rodosovich	Tompkins	Worke
Johnson, A.	Lasley	Milbert	Orfield	Rukavina	Trimble	Workman
Johnson, R.	Leppik	Molnau	Ostrom	Sarna	Tunheim	Spk. Anderson, I.
Johnson, V.	Lieder	Morrison	Ozment	Seagren	Van Dellen	

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. 2680, A bill for an act relating to charitable organizations; changing definitions; modifying registration requirements; amending Minnesota Statutes 1993 Supplement, section 309.501, subdivisions 1 and 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 2680 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2680, A bill for an act relating to charitable organizations; changing definitions; modifying registration requirements; amending Minnesota Statutes 1993 Supplement, section 309.501, subdivisions 1 and 3.

The bill was read for the third time, as amended by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krinkie	Mosel	Peterson	Tomassoni
Anderson, R.	Dehler	Hugoson	Krueger	Munger	Pugh	Tompkins
Asch	Delmont	Huntley	Lasley	Murphy	Reding	Trimble
Battaglia	Dorn	Jacobs	Leppik	Neary	Rest	Tunheim
Bauerly	Erhardt	Jaros	Lieder	Nelson	Rhodes	Van Dellen
Beard	Evans	Jefferson	Limmer	Ness	Rice	Van Engen
Bergson	Farrell	Jennings	Lindner	Olson, E.	Rodosovich	Vellenga
Bertram	Finseth	Johnson, A.	Long	Olson, K.	Rukavina	Vickerman
Bettermann	Frerichs	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Bishop	Garcia	Johnson, V.	Luther	Onnen	Seagren	Waltman
Brown, C.	Girard	Kahn	Lynch	Opatz	Sekhon	Weaver
Brown, K.	Goodno	Kalis	Macklin	Orenstein	Simoneau	Wejcman
Carlson	Greenfield	Kelley	Mahon	Orfield	Skoglund	Wenzel
Carruthers	Greiling	Kelso	Mariani	Ostrom	Smith	Winter
Clark	Gruenes	Kinkel	McCollum	Ozment	Solberg	Wolf
Connors	Gutknecht	Klinzing	McGuire	Pauly	Stanius	Worke
Cooper	Hasskamp	Knickerbocker	Milbert	Pawlenty	Steensma	Workman
Dauner	Haukoos	Knight	Molnau	Pelowski	Sviggum	Spk. Anderson, I.
Davids	Hausman	Koppendraye	Morrison	Perlt	Swenson	

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. 2485, A bill for an act relating to water; providing for duties of the legislative water commission; providing for a sustainable agriculture advisory committee; requiring plans relating to sustainable agriculture and integrated pest management; regulating acceptance of empty pesticide containers; changing disclosures and fees related to dewatering wells; establishing groundwater policy and education; changing water well permit requirements; requiring reports to the legislature; amending Minnesota Statutes 1992, sections 3.887, subdivisions 5, 6, and 8; 17.114, subdivisions 1, 3, 4, and by adding a subdivision; 18B.045, subdivision 1; 103A.43; 103B.151, subdivision 1; 103G.271, subdivision 5; 103H.175, by adding a subdivision; 103H.201, subdivisions 1 and 4; 103I.101, subdivision 5; 103I.205, subdivision 1; 103I.208; and 103I.331, subdivision 6; Minnesota Statutes 1993 Supplement, sections 18B.135, subdivision 1; 18E.06; and 115B.20, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 103A; and 103F; repealing Minnesota Statutes 1992, section 103F.460.

PATRICK E. FLAHAVEN, Secretary of the Senate

Munger moved that the House refuse to concur in the Senate amendments to H. F. No. 2485, 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. 2624, A bill for an act relating to employee relations; ratifying labor agreements; making certain positions unclassified; changing duties of the legislative commission on employee relations; revising a salary range for a certain position in the judicial branch; modifying duties of the commissioner of employee relations; amending Minnesota Statutes 1992, sections 3.855, subdivisions 2, 3, and by adding a subdivision; 15A.081, subdivisions 7 and 7b; 43A.05, subdivision 5; 43A.08, subdivisions 1 and 1a; 43A.18, subdivisions 2, 3, and 5; 179A.10, subdivision 3; 179A.18, subdivision 1; and 179A.22, subdivision 4; Minnesota Statutes 1993 Supplement, sections 15A.081, subdivision 1; 15A.083, subdivision 4; and 43A.18, subdivision 4.

PATRICK E. FLAHAVEN, Secretary of the Senate

Reding moved that the House refuse to concur in the Senate amendments to H. F. No. 2624, 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. 2519, A bill for an act relating to prostitution; creating a civil cause of action for persons who are coerced into prostitution; proposing coding for new law in Minnesota Statutes, chapter 611A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mariani moved that the House refuse to concur in the Senate amendments to H. F. No. 2519, 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. 2177, 2630, 2194, 2885 and 2289.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2177, A bill for an act relating to children; modifying liability provisions for child abuse investigations; providing for attorney fees in certain actions; providing for the establishment of protocols for investigations; prohibiting certain conflicts of interest; providing for access to data regarding determinations of maltreatment; appropriating money; amending Minnesota Statutes 1992, section 626.556, subdivisions 4, 10e, and by adding subdivisions; Minnesota Statutes 1993 Supplement, section 626.556, subdivision 11.

The bill was read for the first time and referred to the Committee on Health and Human Services.

S. F. No. 2630, A bill for an act relating to state government; restructuring functions and groups related to ombudspersons for families; amending Minnesota Statutes 1992, sections 257.0761, subdivision 1; 257.0762, subdivision 2; and 257.0768; Minnesota Statutes 1993 Supplement, section 257.0755.

The bill was read for the first time and referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

S. F. No. 2194, A bill for an act relating to legislative audit commission; appropriating money for the legislative auditor to perform best practices review audits; amending Minnesota Statutes 1992, sections 3.97, subdivision 11; and 3.971, by adding a subdivision.

The bill was read for the first time and referred to the Committee on Governmental Operations and Gambling.

S. F. No. 2885, A bill for an act relating to employment; establishing the governor's workforce development council to replace the governor's job training council; proposing coding for new law in Minnesota Statutes, chapter 268; repealing Minnesota Statutes 1993 Supplement, section 268.9755.

The bill was read for the first time.

Beard moved that S. F. No. 2885 and H. F. No. 3095, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2289, A bill for an act relating to the environment; authorizing a person who wishes to construct or expand an air emission facility to reimburse certain costs of the pollution control agency; appropriating money; amending Minnesota Statutes 1992, section 116.07, subdivision 4d.

The bill was read for the first time.

Weaver moved that S. F. No. 2289 and H. F. No. 2520, 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, Solberg requested immediate consideration of S. F. No. 2429.

S. F. No. 2429 was reported to the House.

Milbert moved to amend S. F. No. 2429 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 18B.32, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] (a) A person may not engage in structural or aquatic pest control applications:

(1) for hire without a structural pest control license or, for an aquatic pest control application, an aquatic pest control license; and

(2) as a sole proprietorship, company, partnership, or corporation unless the person is or employs a licensed master in structural pest control operations or, for an aquatic pest control application, a commercial aquatic applicator.

(b) A structural or aquatic pest control licensee must have a valid license identification card when applying pesticides for hire and must display it upon demand by an authorized representative of the commissioner or a law enforcement officer. The license identification card must contain information required by the commissioner.

(c) Notwithstanding the licensing requirements of this subdivision, a person may control the following nuisance or economically damaging wild animals, by trapping, without a structural pest control license:

(1) fur-bearing animals, as defined in section 97A.015, with a valid trapping license or special permit from the commissioner of natural resources; and

(2) skunks, woodchucks, gophers, porcupines, coyotes, moles, and weasels.

Sec. 2. Minnesota Statutes 1992, section 97A.475, subdivision 3, is amended to read:

Subd. 3. [NONRESIDENT HUNTING.] Fees for the following licenses, to be issued to nonresidents, are:

(1) to take small game, \$56;

(2) to take deer with firearms, \$110;

(3) to take deer by archery, \$110;

(4) to take bear, \$165;

(5) to take turkey, \$56; and

(6) to take raccoon, bobcat, fox, coyote, or lynx, \$137.50; and

(7) to take antlered deer in more than one zone, \$220.

Sec. 3. Minnesota Statutes 1992, section 97A.485, subdivision 9, is amended to read:

Subd. 9. [CERTAIN LICENSES NOT TO BE ISSUED AFTER SEASON OPENS.] (a) The following licenses may not be issued after the day before the opening of the related firearms season:

(1) to take deer with firearms ~~or by archery~~, except a license to take ~~a second~~ more than one deer under section 97B.301, subdivision 4;

(2) to guide bear hunters; and

(3) to guide turkey hunters.

(b) Paragraph (a) does not apply to deer licenses for discharged military personnel under section 97A.465, subdivision 4.

(c) A nonresident license or tag to take and possess raccoon, bobcat, Canada lynx, or fox may not be issued after the fifth day of the open season.

Sec. 4. Minnesota Statutes 1992, section 97B.031, subdivision 2, is amended to read:

Subd. 2. [HANDGUNS FOR SMALL TAKING GAME.] A person may take small game with a handgun of any caliber and big game statewide with a handgun meeting the requirements of subdivision 1, in a manner prescribed by the commissioner.

Sec. 5. Minnesota Statutes 1993 Supplement, section 97B.041, is amended to read:

97B.041 [POSSESSION OF FIREARMS AND AMMUNITION RESTRICTED IN DEER ZONES.]

A person may not possess a firearm or ammunition outdoors during the period beginning the fifth day before the open firearms season and ending the second day after the close of the season within an area where deer may be taken by a firearm, except:

(1) during the open season and in an area where big game may be taken, a firearm and ammunition authorized for taking big game in that area may be used to take big game in that area if the person has a valid big game license in possession;

(2) an unloaded firearm that is in a case or in a closed trunk of a motor vehicle;

(3) a shotgun and shells containing No. 4 buckshot or smaller diameter lead shot or steel shot;

(4) a handgun or rifle and only short, long, and long rifle cartridges that are caliber of .22 inches;

(5) handguns possessed by a person authorized to carry a handgun under sections 624.714 and 624.715 for the purpose authorized; and

(6) on a target range operated under a permit from the commissioner.

This section does not apply during an open firearms season in an area where deer may be taken only by muzzleloader, except that muzzleloading firearms lawful for the taking of deer may be possessed only by persons with a valid license to take deer by muzzleloader during that season.

Sec. 6. Minnesota Statutes 1992, section 97B.051, is amended to read:

97B.051 [TRANSPORTATION OF ARCHERY BOWS.]

A person may not transport an archery bow in a motor vehicle unless the bow is:

(1) unstrung;

(2) completely contained in a case; or

(3) in the closed trunk of a motor vehicle.

No rule of the commissioner shall impose additional restrictions or requirements upon transportation or possession of archery bows.

Sec. 7. Minnesota Statutes 1992, section 97B.211, subdivision 2, is amended to read:

Subd. 2. [ARROWHEAD REQUIREMENTS.] Arrowheads used for taking big game must be sharp, have a minimum of two metal cutting edges, be of a barbless broadhead design, and must have a diameter of at least seven-eighths inch. The commissioner may allow retractable broadhead arrowheads, as long as they meet the other requirements of this subdivision.

Sec. 8. Minnesota Statutes 1992, section 97B.301, is amended by adding a subdivision to read:

Subd. 7. [AUTHORIZATION TO TAKE TWO DEER IN CERTAIN COUNTIES.] Notwithstanding subdivisions 2 and 3, a person may obtain one firearms deer license and one archery deer license in the same license year and may take one deer under each license in Kittson, Lake of the Woods, Marshall, and Roseau counties.

Sec. 9. Minnesota Statutes 1992, section 97B.905, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIREMENT.]

(a) A person may not buy or sell raw furs without a fur buying and selling license, except:

(i) a taxidermist licensed under section 97A.475, subdivision 19, and a fur manufacturer are not required to have a license to buy raw furs from a person with fur buying and selling licenses; and

(ii) a person lawfully entitled to take furbearing animals is not required to have a license to sell raw furs to a person with a fur buying and selling license.

(b) An employee, partner, or officer buying or selling only for a raw fur dealer licensee at an established place of business licensed under section 97A.475, subdivision 21, clause (a), may obtain a supplemental license under section 97A.475, subdivision 21, clause (b).

Sec. 10. Minnesota Statutes 1992, section 97B.931, is amended to read:

97B.931 [TENDING TRAPS RESTRICTED.]

A person may not tend a trap set for wild animals between ~~7:00~~ 10:00 p.m. and 5:00 a.m. Between 5:00 a.m. and ~~7:00~~ 10:00 p.m. a person on foot may use a portable artificial light to tend traps. While using a light in the field, the person may not possess or use a firearm other than a handgun of .22 caliber.

Sec. 11. Minnesota Statutes 1992, section 97C.321, subdivision 2, is amended to read:

Subd. 2. [ICE FISHING.] A person may use an unattended line to take fish through the ice if:

(1) the person is within sight of the line; or

(2) a tip-up is attached to the line and the person is within 80 feet of the tip-up.

For the purposes of this subdivision, "tip-up" includes a nonmotorized device with a recoil mechanism."

Delete the title and insert:

"A bill for an act relating to game and fish; authorizing nonresident multiple zone antlerless deer licenses; exemptions from pest control licensing; trapping hours; exemptions from fur buying and selling licensure; purchase of archery deer licenses after the firearms season opens; taking big game by handgun in a shotgun deer zone; possession of firearms in muzzle-loader only deer zones; amending Minnesota Statutes 1992, sections 97A.475, subdivision 3; 97A.485, subdivision 9; 97B.031, subdivision 2; 97B.051; 97B.211, subdivision 2; 97B.301, by adding a subdivision; 97B.905, subdivision 1; 97B.931; and 97C.321, subdivision 2; Minnesota Statutes 1993 Supplement, sections 18B.32, subdivision 1; and 97B.041."

The motion prevailed and the amendment was adopted.

Milbert moved to amend S. F. No. 2429, as amended, as follows:

Page 3, delete section 4

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sekhon moved to amend S. F. No. 2429, as amended, as follows:

Page 4, delete section 6

Renumber the remaining sections in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sekhon amendment and the roll was called. There were 24 yeas and 106 nays as follows:

Those who voted in the affirmative were:

Brown, K.	Greiling	Lasley	Mariani	Orfield	Skoglund
Carlson	Hausman	Long	McCollum	Rest	Trimble
Clark	Huntley	Lourey	Munger	Sekhon	Vellenga
Dawkins	Kelley	Mahon	Orenstein	Simoneau	Wagenius

Those who voted in the negative were:

Abrams	Dehler	Haukoos	Krinkie	Nelson	Rhodes	Vickerman
Anderson, R.	Delmont	Holsten	Krueger	Ness	Rodosovich	Waltman
Asch	Dempsey	Hugoson	Leppik	Olson, E.	Rukavina	Weaver
Battaglia	Dorn	Jaros	Lieder	Olson, K.	Sarna	Wejzman
Bauerly	Erhardt	Jefferson	Limmer	Olson, M.	Seagren	Wenzel
Beard	Evans	Jennings	Lindner	Onnen	Smith	Winter
Bergson	Farrell	Johnson, A.	Luther	Opatz	Solberg	Wolf
Bertram	Finseth	Johnson, R.	Lynch	Osthoff	Stanisus	Worke
Bettermann	Frerichs	Johnson, V.	Macklin	Ostrom	Steensma	Workman
Bishop	Garcia	Kalis	McGuire	Ozment	Sviggum	Spk. Anderson, I.
Brown, C.	Girard	Kelso	Milbert	Pauly	Swenson	
Carruthers	Goodno	Kinkel	Molnau	Pawlenty	Tomassoni	
Commers	Greenfield	Klinzing	Morrison	Pelowski	Tompkins	
Cooper	Gruenes	Knickerbocker	Mosel	Peterson	Tunheim	
Dauner	Gutknecht	Knight	Murphy	Pugh	Van Dellen	
Davids	Hasskamp	Koppendrayner	Neary	Reding	Van Engen	

The motion did not prevail and the amendment was not adopted.

Solberg, Hasskamp, Holsten, Battaglia and Johnson, V., moved to amend S. F. No. 2429, as amended, as follows:

Page 5, after line 27, insert:

"Sec. 12. [604A.20] [POLICY.]

It is the policy of this state, in furtherance of the public health and welfare, to encourage and promote the use of privately owned lands and waters by the public for beneficial recreational purposes, and the provisions of section 604.20 to 604A.27 are enacted to that end.

Sec. 13. [604A.21] [RECREATIONAL LAND USE; DEFINITIONS.]

Subdivision 1. [GENERAL.] For the purposes of sections 604A.20 to 604A.27, the terms defined in this section have the meanings given them, except where the context clearly indicates otherwise.

Subd. 2. [CHARGE.] "Charge" means any admission price asked or charged for services, entertainment, recreational use, or other activity or the offering of products for sale to the recreational user by a commercial for profit enterprise directly related to the use of the land.

Subd. 3. [LAND.] "Land" means privately owned or leased land, roads, water, watercourses, private ways and buildings, structures, and machinery or equipment when attached to the land.

Subd. 4. [OWNER.] "Owner" means the possessor of a fee interest or a life estate, tenant, lessee, occupant, or person in control of the land.

Subd. 5. [RECREATIONAL PURPOSE.] "Recreational purpose" includes, but is not limited to, hunting; trapping; fishing; swimming; boating; camping; picnicking; hiking; bicycling; horseback riding; firewood gathering; pleasure driving, including snowmobiling and the operation of any motorized vehicle or conveyance upon a road or upon or across land in any manner; nature study; water skiing; winter sports; and viewing or enjoying historical, archaeological, scenic, or scientific sites.

Sec. 14. [604A.22] [OWNER'S DUTY OF CARE OR DUTY TO GIVE WARNINGS.]

An owner who either directly or indirectly invites or permits any person to use the land for recreational purposes without charge:

(1) owes no duty of care to render or maintain the land safe for entry or use by other persons for recreational purposes;

(2) owes no duty to warn those persons of any dangerous condition on the land, whether patent or latent;

(3) owes no duty of care toward those persons except to refrain from willfully taking action to cause injury; and

(4) owes no duty to curtail use of the land during its use for recreational purposes.

Sec. 15. [604A.23] [OWNER'S LIABILITY.]

An owner who either directly or indirectly invites or permits any person to use the land for recreational purposes without charge does not by that action:

(1) extend any assurance that the land is safe for any purpose;

(2) confer upon the person the legal status of an invitee or licensee to whom a duty of care is owed; or

(3) assume responsibility for or incur liability for any injury to the person or property caused by an act or omission of the person.

Sec. 16. [604A.24] [LIABILITY; LEASED LAND, WATER FILLED MINE PITS.]

Unless otherwise agreed in writing, sections 604A.22 and 604A.23 also apply to the duties and liability of an owner of the following land:

(1) land leased to the state or any political subdivision for recreational purposes; or

(2) idled or abandoned, water filled mine pits whose pit walls may slump or cave, and to which water the public has access from a water access site operated by a public entity.

Sec. 17. [604A.25] [OWNER'S LIABILITY; NOT LIMITED.]

Except as provided in sections 604A.20 to 604A.27, nothing in those sections limits liability that otherwise exists:

(a) for conduct which, at law, entitles the trespasser to maintain an action and obtain relief for the conduct complained of; or

(b) for injury suffered in any case where the owner charges the persons who enter or go on the land for the recreational use, except that in the case of land leased to the state or a political subdivision, any consideration received from the state or political subdivision by the owner for the lease is not considered a charge within the meaning of this section.

A trespasser may not maintain an action and obtain relief at law for conduct referred to by clause (a) if the trespass is incidental to or arises from the recreational use of an interest in land dedicated, leased, or permitted by the owner for recreational use on or about a trail, including but not limited to hiking, bicycling, horseback riding, snowmobile riding, and motorized trail riding.

Sec. 18. [604A.26] [LAND USER'S LIABILITY.]

Nothing in sections 604A.20 to 604A.27:

(1) creates a duty of care or ground of liability for injury to persons or property; or

(2) relieves any person using the land of another for recreational purposes from any obligation that the person may have in the absence of sections 604A.20 to 604A.27 to exercise care in use of the land and in the person's activities on the land, or from the legal consequences of failure to employ that care.

Sec. 19. [604A.27] [DEDICATION; EASEMENT.]

No dedication of any land in connection with any use by any person for a recreational purpose takes effect in consequence of the exercise of that use for any length of time except as expressly permitted or provided in writing by the owner, nor shall the grant of permission for the use by the owner grant to any person an easement or other property right in the land except as expressly provided in writing by the owner.

Sec. 20. [REPEALER.]

Minnesota Statutes, sections 87.01; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; and 87.03 are repealed."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Solberg et al amendment and the roll was called. There were 113 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bettermann	Commers	Dempsey	Girard	Hasskamp	Jaros
Asch	Brown, C.	Cooper	Dorn	Goodno	Haukoos	Jefferson
Battaglia	Brown, K.	Dauner	Evans	Greenfield	Holsten	Jennings
Bauerly	Carlson	Davids	Farrell	Greiling	Hugoson	Johnson, A.
Beard	Carruthers	Dehler	Finseth	Gruenes	Huntley	Johnson, R.
Bertram	Clark	Delmont	Frerichs	Gutknecht	Jacobs	Johnson, V.

Kahn	Limmer	Morrison	Opatz	Rodosovich	Swenson	Winter
Kalis	Lindner	Mosel	Osthoff	Rukavina	Tomassoni	Wolf
Kelso	Long	Munger	Ostrom	Sarna	Trimble	Worke
Kinkel	Lourey	Murphy	Ozment	Sekhon	Tunheim	Workman
Klinzing	Luther	Neary	Pauly	Simoneau	Van Dellen	Spk. Anderson, I.
Koppendrayner	Lynch	Nelson	Pawlenty	Skoglund	Van Engen	
Krinkie	Macklin	Ness	Peterson	Smith	Vickerman	
Krueger	Mahon	Olson, E.	Pugh	Solberg	Wagenius	
Lasley	McGuire	Olson, K.	Reding	Stanis	Waltman	
Leppik	Milbert	Olson, M.	Rest	Steensma	Wejzman	
Lieder	Molnau	Onnen	Rhodes	Sviggum	Wenzel	

Those who voted in the negative were:

Abrams	Dawkins	Kelley	Mariani	Orfield	Weaver
Bergson	Erhardt	Knickerbocker	McCollum	Seagren	
Bishop	Garcia	Knight	Orenstein	Tompkins	

The motion prevailed and the amendment was adopted.

Rukavina; Anderson, I., and Stanis moved to amend S. F. No. 2429, as amended, as follows:

Page 5, after line 27, insert:

"Sec. 12. [SALE OF FISH FROM BORDER WATERS.]

No fish taken for commercial purposes from any international border waters of this state by residents of a foreign nation may be sold or offered for sale in this state."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Tompkins offered an amendment to S. F. No. 2429, as amended.

POINT OF ORDER

Tunheim raised a point of order pursuant to rule 3.09 that the Tompkins amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Krueger moved to amend S. F. No. 2429, as amended, as follows:

Page 1, line 7 of the Rukavina et al amendment, after the period, insert "Before implementation of this section, the commissioner of natural resources must issue an economic impact statement."

The motion prevailed and the amendment was adopted.

S. F. No. 2429, A bill for an act relating to natural resources; modifying the list of protected game birds; authorizing nonresident multiple zone antlered deer licenses; purchase of archery deer licenses after the firearms season opens; administration of contraceptive chemicals to wild animals; taking big game by handgun in a shotgun deer zone; possession of firearms in muzzle-loader only deer zones; modifying restrictions on operation of snowmobiles by minors; providing for free small game licenses for disabled veterans; undesirable exotic aquatic plants and wild

animals; Eurasian wild pigs; clarifying the requirement to wear blaze orange clothing during deer season; allowing local road authorities to remove beaver dams and lodges near public roads; allowing released game birds to be recaptured without a license; allowing use of retractable broadhead arrows in taking big game; defining tip-up to include certain mechanical devices for hooking fish; allowing nonresidents to take rough fish by harpooning; requiring the department of natural resources to share in the expense of partition fences; allowing the taking of two deer in designated counties during the 1994 and 1995 hunting seasons; abolishing the nonresident bear guide license; amending Minnesota Statutes 1992, sections 18.317, subdivisions 1, 1a, 2, 3, 4, and 5; 84.966, subdivision 1; 84.967; 84.968, subdivision 2; 84.969; 86B.401, subdivision 11; 97A.015, subdivisions 24, 45, and 52; 97A.105, subdivision 6; 97A.115, subdivision 2; 97A.441, by adding a subdivision; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.501, by adding a subdivision; 97B.031, subdivision 2; 97B.211, subdivision 2; 97B.601, subdivision 3; 97B.605; 97B.631; 97B.655, subdivision 1; 97B.701, by adding a subdivision; 97B.711, subdivision 1; 97C.321, subdivision 2; and 344.03, subdivision 1; Minnesota Statutes 1993 Supplement, sections 18.317, subdivision 3a; 84.872; 84.9692, subdivisions 1 and 2; 84.9695, subdivisions 1, 8, and 10; 97B.041; 97B.071; and 97B.711, subdivision 2; Laws 1993, chapters 129, section 4, subdivision 4; and 273, section 1; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 1992, section 97A.475, subdivision 17.

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 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Koppendrayner	Morrison	Pelowski	Swenson
Anderson, R.	Dehler	Holsten	Krinkie	Mosel	Perlt	Tomassoni
Asch	Delmont	Hugoson	Krueger	Munger	Peterson	Tompkins
Battaglia	Dempsey	Huntley	Lasley	Murphy	Pugh	Trimble
Bauerly	Dorn	Jacobs	Leppik	Neary	Reding	Tunheim
Beard	Erhardt	Jaros	Lieder	Nelson	Rest	Van Dellen
Bergson	Evans	Jefferson	Limmer	Ness	Rhodes	Van Engen
Bertram	Farrell	Jennings	Lindner	Olson, E.	Rice	Vickerman
Bettermann	Finseth	Johnson, A.	Long	Olson, K.	Rodosovich	Wagenius
Bishop	Frerichs	Johnson, R.	Lourey	Olson, M.	Rukavina	Waltman
Brown, C.	Garcia	Johnson, V.	Luther	Onnen	Sarna	Weaver
Brown, K.	Girard	Kahn	Lynch	Opatz	Seagren	Wejzman
Carlson	Goodno	Kalis	Macklin	Orenstein	Simoneau	Wenzel
Carruthers	Greenfield	Kelley	Mahon	Orfield	Skoglund	Winter
Clark	Greiling	Kelso	Mariani	Osthoff	Smith	Wolf
Commers	Gruenes	Kinkel	McCollum	Ostrom	Solberg	Worke
Cooper	Gutknecht	Klinzing	McGuire	Ozment	Stanius	Workman
Dauner	Hasskamp	Knickerbocker	Milbert	Pauly	Steensma	Spk. Anderson, I.
Davids	Haukoos	Knight	Molnau	Pawlenty	Svigum	

Those who voted in the negative were:

Sehkon

The bill was passed, as amended, and its title agreed to.

MOTION FOR RECONSIDERATION

Skoglund moved that the vote whereby the House refused to concur on Friday, April 22, 1994, in the Senate amendments to H. F. No. 2028 and that the Speaker appoint a Conference Committee of 3 members be now reconsidered. The motion prevailed.

Skoglund moved that the House refuse to concur in the Senate amendments to H. F. No. 2028, 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.

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2028:

McGuire, Skoglund, Perl, Macklin and Swenson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2410:

Rukavina, Trimble and Sekhon.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2485:

Munger, Trimble and Johnson, V.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2624:

Reding, Solberg and Knickerbocker.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. No. 3086.

H. F. No. 3086 was reported to the House.

Wagenius moved to amend H. F. No. 3086, the second engrossment, as follows:

Page 4, line 25, before the colon insert "the facility was privately owned and operated at the time it stopped accepting waste for disposal and"

Page 4, delete line 26

Renumber the remaining clauses

Page 5, line 8, delete the period and insert "or"

Page 14, after line 20, insert:

"(2) monitor groundwater at all qualified facilities;"

Renumber the remaining clauses

Page 14, line 32, after "to" insert "a total of"

Page 14, line 33, after "to" insert "a total of"

Page 17, line 6, before "arranged" insert "illegally" and before the second "disposed" insert "illegally"

Page 21, line 15, delete "\$....." and insert "\$75"

Page 24, after line 2, insert:

"The money appropriated in this section may be used only to reimburse counties for the costs of establishing and operating household hazardous waste management and education programs, excluding administrative expenses. The commissioner of the pollution control agency shall use half of the appropriation for reimbursement to metropolitan counties and shall use the remaining half of the appropriation for reimbursement to counties not located in the metropolitan area. Counties may be reimbursed, individually or in groups, for up to 50 percent of the counties' expenses for household hazardous waste education and to collect, transport, process, and dispose of household hazardous waste, excluding administrative expenses, and up to 100 percent of household hazardous waste management facility development, excluding administrative expenses. For counties that presently are eligible for reimbursement for household hazardous waste management expenses from other money appropriated to the commissioner of the pollution control agency or allocated by the commissioner for this purpose, the maximum amount that may be reimbursed under this section applies to the total reimbursement provided by the commissioner from the combination of formerly appropriated money and from this appropriation."

The motion prevailed and the amendment was adopted.

Pauly moved to amend H. F. No. 3086, the second engrossment, as amended, as follows:

Page 4, after line 5, insert:

"(e) 'Owner' means any person, partnership, firm, limited liability company, cooperative, association, corporation, or other nongovernmental entity."

Reletter the paragraphs

The motion prevailed and the amendment was adopted.

Sekhon moved to amend H. F. No. 3086, the second engrossment, as amended, as follows:

Page 4, line 20, after "accepting" insert "mixed municipal solid"

Page 4, line 21, after the comma, insert "and all solid waste for disposal by June 1, 1994,"

The motion prevailed and the amendment was adopted.

Kahn, Rice, Sarna, Wagenius, Munger, Jefferson and Battaglia moved to amend H. F. No. 3086, the second engrossment, as amended, as follows:

Page 2, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 116G.15, is amended to read:

116G.15 [MISSISSIPPI RIVER CRITICAL AREA.]

The federal Mississippi National River and Recreation Area established pursuant to United States Code, title 16, section 460zz-2(k), is designated an area of critical concern in accordance with this chapter. The governor shall review the existing Mississippi river critical area plan and specify any additional standards and guidelines to affected communities in accordance with section 116G.06, subdivision 2, paragraph (b), clauses (3) and (4), needed to insure preservation of the area pending the completion of the federal plan.

The results of an environmental impact statement prepared under chapter 116D and completed after the effective date of this section for a proposed project that is located in the Mississippi river critical area north of the United States Army Corps of Engineers lock and dam number one must be reported to the chairs of the environment and natural

resources policy and finance committees of the house of representatives and the senate for legislative review of the proposed project and alternatives to the project prior to the issuance of any state or local permits and the authorization for an issuance of any bonds for the project. A report made under this paragraph must list alternatives to the project that are environmentally superior to the proposed project and identify any legislative actions that may assist in the implementation of environmentally superior alternatives. This paragraph does not apply to a proposed project to be carried out by the metropolitan council or a metropolitan agency as defined in section 473.121.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

POINT OF ORDER

Goodno raised a point of order pursuant to rule 3.09 that the Kahn et al 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 Kahn amendment to H. F. No. 3086, the second engrossment, as amended. The motion prevailed and the amendment was adopted.

Long, Solberg and Kahn moved to amend H. F. No. 3086, the second engrossment, as amended, as follows:

Page 1, after line 22, insert:

"Section 1. Minnesota Statutes 1992, section 115A.055, is amended to read:

115A.055 [OFFICE OF WASTE MANAGEMENT.]

The office of waste management is an agency in the executive branch headed by a director appointed by the governor, with the advice and consent of the senate, to serve in the unclassified service. The director may appoint two assistant directors in the unclassified service and may appoint other employees, as needed, in the classified service. The personnel, powers, or duties of the office may not be transferred under section 16B.37."

Page 2, after line 23, insert:

"Sec. 3. [OFFICE OF WASTE MANAGEMENT; RETURN AND TRANSFER OF RESPONSIBILITIES.]

(a) The personnel, powers, duties, and furniture and equipment of the office of waste management transferred from it by reorganization order number 169 under Minnesota Statutes, section 16B.37, are hereby transferred back to it subject to Minnesota Statutes, section 16B.37, subdivision 3.

(b) The solid and hazardous waste management personnel, powers, and duties of the metropolitan council under Minnesota Statutes, chapters 115A and 473, are transferred from the council to the office of waste management subject to Minnesota Statutes, section 16B.37, subdivision 3.

(c) By February 15, 1995, the legislative commission on waste management shall propose legislation to conform existing statutes to the transfer in paragraph (b).

(d) Employees of the metropolitan council currently performing the duties under Minnesota Statutes, sections 473.149, 473.151, and 473.801 to 473.849 shall be given the option of filling positions to perform these duties at the office of environmental assistance. Employees so transferred shall not suffer a reduction in salary as a result of the transfer to state employment. For job seniority and benefit calculation purposes, the date of first employment with the state is the date on which services were first performed by the employee for the metropolitan council. Any sick leave, vacation time, or severance pay benefits accumulated by the affected employees under the policies of the metropolitan council shall carry over to state service. Employees of the metropolitan council who are transferred to the office of environmental assistance shall be offered an open enrollment in all insurance plans available to state employees with no limit on preexisting conditions.

Sec. 4. [INSTRUCTION TO REVISOR.]

The revisor of statutes shall make the following changes, with appropriate stylistic corrections, in Minnesota Statutes 1994 and subsequent editions of the statutes:

(1) change the words "office of waste management" and "office" to "director" and change "its," when it refers to the office of waste management, to "the director's" in Minnesota Statutes, sections 115A.06, subdivisions 13 and 14; 115A.072; 115A.152; 115A.154; 115A.156; 115A.165; 115A.45; 115A.48; 115A.51; 115A.52; 115A.54, subdivision 3; 115A.541; 115A.55; 115A.551; 115A.552; 115A.553; 115A.557; 115A.58; 115A.59; 115A.63; 115A.64; 115A.66; 115A.71; 115A.72; 115A.84; 115A.86; 115A.9162; 115A.917; 115A.961; 115A.97; and 115A.991;

(2) change the word "reviewing authority" to "director" in Minnesota Statutes, sections 115A.83, subdivision 2; 115A.84, subdivisions 4 and 5; 115A.86, subdivisions 2, 3, and 5; 115A.87; 115A.89; 115A.893, subdivisions 3 and 4;

(3) change the word "its," when it refers to the reviewing authority, to "the director's" in Minnesota Statutes, sections 115A.84, subdivision 4, paragraph (c); and 115A.89, clause (3);

(4) change the word "it" to "the director" in Minnesota Statutes, section 115A.84, subdivision 4, paragraphs (a) and (c);

(5) delete the words "the office or" and delete "acting on behalf of the office" in Minnesota Statutes, section 115A.06, subdivisions 8 to 10;

(6) change the word "board" to "director" in Minnesota Statutes, section 115A.97, subdivision 5; and

(7) delete the word "office" in Minnesota Statutes, section 115A.551, subdivision 7."

Renumber the remaining sections in sequence

The motion prevailed and the amendment was adopted.

H. F. No. 3086, A bill for an act relating to the environment; expanding the authority of the commissioner of the pollution control agency to release persons from liability for contamination from petroleum tanks; establishing an environmental cleanup program for landfills; increasing the solid waste generator fee; providing penalties; appropriating money; abolishing the metropolitan landfill contingency action trust fund; transferring trust fund assets; transferring certain personnel, powers, and duties back to the office of waste management; transferring solid and hazardous waste management personnel, powers, and duties of the metropolitan council to the office of waste management; amending Minnesota Statutes 1992, sections 115.073; 115A.055; 115B.42, subdivision 1, and by adding subdivisions; 115C.03, subdivision 9; 116G.15; 383D.71, subdivision 1; 473.801, subdivisions 1 and 4; 473.841; 473.842, subdivision 1; and 473.843, subdivision 2; amending Minnesota Statutes 1993 Supplement, sections 115B.42, subdivision 2; and 116.07, subdivision 10; proposing coding for new law in Minnesota Statutes, chapter 115B; repealing Minnesota Statutes 1992, sections 473.842, subdivisions 1a, 4a, and 5; 473.845; and 473.847.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, C.	Dehler	Girard	Hugoson	Kalis	Lasley
Anderson, R.	Brown, K.	Delmont	Goodno	Huntley	Kelley	Leppik
Asch	Carlson	Dempsey	Greenfield	Jacobs	Kelso	Lieder
Battaglia	Carruthers	Dorn	Greiling	Jaros	Kinkel	Limmer
Bauerly	Clark	Erhardt	Gruenes	Jefferson	Klinzing	Lindner
Beard	Commers	Evans	Gutknecht	Jennings	Knickerbocker	Long
Bergson	Cooper	Farrell	Hasskamp	Johnson, A.	Knight	Lourey
Bertram	Dauner	Finseth	Haukoos	Johnson, R.	Koppendrayner	Luther
Bettermann	Davids	Frerichs	Hausman	Johnson, V.	Krinkie	Lynch
Bishop	Dawkins	Garcia	Holsten	Kahn	Krueger	Macklin

Mahon	Murphy	Orenstein	Peterson	Sekhon	Tomassoni	Waltman
Mariani	Neary	Orfield	Reding	Simoneau	Tompkins	Weaver
McCollum	Nelson	Osthoff	Rest	Skoglund	Trimble	Wejcman
McGuire	Ness	Ostrom	Rhodes	Smith	Tunheim	Wenzel
Milbert	Olson, E.	Ozment	Rice	Solberg	Van Dellen	Winter
Molnau	Olson, K.	Pauly	Rodosovich	Stanis	Van Engen	Wolf
Morrison	Olson, M.	Pawlenty	Rukavina	Steensma	Vellenga	Worke
Mosel	Ornen	Pelowski	Sarna	Sviggum	Vickerman	Workman
Munger	Opatz	Perlt	Seagren	Swenson	Wagenius	Spk. Anderson, I.

The bill was passed, as amended, and its title agreed to.

Carruthers moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of S. F. No. 1706.

S. F. No. 1706 was reported to the House.

Jennings moved to amend S. F. No. 1706, the unofficial engrossment, as follows:

Page 17, after line 24, insert:

"(d) The commission shall allow a utility to recover its initial deposit and all future reimbursements to the account."

The motion prevailed and the amendment was adopted.

Jennings and Dempsey moved to amend S. F. No. 1706, the unofficial engrossment, as amended, as follows:

Page 13, line 11, delete everything after "energy" and insert "as part of its responsibilities, may establish guidelines for preferred electric energy generation sources among the following: conservation of electric energy and management of demand; wind and solar; biomass and low-head or refurbished hydro; decomposition gases produced by solid waste management facilities, natural gas-fired cogeneration, and waste materials or byproducts combined with natural gas; natural gas, hydropower that is not low-head or refurbished hydropower, and solid waste as a direct fuel or refuse-derived fuel; and coal or nuclear power."

Page 13, delete lines 12 to 36

Page 14, delete lines 1 to 11

A roll call was requested and properly seconded.

The question was taken on the Jennings and Dempsey amendment and the roll was called. There were 67 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Koppendrayner	Morrison	Pawlenty	Van Engen
Anderson, R.	Dempsey	Hugoson	Krinkie	Mosel	Perlt	Vickerman
Beard	Erhardt	Huntley	Lasley	Nelson	Seagren	Waltman
Bertram	Finseth	Jacobs	Leppik	Ness	Smith	Weaver
Bettermann	Frerichs	Jennings	Lieder	Olson, E.	Stanius	Wolf
Bishop	Girard	Johnson, A.	Limmer	Olson, M.	Sviggum	Worke
Commers	Goodno	Johnson, V.	Lindner	Onnen	Swenson	Workman
Cooper	Gruenes	Klinzing	Lynch	Opatz	Tompkins	
Dauner	Gutknecht	Knickerbocker	Macklin	Osthoff	Tunheim	
Dauids	Haukoos	Knight	Molnau	Pauly	Van Dellen	

Those who voted in the negative were:

Asch	Delmont	Jefferson	Luther	Orenstein	Rice	Trimble
Battaglia	Dorn	Johnson, R.	Mahon	Orfield	Rodosovich	Vellenga
Bauerly	Evans	Kahn	Mariani	Ostrom	Rukavina	Wagenius
Bergson	Farrell	Kalis	McCollum	Ozment	Sarna	Wejman
Brown, C.	Garcia	Kelley	McGuire	Pelowski	Sekhon	Wenzel
Brown, K.	Greenfield	Kelso	Milbert	Peterson	Simoneau	Winter
Carlson	Greiling	Kinkel	Munger	Pugh	Skoglund	Spk. Anderson, I.
Carruthers	Hasskamp	Krueger	Murphy	Reding	Solberg	
Clark	Hausman	Long	Neary	Rest	Steensma	
Dawkins	Jaros	Lourey	Olson, K.	Rhodes	Tomassoni	

The motion did not prevail and the amendment was not adopted.

Frerichs was excused between the hours of 2:20 p.m. and 3:40 p.m.

CALL OF THE HOUSE

On the motion of Carruthers and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Dawkins	Holsten	Krueger	Munger	Peterson	Trimble
Anderson, R.	Dehler	Hugoson	Lasley	Murphy	Pugh	Tunheim
Asch	Delmont	Huntley	Leppik	Neary	Reding	Van Dellen
Battaglia	Dempsey	Jaros	Lieder	Nelson	Rest	Van Engen
Bauerly	Dorn	Jefferson	Limmer	Ness	Rhodes	Vellenga
Beard	Erhardt	Jennings	Lindner	Olson, E.	Rodosovich	Vickerman
Bergson	Evans	Johnson, A.	Long	Olson, K.	Rukavina	Wagenius
Bertram	Farrell	Johnson, R.	Lourey	Olson, M.	Sarna	Waltman
Bettermann	Finseth	Johnson, V.	Luther	Onnen	Seagren	Weaver
Bishop	Garcia	Kahn	Lynch	Opatz	Sekhon	Wejman
Brown, C.	Girard	Kalis	Macklin	Orenstein	Simoneau	Wenzel
Brown, K.	Goodno	Kelley	Mahon	Orfield	Skoglund	Winter
Carlson	Greenfield	Kelso	Mariani	Osthoff	Smith	Wolf
Carruthers	Greiling	Kinkel	McCollum	Ostrom	Solberg	Worke
Clark	Gruenes	Klinzing	McGuire	Ozment	Steensma	Workman
Commers	Gutknecht	Knickerbocker	Milbert	Pauly	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Knight	Molnau	Pawlenty	Swenson	
Dauner	Haukoos	Koppendrayner	Morrison	Pelowski	Tomassoni	
Dauids	Hausman	Krinkie	Mosel	Perlt	Tompkins	

Carruthers 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.

Jennings moved to amend S. F. No. 1706, the unofficial engrossment, as amended, as follows:

Page 17, line 11, delete "\$200,000" and insert "\$100,000"

Page 19, line 5, delete "\$40,000" and insert "\$20,000"

A roll call was requested and properly seconded.

The question was taken on the Jennings amendment and the roll was called. There were 65 yeas and 68 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dempsey	Hugoson	Krinkie	Ness	Simoneau	Waltman
Bauerly	Erhardt	Huntley	Lasley	Olson, E.	Smith	Weaver
Bertram	Farrell	Jacobs	Leppik	Olson, M.	Solberg	Wolf
Bettermann	Finseth	Jaros	Lindner	Onnen	Stanisus	Worke
Bishop	Girard	Jennings	Lynch	Osthoff	Sviggum	Workman
Commers	Goodno	Johnson, V.	Macklin	Pawlenty	Swenson	
Cooper	Gruenes	Kelso	Molnau	Perlt	Tunheim	
Dauner	Gutknecht	Klinzing	Morrison	Rhodes	Van Dellen	
Davids	Haukoos	Knickerbocker	Mosel	Rukavina	Van Engen	
Dehler	Holsten	Koppendrayar	Nelson	Seagren	Vickerman	

Those who voted in the negative were:

Abrams	Dawkins	Johnson, A.	Long	Neary	Pugh	Tompkins
Asch	Delmont	Johnson, R.	Lourey	Olson, K.	Reding	Trimble
Battaglia	Dorn	Kahn	Luther	Opatz	Rest	Vellenga
Beard	Evans	Kalis	Mahon	Orenstein	Rice	Wagenius
Bergson	Garcia	Kelley	Mariani	Orfield	Rodosovich	Wejcman
Brown, C.	Greenfield	Kinkel	McCollum	Ostrom	Sama	Wenzel
Brown, K.	Greiling	Knight	McGuire	Ozment	Sekhon	Winter
Carlson	Hasskamp	Krueger	Milbert	Pauly	Skoglund	Spk. Anderson, I.
Carruthers	Hausman	Lieder	Munger	Pelowski	Steensma	
Clark	Jefferson	Limmer	Murphy	Peterson	Tomassoni	

The motion did not prevail and the amendment was not adopted.

Morrison, Jennings and Leppik moved to amend S. F. No. 1706, the unofficial engrossment, as amended, as follows:

Page 5, after line 32, insert:

"Sec. 2. [ALTERNATIVE TECHNOLOGY FOR SPENT FUEL STORAGE.]

The public utilities commission shall determine whether there exists or whether there is likely to exist in the future a technology for storing spent nuclear fuel in casks or other containers that allow for transportation as well as storage of the waste. If such technology exists and is feasible for storage and eventual transportation of spent nuclear fuel generated by the Prairie Island nuclear power generating plant, the commission shall order its use.

Sec. 3. Minnesota Statutes 1993 Supplement, section 216B.2422, is amended by adding a subdivision to read:

Subd. 7. [CONSERVATION AND RENEWABLE ENERGY PRIORITY.] Before a utility that submits a resource plan under this section plans on adding electric generation capacity to replace or supplement existing generation capacity, it must plan for and accomplish the maximum level of energy conservation reasonable feasible. Once the utility's resource plan includes using the maximum level of conservation, the utility may plan for additional generation capacity, but must first plan for use of generation technology that utilizes renewable resources. Only if the utility can demonstrate that using renewable resources is impossible or significantly more costly may the utility plan for additional generation capacity from nonrenewable resources. The commission may not approve a resource plan that does not comply with this subdivision.

Sec. 4. [ENERGY EFFICIENT LIGHTING.]

The public utility that operates the nuclear power generating plant at Prairie Island shall undertake a conservation improvement program to ensure that lighting and other electric energy usage in residences and other buildings within its service territory is as energy efficient as present technology allows."

Renumber the remaining sections

A roll call was requested and properly seconded.

The question was taken on the Morrison et al amendment and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krueger	Munger	Peterson	Tomassoni
Anderson, R.	Dehler	Hugoson	Lasley	Murphy	Pugh	Tompkins
Asch	Delmont	Jacobs	Leppik	Neary	Reding	Trimble
Battaglia	Dempsey	Jaros	Lieder	Nelson	Rest	Tunheim
Bauerly	Dorn	Jefferson	Limmer	Ness	Rhodes	Van Dellen
Beard	Erhardt	Jennings	Lindner	Olson, E.	Rice	Van Engen
Bergson	Evans	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Bertram	Farrell	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bettermann	Finseth	Johnson, V.	Luther	Onnen	Sarna	Wagenius
Bishop	Garcia	Kahn	Lynch	Opatz	Seagren	Waltman
Brown, C.	Girard	Kalis	Macklin	Orenstein	Sekhon	Weaver
Brown, K.	Goodno	Kelley	Mahon	Orfield	Simoneau	Wejzman
Carlson	Greenfield	Kelso	Mariani	Osthoff	Skoglund	Wenzel
Carruthers	Greiling	Kinkel	McCollum	Ostrom	Smith	Winter
Clark	Gruenes	Klinzing	McGuire	Ozment	Solberg	Wolf
Commers	Gutknecht	Knickerbocker	Milbert	Pauly	Stanius	Worke
Cooper	Hasskamp	Knight	Molnau	Pawlenty	Steensma	Workman
Dauner	Haukoos	Koppendrayner	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Dauids	Hausman	Krinkie	Mosel	Perlt	Swenson	

Those who voted in the negative were:

Huntley

The motion prevailed and the amendment was adopted.

Jennings and Dempsey moved to amend S. F. No. 1706, the unofficial engrossment, as amended, as follows:

Page 14, delete section 3

A roll call was requested and properly seconded.

The question was taken on the Jennings and Dempsey amendment and the roll was called. There were 60 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Bettermann	Cooper	Dehler	Finseth	Gruenes	Holsten
Beard	Bishop	Dauner	Dempsey	Girard	Gutknecht	Hugoson
Bertram	Commers	Dauids	Erhardt	Goodno	Haukoos	Huntley

Jacobs	Koppendrayner	Lynch	Olson, E.	Perl	Tunheim	Wolf
Jennings	Krinkie	Macklin	Olson, M.	Seagren	Van Dellen	Worke
Johnson, V.	Lasley	Molnau	Ornen	Smith	Van Engen	Workman
Klinzing	Leppik	Morrison	Opatz	Stanis	Vickerman	
Knickerbocker	Linumer	Nelson	Osthoff	Sviggum	Waltman	
Knight	Lindner	Ness	Pawlenty	Swenson	Weaver	

Those who voted in the negative were:

Anderson, R.	Delmont	Johnson, A.	Luther	Orenstein	Rice	Trimble
Asch	Dorn	Johnson, R.	Mahon	Orfield	Rodosovich	Vellenga
Battaglia	Evans	Kahn	Mariani	Ostrom	Rukavina	Wagenius
Bauerly	Farrell	Kalis	McCollum	Ozment	Sarna	Wejzman
Bergson	Garcia	Kelley	McGuire	Pauly	Sekhon	Wenzel
Brown, C.	Greenfield	Kelso	Milbert	Pelowski	Simoneau	Winter
Brown, K.	Greiling	Kinkel	Mosel	Peterson	Skoglund	Spk. Anderson, I.
Carlson	Hasskamp	Krueger	Munger	Pugh	Solberg	
Carruthers	Hausman	Lieder	Murphy	Reding	Steensma	
Clark	Jaros	Long	Neary	Rest	Tomassoni	
Dawkins	Jefferson	Lourey	Olson, K.	Rhodes	Tompkins	

The motion did not prevail and the amendment was not adopted.

Girard moved to amend S. F. No. 1706, the unofficial engrossment, as amended, as follows:

Page 6, line 13, before the semicolon, insert "two of whom must be from the minority caucus"

Page 6, line 15, before the period, insert "two of whom must be from the minority caucus"

Carruthers moved to amend the Girard amendment to S. F. No. 1706, the unofficial engrossment, as amended, as follows:

Page 1, after line 2 of the Girard amendment, insert:

"Page 6, lines 12 and 14, delete "six" and insert "eight""

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Girard amendment, as amended, to S. F. No. 1706, the unofficial engrossment, as amended. The motion prevailed and the amendment, as amended, was adopted.

Olson, M., and Dempsey moved to amend S. F. No. 1706, the unofficial engrossment, as amended, as follows:

Page 10, after line 10, insert:

"(5) whether emerging nuclear technologies, such as integral fast reactors, which can generate electricity without environmental damage while producing no or minimal radioactive waste, are economically feasible and practical electric energy alternatives in the foreseeable future and, if so, how to encourage and take advantage of such technologies;"

Renumber the remaining clauses

The motion prevailed and the amendment was adopted.

Osthoff moved to amend S. F. No. 1706, the unofficial engrossment, as amended, as follows:

Page 16, line 11 to page 20, line 9, delete Article 3

A roll call was requested and properly seconded.

The question was taken on the Osthoff amendment and the roll was called. There were 84 yeas and 49 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Krinkie	Nelson	Peterson	Swenson
Bauerly	Delmont	Hugoson	Lasley	Ness	Pugh	Tomassoni
Beard	Dempsey	Huntley	Leppik	Olson, E.	Rhodes	Tompkins
Bertram	Dorn	Jacobs	Lieder	Olson, K.	Rodosovich	Tunheim
Bettermann	Erhardt	Jennings	Limmer	Olson, M.	Rukavina	Van Dellen
Bishop	Farrell	Johnson, V.	Lindner	Ornen	Seagren	Van Engen
Brown, C.	Finseth	Kelso	Luther	Opatz	Simoneau	Vickerman
Brown, K.	Girard	Kinkel	Lynch	Osthoff	Smith	Waltman
Commers	Goodno	Klinzing	Macklin	Pauly	Solberg	Weaver
Cooper	Gruenes	Knickerbocker	Molnau	Pawlenty	Stanis	Wolf
Dauner	Gutknecht	Knight	Morrison	Pelowski	Steensma	Worke
Dauids	Haukoos	Koppendrayer	Mosel	Perlt	Sviggum	Workman

Those who voted in the negative were:

Anderson, R.	Dawkins	Jaros	Krueger	Milbert	Ozment	Trimble
Asch	Evans	Jefferson	Long	Munger	Reding	Vellenga
Battaglia	Garcia	Johnson, A.	Lourey	Murphy	Rest	Wagenius
Bergson	Greenfield	Johnson, R.	Mahon	Neary	Rice	Wejzman
Carlson	Greiling	Kahn	Mariani	Orenstein	Sarna	Wenzel
Carruthers	Hasskamp	Kalis	McCollum	Orfield	Sekhon	Winter
Clark	Hausman	Kelley	McGuire	Ostrom	Skoglund	Spk. Anderson, I.

The motion prevailed and the amendment was adopted.

S. F. No. 1706, A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; providing for a transfer of land; approving the continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; providing for intervenor compensation; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

The bill was read for the third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 104 yeas and 30 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Brown, C.	Carruthers	Dauids	Delmont
Anderson, R.	Bauerly	Bertram	Brown, K.	Clark	Dawkins	Dempsey
Asch	Beard	Bishop	Carlson	Cooper	Dehler	Dorn

Erhardt	Jacobs	Knickerbocker	McCollum	Orenstein	Rhodes	Tompkins
Evans	Jaros	Krinkie	McGuire	Orfield	Rice	Trimble
Farrell	Jefferson	Krueger	Milbert	Osthoff	Rukavina	Tunheim
Finseth	Jennings	Lasley	Morrison	Ostrom	Sarna	Vellenga
Garcia	Johnson, A.	Leppik	Mosel	Ozment	Seagren	Vickerman
Girard	Johnson, R.	Lieder	Munger	Pauly	Sekhon	Wagenius
Greenfield	Johnson, V.	Limmer	Murphy	Pelowski	Simoneau	Wejcman
Greiling	Kahn	Long	Neary	Perlt	Skoglund	Wenzel
Hasskamp	Kalis	Lourey	Nelson	Peterson	Smith	Winter
Hausman	Kelley	Luther	Ness	Pugh	Solberg	Wolf
Holsten	Kelso	Mahon	Olson, K.	Reding	Steensma	Spk. Anderson, I.
Huntley	Kinkel	Mariani	Opatz	Rest	Tomassoni	

Those who voted in the negative were:

Bettermann	Gruenes	Knight	Molnau	Rodosovich	Van Engen
Commers	Gutknecht	Koppendrayner	Olson, E.	Stanis	Waltman
Dauner	Haukoos	Lindner	Olson, M.	Sviggum	Weaver
Frerichs	Hugoson	Lynch	Onnen	Swenson	Worke
Goodno	Klinzing	Macklin	Pawlentz	Van Dellen	Workman

The bill was passed, as amended, and its title agreed to.

CALL OF THE HOUSE LIFTED

Carruthers moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

There being no objection, the order of business reverted to 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. 2028, A bill for an act relating to data practices; classifying data as private, confidential, or nonpublic; providing for access to certain law enforcement and court services data on juveniles; providing law enforcement access to certain welfare and patient directory information; providing for treatment of customer data by videotape sellers and service providers; providing for data access to conduct fetal, infant, and maternal death studies; extending a provision for conduct of medical research absent prior patient consent; amending Minnesota Statutes 1992, sections 13.03, subdivision 4; 13.38, by adding a subdivision; 13.39, by adding a subdivision; 13.41, subdivision 2, and by adding a subdivision; 13.57; 13.71, by adding subdivisions; 13.76, by adding a subdivision; 13.82, by adding a subdivision; 13.99, subdivisions 7, 39, 45, 53, 60, 71, 79, and by adding subdivisions; 144.581, subdivision 5; 171.12, subdivision 7; 260.161, by adding a subdivision; 471.705; Minnesota Statutes 1993 Supplement, sections 13.43, subdivision 2; 13.46, subdivision 2; 13.643, by adding a subdivision; 13.82, subdivision 4; 121.8355, by adding a subdivision; 144.335, subdivision 3a; 144.651, subdivisions 2, 21, and 26; 168.346; 245.493, by adding a subdivision; 253B.03, subdivisions 3 and 4; 260.161, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapters 144; 145; proposing coding for new law as Minnesota Statutes, chapter 325I.

The Senate has appointed as such committee:

Messrs. Finn; Merriam; Knutson; Mses. Krentz and Piper.

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. 2410, A bill for an act relating to natural resources; sale of native tree seed and tree planting stock; terms and conditions governing the leasing of state timber lands; amending Minnesota Statutes 1992, sections 89.36, subdivision 3; 89.37, by adding a subdivision; 90.101, subdivision 2; 90.151, subdivision 1; 90.161, subdivisions 1 and 2; 90.191, subdivision 2; and 90.193; Minnesota Statutes 1993 Supplement, sections 90.101, subdivision 1; and 90.121; repealing Minnesota Statutes 1992, section 90.151, subdivisions 13 and 14.

The Senate has appointed as such committee:

Messrs. Lessard, Chandler and Laidig.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate accedes to the request of the House for the appointment of a Conference Committee on the amendments adopted by the Senate to the following House File:

H. F. No. 2485, A bill for an act relating to water; providing for duties of the legislative water commission; providing for a sustainable agriculture advisory committee; requiring plans relating to sustainable agriculture and integrated pest management; regulating acceptance of empty pesticide containers; changing disclosures and fees related to dewatering wells; establishing groundwater policy and education; changing water well permit requirements; requiring reports to the legislature; amending Minnesota Statutes 1992, sections 3.887, subdivisions 5, 6, and 8; 17.114, subdivisions 1, 3, 4, and by adding a subdivision; 18B.045, subdivision 1; 103A.43; 103B.151, subdivision 1; 103G.271, subdivision 5; 103H.175, by adding a subdivision; 103H.201, subdivisions 1 and 4; 103I.101, subdivision 5; 103I.205, subdivision 1; 103I.208; and 103I.331, subdivision 6; Minnesota Statutes 1993 Supplement, sections 18B.135, subdivision 1; 18E.06; and 115B.20, subdivision 6; proposing coding for new law in Minnesota Statutes, chapters 103A; and 103F; repealing Minnesota Statutes 1992, section 103F.460.

The Senate has appointed as such committee:

Messrs. Price, Morse and Dille.

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. 2624, A bill for an act relating to employee relations; ratifying labor agreements; making certain positions unclassified; changing duties of the legislative commission on employee relations; revising a salary range for a certain position in the judicial branch; modifying duties of the commissioner of employee relations; amending Minnesota Statutes 1992, sections 3.855, subdivisions 2, 3, and by adding a subdivision; 15A.081, subdivisions 7 and 7b; 43A.05, subdivision 5; 43A.08, subdivisions 1 and 1a; 43A.18, subdivisions 2, 3, and 5; 179A.10, subdivision 3; 179A.18, subdivision 1; and 179A.22, subdivision 4; Minnesota Statutes 1993 Supplement, sections 15A.081, subdivision 1; 15A.083, subdivision 4; and 43A.18, subdivision 4.

The Senate has appointed as such committee:

Ms. Flynn; Mr. Luther and Ms. Kiscaden.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2900.

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. 2900

A bill for an act relating to education; appropriating money for education and related purposes to the state board of technical colleges, higher education board, state university board, and board of regents of the University of Minnesota, with certain conditions; modifying the award of grants for faculty exchange and temporary assignment programs; designating community colleges; establishing the mission of Fond du Lac campus; changing certain financial aid grants; modifying the child care grant program; clarifying an exemption to private, business, trade, and correspondence school licensing; providing for appointments; permitting rulemaking; adopting a post-secondary funding formula; permitting the higher education board to establish tuition rates for the 1995-1996 academic year; postponing mandated planning; amending Minnesota Statutes 1992, sections 135A.01; 135A.03, subdivisions 1a, and by adding subdivisions; 135A.04; 136.60, subdivisions 1 and 3; 136A.101, subdivision 5; 136A.121, subdivisions 5, 17, and by adding subdivisions; 136A.125, subdivisions 2, 4, and by adding a subdivision; 136A.15, subdivision 6; and 141.35; Minnesota Statutes 1993 Supplement, sections 125.138, subdivisions 1, 6, and 8; and 135A.05; 136A.121, subdivision 6; Laws 1993, First Special Session chapter 2, article 5, section 2; proposing coding for new law in Minnesota Statutes, chapters 135A; and 136; repealing Minnesota Statutes 1992, sections 135A.02; 135A.03, subdivisions 1, 2, 3, 4, 5, and 6; 136.60, subdivision 4; and 136C.36.

April 22, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2900, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 2900 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

APPROPRIATION

Section 1. [HIGHER EDUCATION APPROPRIATIONS.]

The dollar amounts in the columns under "APPROPRIATIONS" are added to or, if shown in parentheses, are subtracted from the appropriations in Laws 1993, First Special Session chapter 2, article 1, or other law to the specified agencies. The appropriations are from the general fund or other named fund and are available for the fiscal years indicated for each purpose. The figure 1994 or 1995 means that the addition to or subtraction from the appropriations listed under the figure are for the fiscal year ending June 30, 1994, or June 30, 1995, respectively. If only one figure is shown in the text for a specified purpose, the addition or subtraction is for 1995 unless the context intends another fiscal year.

SUMMARY BY FUND

	1994	1995	TOTAL
General	\$ (7,000,000)	\$ 18,300,000	\$ 11,300,000

SUMMARY BY AGENCY - ALL FUNDS

	1994	1995	TOTAL
Higher Education Coordinating Board	\$ (7,000,000)	\$ 1,400,000	\$ (5,600,000)
State Board of Technical Colleges	-0-	1,250,000	1,250,000
Higher Education Board	-0-	1,255,000	1,255,000
State Board for Community Colleges	-0-	450,000	450,000
State University Board	-0-	1,800,000	1,800,000
Board of Regents of the University of Minnesota	-0-	9,145,000	9,145,000
Department of Finance	-0-	3,000,000	3,000,000

 APPROPRIATIONS
 Available for the Year
 Ending June 30

1994	1995
------	------

Sec. 2. HIGHER EDUCATION COORDINATING BOARD

Subdivision 1. Total Appropriation Changes	(7,000,000)	1,400,000
--	-------------	-----------

Subd. 2. Agency Administration

This appropriation includes money to develop a process to award grants to Upward Bound programs in Minnesota. The board shall provide the money to the Minnesota Minority Education Partnership under contract.

Subd. 3. State Grants	(4,000,000)
-----------------------	-------------

The higher education coordinating board shall delay the implementation of the new private college cap.

For fiscal year 1995, a child care grant under Minnesota Statutes, section 136A.125, shall not cover more than 40 hours per week of child care costs.

Subd. 4. Interstate Tuition Reciprocity	(3,000,000)
---	-------------

Subd. 5. State Work Study

This appropriation includes money for the state work study program.

Sec. 3. STATE BOARD OF TECHNICAL COLLEGES

Total Appropriation Changes	1,250,000
-----------------------------	-----------

This appropriation includes money for a pilot program at the Northwest Technical College Center for International Training and for automating the technical college libraries.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

Sec. 4. HIGHER EDUCATION BOARD

Total Appropriation Changes

1,255,000

This appropriation is for developing a student records system, office space costs, staff training, and labor relations.

Sec. 5. STATE BOARD FOR COMMUNITY COLLEGES

Total Appropriation Changes

450,000

This appropriation is for the transition of Fond du Lac from a center to full campus status.

In making Fond du Lac a full campus, the legislature intends to enhance the programs, enrollment, and efficiency of the campus. As part of this action, the state board for community colleges shall report on its plans to accomplish these goals to the higher education finance divisions by January 15, 1995.

Sec. 6. STATE UNIVERSITY BOARD

Total Appropriation Changes

1,800,000

This appropriation is for academic programs, the urban teacher preparation program, interactive television, and library resources at Metro State University, and for improving safety on the state university campuses.

Sec. 7. BOARD OF REGENTS OF THE UNIVERSITY
OF MINNESOTA

Total Appropriation Changes

9,145,000

The legislature supports the direction that the University of Minnesota is taking to improve the academic experiences and learning environment of its students through its U2000 planning. This appropriation is to further the University's efforts in student services, educational equipment, library resources, and indigent patient dental care. The legislature directs the board of regents to use this appropriation consistent with the priority order of its request to the legislature.

The legislature intends that its support of U2000 will result in the improvement of undergraduate education on the Twin Cities campus. Specifically, the legislature intends that the University focus on improving the actual classroom instruction and experience of undergraduates, particularly as the number of traditional undergraduate students in the state grows over the next several years. This focus includes changing the reward structure for faculty to encourage better undergraduate instruction. As part of its 1995 biennial budget request to support its U2000 efforts, the University shall report on its plans to accomplish changes in faculty efforts in teaching and advising that will improve undergraduate education.

APPROPRIATIONS
Available for the Year
Ending June 30

1994

1995

The board of regents is requested to report to the higher education finance divisions of the house of representatives and the senate by January 15, 1995, on the policies and practices it has planned or implemented to comply with Title VII, Title IX, and the Equal Pay Act as they relate to coaches of men's and women's athletics.

Sec. 8. DEPARTMENT OF FINANCE

Total Appropriation Changes

3,000,000

This appropriation is for the higher education board and the commissioner of finance to jointly develop an accounting system to accommodate the specific needs of higher education, and to jointly plan for the expenditure of this appropriation. When requested, the commissioner shall provide the board with detailed information on the expenditure of this appropriation.

ARTICLE 2

ASSOCIATED PROVISIONS

Section 1. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] A program of faculty collaboration shall be established to allow Minnesota school districts and post-secondary institutions to arrange temporary placements in each other's institutions. These arrangements must be made on a voluntary cooperative basis between a school district and post-secondary institution, or between post-secondary institutions. Exchanges between post-secondary institutions may occur among campuses in the same system or in different systems.

Sec. 2. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 6, is amended to read:

Subd. 6. [GRANTS.] The department of education shall award grants to ~~public~~ post-secondary teacher preparation programs and school districts that collaborate on staff exchanges or temporary placements. One institution must be identified as the fiscal agent for the grant.

Sec. 3. Minnesota Statutes 1993 Supplement, section 125.138, subdivision 8, is amended to read:

Subd. 8. [APPLICATION PROCESS.] The department of education shall develop and publicize the process by which school districts, ~~the University of Minnesota and its campuses, and the state universities and post-secondary institutions~~ which have teacher and administrator preparation programs may apply for grants.

Sec. 4. [136.6011] [FOND DU LAC CAMPUS.]

The Fond du Lac campus of the Minnesota community college system has a unique mission among the community colleges to serve both the general education needs for lower division work in the Carlton county - south St. Louis county region, as well as serving the education needs of Native Americans throughout the state and especially in northern Minnesota. Accordingly, while the college is governed by the state board for community colleges and administered through Arrowhead community colleges, its governance is accomplished in conjunction with tribal authorities, particularly in the areas of academic programming and student services. The state board, the Arrowhead community college administration, and the Fond du Lac tribal college board shall determine the mechanisms necessary to accomplish the sharing of authority while ensuring accountability for college actions.

Sec. 5. Minnesota Statutes 1992, section 136A.121, subdivision 17, is amended to read:

Subd. 17. [INDEPENDENT STUDENT INFORMATION.] The board shall inform students, ~~in writing, as part of the application process, its financial aid publications~~ about the definition of independent student status and appeals to the financial aid administrator relating to the declaration of the status.

Sec. 6. Minnesota Statutes 1992, section 136A.125, subdivision 2, is amended to read:

Subd. 2. [ELIGIBLE STUDENTS.] An applicant is eligible for a child care grant if the applicant:

- (1) is a resident of the state of Minnesota;
- (2) has a child 12 years of age or younger, or 14 years of age or younger who is handicapped as defined in section 120.03, and who is receiving or will receive care on a regular basis from a licensed or legal, nonlicensed caregiver;
- (3) is ~~within the sliding fee scale income guidelines set under section 256H.10, subdivision 2,~~ income eligible as determined by a standardized financial aid needs analysis in accordance with the board's policies and rules, but is not a recipient of aid to families with dependent children;
- (4) has not earned a baccalaureate degree and has been enrolled full time less than eight semesters, 12 quarters, or the equivalent;
- (5) is pursuing a nonsectarian program or course of study that applies to an undergraduate degree, diploma, or certificate;
- (6) is enrolled at least half time in an eligible institution; and
- (7) is in good academic standing and making satisfactory academic progress.

Sec. 7. Minnesota Statutes 1992, section 136A.125, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE INSTITUTION.] A Minnesota public post-secondary institution ~~or, a Minnesota private, baccalaureate degree granting college or university located in Minnesota, or a Minnesota nonprofit two-year vocational technical school granting associate degrees~~ is eligible to receive child care funds from the board and disburse them to eligible students.

Sec. 8. Minnesota Statutes 1992, section 136A.125, subdivision 4, is amended to read:

Subd. 4. [AMOUNT AND LENGTH OF GRANTS.] The amount of a child care grant must be based on:

- (1) the ~~financial need~~ income of the applicant and the applicant's spouse, if any;
- (2) the number of ~~in the applicant's children family, as defined by the board;~~ and
- (3) ~~the cost of the child care,~~

~~as determined by the institution in accordance with board policies and rules. The amount of the grant must cover the cost of child care for all eligible children for the full number of hours of education per week and may cover up to 20 hours per week of employment for which child care is needed. The grant must be awarded for one academic year. The minimum financial stipend is \$100 the number of eligible children in the applicant's family.~~

The maximum award to the applicant shall be \$1,500 for each eligible child per academic year. The board shall prepare a chart to show the amount of a grant that will be awarded per child based on the factors in this subdivision. The chart shall include a range of income and family size.

Sec. 9. Minnesota Statutes 1992, section 136A.125, is amended by adding a subdivision to read:

Subd. 4b. [ADDITIONAL GRANTS.] An additional child care grant may be awarded to an applicant attending classes outside of the regular academic year who meets the requirements in subdivisions 2 and 4.

Sec. 10. Minnesota Statutes 1992, section 136A.15, subdivision 6, is amended to read:

Subd. 6. "Eligible institution" means ~~any public a post-secondary educational institution and any private educational institution, in any state which is approved by the United States commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended that either (1) is operated or regulated by this state, or (2) is operated publicly or privately in another state, is approved by the United States Secretary of Education, and, as determined by the board, maintains academic standards substantially equal to those of comparable institutions operated in this state.~~ It also includes any institution chartered in a province.

Sec. 11. Minnesota Statutes 1993 Supplement, section 136A.233, subdivision 1, is amended to read:

Subdivision 1. [ALLOCATION TO INSTITUTIONS.] The higher education coordinating board shall allocate work-study money to eligible post-secondary institutions according to the resident full-time equivalent enrollment of all eligible post-secondary institutions that apply to participate in the program, and the amount of the allocation that an institution spent during the previous academic year. Each institution wishing to participate in the work-study program must submit, in accordance with policies and procedures established by the board, an estimate of the amount of funds needed by the institution. Any funds allocated to an institution that exceed the actual need of the institution may shall be reallocated by the board to other institutions. An institution may carry forward or backward the same percentage of its initial allocation that is authorized under federal work-study provisions.

Sec. 12. Minnesota Statutes 1993 Supplement, section 136A.233, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of sections 136A.231 to 136A.233, the words defined in this subdivision have the meanings ascribed to them.

(a) "Eligible student" means a Minnesota resident enrolled or intending to enroll at least half time ~~as defined in section 136A.101, subdivision 7b,~~ in a degree, diploma, or certificate program in a Minnesota post-secondary institution.

(b) "Minnesota resident" means a student who meets the conditions in section 136A.101, subdivision 8.

(c) "Financial need" means the need for financial assistance in order to attend a post-secondary institution as determined by a post-secondary institution according to guidelines established by the higher education coordinating board.

(d) "Eligible employer" means any eligible post-secondary institution and any nonprofit, nonsectarian agency or state institution located in the state of Minnesota, including state hospitals, and also includes a handicapped person or a person over 65 who employs a student to provide personal services in or about the residence of the handicapped person or the person over 65.

(e) "Eligible post-secondary institution" means any post-secondary institution eligible for participation in the Minnesota state grant program as specified in section 136A.101, subdivision 4.

(f) "Independent student" has the meaning given it in the Higher Education Act of 1965, United States Code, title 20, section 1070a-6, and applicable regulations.

(g) "Half-time" for undergraduates has the meaning given in section 136A.101, subdivision 7b, and for graduate students is defined by the institution.

Sec. 13. Laws 1993, First Special Session chapter 2, article 5, section 2, is amended to read:

Sec. 2. [TELECOMMUNICATIONS COUNCIL.] ~~An instructional~~ A 19-member telecommunications council shall be established and composed of: two representatives selected by each public higher education system, a representative of the higher education board, a regional telecommunications coordinator, one member of the senate appointed by the subcommittee on committees of the committee on rules and administration, one member of the house of representatives appointed by the speaker, one private college representative selected by the Minnesota private college council, a representative of the information policy office of the department of administration, four members appointed by the commissioner of education or designee to represent K-12 education of whom at least two shall be representatives of school districts or K-12 telecommunications networks, and one higher education coordinating board representative. The council shall:

(1) develop a statewide vision and plans for the use of distance learning technologies and provide leadership in implementing the use of such technologies;

(2) develop educational policy relating to telecommunications;

(3) determine priorities for use;

(4) oversee coordination with campuses, K-12 education, and regional educational telecommunications;

(5) require the use of the ~~statewide telecommunications access and routing system~~ Minnesota Network where operationally, technically, and economically feasible in order to maximize the state's telecommunication resources; and

(6) determine priorities for grant funding proposals.

The council shall consult with representatives of the telecommunication industry in implementing this subdivision.

Sec. 14. Laws 1993, chapter 224, article 12, section 39, is amended to read:

Sec. 39. [REPEALER.]

(a) Minnesota Rules, parts 3500.0500; 3500.0600, subparts 1 and 2; 3500.0605; 3500.0800; 3500.1090; 3500.1800; 3500.2950; 3500.3100, subparts 1 to 3; 3500.3500; 3500.3600; 3500.4400; 3510.2200; 3510.2300; 3510.2400; 3510.2500; 3510.2600; 3510.6200; 3520.0200; 3520.0300; 3520.0600; 3520.1000; 3520.1200; 3520.1300; 3520.1800; 3520.2700; 3520.3802; 3520.3900; 3520.4500; 3520.4620; 3520.4630; 3520.4640; 3520.4680; 3520.4750; 3520.4761; 3520.4811; 3520.4831; 3520.4910; 3520.5330; 3520.5340; 3520.5370; 3520.5461; 3525.2850; 3530.0300; 3530.0600; 3530.0700; 3530.0800; 3530.1100; 3530.1300; 3530.1400; 3530.1600; 3530.1700; 3530.1800; 3530.1900; 3530.2000; 3530.2100; 3530.2800; 3530.2900; 3530.3100, subparts 2 to 4; 3530.3200, subparts 1 to 5; 3530.3400, subparts 1, 2, and 4 to 7; 3530.3500; 3530.3600; 3530.3900; 3530.4000; 3530.4100; 3530.5500; 3530.5700; 3530.6100; 3535.0800; 3535.1000; 3535.1400; 3535.1600; 3535.1800; 3535.1900; 3535.2100; 3535.2200; 3535.2600; 3535.2900; 3535.3100; 3535.3500; 3535.9930; 3535.9940; 3535.9950; 3540.0600; 3540.0700; 3540.0800; 3540.0900; 3540.1000; 3540.1100; 3540.1200; 3540.1300; 3540.1700; 3540.1800; 3540.1900; 3540.2000; 3540.2100; 3540.2200; 3540.2300; 3540.2400; 3540.2800; 3540.2900; 3540.3000; 3540.3100; 3540.3200; 3540.3300; 3540.3400; 3545.1000; 3545.1100; 3545.1200; 3545.2300; 3545.2700; 3545.3000; 3545.3002; 3545.3004; 3545.3005; 3545.3014; 3545.3022; 3545.3024; 8700.4200; 8700.6410; 8700.6800; 8700.7100; 8700.9000; 8700.9010; 8700.9020; and 8700.9030, are repealed.

(b) Minnesota Rules, parts 3520.1600; 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.2900; 3520.3000; 3520.3100; 3520.3200; 3520.3400; 3520.3500; 3520.3680; 3520.3701; 3520.3801; 3520.4001; 3520.4100; 3520.4201; 3520.4301; 3520.4400; 3520.4510; 3520.4531; 3520.4540; 3520.4550; 3520.4560; 3520.4570; 3520.4600; 3520.4610; 3520.4650; 3520.4670; 3520.4701; 3520.4711; 3520.4720; 3520.4731; 3520.4741; 3520.4801; 3520.4840; 3520.4850; 3520.4900; 3520.4930; 3520.4980; 3520.5000; 3520.5010; 3520.5111; 3520.5120; 3520.5141; 3520.5151; 3520.5160; 3520.5171; 3520.5180; 3520.5190; 3520.5200; 3520.5220; 3520.5230; 3520.5300; 3520.5310; 3520.5361; 3520.5380; 3520.5401; 3520.5450; 3520.5471; 3520.5481; 3520.5490; 3520.5500; 3520.5510; 3520.5520; 3520.5531; 3520.5551; 3520.5560; 3520.5570; 3520.5580; 3520.5600; 3520.5611; 3520.5700; 3520.5710; 3520.5900; 3520.5910; and 3520.5920; ~~3530.6500; 3530.6600; 3530.6700; 3530.6800; 3530.6900; 3530.7000; 3530.7100; 3530.7200; 3530.7300; 3530.7400; 3530.7500; 3530.7600; 3530.7700; and 3530.7800,~~ are repealed.

(c) Minnesota Rules, parts 3500.1400; 3500.3700; 3510.0100; 3510.0200; 3510.0300; 3510.0400; 3510.0500; 3510.0600; 3510.0800; 3510.1100; 3510.1200; 3510.1300; 3510.1400; 3510.1500; 3510.1600; 3510.2800; 3510.2900; 3510.3000; 3510.3200; 3510.3400; 3510.3500; 3510.3600; 3510.3700; 3510.3800; 3510.7200; 3510.7300; 3510.7400; 3510.7500; 3510.7600; 3510.7700; 3510.7900; 3510.8000; 3510.8100; 3510.8200; 3510.8300; 3510.8400; 3510.8500; 3510.8600; 3510.8700; 3510.9000; 3510.9100; ~~chapters 3515, 3515.0100, subparts 2, 5, 6, and 26; 3515.0500, subpart 4, option two, items D and E; 3515.0700, subpart 4, options 4, 6, 7, and 8; 3515.1100; 3515.1500, subparts 2 and 3, item C; 3515.2100, subparts 2 and 3; 3515.3300; 3515.3400; 3515.3500; 3515.3600; 3515.3700; 3515.3800; 3515.4000; 3515.4500; 3515.4600; 3515.4621; 3515.4700; 3515.4800; 3515.5000, subpart 2; 3515.5050; 3515.5500, subparts 3, 4, 5, 6, 7, 9, 10, and 11; 3515.5600; 3515.6005, subparts 2 and 3; 3515.6100; 3515.8300; 3515.8900; 3515.9910; 3515.9911; 3515.9912; 3515.9913; 3515.9920; 3515.9942; 3517.0100; 3517.0120; 3517.3150; 3517.3170; 3517.3420; 3517.3450; 3517.3500; 3517.3650; 3517.4000; 3517.4100; 3517.4200; 3517.8500; 3517.8600;~~ and chapter 3560, are repealed.

(d) Minnesota Rules, parts 3500.0710; 3500.1060; 3500.1075; 3500.1100; 3500.1150; 3500.1200; 3500.1500; 3500.1600; 3500.1900; 3500.2000; 3500.2020; 3500.2100; 3500.2900; 3500.5010; 3500.5020; 3500.5030; 3500.5040; 3500.5050; 3500.5060; 3500.5070; 3505.2700; 3505.2800; 3505.2900; 3505.3000; 3505.3100; 3505.3200; 3505.3300; 3505.3400; 3505.3500; 3505.3600; 3505.3700; 3505.3800; 3505.3900; 3505.4000; 3505.4100; 3505.4200; 3505.4400; 3505.4500; 3505.4600; 3505.4700; 3505.5100; 8700.2900; 8700.3000; 8700.3110; 8700.3120; 8700.3200; 8700.3300; 8700.3400; 8700.3500; 8700.3510; 8700.3600; 8700.3700; 8700.3810; 8700.3900; 8700.4000; 8700.4100; 8700.4300; 8700.4400; 8700.4500; 8700.4600; 8700.4710; 8700.4800; 8700.4901; 8700.4902; 8700.5100; 8700.5200; 8700.5300; 8700.5310; 8700.5311; 8700.5500; 8700.5501; 8700.5502; 8700.5503; 8700.5504; 8700.5505; 8700.5506; 8700.5507; 8700.5508; 8700.5509; 8700.5510; 8700.5511; 8700.5512; 8700.5800; 8700.6310; 8700.6900; 8700.7010; 8700.7700; 8700.7710; 8700.8000; 8700.8010; 8700.8020; 8700.8030; 8700.8040; 8700.8050; 8700.8060; 8700.8070; 8700.8080; 8700.8090; 8700.8110; 8700.8120; 8700.8130; 8700.8140; 8700.8150; 8700.8160; 8700.8170; 8700.8180; 8700.8190; 8750.0200; 8750.0220; 8750.0240; 8750.0260; 8750.0300; 8750.0320; 8750.0330; 8750.0350; 8750.0370; 8750.0390; 8750.0410; 8750.0430; 8750.0460; 8750.0500; 8750.0520; 8750.0600; 8750.0620; 8750.0700; 8750.0720; 8750.0740; 8750.0760; 8750.0780; 8750.0800; 8750.0820; 8750.0840; 8750.0860; 8750.0880; 8750.0890; 8750.0900; 8750.0920; 8750.1000; 8750.1100; 8750.1120;

8750.1200; 8750.1220; 8750.1240; 8750.1260; 8750.1280; 8750.1300; 8750.1320; 8750.1340; 8750.1360; 8750.1380; 8750.1400; 8750.1420; 8750.1440; 8750.1500; 8750.1520; 8750.1540; 8750.1560; 8750.1580; 8750.1600; 8750.1700; 8750.1800; 8750.1820; 8750.1840; 8750.1860; 8750.1880; 8750.1900; 8750.1920; 8750.1930; 8750.1940; 8750.1960; 8750.1980; 8750.2000; 8750.2020; 8750.2040; 8750.2060; 8750.2080; 8750.2100; 8750.2120; 8750.2140; 8750.4000; 8750.4100; 8750.4200; 8750.9000; 8750.9100; 8750.9200; 8750.9300; 8750.9400; 8750.9500; 8750.9600; and 8750.9700, are repealed.

Sec. 15. [PEACE OFFICERS STANDARDS AND TRAINING BOARD.]

The association of police chiefs is requested to convene a committee to discuss and make recommendations to the legislature on current programs of professional peace officer education. The committee shall consist of three POST board members or their designees, one member appointed by the Minnesota chiefs of police association, one member appointed by the Minnesota sheriffs association, one member appointed by the Minnesota police and peace officers association, three representatives of the higher education systems, and three representatives of post-secondary campuses offering professional peace officer education to be appointed by the appropriate higher education governing boards for technical colleges, community colleges, and state universities. The committee shall make recommendations regarding programmatic and funding issues related to professional peace officer education. The committee also shall develop a plan for a cooperative process whereby the higher education systems and campuses and the POST board consult on any proposed changes in policy, rule, or statute which may significantly affect professional peace officer education. The committee shall report its findings and recommendations to the higher education and judiciary finance divisions by January 15, 1995. Prior to June 30, 1995, the board of peace officer standards and training may not take any action to change or modify professional peace officer education that is offered by a technical college, community college, or state university unless it is agreed to by both parties.

Nothing in this section shall prohibit the POST board from taking action against a certified school for failure to comply with an existing board rule.

POST board certified schools shall not provide a nondegree professional peace officer education program for any state agency or local law enforcement agency after December 31, 1994, without affirmative legislative approval.

Sec. 16. [RECOMMENDATIONS.]

By January 1, 1995, the higher education coordinating board shall provide recommendations to the higher education finance divisions of the legislature on the board's future functions, roles, and responsibilities following the July 1, 1995, merger of the community colleges, technical colleges, and state universities.

Sec. 17. [TRANSITION.]

The transition from center to full campus status for the Fond du Lac Community College Center at Cloquet shall occur no sooner than July 1, 1994. The transition from center to full campus status for Duluth and Cambridge centers shall occur no sooner than July 1, 1995. Full campus status is contingent upon approval of the higher education board. The higher education board shall make recommendations on funding levels for Cambridge, Cloquet, and Duluth.

Sec. 18. [RESERVE ACCOUNTS.]

The technical college, community college, state university, and higher education boards shall develop policies for fund balances and the creation and use of reserve accounts. The commissioner of finance shall review the policies. The technical college, community college, state university, and higher education boards shall submit the policies to the higher education finance divisions of the legislature by January 1, 1995. Beginning January 1, 1995, the technical college, community college, state university, and higher education boards shall report annually to the commissioner of finance the amounts, intended and actual use, and remaining balance in their respective fund balances and reserve accounts.

Sec. 19. [REPEALER.]

(a) Minnesota Statutes 1992, sections 135A.06, subdivisions 2, 3, 4, 5, and 6; and Minnesota Statutes 1993 Supplement, section 135A.061, are repealed.

(b) Minnesota Statutes 1992, section 136C.36, is repealed.

Sec. 20. [EFFECTIVE DATE.]

Section 11 is effective the day following final enactment.

Section 19, paragraph (b), is effective August 1, 1994.

ARTICLE 3

POST-SECONDARY FUNDING

Section 1. Minnesota Statutes 1992, section 135A.01, is amended to read:

135A.01 [FUNDING POLICY.]

It is the policy of the legislature ~~that direct state appropriations, exclusive of tuition, to provide stable funding, including recognition of the effects of inflation, for the instructional services at public post-secondary institutions reflect a portion of the estimated cost of providing the instructional and that the state and students share the cost of those services. The legislature intends to provide at least 67 percent of the instructional services costs for each post-secondary system. It is also the policy of the legislature that the budgetary process serves to support high quality public post-secondary education.~~

Sec. 2. [135A.031] [APPROPRIATIONS FOR INSTRUCTIONAL SERVICES.]

Subdivision 1. [DETERMINATION OF APPROPRIATION.] The direct appropriation to each board for instructional services shall equal 67 percent of the estimated total cost of instruction for the University of Minnesota, the state universities, and the community colleges, and, for technical colleges, at least 67 percent of the estimated total cost of instruction.

Subd. 2. [APPROPRIATIONS FOR CERTAIN ENROLLMENTS.] The state share of the estimated expenditures for instruction shall vary for some categories of students, as designated in this subdivision.

(a) The state must provide at least 67 percent of the estimated expenditures for:

(1) students who resided in the state for at least one calendar year prior to applying for admission or dependent students whose parent or legal guardian resides in Minnesota at the time the student applies;

(2) Minnesota residents who can demonstrate that they were temporarily absent from the state without establishing residency elsewhere;

(3) residents of other states or provinces who are attending a Minnesota institution under a tuition reciprocity agreement; and

(4) students who have been in Minnesota as migrant farmworkers, as defined in the Code of Federal Regulations, title 20, section 633.104, over a period of at least two years immediately before admission or readmission to a Minnesota public post-secondary institution, or students who are dependents of such migrant farmworkers.

(b) The state must provide 32 percent of the estimated expenditures for:

(1) students who are concurrently enrolled in a public secondary school and for whom the institution is receiving any compensation under the post-secondary enrollment options act; and

(2) students enrolled under the student exchange program of the Midwest Compact.

(c) The state may not provide any of the estimated expenditures for undergraduate students who do not meet the residency criteria under paragraph (a).

Subd. 3. [DETERMINATION OF INSTRUCTIONAL SERVICES BASE.] The instructional services base for each public post-secondary system is the sum of: (1) the state share; and (2) the legislatively estimated tuition for the second year of the most recent biennium; and (3) adjustments for inflation, enrollment changes as calculated in subdivision 4, and performance as calculated in subdivision 5.

Subd. 4. [ADJUSTMENT FOR ENROLLMENTS.] (a) Each public post-secondary system's instructional services base shall be adjusted for estimated changes in enrollments. For each two percent change in estimated full-year equivalent enrollment, an adjustment shall be made to 65 percent of the instructional services base. The remaining 35 percent of the instructional services base is not subject to the adjustment in this subdivision.

(b) For all purposes where student enrollment is used for budgeting purposes, student enrollment shall be measured in full-year equivalents and shall include only enrollments in courses that award credit or otherwise satisfy any of the requirements of an academic or vocational program.

(c) The enrollment adjustment shall be made for each year of the subsequent biennium. The base enrollment year is the 1995 fiscal year enrollment. The base enrollment shall be updated for each two percent change in estimated full year equivalent enrollment. If the actual enrollment differs from the estimated enrollment, an adjustment shall be made in the next biennium.

Subd. 5. [ADJUSTMENT FOR PERFORMANCE.] Each public post-secondary system's instructional services base shall be adjusted, up to one percent, if the system meets the performance standards established by the system's governing board as part of the biennial budget document.

Subd. 6. [ADJUSTMENT FOR CHANGE ITEMS.] The instructional services base may be adjusted for change items as determined by the governor and the legislature after adjustments for inflation, enrollments, and performance.

Subd. 7. [REPORTS.] Instructional expenditure and enrollment data for each instructional category shall be submitted in the biennial budget document.

Sec. 3. [135A.032] [APPROPRIATIONS FOR NONINSTRUCTIONAL SERVICES.]

Subdivision 1. [DETERMINATION OF NONINSTRUCTIONAL APPROPRIATIONS BASE.] The noninstructional services base for each public post-secondary system is the state share for the second year of the most recent biennium plus adjustments for inflation and for performance as specified in subdivision 2. The cost of technical college extension programs shall be included in noninstructional services.

Subd. 2. [ADJUSTMENT FOR PERFORMANCE.] The noninstructional services base shall be increased, up to one percent, if the system meets the performance standards established by the system's governing board as part of the biennial budget document.

Subd. 3. [ADJUSTMENT FOR CHANGE ITEMS.] The noninstructional services base may be adjusted for change items as determined by the governor and the legislature after noninstructional base adjustments for inflation and performance.

Sec. 4. [135A.033] [PERFORMANCE FUNDING.]

The governing boards of the University of Minnesota, the state universities, the community colleges, and the technical colleges, in conjunction with their respective campuses, shall each specify performance categories and indicators to be used for policy and appropriations decisions, as well as allocations for rewarding campuses that achieve performance levels and assisting campuses that are unable to achieve these levels. Because the mission of each system and type of campus varies, categories and indicators shall vary accordingly.

Sec. 5. [135A.034] [BUDGET PRIORITIES.]

The governing boards of the University of Minnesota, the state universities, the community colleges, and the technical colleges shall each develop, for legislative and executive branch acceptance, its highest budget priorities in accordance with statewide objectives for higher education. It is the intent of the legislature to appropriate at least 67 percent of the total cost of instruction after adjusting for inflation and enrollment changes. However, in the event of a budget shortfall, or if funding of inflation is not possible, available funding shall first be applied to the agreed upon budget priorities.

Sec. 6. Minnesota Statutes 1992, section 135A.04, is amended to read:

135A.04 [VARIABLE TUITION.]

The board of regents of the University of Minnesota, ~~state university board, state board for community colleges, and state board for vocational education~~ and the higher education board shall each establish tuition. Tuition may vary by program, level of instruction, cost of instruction, or other classifications determined by each board. Tuition may be set at any percentage of instructional cost established by the respective boards.

Sec. 7. [PHASE-IN OF FORMULA.]

Each higher education system shall calculate its respective base for the 1996-1997 biennium for submission to the governor and legislature using the method in this article. Each system that experienced enrollment increases since 1993 shall adjust its instructional services base by the same percentage as the enrollment increased.

Sec. 8. [TASK FORCE.]

The chief financial officers, or their designees, of the University of Minnesota, state universities, technical colleges, community colleges, higher education board, and the commissioner of finance shall form a task force. The task force shall define terms, ensure uniform application of the formula, and other functions determined necessary by the task force. The higher education coordinating board shall convene the initial meeting. The task force expires June 30, 1997.

Sec. 9. [REPEALER.]

Minnesota Statutes 1992, sections 135A.02; and 135A.03, subdivisions 1, 1a, 2, 3, 3a, 4, 5, and 6; Minnesota Statutes 1993 Supplement, sections 135A.03, subdivision 7; and 135A.05, are repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 3, 6, and 9 are effective July 1, 1995.

ARTICLE 4

EMPLOYER DESIGNATION AND BARGAINING

Section 1. Minnesota Statutes 1992, section 43A.06, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) The commissioner, through the labor relations bureau, shall perform the duties assigned to the commissioner by sections 3.855, 179A.01 to 179A.25 and this section.

(b) The deputy commissioner for the labor relations bureau shall be the state labor negotiator for purposes of negotiating and administering agreements with exclusive representatives of employees and shall perform any other duties delegated by the commissioner subject to the limitations in paragraph (c).

(c) In consultation with the commissioner of employee relations and except as specified in this paragraph, the higher education board may exercise the powers under this section. The power and authority to engage in collective bargaining or to enter into interest arbitration remains with the commissioner of employee relations, who shall exercise those powers in consultation with the higher education board.

Sec. 2. Minnesota Statutes 1992, section 43A.08, subdivision 1, is amended to read:

Subdivision 1. [UNCLASSIFIED POSITIONS.] Unclassified positions are held by employees who are:

(1) chosen by election or appointed to fill an elective office;

(2) heads of agencies required by law to be appointed by the governor or other elective officers, and the executive or administrative heads of departments, bureaus, divisions, and institutions specifically established by law in the unclassified service;

- (3) deputy and assistant agency heads and one confidential secretary in the agencies listed in subdivision 1a and in the office of strategic and long-range planning;
- (4) the confidential secretary to each of the elective officers of this state and, for the secretary of state, state auditor, and state treasurer, an additional deputy, clerk, or employee;
- (5) intermittent help employed by the commissioner of public safety to assist in the issuance of vehicle licenses;
- (6) employees in the offices of the governor and of the lieutenant governor and one confidential employee for the governor in the office of the adjutant general;
- (7) employees of the Washington, D.C., office of the state of Minnesota;
- (8) employees of the legislature and of legislative committees or commissions; provided that employees of the legislative audit commission, except for the legislative auditor, the deputy legislative auditors, and their confidential secretaries, shall be employees in the classified service;
- (9) presidents, vice-presidents, deans, other managers and professionals in academic and academic support programs, administrative or service faculty, teachers, research assistants, and student employees eligible under terms of the federal economic opportunity act work study program in the school and resource center for the arts, state universities and community colleges, and the higher education board, but not the custodial, clerical, or maintenance employees, or any professional or managerial employee performing duties in connection with the business administration of these institutions;
- (10) officers and enlisted persons in the national guard;
- (11) attorneys, legal assistants, and three confidential employees appointed by the attorney general or employed with the attorney general's authorization;
- (12) judges and all employees of the judicial branch, referees, receivers, jurors, and notaries public, except referees and adjusters employed by the department of labor and industry;
- (13) members of the state patrol; provided that selection and appointment of state patrol troopers must be made in accordance with applicable laws governing the classified service;
- (14) chaplains employed by the state;
- (15) examination monitors and intermittent training instructors employed by the departments of employee relations and commerce and by professional examining boards;
- (16) student workers;
- (17) executive directors or executive secretaries appointed by and reporting to any policy-making board or commission established by statute;
- (18) employees unclassified pursuant to other statutory authority;
- (19) intermittent help employed by the commissioner of agriculture to perform duties relating to pesticides, fertilizer, and seed regulation; and
- (20) the administrators and the deputy administrators at the state academies for the deaf and the blind.

Sec. 3. Minnesota Statutes 1993 Supplement, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision must be set by appointing authorities within the limits of compensation plans that have been approved by the commissioner before becoming effective. Compensation plans established under paragraphs (b); and (c)-(d), and (e) must be approved by the legislature and the legislative commission on employee relations under subdivision 2 before becoming effective.

(a) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer must be determined by the governor, lieutenant governor, attorney general, secretary of state, state auditor, and state treasurer, respectively.

~~(b) Total compensation for unclassified positions under section 43A.08, subdivision 1, clause (9), in the state universities and the community colleges not covered by a collective bargaining agreement must be determined by the state university board and the state board for community colleges, respectively.~~

(e) ~~(b)~~ Total compensation for classified administrative law judges in the office of administrative hearings must be determined by the chief administrative law judge.

~~(d) (c)~~ Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education coordinating board ~~and in the state board of technical colleges~~ must be determined by the higher education coordinating board ~~and the state board of technical colleges, respectively.~~

~~(e) Total compensation for unclassified positions not covered by a collective bargaining agreement in the higher education board must be determined by the higher education board.~~

Sec. 4. Minnesota Statutes 1992, section 43A.18, is amended by adding a subdivision to read:

Subd. 3a. [HIGHER EDUCATION BOARD PLAN.] Total compensation for unclassified managerial positions under section 43A.08, subdivision 1, clause (9), in the higher education board not covered by a collective bargaining agreement must be determined by the higher education board. Before submitting a compensation plan to the legislature and the legislative commission on employee relations, the higher education board must submit the plan to the commissioner of employee relations for review and comment. The commissioner must complete the review within 14 days of its receipt. Compensation plans established under this subdivision must be approved by the legislature and the legislative commission on employee relations under section 3.855, before becoming effective.

Sec. 5. [136E.35] [ASSIGNMENT TO BARGAINING UNITS.]

Actions by the higher education board to merge or redesignate institutions or to promote collaborative efforts between institutions must not unilaterally change faculty assignments to bargaining units provided in section 179A.10, subdivision 2.

Sec. 6. Minnesota Statutes 1992, section 179A.10, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] The commissioner of employee relations shall meet and negotiate with the exclusive representative of each of the units specified in this section, except as provided in section 43A.06, subdivision 1, paragraph (c). The units provided in this section are the only appropriate units for executive branch state employees. The following employees shall be excluded from any appropriate unit:

(1) the positions and classes of positions in the classified and unclassified services defined as managerial by the commissioner of employee relations in accordance with section 43A.18, subdivision 3, and so designated in the official state compensation schedules;

(2) unclassified positions in the state university system and the community college system defined as managerial by their respective boards;

(3) positions of physician employees compensated under section 43A.17, subdivision 4;

(4) positions of all unclassified employees appointed by a constitutional officer;

(5) positions in the bureau;

(6) positions of employees whose classification is pilot or chief pilot;

(7) administrative law judge and compensation judge positions in the office of administrative hearings; and

(8) positions of all confidential employees.

The governor may upon the unanimous written request of exclusive representatives of units and the commissioner direct that negotiations be conducted for one or more units in a common proceeding or that supplemental negotiations be conducted for portions of a unit or units defined on the basis of appointing authority or geography.

Sec. 7. [REIMBURSEMENT.]

In fiscal year 1995, the higher education board shall reimburse the commissioner of employee relations for staffing and other costs of services associated with negotiating the 1995-1997 collective bargaining agreements for the state university, community college, and technical college instructional units, and the state university administrative unit. The amounts reimbursed are appropriated to the commissioner of employee relations to pay for these costs. Before July 1, 1994, the higher education board and the commissioner of employee relations shall confer and agree on the costs and services to be reimbursed. In the absence of an agreement, the higher education board and the commissioner of employee relations shall report to the higher education finance divisions of the legislature by July 1, 1994.

Sec. 8. [EFFECTIVE DATE.]

Sections 2 and 7 are effective the day following final enactment. Sections 1 and 3 to 6 are effective July 1, 1995.

ARTICLE 5

TRANSITION PROVISIONS

Section 1. Laws 1991, chapter 356, article 9, section 9, is amended to read:

Sec. 9. [TRANSFER OF POWERS PROVISIONS.]

Subdivision 1. [TRANSFER OF POWERS; GENERALLY.] The state board of technical colleges, the state board for community colleges, and the state university board and their respective chancellors retain responsibility for operating and managing their systems until July 1, 1995. On July 1, 1995, the authority, duties, responsibilities, related property of the state board of technical colleges, school boards, intermediate school boards, and joint vocational technical boards with respect to technical colleges, the state board for community colleges, and the state university board are transferred to the higher education board under Minnesota Statutes, section 15.039.

Effective July 1, 1995, school boards, intermediate school boards, and joint vocational technical boards shall transfer to the higher education board all real property, personal property, and improvements and attachments thereto related to technical colleges as determined by the higher education board, and shall convey all interests in the property. The school boards, intermediate school boards, and joint vocational technical boards shall not receive compensation for the conveyance of the interests. All debt service payments on the transferred property that have a due date on or after July 1, 1995, become the responsibility of the higher education board.

On July 1, 1995, all other obligations incurred on behalf of a technical college by a school board, a joint vocational district under Minnesota Statutes, section 136C.60, or an intermediate school district under Minnesota Statutes, chapter 136D, which will not be satisfied on or before June 30, 1995, transfer to the higher education board subject to limits identified in state law or in plans or policies of the higher education board subject to legislative approval.

The state board of technical colleges, state board for community colleges, and state university board are abolished, effective July 1, 1995.

Subd. 1a. [MEMORANDUM OF UNDERSTANDING APPROVED.] The memorandum of understanding dated March 29, 1994, and signed by the chancellor of the higher education board, the state negotiator, and the bargaining representatives of state employees concerning employee security during the merger of the state universities, the community colleges, and the state technical colleges is ratified.

Subd. 2. [PERSONNEL TRANSFER.] The commissioner of employee relations shall allocate positions and incumbent employees who are primarily employed in post-secondary or extension vocational education positions in an intermediate, joint, or school district on June 30, 1995, to appropriate classes in the state classification plan under Minnesota Statutes, section 43A.07, without loss of pay, or place the positions and incumbent employees in the unclassified service under Minnesota Statutes, section 43A.08, subdivision 1, clause (9). The commissioner shall also assign positions and incumbent employees to an appropriate state unit under Minnesota Statutes, section 179A.10, subject to challenge or petition of such unit assignment to the bureau of mediation services. Positions transferred with their incumbents do not create vacancies in state service.

Employees serving in unlimited appointments on June 30, 1995, and transferred to unlimited classified positions on July 1, 1995, are transferred to state service without examination.

Employees serving in limited appointments on June 30, 1995, and transferred to limited classified positions or to temporary unclassified positions shall receive emergency, temporary, or temporary unclassified appointments under provisions of Minnesota Statutes, section 43A.15, subdivisions 2 and 3, or 43A.08, subdivision 2a, as appropriate.

Subd. 3. [RETURN FROM LEAVE:] All employees on an approved leave of absence from a post-secondary education position in an intermediate, joint, or school district on June 30, 1995, retain the reinstatement rights specified under the original terms of the leave.

Subd. 4. [REASSIGNMENT; UNEMPLOYMENT COMPENSATION; SEVERANCE PAY.] The reassignment of rights under this section is not a leaving of employment for eligibility for unemployment compensation payments under Minnesota Statutes, chapter 268, or early retirement or severance compensation under Minnesota Statutes, section 465.72, or under a policy or contract based on Minnesota Statutes, section 465.72.

Sec. 2. Laws 1991, chapter 356, article 9, section 12, is amended to read:

Sec. 12. [EFFECT OF CURRENT COLLECTIVE BARGAINING AGREEMENTS; STATUTORY EMPLOYMENT RIGHTS.]

Subdivision 1. [GENERALLY.] (a) The terms and conditions of a collective bargaining agreement agreements, compensation plans, personnel policies, or other salary and benefit provisions covering an employee employees transferred to the higher education board remains remain in effect until a successor agreement becomes effective. This section paragraph applies to all employees transferred to the board except as modified by paragraph (b) and section 3.

(b) For employees whose employment was covered by Minnesota Statutes, section 125.12, before their transfer to the higher education board, the provisions of Minnesota Statutes, section 125.12, remain in effect until a successor agreement becomes effective according to Minnesota Statutes, chapter 179A. For employees whose employment was covered by Minnesota Statutes, section 125.17, before their transfer to the higher education board, the provisions of Minnesota Statutes, section 125.17, remain in effect until a successor agreement becomes effective according to Minnesota Statutes, chapter 179A.

Subd. 2. [EXCLUSIVE REPRESENTATIVE OF TECHNICAL COLLEGE EMPLOYEES.] The exclusive representatives of units of technical college employees transferred to the higher education board certified before the effective date of this section shall remain responsible for administration of their contracts and for all other contractual duties and shall enjoy the right to dues and fair share fee deduction and all other contractual privileges and rights until June 30, 1995. The incoming exclusive representatives of employees transferred to the higher education board and certified after the effective date of this subdivision shall immediately upon certification have the responsibility of bargaining on behalf of employees within the unit. The incoming exclusive representative and the new employer have the responsibility of administering grievances arising under previous contracts covering employees included within the unit which remain unresolved on June 30, 1995. Where the employer does not object, these responsibilities may be varied by agreement between the outgoing and incoming exclusive representatives. All other rights and duties of representation begin on July 1, 1995, except that exclusive representatives certified after the effective date of this subdivision shall immediately upon certification have the right to all employer information and all forms of access to employees within the bargaining unit which would be permitted to the current contract holder, including the rights in Minnesota Statutes, section 179A.07, subdivision 6. This subdivision does not affect any existing collective bargaining contract. Incoming exclusive representatives of employees transferred to the higher education board shall immediately upon certification have the responsibility of bargaining on behalf of all previously unrepresented employees assigned to their units. All other rights and duties of exclusive representatives begin on July 1, 1995.

Sec. 3. Laws 1991, chapter 356, article 9, section 13, is amended to read:

Sec. 13. [TRANSITIONAL PERIOD COLLECTIVE BARGAINING.]

Subdivision 1. [GENERALLY.] Contracts for the period commencing July 1, 1995, for employees who are in the technical college, state university, and community college instructional units and the state university administrative unit and who are transferred to the higher education board shall be negotiated with the higher education board under section 43A.06. Negotiations for those contracts can begin anytime after July 1, 1994, and may be initiated by either party notifying the other of the desire to begin the negotiating process. Negotiations shall be subject to this section and Minnesota Statutes, chapter 179A.

Subd. 2. [DATE OF EMPLOYMENT.] The date of first employment by the higher education board is the date on which services were first performed by the employee for the employer from which the employee is being transferred. For employees whose transfer is from a joint technical college district under Minnesota Statutes, sections 136C.60 to 136C.69, the date on which services were first performed by the employee is the date on which services were first performed by the employee in the member school district from which the employee was assigned to the joint technical college district.

Subd. 3. [BENEFITS.] All accumulations of leaves, years of service, and benefits must be credited to each employee subject to terms negotiated in the successor contract. Effective July 1, 1995, all transferred employees will be enrolled in the state employees group insurance program as provided in Minnesota Statutes, sections 43A.22 to 43A.31. The commissioner of employee relations shall provide, to transferred employees, open enrollment in all state employee health and dental insurance plans with no limitation on preexisting conditions except as specified in existing state employee certificates of coverage. The commissioner of employee relations shall provide, to transferred employees, the opportunity to purchase optional life and disability insurance in amounts equivalent to amounts previously purchased by a transferred employee or provided by the employer without limitation on preexisting conditions.

Subd. 4. [PROBATIONARY PERIODS.] Except as otherwise provided in a successor contract, probationary periods are not affected by the transfer of employees to the higher education board.

Subd. 5. [RECALL.] (a) Recall rights described in this subdivision apply until a successor agreement becomes effective.

(b) Members of the technical college instructional bargaining unit who are placed on unrequested leave of absence before July 1, 1995, are transferred to and become employees of the higher education board on July 1, 1995, and have recall rights to the technical college instructional unit for five years from the date originally placed on unrequested leave. For five years after the close of the school year in which the employees were placed on unrequested leave of absence they retain recall rights to vacancies for which they are licensed in the intermediate or school district that placed them on unrequested leave of absence.

(c) Members of the technical college instructional bargaining unit who are laid off by the higher education board after June 30, 1995, have recall rights to the technical college instructional unit for five years, unless modified by a successor contract. They shall also have recall rights for two years to vacancies for which they are licensed in the intermediate or school district from which they were transferred to the higher education board, but only if a transfer or assignment from a technical college position to an elementary or secondary position would have been authorized in that intermediate or school district under the contract in effect immediately before the instructor's transfer to the higher education board.

(d) Nonlicensed technical college employees of an intermediate, joint, or school district who are placed on an involuntary layoff before July 1, 1995, are transferred to and become employees of the state on July 1, 1995. Until June 30, 1997, they may exercise job seniority, promotion, layoff, and lateral transfer rights that were established by contract between an exclusive representative and the district and were in effect on June 30, 1995.

(e) For two years, unless modified by a successor contract, nonlicensed employees who are laid off by the state after June 30, 1995, may exercise job seniority, promotion, layoff, and lateral transfer rights that were established by contract between an exclusive representative and the district and were in effect on June 30, 1995.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day after final enactment.

ARTICLE 6

REVENUE BONDING AUTHORITY

Section 1. Minnesota Statutes 1992, section 136.31, is amended to read:

136.31 [STATE UNIVERSITY HIGHER EDUCATION BOARD, DUTIES.]

Subdivision 1. [DUTIES.] All references in sections 136.31 to 136.38 to the state university board shall be deemed and construed to include any successor thereof created or established by law. For the state universities, the state university higher education board is hereby authorized to do the following may:

(a) (1) acquire by purchase or otherwise, construct, complete, remodel, equip, operate, control, and manage residence halls, dormitories, dining halls, student union buildings, parking facilities, and any other similar revenue-producing buildings of such type and character as ~~said the board shall from time to time find~~ finds necessary for the good and benefit of any of the state universities under the jurisdiction of said board, and for that purpose may acquire property of any and every kind and description, whether real, personal, or mixed, by gift, purchase, or otherwise; provided that no contract for the construction of any building shall be entered into until financing therefor has been approved by the legislature;

(b) (2) maintain and operate any ~~such~~ buildings or structures and charge for ~~the~~ their use thereof, and ~~carry on such conduct any activities, as that~~ are commonly conducted in connection with ~~any such the~~ buildings or structures;

(c) (3) enter into contracts ~~touching in any manner or any matter within the objects and for the purposes of sections 136.31 136E.80 to 136.38 136E.88;~~

(d) (4) acquire building sites and buildings or structures by gift, purchase, or otherwise and pledge the revenues thereof ~~from them~~ for the payment of any bonds issued for ~~such that~~ purpose as provided in sections ~~136.31 136E.80 to 136.38 136E.88;~~

(e) (5) borrow money and issue and sell bonds in ~~such an~~ amount or amounts as the legislature ~~shall authorize~~ authorizes for the purpose of acquiring, constructing, completing, remodeling, or equipping any ~~such~~ buildings or structures, and acquiring sites therefor, and refund and refinance ~~the same from time to time the bonds~~ by the issuance and sale of refunding bonds as often as it shall in ~~when~~ the board's judgment be advantageous to board ~~finds that it is in the public interest so to do.~~ All ~~such The~~ bonds shall be sold and issued by ~~said the~~ board in the manner and upon the terms and conditions provided by chapter 475, except as otherwise provided in this section. ~~Such The~~ bonds ~~shall be~~ are payable ~~solely only~~ from and secured by an irrevocable pledge of the revenues to be derived from the operation of any ~~such~~ buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of ~~such the~~ bonds and ~~in addition thereto~~ from ~~such~~ other income and revenues described in section ~~136.33 136E.82, clause (a) (1), as said the board by resolution shall specify specifies,~~ and notwithstanding this limitation all bonds issued ~~hereunder under sections 136E.80 to 136E.88~~ shall have the qualities of negotiable instruments under the laws of this state. The legislature ~~intends shall~~ shall not to appropriate money from the general fund to pay for these bonds.

Subd. 2. [FORM.] ~~Such The~~ bonds may:

(1) bear ~~such the~~ date or dates and ~~may;~~

(2) mature serially at ~~such a~~ time or times not exceeding 40 years from their date or dates, ~~may;~~

(3) be in ~~such the~~ form;

(4) carry ~~such the~~ registration privileges, ~~may;~~

(5) be payable at ~~such a~~ place or places, ~~may;~~

(6) be subject to ~~such~~ terms of redemption prior to maturity with or without premium, ~~may;~~

(7) be delivered to the purchasers at ~~such~~ times and places $\frac{1}{2}$ and ~~may~~

(8) contain ~~such~~ terms and covenants, ~~not inconsistent~~ consistent with sections ~~136.41 and 136.42~~ section 136E.88, all as may be provided by resolution of ~~said the~~ board authorizing the issuance of ~~such the~~ bonds.

Subd. 3. [EXECUTION.] The bonds must be executed by the officers of the board designated by the board to execute them ~~and countersigned by the treasurer elected by the board, in the manner authorized by section 475.55.~~

Subd. 4. [BOND STATEMENT; REGISTRATION.] Each ~~such~~ bond shall state upon its face that it is payable solely from and secured by an irrevocable pledge of the revenues derived from the operation of any ~~such~~ buildings or structures acquired, constructed, completed, remodeled, or equipped in whole or in part with the proceeds of the sale of ~~said the~~ bonds and from ~~such~~ other income and revenues described in section ~~136.33 136E.82, clause (a) (1), as specified in the resolution providing for its issue, and that it does not constitute a debt or obligation of the state of Minnesota within the meaning or application of any constitutional or statutory limitation or provision.~~ ~~Such bonds~~

will be registered by A copy of the proceedings taken by the board in the issuance of the bonds shall be filed with the commissioner of finance in a bond register to be kept for that purpose wherein shall be entered the amount and purpose of issue, the maturity and rate of interest, and the name of the original purchaser.

Subd. 5. [BOND SECURITIES.] If the board by resolution determines that its treasurer possesses money not currently needed, or that is set aside in a reserve, the board in the resolution may direct the treasurer to invest a specified amount of the money in securities of the types described in section 475.66. The securities must be deposited with and held for the board by the treasurer. If the invested money is needed by the board it shall direct the treasurer to sell all or a designated amount of the securities. Money collected from the investment by the treasurer, as principal, interest, or proceeds of sales, must be credited to and made a part of the fund and account for which the investment is made.

~~Subd. 6. In any case where the board determines to issue and sell refunding revenue bonds six months or more before the earliest date on which all bonds of the series to be refunded thereby will have matured or will have been redeemed upon call as hereinafter provided, the proceeds of the refunding revenue bonds shall be deposited, together with any revenues available and designated by the board for the purpose, in escrow with a suitable banking institution within or without the state, whose deposits are insured by the Federal Deposit Insurance Corporation and whose combined capital and surplus is not less than one million dollars, and shall be invested, simultaneously with the delivery of the bonds, in securities maturing or callable at the option of the holder on such dates and bearing interest at such rates as shall be required to provide funds sufficient, with any cash retained in the escrow account, to pay when due the interest to accrue on each bond of the series refunded to its maturity or, if prepayable, to an earlier designated date on which it may be called for redemption, and to pay the principal amount of each such bond at maturity or, if prepayable, at its designated earlier redemption date, and to pay any premium required for redemption on such date; and before the refunding revenue bonds are delivered, the board shall by resolution irrevocably appropriate for these purposes, and for the payment of the reasonable charges of banks designated as escrow and paying agents, the escrow account and all payments of principal and interest on the securities held therein, and shall provide for the call of all prepayable bonds of such series, in accordance with their terms, on the redemption date or dates designated. The board may place in escrow pursuant to this subdivision any funds previously pledged and appropriated for the payment of principal and interest on bonds to be refunded; and it may, when deemed necessary in the public interest, issue refunding revenue bonds in the amount necessary to place in escrow the funds required to pay any premium for redemption of refunded bonds before their stated maturities. Investments of the escrow account shall be limited to general obligations of the United States, securities whose principal and interest payments are guaranteed by the United States, and securities issued by the following agencies of the United States: Banks for Cooperatives, Federal Home Loan Banks, Federal Intermediate Credit Banks, Federal Land Banks, and the Federal National Mortgage Association. No refunding revenue bonds shall be issued more than ten years before the last date on which all revenue bonds of the series to be refunded thereby will mature or are directed to be prepaid in accordance with their terms.~~

Subd. 7. [PAYMENT OF INTEREST; OUTSTANDING REVENUE BONDS.] Except as provided in this subdivision, the board may irrevocably appropriate and use any money, other than direct state appropriations and tuition receipts appropriated by section 136.11, subdivision 1, held by it to discharge or otherwise provide for the payment of the interest coming due on its revenue bonds outstanding on July 1, 1988, until paid and for the payment of the principal and any premium coming due on the bonds at maturity or upon any earlier date upon which the bonds are called for redemption. For this purpose, the board may exercise all powers conferred upon it under ~~subdivision 6 with respect to escrow agents and escrow accounts, and may provide for the funding of the escrow accounts with securities of the type referred to in subdivision 6 and certificates of deposit, time deposits, and investment agreements issued by the escrow agent or any other financial institution~~ section 475.67, subdivisions 5 to 10. This subdivision does not authorize the appropriation or use of board money to secure outstanding revenue bonds contrary to a board resolution authorizing the issuance and providing for the security of the bonds, or the use of other board money contrary to the terms of a contract, specific legislative appropriation, or law.

Sec. 2. Minnesota Statutes 1992, section 136.32, is amended to read:

136.32 [BONDS, INVESTMENTS.]

The state, including the state board of investment, and all counties, cities, ~~incorporated~~ towns and other municipal corporations, political subdivisions and political bodies, and public officers of any ~~thereof of the public entities listed in this section,~~ all banks, bankers, trust companies, savings banks, and institutions, building and loan associations, savings and loan associations, investment companies and other persons carrying on a banking business, all insurance companies, insurance associations and other persons carrying on an insurance business, and all executors,

administrators, guardians, trustees and other fiduciaries may legally invest any sinking funds, moneys or other funds belonging to them or within their control in any bonds issued pursuant to sections ~~136.31~~ 136E.80 to ~~136.38~~, ~~it being 136E.88~~. The purpose of this section is to authorize the investment in ~~such~~ bonds of all sinking, insurance, retirement, compensation, pension and trust funds, whether owned or controlled by private or public persons or officers; ~~provided, however, that~~. Nothing ~~contained~~ in this section may be construed as relieving any person, firm or corporation from any duty of exercising due care in selecting securities for purchase or investment. ~~Such~~ The bonds are hereby constituted "authorized securities" within the meaning and for the purposes of section 50.14, notwithstanding the restrictions in ~~part (c) of subdivision 4 thereof~~ section 50.14, subdivision 4, clause (c).

Sec. 3. Minnesota Statutes 1992, section 136.33, is amended to read:

136.33 [RESOLUTION OF BOARD.]

Upon the determination by ~~said university~~ the higher education board or its successor to acquire, construct, complete, remodel, or equip any student residence halls, dormitories, dining halls, student union buildings, parking facilities, or other similar revenue-producing building or buildings, ~~said the~~ board or its successor shall adopt a resolution describing generally the contemplated project, the estimated cost ~~thereof~~, including legal, engineering and financial expenses and interest on the bonds during the period of constructing the project and for six months thereafter, fixing the amount of the bonds, the maturity or maturities, the interest rate, and all details in respect ~~thereof~~ of the bonds. Such The resolution shall contain ~~such~~ covenants as may be determined by ~~said the~~ board or its successor as to:

(a) (1) the pledging of all or any portion of the proceeds of any fees imposed upon students for student activities, student facilities, or for other purposes, and the net revenues from other buildings or facilities heretofore or hereafter constructed or acquired at any state university ~~under the jurisdiction of said board~~ as additional security for the payment of said the bonds;

(b) (2) the regulation as to the use of ~~such the~~ buildings or structures to assure ~~the~~ maximum use or occupancy thereof;

(c) (3) the amount and kind of insurance to be carried, including use and occupancy insurance, the cost of which shall be payable only from the revenues to be derived from ~~such the~~ buildings or structures;

(d) (4) the operation, maintenance, management, accounting and auditing, and the keeping of records, reports and audits of ~~such the~~ buildings or structures;

(e) (5) the obligation of ~~said the~~ board or its successor to maintain ~~such the~~ buildings or structures in good condition and to operate ~~the same them~~ in an economical and efficient manner;

(f) (6) the amendment or modification of the resolution authorizing the issuance of any bonds ~~hereunder~~, and the manner, terms and conditions, and the amount or percentage of assenting bonds necessary to effectuate ~~such the~~ amendment or modification; and

(g) ~~such~~ (7) other covenants as may be deemed necessary or desirable to assure the prompt and punctual payment of all bonds issued under sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88.

Sec. 4. Minnesota Statutes 1992, section 136.34, is amended to read:

136.34 [STUDENT ACTIVITIES, FEES CHARGED.]

Whenever bonds are issued as provided in sections ~~136.31~~ 136E.80 to ~~136.38~~ 136E.88, it shall be the duty of ~~said the higher education~~ board to establish charges or fees, including without limitation fees for student activities and fees for student facilities, for the use of any buildings or structures sufficient at all times to pay the principal of and interest on ~~such the~~ bonds and to create and maintain suitable reserves ~~therefor for them~~ and the necessary expenses of ~~the their~~ operation and maintenance ~~thereof, and~~. All revenues derived from ~~the their~~ operation ~~thereof~~ shall be set aside in a separate fund and accounts ~~as hereinafter provided~~ and shall be irrevocably pledged for and used only ~~in paying to pay~~ the principal of and interest upon the bonds issued for the purpose or purposes set forth and described in the resolution authorizing the issuance of ~~said the~~ bonds, and the necessary expenses of the operation and maintenance ~~thereof of the buildings and structures~~; and ~~such the~~ charges and fees shall be sufficient at all times for ~~such these~~ purposes.

Sec. 5. Minnesota Statutes 1992, section 136.35, is amended to read:

136.35 [SPECIAL REVENUE FUND.]

(a) The gross total income derived from the sale of bonds, and receipts and income derived from charges or fees, rentals, and all other revenue established for the use and service of any ~~such~~ buildings or structures shall, within three days after ~~their~~ receipt thereof, be paid to and held by the treasurer of the higher education board as a special fund known as, "The University Higher Education Board of the State of Minnesota Universities Revenue Fund". The treasurer shall be custodian of ~~such~~ the special fund, which fund shall be held and disbursed for the purposes provided in sections ~~136.31 136E.80 to 136.38 136E.88~~. The ~~said~~ special fund shall be protected by a corporate surety bond executed by the treasurer of the board with a surety authorized to do business under the laws of the state of Minnesota. The amount of ~~such~~ the bond shall be fixed by resolution of ~~said university~~ the board or its successor and may be increased or diminished at any time. The premiums of ~~such~~ the bonds shall be payable from "The University Higher Education Board of the State of Minnesota Universities Revenue Fund" and charged as an item of maintenance expense.

(b) A certified copy of each resolution providing for the issuance of bonds under sections ~~136.31 136E.80 to 136.38 136E.88~~ shall be filed with the treasurer of the board, and it shall be the duty of ~~said the~~ treasurer to keep and maintain separate accounts in ~~said the~~ special fund for each bond issue in accordance with the covenants and the directions set out in the resolution providing for the issuance of ~~said the~~ bonds and to disburse funds from the proper account for the payment of the principal of and interest on the bonds in accordance with the directions and covenants of ~~said the~~ resolution authorizing the issue thereof. All disbursements for maintenance and operation costs shall be made from the proper maintenance and operation account ~~upon~~ by order of ~~said the~~ board or its successor in accordance with the covenants set out in the resolution authorizing the issuance of bonds. All disbursements for construction costs shall be made from a separate account in ~~said the~~ special fund ~~upon~~ by order of ~~said the~~ board or its successor in accordance with the covenants set out in the resolution authorizing ~~said the~~ bonds.

Sec. 6. Minnesota Statutes 1992, section 136.36, is amended to read:

136.36 [ALLOCATION OF RECEIPTS.]

All moneys ~~now or hereafter~~ in the University Higher Education Board of The State of Minnesota Universities Revenue Fund and all income from the operation of ~~such dormitories, cafeterias and student facilities~~ residence halls, dormitories, dining halls, student union buildings, parking facilities and other revenue producing buildings and structures are ~~hereby~~ appropriated first to the payment of expenses of the operation of ~~dormitories, cafeterias and other student~~ the facilities from which the revenues so appropriated are derived and second to the payment of the obligations ~~herein~~ authorized by sections 136E.80 to 136E.88.

Sec. 7. Minnesota Statutes 1992, section 136.37, is amended to read:

136.37 [ADMINISTRATION.]

The administration of sections ~~136.31 136E.80 to 136.38 136E.88~~ shall be under the ~~state university~~ higher education board independent of other authority and notwithstanding chapters 16A and 16B.

Sec. 8. Minnesota Statutes 1992, section 136.38, is amended to read:

136.38 [CONTRACTS OF BOARD, PERFORMANCE COMPELLED.]

(a) The provisions of sections ~~136.31 136E.80 to 136.38 136E.88~~ and of any resolution or other proceedings authorizing the issuance of bonds shall constitute a contract with the holders of ~~such the~~ bonds and the provisions thereof shall be enforceable either in law or in equity, by suit, action, mandamus or other proceeding in any court of competent jurisdiction to enforce or compel the performance of any duties required by sections ~~136.31 136E.80 to 136.38 136E.88~~ and any resolution authorizing the issuance of bonds ~~adopted responsive hereto~~, including the establishment of sufficient charges or fees for use of any ~~such~~ buildings or structures and the application of the income and revenue ~~thereof from them~~; and it shall be the duty of ~~said university~~ the higher education board or its successor upon the issuance of any bonds under ~~the provisions of~~ sections ~~136.31 136E.80 to 136.38 136E.88~~ to establish by resolution from time to time the fees or charges to be made for the use of any ~~such~~ buildings or structures, which fees or charges shall be adjusted from time to time in order to always provide sufficient income for payment of the principal of and interest on ~~such the~~ bonds issued as provided for in sections ~~136.31 136E.80 to 136.38 136E.88~~, and for the necessary expenses of operation and maintenance.

(b) If the existing university higher education board of the state of Minnesota is abolished, all contracts made by said the board and all things done or actions taken by said the board under sections 136.31 136E.80 to 136.38 136E.88 shall be deemed to be contracts of, actions taken and things done by its successor and such the successor shall be bound by all such contracts, actions taken and things done by said the board and such successor shall be subject to all the obligations and duties of said the board under sections 136.31 136E.80 to 136.38 136E.88.

Sec. 9. Minnesota Statutes 1993 Supplement, section 136.41, subdivision 8, is amended to read:

Subd. 8. [ISSUANCE OF BONDS.] The ~~state university~~ higher education board or a successor may issue additional revenue bonds under sections 136.31 to 136.38 in an aggregate principal amount not exceeding \$40,000,000, subject to the resolutions authorizing its outstanding revenue bonds, and payable from the revenue appropriated to the fund established by section 136.35, and use the proceeds together with other public or private money that may otherwise become available to acquire land, and to acquire, construct, complete, remodel, and equip structures to be used for dormitory, residence hall, student union, food service, and related parking purposes at the state universities. Before issuing the bonds or any part of them, the board shall consult with and obtain the advisory recommendations of the chairs of the house ways and means committee and the senate finance committee about the facilities to be financed by the bonds.

Sec. 10. Minnesota Statutes 1992, section 136.41, is amended by adding a subdivision to read:

Subd. 10. [SUCCESSOR.] For the purposes of this section, the higher education board is the successor to the state university board.

Sec. 11. [REPEALER.]

Minnesota Statutes 1992, sections 136.31, subdivision 6; 136.40; 136.41, subdivisions 1, 2, 3, 4, 5, 6, and 7; and 136.42, are repealed.

Sec. 12. [REVISOR INSTRUCTION.]

(a) In the 1996 edition of Minnesota Statutes, the revisor shall renumber sections 136.31 as 136E.80; 136.31, subdivision 7, as 136E.80, subdivision 6; 136.32 as 136E.81; 136.33 as 136E.82; 136.34 as 136E.83; 136.35 as 136E.84; 136.36 as 136E.85; 136.37 as 136E.86; 136.38 as 136E.87; 136.41, subdivision 8, as 136E.88, subdivision 1; 136.41, subdivision 9, as 136E.88, subdivision 2; 136.41, subdivision 10, as 136E.88, subdivision 3.

(b) The revisor shall add "Federal Tax on Interest" as a headnote to section 136.41, subdivision 9.

Sec. 13. [EFFECTIVE DATE.]

Sections 1 to 12 are effective July 1, 1995.

ARTICLE 7

ADMINISTRATION AND FINANCE

Section 1. Minnesota Statutes 1992, section 136C.06, is amended to read:

136C.06 [SOLE STATE AGENCY.]

The ~~state board of technical colleges~~ higher education board is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The ~~state~~ board shall develop and submit the state plan for vocational technical education. The ~~state~~ board shall develop the state plan according to terms of agreement with the state board of education.

Sec. 2. Minnesota Statutes 1992, section 136E.01, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP.] The higher education board, referred to in sections 136E.01 to 136E.05 as "the board," consists of ~~13~~ 15 members appointed by the governor with the advice and consent of the senate. At least one member of the board must be a resident of each congressional district. ~~One member~~ Three members must be a

student students who are enrolled at least half-time in a degree, diploma, or certificate program or have graduated from an institution governed by the board within one year of the date of appointment. The student members shall include: one member from a community college, one member from a state university, and one member from a technical college. The remaining members must be appointed to represent the state at large.

Sec. 3. Minnesota Statutes 1992, section 136E.01, subdivision 2, is amended to read:

Subd. 2. [TERM; COMPENSATION; REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the board are as provided in section 15.0575. Members are appointed for a term of six years, except that the term of each of the student member members is two years. Terms end on June 30.

Sec. 4. Minnesota Statutes 1992, section 136E.02, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] A higher education board candidate advisory council shall assist the governor in determining criteria for, and identifying and recruiting qualified candidates for, nonstudent membership on the higher education board.

Sec. 5. [136E.021] [STUDENT BOARD MEMBER SELECTION.]

Subdivision 1. [RESPONSIBILITY.] Notwithstanding section 136E.02, the statewide community college student association, state university student association, and technical college student association shall each have the responsibility for recruiting, screening, and recommending qualified candidates for its student member of the board.

Subd. 2. [CRITERIA.] After consulting with the higher education board candidate advisory council, the student associations shall jointly develop a statement of the selection criteria to be applied to potential candidates.

Subd. 3. [RECRUITING AND SCREENING.] Each student association shall develop processes for identifying and recruiting qualified candidates and for screening those candidates.

Subd. 4. [RECOMMENDATIONS.] Each student association shall recommend at least two and not more than four candidates for its student member. By January 2 of the year in which its members' term expires, each student association shall submit its recommendations to the governor. The governor is not bound by these recommendations.

Sec. 6. Minnesota Statutes 1993 Supplement, section 136E.03, is amended to read:

136E.03 [MISSION MISSIONS.]

The mission of the board is to provide programs of study that meet the needs of students for occupational, general, baccalaureate, and graduate education. The state universities, community colleges, and technical colleges shall have distinct missions as provided in section 135A.052, subdivision 1. Within that statutory definition and subject to the approval of the board, each community college, state university, and technical college may develop its own distinct campus mission. The board shall develop administrative arrangements that make possible the efficient use of the facilities and staff of the technical colleges, community colleges, and state universities for providing these several different programs of study, so that students may have the benefit of improved and broader course offerings, ease of transfer among schools and programs, integrated course credit, coordinated degree programs, and coordinated financial aid. In carrying out the merger of the three separate systems, the board shall control administrative costs by eliminating duplicative administrative positions and course offerings.

Sec. 7. [136E.50] [STUDENT ASSOCIATIONS.]

Subdivision 1. [STATEWIDE.] The board shall recognize one statewide student association for the community colleges, one for the state universities, and one for the technical colleges. Each statewide student association shall be affiliated with its campus student associations but all students enrolled on those campuses shall be members of their respective statewide association.

Subd. 2. [FEES.] Each statewide association shall set its fees to be collected by the board and shall submit any changes in its fees to the board for review. The board may revise or reject the fee change. Fees must be collected by each community college, state university, and technical college and shall be credited to each association's account to be spent as determined by that association.

Subd. 3. [CONSOLIDATION.] No changes may be made to student associations located on community college, state university, technical college, or consolidated colocated campuses without the approval of each affected campus association in consultation with its state student association.

Sec. 8. [136E.65] [CONSTRUCTION, IMPROVEMENT, AND REPAIR OF FACILITIES.]

Subdivision 1. [CONSTRUCTION; IMPROVEMENTS.] The higher education board shall supervise and control the preparation of plans and specifications for the construction, alteration, or enlargement of community college, state university, and technical college buildings, structures, and improvements for which appropriations are made to the board. The board shall advertise for bids and award contracts in connection with the improvements, supervise and inspect the work, approve necessary changes in the plans and specifications, approve estimates for payment, and accept the improvements when completed according to the plans and specifications.

Subd. 2. [PLANS.] Plans and specifications must be accompanied by a detailed statement of the cost, quality, and description of all material and labor required for the completion of the work. No plan may be adopted, and no improvement made or building constructed, that contemplates the expenditure for its completion of more money than the appropriation for it, unless otherwise provided by law.

Subd. 3. [DISPUTE RESOLUTION.] In contracting for projects, the higher education board must not restrict its access to litigation or limit its methods of redress to arbitration or other nonjudicial procedures.

Subd. 4. [REPAIRS.] The higher education board shall supervise and control the making of necessary repairs to all community college, state university, and technical college buildings and structures.

Sec. 9. Laws 1991, chapter 356, article 9, section 8, subdivision 1, is amended to read:

Subdivision 1. [APPOINTMENTS TO BOARD.] Appointments to the higher education board must be made by July 1, 1991. Notwithstanding section 2, the initial higher education board consists of two members each from the state board of technical colleges, state board for community colleges, and the state university board, appointed by their respective boards and six members appointed by the governor. The governor's appointees may also be members of the current governing boards. The members appointed by boards must have been confirmed by the senate to the board from which they are appointed and served for at least one year on the board from which they were appointed. Initial higher education board members appointed by boards are not subject to further senate confirmation. Initial appointees of the governor are not subject to section 3. The governor shall appoint the student member members July 1, 1995. Notwithstanding section 2, subdivision 2, the initial members of the higher education board must be appointed so that an equal number will have terms expiring in three, five, and seven years. To the extent possible, the initial board must have the geographic balance required by section 2.

Sec. 10. [INITIAL TERMS.]

Notwithstanding Minnesota Statutes, section 136E.01, the terms of the initial permanent student members of the board shall be as follows: the technical college student shall serve one year, the community college student shall serve one year, and the state university student shall serve two years.

Sec. 11. [REVISOR INSTRUCTION.]

In the 1996 edition of Minnesota Statutes, the revisor shall renumber section 136C.06 as 136E.60.

Sec. 12. [EFFECTIVE DATE.]

Sections 1 to 3, 7, 8, 10 and 11 are effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to education; appropriating money for education and related purposes to the higher education coordinating board, state board of technical colleges, higher education board, state board for community colleges, state university board, board of regents of the University of Minnesota, and the finance department, with certain conditions; modifying the award of grants for faculty exchange and temporary assignment programs; changing community college designations; prescribing changes to certain financial aid programs; reinstating rules pertaining

to private business, trade, and correspondence schools and technical colleges personnel licensing; modifying POST board authority; adopting a post-secondary funding formula; providing for appointments; defining authority for bargaining with certain employees; designating certain higher education board employees as unclassified; clarifying transfer provisions for the merger of community colleges, state universities, and technical colleges; transferring bonding authority for the state universities to the higher education board; establishing the higher education board as the sole state agency for federal funding for vocational education; providing for appointments of additional student members on the higher education board; establishing the student board member selection process; authorizing the higher education board to supervise and control construction, improvement, and repair of its facilities; preserving distinct post-secondary missions; recognizing separate student associations; amending Minnesota Statutes 1992, sections 43A.06, subdivision 1; 43A.08, subdivision 1; 43A.18, by adding a subdivision; 135A.01; 135A.04; 136.31; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.41, by adding a subdivision; 136A.121, subdivision 17; 136A.125, subdivisions 2, 3, 4, and by adding a subdivision; 136A.15, subdivision 6; 136C.06; 136E.01, subdivisions 1 and 2; 136E.02, subdivision 1; and 179A.10, subdivision 1; Minnesota Statutes 1993 Supplement, sections 43A.18, subdivision 4; 125.138, subdivisions 1, 6, and 8; 136.41, subdivision 8; 136A.233, subdivisions 1 and 2; and 136E.03; Laws 1991, chapter 356, article 9, sections 8, subdivision 1; 9, 12, and 13; Laws 1993, chapter 224, article 12, section 39; Laws 1993, First Special Session chapter 2, article 5, section 2; proposing coding for new law in Minnesota Statutes, chapters 135A; 136; and 136E; repealing Minnesota Statutes 1992, sections 135A.02; 135A.03, subdivisions 1, 1a, 2, 3, 3a, 4, 5, and 6; 135A.06, subdivisions 2, 3, 4, 5, and 6; 136.31, subdivision 6; 136.40; 136.41, subdivisions 1, 2, 3, 4, 5, 6, and 7; 136.42; and 136C.36; Minnesota Statutes 1993 Supplement, sections 135A.03, subdivision 7; 135A.05; and 135A.061."

We request adoption of this report and repassage of the bill.

Senate Conferees: LEROY A. STUMPF, LEONARD R. PRICE, SAM G. SOLON, DEANNA WIENER AND CAL LARSON.

House Conferees: GENE PELOWSKI, JR.; LYNDON R. CARLSON; ANTHONY G. "TONY" KINKEL; JOHN DORN AND CONNIE MORRISON.

Pelowski moved that the report of the Conference Committee on S. F. No. 2900 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Kahn to the Chair.

S. F. No. 2900, A bill for an act relating to education; appropriating money for education and related purposes to the state board of technical colleges, higher education board, state university board, and board of regents of the University of Minnesota, with certain conditions; modifying the award of grants for faculty exchange and temporary assignment programs; designating community colleges; establishing the mission of Fond du Lac campus; changing certain financial aid grants; modifying the child care grant program; clarifying an exemption to private, business, trade, and correspondence school licensing; providing for appointments; permitting rulemaking; adopting a post-secondary funding formula; permitting the higher education board to establish tuition rates for the 1995-1996 academic year; postponing mandated planning; amending Minnesota Statutes 1992, sections 135A.01; 135A.03, subdivisions 1a, and by adding subdivisions; 135A.04; 136.60, subdivisions 1 and 3; 136A.101, subdivision 5; 136A.121, subdivisions 5, 17, and by adding subdivisions; 136A.125, subdivisions 2, 4, and by adding a subdivision; 136A.15, subdivision 6; and 141.35; Minnesota Statutes 1993 Supplement, sections 125.138, subdivisions 1, 6, and 8; and 135A.05; 136A.121, subdivision 6; Laws 1993, First Special Session chapter 2, article 5, section 2; proposing coding for new law in Minnesota Statutes, chapters 135A; and 136; repealing Minnesota Statutes 1992, sections 135A.02; 135A.03, subdivisions 1, 2, 3, 4, 5, and 6; 136.60, subdivision 4; and 136C.36.

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 112 yeas and 22 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Davids	Hausman	Krueger	Munger	Pelowski	Stanius
Asch	Dawkins	Holsten	Lasley	Murphy	Perlt	Steensma
Battaglia	Dehler	Huntley	Leppik	Neary	Peterson	Tomassoni
Bauerly	Deimont	Jacobs	Lieder	Nelson	Pugh	Tompkins
Beard	Dempsey	Jefferson	Limmer	Ness	Reding	Trimble
Bergson	Dorn	Jennings	Long	Olson, E.	Rest	Tunheim
Bertram	Evans	Johnson, A.	Lourey	Olson, K.	Rhodes	Van Engen
Bettermann	Farrell	Johnson, R.	Luther	Onnen	Rice	Vellenga
Bishop	Finseth	Johnson, V.	Macklin	Opatz	Rodosovich	Vickerman
Brown, C.	Garcia	Kahn	Mahon	Orenstein	Rukavina	Wagenius
Brown, K.	Girard	Kalis	Mariani	Orfield	Sarna	Wejcman
Carlson	Goodno	Kelley	McCollum	Osthoff	Sekhon	Wenzel
Carruthers	Greenfield	Kelso	McGuire	Ostrom	Simoneau	Winter
Clark	Greiling	Kinkel	Milbert	Ozment	Skoglund	Wolf
Cooper	Gruenes	Klinzing	Morrison	Pauly	Smith	Workman
Dauner	Hasskamp	Koppendrayner	Mosel	Pawlenty	Solberg	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Gutknecht	Knickerbocker	Lynch	Sviggum	Weaver
Commers	Haukoos	Knight	Molnau	Swenson	Worke
Erhardt	Hugoson	Krinkie	Olson, M.	Van Dellen	
Frerichs	Jaros	Lindner	Seagren	Waltman	

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2246.

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. 2246

A bill for an act relating to natural resources; authorizing the exchange of certain state lands in Wabasha and Fillmore counties under certain conditions.

April 20, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 2246, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S. F. No. 2246 be further amended as follows:

Page 2, after line 15, insert:

"Sec. 2. [PRIVATE SALE OF TAX-FORFEITED LAND; GOODHUE COUNTY.]

(a) Notwithstanding Minnesota Statutes, sections 92.45 and 282.018, subdivision 1, and the public sale provisions of Minnesota Statutes, chapter 282, Goodhue county may convey by private sale the tax-forfeited land bordering public water that is described in paragraph (c), under the remaining provisions of Minnesota Statutes, chapter 282.

(b) The land described in paragraph (c) may be sold by private sale to Veterans of Foreign Wars Post No. 5727 of Zumbrota, Minnesota. The conveyance must be in a form approved by the attorney general.

(c) The land that may be conveyed is located in Goodhue county and is described as:

(1) City of Zumbrota, Original plat, tax parcel No. 72-100-1410; and

(2) City of Zumbrota, Original plat, tax parcel No. 72-100-1440.

(d) The county has determined that the county's land management interests would best be served if the lands were returned to private ownership.

Sec. 3. [WATER SUPPLY TO WABASHA COUNTY FAIRGROUNDS.]

(a) Except as provided in paragraph (b), that portion of the water supply system at the Wabasha county fairgrounds that is covered under department of health plan number 930051 need not comply with the following provisions of the Minnesota plumbing code:

(1) Minnesota Rules, part 4715.3130, requiring prior approval of plans for plumbing systems;

(2) Minnesota Rules, parts 4715.0420, subpart 3, item VI, and 4715.0510, item G, requiring plastic water service pipe to have a working pressure rating of at least 150 pounds per square inch and imposing other requirements on the use of plastic water service pipe;

(3) Minnesota Rules, part 4715.1710, subpart 2, requiring prior approval and imposing other conditions for placing a water service pipe and building sewer in the same trench;

(4) Minnesota Rules, parts 4715.2120 and 4715.2280, requiring that backflow preventing devices and water meters be installed at least 12 inches above the floor; and

(5) Minnesota Rules, parts 4715.2800 to 4715.2830, requiring that plumbing systems be inspected, tested, and approved before being covered.

(b) If the use of the Wabasha county fairgrounds exceeds 20 days per year, the entire water supply system must be brought into compliance with all applicable requirements of law."

Page 2, line 16, delete "2" and insert "4"

Amend the title as follows:

Page 1, line 4, before the period, insert "; authorizing private sale of certain tax-forfeited land that borders public water in Goodhue county; exempting from certain provisions of the plumbing code a portion of the water supply system at the Wabasha county fairgrounds"

We request adoption of this report and repassage of the bill.

Senate Conferees: STEVE L. MURPHY, STEVEN MORSE AND STEVE DILLE.

House Conferees: BOB WALTMAN, STEVEN A. SVIGGUM AND VIRGIL J. JOHNSON.

Waltman moved that the report of the Conference Committee on S. F. No. 2246 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 2246, A bill for an act relating to natural resources; authorizing the exchange of certain state lands in Wabasha and Fillmore counties under certain conditions.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 134 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Lasley	Neary	Rest	Van Dellen
Anderson, R.	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Engen
Asch	Dempsey	Jacobs	Lieder	Ness	Rice	Vellenga
Battaglia	Dorn	Jaros	Limmer	Olson, E.	Rodosovich	Vickerman
Bauerly	Erhardt	Jefferson	Lindner	Olson, K.	Rukavina	Wagenius
Beard	Evans	Jennings	Long	Olson, M.	Sarna	Waltman
Bergson	Farrell	Johnson, A.	Lourey	Onnen	Seagren	Weaver
Bertram	Finseth	Johnson, R.	Luther	Opatz	Sekhon	Wejcnan
Bettermann	Frerichs	Johnson, V.	Lynch	Orenstein	Simoneau	Wenzel
Bishop	Garcia	Kahn	Macklin	Orfield	Skoglund	Winter
Brown, C.	Girard	Kalis	Mahon	Osthoff	Smith	Wolf
Brown, K.	Goodno	Kelley	Mariani	Ostrom	Solberg	Worke
Carlson	Greenfield	Kelso	McCollum	Ozment	Stanius	Workman
Carruthers	Greiling	Kinkel	McGuire	Pauly	Steensma	Spk. Anderson, I.
Clark	Gruenes	Klinzing	Milbert	Pawlenty	Sviggum	
Commers	Gutknecht	Knickerbocker	Molnau	Pelowski	Swenson	
Cooper	Hasskamp	Knight	Morrison	Perlt	Tomassoni	
Dauner	Haukoos	Koppendrayner	Mosel	Peterson	Tompkins	
Davids	Hausman	Krinkie	Munger	Pugh	Trimble	
Dawkins	Holsten	Krueger	Murphy	Reding	Tunheim	

The bill was repassed, as amended by Conference, and its title agreed to.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1898.

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. 1898

A bill for an act relating to insurance; health; requiring coverage for equipment and supplies for the management and treatment of diabetes; proposing coding for new law in Minnesota Statutes, chapter 62A.

April 12, 1994

The Honorable Allan H. Spear
President of the Senate

The Honorable Irv Anderson
Speaker of the House of Representatives

We, the undersigned conferees for S. F. No. 1898, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment adopted April 6, 1994, and the Senate concur in the House amendment adopted April 4, 1994.

We request adoption of this report and repassage of the bill.

Senate Conferees: DEANNA WIENER, PAT PIPER AND DENNIS R. FREDERICKSON.

House Conferees: THOMAS PUGH AND GREGORY M. DAVIDS.

Pugh moved that the report of the Conference Committee on S. F. No. 1898 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1898, A bill for an act relating to insurance; health; requiring coverage for equipment and supplies for the management and treatment of diabetes; proposing coding for new law in Minnesota Statutes, chapter 62A.

The bill was read for the third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Koppendrayner	Morrison	Perlt	Swenson
Anderson, R.	Dehler	Holsten	Krinkie	Mosel	Peterson	Tomassoni
Asch	Delmont	Hugoson	Krueger	Munger	Pugh	Tompkins
Battaglia	Dempsey	Huntley	Lasley	Murphy	Reding	Trimble
Bauerly	Dorn	Jacobs	Leppik	Neary	Rest	Tunheim
Beard	Erhardt	Jaros	Lieder	Nelson	Rhodes	Van Dellen
Bergson	Evans	Jefferson	Limmer	Ness	Rice	Van Engen
Bertram	Farrell	Jennings	Lindner	Olson, E.	Rodosovich	Vellenga
Bettermann	Finseth	Johnson, A.	Long	Olson, K.	Rukavina	Vickerman
Bishop	Frerichs	Johnson, R.	Lourey	Olson, M.	Sarna	Wagenius
Brown, C.	Garcia	Johnson, V.	Luther	Onnen	Seagren	Waltman
Brown, K.	Girard	Kahn	Lynch	Opatz	Sekhon	Weaver
Carlson	Goodno	Kalis	Macklin	Orenstein	Simoneau	Wejcman
Carruthers	Greenfield	Kelley	Mahon	Orfield	Skoglund	Wenzel
Clark	Greiling	Kelso	Mariani	Osthoff	Smith	Winter
Commers	Gruenes	Kinkel	McCollum	Ostrom	Solberg	Wolf
Cooper	Gutknecht	Klinzing	McGuire	Ozment	Stanis	Worke
Dauner	Hasskamp	Knickerbocker	Milbert	Pawlenty	Steensma	Workman
Davids	Haukoos	Knight	Molnau	Pelowski	Sviggum	Spk. Anderson, I.

The bill was repassed, as amended by Conference, and its title agreed to.

The Speaker resumed the Chair.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 2429, A bill for an act relating to natural resources; modifying the list of protected game birds; authorizing nonresident multiple zone antlered deer licenses; purchase of archery deer licenses after the firearms season opens; administration of contraceptive chemicals to wild animals; taking big game by handgun in a shotgun deer zone; possession of firearms in muzzle-loader only deer zones; modifying restrictions on operation of snowmobiles by

minors; providing for free small game licenses for disabled veterans; undesirable exotic aquatic plants and wild animals; Eurasian wild pigs; clarifying the requirement to wear blaze orange clothing during deer season; allowing local road authorities to remove beaver dams and lodges near public roads; allowing released game birds to be recaptured without a license; allowing use of retractable broadhead arrows in taking big game; defining tip-up to include certain mechanical devices for hooking fish; allowing nonresidents to take rough fish by harpooning; requiring the department of natural resources to share in the expense of partition fences; allowing the taking of two deer in designated counties during the 1994 and 1995 hunting seasons; abolishing the nonresident bear guide license; amending Minnesota Statutes 1992, sections 18.317, subdivisions 1, 1a, 2, 3, 4, and 5; 84.966, subdivision 1; 84.967; 84.968, subdivision 2; 84.969; 86B.401, subdivision 11; 97A.015, subdivisions 24, 45, and 52; 97A.105, subdivision 6; 97A.115, subdivision 2; 97A.441, by adding a subdivision; 97A.475, subdivision 3; 97A.485, subdivision 9; 97A.501, by adding a subdivision; 97B.031, subdivision 2; 97B.211, subdivision 2; 97B.601, subdivision 3; 97B.605; 97B.631; 97B.655, subdivision 1; 97B.701, by adding a subdivision; 97B.711, subdivision 1; 97C.321, subdivision 2; and 344.03, subdivision 1; Minnesota Statutes 1993 Supplement, sections 18.317, subdivision 3a; 84.872; 84.9692, subdivisions 1 and 2; 84.9695, subdivisions 1, 8, and 10; 97B.041; 97B.071; and 97B.711, subdivision 2; Laws 1993, chapters 129, section 4, subdivision 4; and 273, section 1; proposing coding for new law in Minnesota Statutes, chapter 97B; repealing Minnesota Statutes 1992, section 97A.475, subdivision 17.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Lessard, Berg and Laidig.

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

Milbert 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. 2429. 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. 2429:

Milbert, Pugh and Stanius.

SPECIAL ORDERS

Carruthers moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Carruthers moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Rukavina moved that the name of Anderson, I., be stricken and the name of Smith be added as an author on H. F. No. 2243. The motion prevailed.

Frerichs moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Thursday, April 21, 1994, when the vote was taken on the repassage of H. F. No. 423, as amended by the Senate." The motion prevailed.

Workman moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Thursday, April 21, 1994, when the vote was taken on the repassage of H. F. No. 423, as amended by the Senate." The motion prevailed.

Wagenius moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Thursday, April 21, 1994, when the vote was taken on the final passage of H. F. No. 2158." The motion prevailed.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 9:00 a.m., Tuesday, April 26, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Tuesday, April 26, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA
SEVENTY-EIGHTH SESSION — 1994

NINETY-EIGHTH DAY

SAINT PAUL, MINNESOTA, TUESDAY, APRIL 26, 1994

The House of Representatives convened at 9:00 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by the Reverend Armand J. Boehme, St. Paul Lutheran Church, Waseca, Minnesota.

The roll was called and the following members were present:

Abrams	Dehler	Holsten	Krinkie	Munger	Peterson	Tompkins
Anderson, R.	Delmont	Hugoson	Krueger	Murphy	Pugh	Trimble
Asch	Dempsey	Huntley	Lasley	Neary	Reding	Tunheim
Battaglia	Dorn	Jacobs	Lieder	Nelson	Rest	Van Dellen
Bauerly	Erhardt	Jaros	Limmer	Ness	Rhodes	Van Engen
Beard	Evans	Jefferson	Lindner	Olson, E.	Rice	Vellenga
Bergson	Farrell	Jennings	Long	Olson, K.	Rodosovich	Vickerman
Bertram	Finseth	Johnson, A.	Lourey	Olson, M.	Rukavina	Wagenius
Bettermann	Frerichs	Johnson, R.	Luther	Ornen	Sarna	Waltman
Brown, C.	Garcia	Johnson, V.	Lynch	Opatz	Seagren	Weaver
Brown, K.	Girard	Kahn	Macklin	Orenstein	Sekhon	Wejzman
Carlson	Goodno	Kalis	Mahon	Orfield	Simoneau	Wenzel
Carruthers	Greenfield	Kelley	Mariani	Osthoff	Skoglund	Winter
Clark	Greiling	Kelso	McCollum	Ostrom	Smith	Wolf
Commers	Gruenes	Kinkel	McGuire	Ozment	Solberg	Worke
Cooper	Gutknecht	Klinzing	Milbert	Pauly	Steensma	Workman
Dauner	Hasskamp	Knickerbocker	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Davids	Haukoos	Knight	Morrison	Pelowski	Swenson	
Dawkins	Hausman	Koppendrayner	Mosel	Perlt	Tomassoni	

A quorum was present.

Leppik was excused until 10:20 a.m. Bishop and Stanius were excused until 11:40 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Worke 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. 2289 and H. F. No. 2520, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Weaver moved that the rules be so far suspended that S. F. No. 2289 be substituted for H. F. No. 2520 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2885 and H. F. No. 3095, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Beard moved that the rules be so far suspended that S. F. No. 2885 be substituted for H. F. No. 3095 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 2289 and 2885 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Carlson, Tunheim and Johnson, A., introduced:

H. F. No. 3234, A bill for an act relating to drivers' licenses; reducing the fee for duplicate Minnesota identification cards; amending Minnesota Statutes 1992, section 171.07, subdivisions 3 and 3a; Minnesota Statutes 1993 Supplement, section 171.06, subdivision 2.

The bill was read for the first time and referred to the Committee on Transportation and Transit.

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. 2478, A bill for an act relating to retirement; first class city teachers; defining salary; authorizing purchase of service credit for parental or maternity leave; resumption of teaching by basic program retirees; authorizing certain bylaw amendments by the Minneapolis and St. Paul teachers retirement fund associations; amending Minnesota Statutes 1992, sections 354A.011, subdivision 24; 354A.095; and 354A.31, subdivision 3.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Reding moved that the House concur in the Senate amendments to H. F. No. 2478 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2478, A bill for an act relating to retirement; first class city teachers; defining salary; authorizing purchase of service credit for parental or maternity leave; resumption of teaching by basic program retirees; authorizing the board of the Minneapolis teachers retirement fund association to amend the bylaws or articles of incorporation to provide for parental or maternity leave; amending Minnesota Statutes 1992, sections 354A.011, subdivision 24; 354A.095; and 354A.31, subdivision 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 110 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Hausman	Lasley	Murphy	Rest	Van Dellen
Anderson, R.	Delmont	Holsten	Lieder	Neary	Rhodes	Van Engen
Asch	Dempsey	Huntley	Limmer	Nelson	Rodosovich	Vellenga
Battaglia	Dorn	Jacobs	Lindner	Ness	Rukavina	Vickerman
Bauerly	Erhardt	Jaros	Long	Olson, E.	Sarna	Wagenius
Beard	Evans	Jefferson	Luther	Onnen	Seagren	Waltman
Bergson	Farrell	Jennings	Lynch	Opatz	Sekhon	Weaver
Bertram	Finseth	Johnson, A.	Macklin	Orenstein	Simoneau	Wejcman
Bettermann	Garcia	Johnson, R.	Mahon	Orfield	Skoglund	Wenzel
Brown, K.	Girard	Johnson, V.	Mariani	Ostrom	Smith	Winter
Carlson	Greenfield	Kalis	McCollum	Pauly	Solberg	Wolf
Commers	Greiling	Kelley	McGuire	Pelowski	Swenson	Worke
Cooper	Gruenes	Kelso	Milbert	Perlt	Tomassoni	Workman
Dauner	Gutknecht	Kinkel	Morrison	Peterson	Tompkins	Spk. Anderson, I.
Dauids	Hasskamp	Klinzing	Mosel	Pugh	Trimble	
Dawkins	Haukoos	Krueger	Munger	Reding	Tunheim	

Those who voted in the negative were:

Frerichs	Hugoson	Koppendrayner	Molnau	Sviggum
Goodno	Knight	Krinkie	Olson, M.	

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. 2839, A bill for an act relating to retirement; South St. Paul police relief association; clarifying probationary employment for purposes of relief association service credit for certain members.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pugh moved that the House concur in the Senate amendments to H. F. No. 2839 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2839, A bill for an act relating to retirement; changing employer contribution rates for the volunteer fire relief associations paying monthly pensions; changing employer contribution rates for the Bloomington fire relief association; clarifying probationary employment for South St. Paul police relief association; amending Minnesota Statutes 1992, section 69.773, 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 126 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Brown, K.	Commers	Dauids	Delmont
Anderson, R.	Bauerly	Bertram	Carlson	Cooper	Dawkins	Dempsey
Asch	Beard	Bettermann	Carruthers	Dauner	Dehler	Dorn

Erhardt	Holsten	Klinzing	Mariani	Onnen	Rodosovich	Tunheim
Evans	Hugoson	Knickerbocker	McCollum	Opatz	Rukavina	Van Dellen
Farrell	Huntley	Knight	McGuire	Orenstein	Sarna	Van Engen
Finseth	Jacobs	Koppendrayer	Milbert	Orfield	Seagren	Vellenga
Frerichs	Jaros	Krinkie	Molnau	Ostrom	Sekhon	Vickerman
Garcia	Jefferson	Krueger	Morrison	Pauly	Simoneau	Wagenius
Girard	Jennings	Lasley	Mosel	Pawlenty	Skoglund	Waltman
Goodno	Johnson, A.	Lieder	Munger	Pelowski	Smith	Weaver
Greenfield	Johnson, R.	Limmer	Murphy	Perlt	Solberg	Wejcman
Greiling	Johnson, V.	Lindner	Neary	Peterson	Steensma	Wenzel
Gruenes	Kahn	Lourey	Nelson	Pugh	Sviggum	Winter
Gutknecht	Kalis	Luther	Ness	Reding	Swenson	Wolf
Hasskamp	Kelley	Lynch	Olson, E.	Rest	Tomassoni	Worke
Haukoos	Kelso	Macklin	Olson, K.	Rhodes	Tompkins	Workman
Hausman	Kinkel	Mahon	Olson, M.	Rice	Trimble	Spk. Anderson, I.

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 2135, A bill for an act relating to manufactured home parks; prohibiting manufactured home parks from prohibiting senior citizens from keeping house pet dogs, cats, and birds on the park premises; amending Minnesota Statutes 1992, section 327.27, by adding a subdivision.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Jefferson moved that the House concur in the Senate amendments to H. F. No. 2135 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2135, A bill for an act relating to animals; prohibiting manufactured home parks from prohibiting senior citizens from keeping pet dogs, cats, and birds on the park premises; requiring standards for care of dogs and cats by dealers, breeders, and brokers; amending Minnesota Statutes 1992, section 327.27, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 346.

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 111 yeas and 19 nays as follows:

Those who voted in the affirmative were:

Abrams	Clark	Garcia	Jefferson	Krueger	Milbert	Orenstein
Anderson, R.	Cooper	Greenfield	Jennings	Lasley	Molnau	Orfield
Asch	Dauner	Greiling	Johnson, A.	Lieder	Morrison	Osthoff
Battaglia	Dawkins	Gruenes	Johnson, R.	Long	Mosel	Ostrom
Bauerly	Dehler	Gutknecht	Johnson, V.	Lourey	Munger	Ozment
Beard	Delmont	Hasskamp	Kahn	Luther	Murphy	Pauly
Bergson	Dempsey	Hausman	Kalis	Lynch	Neary	Pelowski
Bertram	Dorn	Holsten	Kelley	Macklin	Nelson	Perlt
Bettermann	Erhardt	Hugoson	Kelso	Mahon	Ness	Pugh
Brown, C.	Evans	Huntley	Kinkel	Mariani	Olson, E.	Reding
Carlson	Farrell	Jacobs	Klinzing	McCollum	Onnen	Rest
Carruthers	Finseth	Jaros	Knickerbocker	McGuire	Opatz	Rhodes

Rice	Seagren	Smith	Swenson	Tunheim	Waltman	Wolf
Rodosovich	Sekhon	Solberg	Tomassoni	Van Engen	Wejzman	Workman
Rukavina	Simoneau	Steensma	Tompkins	Vellenga	Wenzel	Spk. Anderson, I.
Sarna	Skoglund	Svigum	Trimble	Wagenius	Winter	

Those who voted in the negative were:

Brown, K.	Frerichs	Haukoos	Krinkie	Olson, M.	Van Dellen	Worke
Commers	Girard	Knight	Limmer	Pawlenty	Vickerman	
Davids	Goodno	Koppendrayner	Lindner	Peterson	Weaver	

The bill was repassed, as amended by the Senate, and its title agreed to.

Mr. Speaker:

I hereby announce the passage by the Senate of the following House File, herewith returned, as amended by the Senate, in which amendment the concurrence of the House is respectfully requested:

H. F. No. 1999, A bill for an act relating to insurance; requiring disclosure of information relating to insurance fraud; granting immunity for reporting suspected insurance fraud; requiring insurers to develop antifraud plans; prescribing penalties; proposing coding for new law in Minnesota Statutes, chapter 60A.

PATRICK E. FLAHAVEN, Secretary of the Senate

Pugh moved that the House refuse to concur in the Senate amendments to H. F. No. 1999, 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. 2046, A bill for an act relating to wild animals; restricting the killing of dogs wounding, killing, or pursuing big game within the metropolitan area; amending Minnesota Statutes 1992, section 97B.011.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wagenius moved that the House refuse to concur in the Senate amendments to H. F. No. 2046, 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. 2072, 2354 and 2309.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2072, A bill for an act relating to commerce; agriculture; adding labeling requirements for salvaged food; adding licensing and permit requirements for salvaged food distributors; adding record keeping requirements; requiring salvaged food served for compensation to be identified; providing for labeling of Canadian wild rice; appropriating money; amending Minnesota Statutes 1992, sections 30.49, subdivision 2; and 31.495, subdivisions 1, 2, and 5, and by adding subdivisions.

The bill was read for the first time.

Trimble moved that S. F. No. 2072 and H. F. No. 2132, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2354, A bill for an act relating to transportation; regulating the transportation of hazardous material and hazardous waste; making technical changes; specifying that certain federal regulations do not apply to cargo tanks under 3,500 gallons used in the intrastate transportation of gasoline; establishing a uniform registration and permitting program for transporters of hazardous material and hazardous waste; defining terms; establishing requirements for applications; describing methods for calculating fees; specifying treatment of application data; establishing enforcement authority and administrative penalties; providing for suspension or revocation of registration and permits; providing for base state agreements; preempting and suspending conflicting programs; providing for the deposit and use of fees and grants; establishing exemptions; appropriating money; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; and 221.033, subdivisions 1 and 2b; Minnesota Statutes 1993 Supplement, sections 115E.045, subdivision 2; and 221.036, subdivisions 1 and 3; proposing coding for new law in Minnesota Statutes, chapter 221; repealing Minnesota Statutes 1992, section 221.033, subdivision 4.

The bill was read for the first time.

Ozment moved that S. F. No. 2354 and H. F. No. 2183, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2309, A bill for an act relating to civil actions; consolidating and recodifying statutes providing limitations on private personal injury liability; providing immunity for certain volunteer athletic physicians and trainers; limiting liability for certain injuries arising out of nonprofit livestock activities; modifying provisions dealing with recreational land use liability; providing limitations on liability of officers, directors, and agents of economic development authorities; amending Minnesota Statutes 1992, sections 144.761, subdivision 5; and 469.091, by adding a subdivision; proposing coding for new law as Minnesota Statutes, chapter 604A; repealing Minnesota Statutes 1992, sections 31.50; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; 87.03; 604.05; 604.08; 604.09; and 609.662, subdivision 5.

The bill was read for the first time.

Pugh moved that S. F. No. 2309 and H. F. No. 2603, now on Special Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

MOTION FOR RECONSIDERATION

Mariani moved that the vote whereby the House refused to concur on Monday, April 25, 1994, in the Senate amendments to H. F. No. 2519 and that the Speaker appoint a Conference Committee of 3 members be now reconsidered. The motion prevailed.

Mariani moved that the House refuse to concur in the Senate amendments to H. F. No. 2519, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2519:

Mariani, Pugh, Dawkins, Wejman and Bishop.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of S. F. No. 1867 and H. F. No. 2951.

S. F. No. 1867, A bill for an act relating to health; requesting the legislative auditor to study the administrative costs of providing health care services; 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 83 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Jacobs	Krueger	Munger	Perlt	Solberg
Asch	Dawkins	Jaros	Lasley	Murphy	Peterson	Steensma
Battaglia	Delmont	Jefferson	Lieder	Neary	Pugh	Tomassoni
Beard	Dorn	Jennings	Long	Nelson	Reding	Trimble
Bergson	Evans	Johnson, A.	Lourey	Olson, E.	Rest	Tunheim
Bertram	Farrell	Johnson, R.	Luther	Olson, K.	Rice	Vellenga
Brown, C.	Garcia	Kahn	Mahon	Opatz	Rodosovich	Wagenius
Brown, K.	Greenfield	Kalis	Mariani	Orenstein	Rukavina	Wejman
Carlson	Greiling	Kelley	McCollum	Orfield	Sarna	Wenzel
Carruthers	Hasskamp	Kelso	McGuire	Osthoff	Sekhon	Winter
Clark	Hausman	Kinkel	Milbert	Ostrom	Simoneau	Spk. Anderson, I.
Cooper	Huntley	Klinzing	Mosel	Pelowski	Skoglund	

Those who voted in the negative were:

Abrams	Finseth	Holsten	Limmer	Olson, M.	Smith	Waltman
Bettermann	Frerichs	Hugoson	Lindner	Onnen	Sviggum	Weaver
Commers	Girard	Johnson, V.	Lynch	Ozment	Swenson	Wolf
Dauids	Goodno	Knickerbocker	Macklin	Pauly	Tompkins	Worke
Dehler	Gruenes	Knight	Molnau	Pawlenty	Van Dellen	Workman
Dempsey	Gutknecht	Koppendrayner	Morrison	Rhodes	Van Engen	
Erhardt	Haukoos	Krinkie	Ness	Seagren	Vickerman	

The bill was passed and its title agreed to.

H. F. No. 2951 was reported to the House.

Lourey, Cooper and Rukavina moved to amend H. F. No. 2951, the first engrossment, as follows:

Page 1, after line 4, insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 256.9352, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL MANAGEMENT.] (a) The commissioner shall manage spending for the ~~health right plan~~ MinnesotaCare program in a manner that maintains a minimum reserve equal to five percent of the expected cost of state premium subsidies. The commissioner must make a quarterly assessment of the expected expenditures for the

covered services for the remainder of the current fiscal year and for the following two fiscal years. The estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access fund. Based on this comparison, and after consulting with the chairs of the house ways and means committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall make adjustments as necessary to ensure that expenditures remain within the limits of available revenues. The adjustments the commissioner may use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the ~~health right plan~~ MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the ~~health right plan~~ MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner may further limit enrollment or decrease premium subsidies.

The reserve referred to in this subdivision is appropriated to the commissioner but may only be used upon approval of the commissioner of finance, if estimated costs will exceed the forecasted amount of available revenues after all adjustments authorized under this subdivision have been made.

By February 1, 1994 ~~1995~~, the department of human services and the department of health shall develop a plan to adjust benefit levels, eligibility guidelines, or other steps necessary to ensure that expenditures for the MinnesotaCare program are contained within the two percent ~~provider tax~~ taxes imposed under section 295.52 and the ~~one percent~~ HMO gross premiums tax imposed under section 60A.15, subdivision 1, paragraph (e), for the 1996-1997 biennium fiscal year 1997. ~~Notwithstanding any law to the contrary, no further enrollment in MinnesotaCare, and no additional hiring of staff for the departments shall take place after June 1, 1994, unless a plan to balance the MinnesotaCare budget for the 1996-1997 biennium has been passed by the 1994 legislature.~~

(b) Notwithstanding paragraph (a), the commissioner shall proceed with the enrollment of single adults and households without children in accordance with section 256.9354, subdivision 5, even if the expenditures do not remain within the limits of available revenues through fiscal year 1997 to allow the departments of human services and health to develop the plan required under paragraph (a)."

Page 1, line 10, delete "biennium" and insert "fiscal year"

Renumber the sections in sequence and correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

H. F. No. 2951, A bill for an act relating to health care financing; modifying provisions for enrollment in the MinnesotaCare program; establishing a health care access reserve account; transferring money; amending Minnesota Statutes 1993 Supplement, section 256.9352, 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 69 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Battaglia	Dorn	Jaros	Lieder	Murphy	Reding	Steensma
Beard	Evans	Jefferson	Long	Neary	Rest	Tomassoni
Brown, C.	Farrell	Jennings	Lourey	Olson, E.	Rice	Trimble
Brown, K.	Garcia	Johnson, A.	Luther	Olson, K.	Rodosovich	Tunheim
Carlson	Greenfield	Johnson, R.	Mariani	Orenstein	Rukavina	Vellenga
Carruthers	Greiling	Kahn	McCollum	Orfield	Sarna	Wagenius
Clark	Hasskamp	Kalis	McGuire	Ostrom	Sekhon	Wejman
Cooper	Hausman	Kelley	Milbert	Perlt	Simoneau	Winter
Dawkins	Huntley	Kinkel	Mosel	Peterson	Skoglund	Spk. Anderson, I.
Delmont	Jacobs	Lasley	Munger	Pugh	Solberg	

Those who voted in the negative were:

Abrams	Dauids	Gutknecht	Koppendrayner	Molnau	Pawlenty	Van Engen
Anderson, R.	Dehler	Haukoos	Krinkie	Morrison	Pelowski	Vickerman
Asch	Dempsey	Holsten	Krueger	Nelson	Rhodes	Waltman
Bauerly	Erhardt	Hugoson	Leppik	Ness	Seagren	Weaver
Bergson	Finseth	Johnson, V.	Limmer	Onnen	Smith	Wenzel
Bertram	Frerichs	Kelso	Lindner	Opatz	Sviggum	Wolf
Bettermann	Girard	Klinzing	Lynch	Osthoff	Swenson	Worke
Commers	Goodno	Knickerbocker	Macklin	Ozment	Tompkins	Workman
Dauner	Gruenes	Knight	Mahon	Pauly	Van Dellen	

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

Kalis from the Committee on Capital Investment to which was referred:

H. F. No. 2648, A bill for an act relating to transportation; authorizing issuance of debt instruments for transit purposes; authorizing the issuance of state bonds; appropriating money; amending Minnesota Statutes 1992, section 473.39, by adding a subdivision.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 473.39, is amended by adding a subdivision to read:

Subd. 1c. [OBLIGATIONS; 1995-1998.] The council may issue certificates of indebtedness, bonds, or other obligations under this section in an amount not to exceed \$90,000,000, which may be used by the transit commission for transit vehicles and capital improvements, and related costs including the cost of issuance and sale of obligations.

Sec. 2. [APPLICATION.]

Section 1 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 3. [EFFECTIVE DATE.]

This act is effective July 1, 1994."

Amend the title accordingly

With the recommendation that when so amended the bill pass and be re-referred to the Committee on Rules and Legislative Administration.

The report was adopted.

Carruthers moved that the House recess subject to the call of the Chair. The motion prevailed.

RECESS

RECONVENED

The House reconvened and was called to order by the Speaker.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of S. F. No. 2192.

S. F. No. 2192 was reported to the House.

Greenfield moved to amend S. F. No. 2192 as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

COMMUNITY INTEGRATED SERVICE NETWORKS

Section 1. [62J.016] [GOALS OF RESTRUCTURING.]

The state seeks to bring about changes in the health care delivery and financing system that will assure quality, affordable, and accessible health care for all Minnesotans. This goal will be accomplished by restructuring the delivery system, the financial incentives, and the regulatory environment in a way that will make health care providers and health plan companies more accountable to consumers, group purchasers, and communities for their costs and quality, their effectiveness in meeting the health care needs of all of their patients and enrollees, and their contributions to improving the health of the greater community.

Sec. 2. [62J.017] [IMPLEMENTATION TIMETABLE.]

The state seeks to complete the restructuring of the health care delivery and financing system by July 1, 1997. The restructured system will have two options: (1) integrated service networks, which will be accountable for meeting state cost containment, quality, and access standards; or (2) a uniform set of price and utilization controls for all health care services for Minnesota residents not provided through an integrated service network. Both systems will operate under the state's limits on cost increases and will be structured to promote competition in the health care marketplace.

Beginning July 1, 1994, measures will be taken to increase the public accountability of existing health plan companies, to promote the development of small, community-based integrated service networks, and to reduce administrative costs by standardizing third-party billing forms and procedures and utilization review requirements. Voluntary formation of other integrated service networks will begin January 1, 1996. Statutes for the entire restructured health care financing and delivery system must be enacted by January 1, 1996, and a phase-in of the all-payer reimbursement system must begin on that date. By July 1, 1997, all health coverage must be regulated under integrated service network or community integrated service network law pursuant to chapter 62N or all-payer law pursuant to chapter 62P.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62N.02, is amended by adding a subdivision to read:

Subd. 4a. [COMMUNITY INTEGRATED SERVICE NETWORK.] "Community integrated service network" or "community network" means a formal arrangement licensed by the commissioner under section 62N.25 for providing prepaid health services to enrolled populations of 50,000 or fewer enrollees.

Sec. 4. Minnesota Statutes 1993 Supplement, section 62N.02, subdivision 8, is amended to read:

Subd. 8. [INTEGRATED SERVICE NETWORK.] "Integrated service network" means a formal arrangement permitted by this chapter and licensed by the commissioner for providing health services under this chapter to enrollees for a fixed payment per time period. Integrated service network does not include a community integrated service network.

Sec. 5. [62N.25] [COMMUNITY INTEGRATED SERVICE NETWORKS.]

Subdivision 1. [SCOPE OF LICENSURE.] Beginning July 1, 1994, the commissioner shall accept applications for licensure as a community integrated service network under this section. Licensed community integrated service networks may begin providing health coverage to enrollees no earlier than January 1, 1995, and may begin marketing coverage to prospective enrollees upon licensure.

Subd. 2. [LICENSURE REQUIREMENTS GENERALLY.] To be licensed and to operate as a community integrated service network, an applicant must satisfy the requirements of chapter 62D, and all other legal requirements that apply to entities licensed under chapter 62D, except as exempted or modified in this section. Community networks must, as a condition of licensure, comply with rules adopted under section 256B.0644 that apply to entities governed by chapter 62D.

Subd. 3. [REGULATION; APPLICABLE LAW.] Community integrated service networks are regulated and licensed by the commissioner under the same authority that applies to entities licensed under chapter 62D, except as exempted or modified under this section. All statutes or rules that apply to health maintenance organizations apply to community networks, unless otherwise specified. A cooperative organized under chapter 308A may establish a community integrated service network.

Subd. 4. [GOVERNING BODY.] Notwithstanding section 62D.06, at least 51 percent of the members of the governing body of the community integrated service network must be residents of the community integrated service network's service area. Service area, for purposes of this subdivision, may include contiguous geographic areas outside the state of Minnesota.

Subd. 5. [BENEFITS.] Community integrated service networks must offer the health maintenance organization benefit set, as defined in chapter 62D, and other laws applicable to entities regulated under chapter 62D, except that the community integrated service network may impose a deductible, not to exceed \$1,000 per person per year, provided that out-of-pocket expenses on covered services do not exceed \$3,000 per person or \$5,000 per family per year. The deductible must not apply to preventive health services as described in Minnesota Rules, part 4685.0801, subpart 8.

Subd. 6. [SOLVENCY.] A community integrated service network is exempt from the deposit, reserve, and solvency requirements specified in sections 62D.041, 62D.042, 62D.043, and 62D.044 and shall comply instead with sections 62N.27 to 62N.32.

Subd. 7. [EXEMPTIONS FROM EXISTING REQUIREMENTS.] Community integrated service networks are exempt from the following requirements applicable to health maintenance organizations:

- (1) conducting focused studies under Minnesota Rules, part 4685.1125;
- (2) preparing and filing, as a condition of licensure, a written quality assurance plan, and annually filing such a plan and a work plan, under Minnesota Rules, parts 4685.1110 and 4685.1130;
- (3) maintaining statistics under Minnesota Rules, part 4685.1200;
- (4) filing provider contract forms under sections 62D.03, subdivision 4, and 62D.08, subdivision 1;
- (5) reporting any changes in the address of a network provider or length of a provider contract or additions to the provider network to the commissioner within ten days under section 62D.08, subdivision 5. Community networks must report such information to the commissioner on a quarterly basis. Community networks that fail to make the required quarterly filing are subject to the penalties set forth in section 62D.08, subdivision 5; and
- (6) preparing and filing, as a condition of licensure, a marketing plan, and annually filing a marketing plan, under sections 62D.03, subdivision 4, paragraph (1), and 62D.08, subdivision 1.

Subd. 8. [PROVIDER CONTRACTS.] The provisions of section 62D.123 are implied in every provider contract or agreement between a community integrated service network and a provider, regardless of whether those provisions are expressly included in the contract. No participating provider, agent, trustee, or assignee of a participating provider has or may maintain any cause of action against a subscriber or enrollee to collect sums owed by the community network.

Subd. 9. [EXCEPTIONS TO ENROLLMENT LIMIT.] A community integrated service network may enroll enrollees in excess of 50,000 if necessary to comply with guaranteed issue or guaranteed renewal requirements of chapter 62L or section 62A.65.

Sec. 6. [62N.255] [EXPANDED PROVIDER NETWORKS.]

Subdivision 1. [PROVIDER ACCEPTANCE REQUIRED.] Every community network shall establish an expanded network of allied independent health providers, in addition to a preferred network. A community network shall accept as a provider in the expanded network any allied independent health provider who: (1) meets the community network's credentialing standards; (2) agrees to the terms of the community network's provider contract; and (3) agrees to comply with all managed care protocols of the community network.

Subd. 2. [MANAGED CARE.] The managed care protocols used by the community network may include: (1) a requirement that an enrollee obtain a referral from the community network before obtaining services from an allied independent health provider in the expanded network; (2) limits on the number and length of visits to allied independent health providers in the expanded network allowed by each referral, as long as the number and length of visits allowed is not less than the number and length allowed for comparable referrals to allied independent health providers in the preferred network; and (3) ongoing management and review by the community network of the care provided by an allied independent health provider in the expanded network after a referral is made.

Subd. 3. [MANDATORY OFFERING TO ENROLLEES.] Each community network may offer to enrollees the option of receiving covered services through the expanded network of allied independent health providers established under subdivisions 1 and 2. The network may establish separate premium rates and cost-sharing requirements for this expanded network plan, as long as these premium rates and cost-sharing requirements are actuarially justified and approved by the commissioner.

Subd. 4. [PROVIDER REIMBURSEMENT.] A community network shall pay each allied independent health provider in the expanded network the same rate per unit of service as paid to allied independent health providers in the preferred network.

Subd. 5. [EXEMPTION.] A community network is exempt from the requirements of this section, to the extent that it operates as a staff model health plan company, as defined in section 295.50, subdivision 12b, by employing allied independent health care providers to deliver health care services to enrollees.

Subd. 6. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Allied independent health provider" means an independently enrolled audiologist, chiropractor, dietician, home health care provider, marriage and family therapist, nurse practitioner or advanced practice nurse, occupational therapist, optometrist, optician, outpatient chemical dependency counselor, pharmacist who is not employed by and based on the premises of a community network, physical therapist, podiatrist, licensed consulting psychologist, psychological practitioner, licensed social worker, or speech therapist.

(c) "Home health care provider" means a personal care assistant, home health aide, or a provider of homemaker, respite care, adult day care, or home health nursing services.

(d) "Independently enrolled" means that a provider can bill, and receive direct payment for services from, a third-party payer or patient.

Sec. 7. [62N.26] [SHARED SERVICES COOPERATIVE.]

The commissioner of health shall establish, or assist in establishing, a shared services cooperative organized under chapter 308A to make available administrative and legal services, technical assistance, provider contracting and billing services, and other services to those community integrated service networks and integrated service networks that choose to participate in the cooperative. The commissioner shall provide, to the extent funds are appropriated, start-up loans sufficient to maintain the shared services cooperative until its operations can be maintained by fees and contributions. The cooperative must not be staffed, administered, or supervised by the commissioner of health. The cooperative shall make use of existing resources that are already available in the community, to the extent possible.

Sec. 8. [62N.27] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of sections 62N.27 to 62N.32, the terms defined in this section have the meanings given. Other terms used in those sections have the meanings given in sections 62D.041, 62D.042, 62D.043, and 62D.044.

Subd. 2. [NET WORTH.] "Net worth" means admitted assets, as defined in subdivision 3, minus liabilities. Liabilities do not include those obligations that are subordinated in the same manner as preferred ownership claims under section 60B.44, subdivision 10. For purposes of this subdivision, preferred ownership claims under section 60B.44, subdivision 10, include promissory notes subordinated to all other liabilities of the community network.

Subd. 3. [ADMITTED ASSETS.] "Admitted assets" means admitted assets as defined in section 62D.044, except that real estate investments allowed by section 62D.045 are not admitted assets. Admitted assets include the deposit required under section 62N.32.

Subd. 4. [ACCREDITED CAPITATED PROVIDER.] "Accredited capitated provider" means a health care providing entity that:

(1) receives capitated payments from a community network under a contract to provide health services to the community network's enrollees. For purposes of this section, a health care providing entity is "capitated" when its compensation arrangement with a community network involves the provider's acceptance of material financial risk for the delivery of a predetermined set of services for a specified period of time;

(2) is licensed to provide and provides the contracted services, either directly or through an affiliate. For purposes of this section, an "affiliate" is any person that directly or indirectly controls, or is controlled by, or is under common control with, the health care providing entity, and "control" exists when any person, directly or indirectly, owns, controls, or holds the power to vote, or holds proxies representing, no less than 80 percent of the voting securities or governance rights of any other person;

(3) agrees to serve as an accredited capitated provider of a community network for the purpose of reducing the community network's net worth and deposit requirements under section 62N.28; and

(4) is approved by the commissioner as an accredited capitated provider for a community network in accordance with section 62N.31.

Subd. 5. [PERCENTAGE OF RISK CEDED.] "Percentage of risk ceded" means the ratio, expressed as a percentage, between capitated payments made, or, in the case of a new entity, expected to be made, by a community network to all accredited capitated providers during any contract year and the total premium revenue, adjusted to eliminate expected administrative costs, received for the same time period by the community network.

Subd. 6. [PROVIDER AMOUNT AT RISK.] "Provider amount at risk" means a dollar amount certified by a qualified actuary to represent the expected direct costs to an accredited capitated provider for providing the contracted, covered health care services to the enrollees of the community network to which it is accredited for a period of six months.

Sec. 9. [62N.28] [NET WORTH REQUIREMENT.]

Subdivision 1. [REQUIREMENT.] Except as otherwise permitted by this chapter, each community network must maintain a minimum net worth equal to the greater of:

(1) \$1,000,000;

(2) two percent of the first \$150,000,000 of annual premium revenue plus one percent of annual premium revenue in excess of \$150,000,000;

(3) eight percent of the annual health services costs, except those paid on a capitated or managed hospital payment basis, plus four percent of the annual capitation and managed hospital payment costs; or

(4) four months uncovered health services costs.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given:

(1) "capitated basis" means fixed per member per month payment or percentage of premium paid to a provider that assumes the full risk of the cost of contracted services without regard to the type, value, or frequency of services provided. For purposes of this definition, capitated basis includes the cost associated with operating staff model facilities;

(2) "managed hospital payment basis" means agreements in which the financial risk is primarily related to the degree of utilization rather than to the cost of services; and

(3) "uncovered health services costs" means the cost to the community network of health services covered by the community network for which the enrollee would also be liable in the event of the community network's insolvency, and that are not guaranteed, insured, or assumed by a person other than the community network.

Subd. 3. [REINSURANCE CREDIT.] A community network may use the subtraction for premiums paid for insurance permitted under section 62D.042, subdivision 4.

Subd. 4. [PHASE-IN FOR NET WORTH REQUIREMENT.] (a) A community network may choose to comply with the net worth requirement on a phase-in basis according to the following schedule:

(1) 50 percent of the amount required under subdivisions 1 to 3 at the time that the community network begins enrolling enrollees;

(2) 75 percent of the amount required under subdivisions 1 to 3 at the end of the first full calendar year of operation;

(3) 87.5 percent of the amount required under subdivisions 1 to 3 at the end of the second full calendar year of operation; and

(4) 100 percent of the amount required under subdivisions 1 to 3 at the end of the third full calendar year of operation.

(b) A community network that elects to use the phase-in schedule provided in this subdivision cannot also use the real estate provision of section 62N.30 or the accredited capitated provider provision of section 62N.31.

Subd. 5. [NET WORTH CORRIDOR.] A community network shall not maintain net worth that exceeds two and one-half times the amount required of the community network under subdivision 1. Subdivision 4 is not relevant for purposes of this subdivision.

Subd. 6. [NET WORTH REDUCTION.] If a community network has contracts with accredited capitated providers, and only for so long as those contracts or successor contracts remain in force, the net worth requirement of subdivision 1 shall be reduced by the percentage of risk ceded, but in no event shall the net worth requirements be reduced by this subdivision to less than \$1,000,000. The phase-in requirements of subdivision 4 shall not be affected by this reduction.

Sec. 10. [62N.29] [GUARANTEEING ORGANIZATION.]

A community network may satisfy its net worth and deposit requirements, in whole or in part, through the use of one or more guaranteeing organizations, with the approval of the commissioner, under the conditions permitted in chapter 62D. Governmental entities, such as counties, may serve as guaranteeing organizations subject to the requirements of chapter 62D.

Sec. 11. [62N.30] [REAL ESTATE AS NET WORTH.]

(a) The commissioner may, at the request of a community network, allow the community network a credit of up to 20 percent of the community network's net worth requirement for the community network's ownership of real estate of which the community network makes significant use in delivering care to enrollees. The credit must reflect reduced expenses and risk to the community network. In determining whether to allow the credit, the commissioner shall review operating expenses, debt service, and other costs connected with the real estate, as well as the use of the property by the community network in delivering care to enrollees, in order to ascertain whether ownership of the asset significantly reduces the community network's expenses and risk.

(b) A community network that uses this section to satisfy part of its net worth requirement may not use accredited capitated providers under section 62N.31 for that purpose.

Sec. 12. [62N.31] [ACCREDITED CAPITATED PROVIDERS.]

Subdivision 1. [GENERAL.] Each health care providing entity seeking initial accreditation as an accredited capitated provider shall submit to the commissioner of health sufficient information to establish that the applicant has operational capacity, facilities, personnel, and financial capability to provide the contracted covered services to the enrollees of the community network for which it seeks accreditation (a) on an ongoing basis, and (b) for a period of six months following the insolvency of the network without receiving payment from the network. Accreditation shall continue until abandoned by the accredited capitated provider or revoked by the commissioner in accordance with subdivision 7. The applicant may provide evidence of financial capability by demonstrating that the provider amount at risk can be covered by or through any of allocated or restricted funds; a letter of credit; the taxing authority of the applicant or governmental sponsor of the applicant; a debt rating in the highest two categories for investment grade debt; an unrestricted fund balance at least two times the provider amount at risk; reinsurance, either purchased directly by the applicant or by the community network to which it will be accredited; or any other method accepted by the commissioner.

An accredited capitated provider that provides services to its enrollees without compensation due to insolvency of the community network has no claim against the enrollees for payment. Accreditation of a health care providing entity shall not in itself limit the right of the accredited capitated provider to seek payment of unpaid capitated amounts from a community network, whether the community network is solvent or insolvent; provided that, if the community network is subject to any liquidation, rehabilitation, or conservation proceedings, the accredited capitated provider shall have the status accorded creditors under chapter 60B.44, subdivision 10.

Subd. 2. [APPROVAL BY COMMISSIONER.] Before a provider may be used as an accredited capitated provider, the commissioner must determine whether the provider is sufficiently solvent to carry out its obligation without risk of bankruptcy. In making that determination, the commissioner may consider the provider's assets, liabilities, cash flow, operational and financial history, tax return information, expected cost of providing care to the community network's enrollees, expected revenues from other sources, fixed costs, and any information provided under subdivision 1.

Subd. 3. [ADDITIONAL SAFEGUARDS.] The commissioner may condition accredited status upon secured or unsecured personal guarantees by individual providers, security agreements and mortgages of assets owned by the provider, or other means of securing performance of the accredited capitated provider and preventing the provider from using bankruptcy to avoid its obligations to the community network and its enrollees. The state has an interest in performance of the obligations of accredited capitated providers, and the commissioner has standing to and may intervene in any insolvency proceeding involving an accredited capitated provider as the debtor, for the purpose of asserting the interests of the state and of the community network.

Subd. 4. [DATA SUBMISSIONS.] Each accredited capitated provider, as a condition of being granted accreditation, must submit to the commissioner annually, no later than April 15, an opinion by a qualified actuary regarding its ongoing ability to accept the loss of compensation under this section. The provider must also submit an annual data filing to the commissioner, including but not limited to:

(1) the expected direct costs to an accredited capitated provider for providing the contracted services to the enrollees of the community network to which it is accredited for a period of not less than six months;

(2) the number of enrollees served under the accredited capitated provider arrangement for the community network, both for the prior year and estimated for the current year;

(3) an audited financial statement, including an independent auditor's report, balance sheet, statement of support, revenue and expenses, statement of changes in capital balance, and statement of cash flow;

(4) any material change in the operational capacity of the accredited capitated provider since the last report to the commissioner;

(5) any material change in an accredited capitated provider's financial capacity to provide the contracted services; and

(6) any other information that the commissioner deems appropriate.

Subd. 5. [CONTRACT TERMINATION.] An accredited capitated provider may terminate its contract with a community network subject to the approval of the commissioner and under the conditions of this subdivision. An accredited capitated provider seeking to terminate its contract with a community network, whether by nonrenewal, cancellation, revocation, rescission, or otherwise, must give the commissioner and the community network six months' written notice of the termination. If the community network is notified of the termination and has sufficient net worth to be in compliance with its net worth requirement or has obtained alternative credit against the requirement, to the satisfaction of the commissioner, the notice requirement can be reduced to the greater of 90 days or the time required to secure the alternative credit.

Subd. 6. [NET WORTH AND WORKING CAPITAL.] (a) An accredited capitated provider must have an initial and continuing net worth of at least \$250,000. An accredited capitated provider must also have an initial working capital of at least \$250,000 and after that must maintain a positive working capital balance at all times.

(b) The commissioner may require an accredited capitated provider to maintain additional net worth requirements based on the type, nature, or volume of health services customarily rendered by the particular accredited capitated provider.

Subd. 7. [FAILURE TO COMPLY.] (a) If an accredited capitated provider fails to comply with the net worth, working capital, and other requirements of this section, the commissioner may take appropriate action, including increased monitoring of the financial and operational capacity of both the accredited capitated provider and the community network, administrative supervision of the accredited capitated provider or of the community network under chapter 60G, or suspension or revocation of an accredited capitated provider's accreditation.

(b) If an accredited capitated provider loses its accreditation, the accredited capitated provider is precluded from reapplying for accreditation for a period of one year from the date of the loss of accreditation.

Sec. 13. [62N.32] [DEPOSIT REQUIREMENT.]

A community network must satisfy the deposit requirement provided in section 62D.041. The deposit counts as an admitted asset and as part of the required net worth. The deposit requirement cannot be reduced by the alternative means that may be used to reduce the net worth requirement, other than through the use of a guaranteeing organization.

Sec. 14. [62N.33] [COVERAGE FOR ENROLLEES OF INSOLVENT NETWORKS.]

In the event of a community network insolvency, the commissioner shall determine whether one or more community networks are willing and able to provide replacement coverage to all of the failed community network's enrollees, and if so, the commissioner shall facilitate the provision of the replacement coverage. If such replacement coverage is not available, the commissioner shall randomly assign enrollees of the insolvent community network to other community networks and health carriers in the service area, in proportion to their market share, for the remaining terms of the enrollees' contracts with the insolvent network. The other community networks and health carriers must accept the allocated enrollees under their policy or contract most similar to the enrollees' contracts with the insolvent community network. The allocation must keep groups together. Enrollees with special continuity of care needs may, in the commissioner's discretion, be given a choice of replacement coverage rather than random assignment. Individuals and groups that are assigned randomly may choose a different community network or health carrier when their contracts expire, on the same basis as any other individual or group. The replacement carrier must comply with any guaranteed renewal or other renewal provisions of the prior coverage, including but not limited to, provisions regarding preexisting conditions and health conditions that developed during prior coverage.

Sec. 15. [62N.34] [INSOLVENCY FUNDING.]

(a) In the event of an insolvency of a community network, all other community networks and health carriers shall be assessed a surcharge, if necessary to pay expenses and claims set forth in paragraph (b), in proportion to their gross premium revenues.

(b) Money raised by the assessment shall be used to pay for the following, to the extent that they exceed the community network's deposit and other remaining assets:

(1) expenses in connection with the insolvency and transfer of enrollees;

(2) outstanding fee-for-service claims from nonparticipating providers, discounted by 25 percent of the claim amount. Claims incurred after the implementation of the fee schedules provided under chapter 62P will be reimbursed at the fee schedule amount discounted by 25 percent. Providers may not seek to recover the unpaid portion of their claim from enrollees; and

(3) premiums to community networks and health carriers that take enrollees of the insolvent community network, prorated to account for premiums already paid to the insolvent community network on behalf of those enrollees, to purchase coverage for time periods for which the insolvent community network can no longer provide coverage.

(c) In any year in which an assessment is made, the commissioner, in consultation with community networks and other health carriers, shall report to the legislature and governor on the continuing viability of the assessment approach and on the merits of potential alternative funding sources.

Sec. 16. [62N.35] [BORDER ISSUES.]

To the extent feasible and appropriate, community networks that also operate under the health maintenance organization or similar prepaid health care law of another state must be licensed and regulated by this state in a manner that avoids unnecessary duplication and expense for the community network. The commissioner shall

communicate with regulatory authorities in neighboring states to explore the feasibility of cooperative approaches to streamline regulation of border community networks, such as joint financial audits, and shall report to the legislature on any changes to Minnesota law that may be needed to implement appropriate collaborative approaches to regulation.

Sec. 17. [62N.36] [NOTIFICATION OF PROVIDER NETWORK OPENING.]

A community integrated service network or integrated service network shall publish a notice of any health care provider network opening, vacancy, or contract in appropriate regional newspapers. This notice must be published at least 14 days before the closing date for applications for the open or vacant position. The requirement for notification shall not apply if the community integrated service network or integrated service network is replacing a network provider, and any delay in filling a vacancy causes an impairment to delivery of health care services.

Sec. 18. [STUDY OF SOLVENCY REGULATION OF INTEGRATED SERVICE NETWORKS.]

The commissioners of health and commerce shall develop the solvency standards for the integrated service networks created by chapter 62N. The solvency standards for integrated service networks must be effective no later than January 1, 1996.

The standards may use a risk-based capital standard as an integral tool to assess solvency of the integrated service networks. The standards may require that integrated service networks file the risk based capital calculation as part of the annual financial statement. The risk-based capital standard for integrated service networks may be based upon the national association of insurance commissioners health organization risk based capital standards currently under development, with any necessary modifications to reflect the unique risk characteristics of integrated service networks. Those modifications must be based upon an actuarial analysis of the effect on risk.

Sec. 19. [MONITORING OF REINSURANCE ACCESSIBILITY FOR COMMUNITY NETWORKS.]

The commissioners of commerce and health shall monitor the private sector market for reinsurance, in order to determine whether community integrated service networks are able to purchase reinsurance at competitive rates. If the commissioners find that the private market for reinsurance is not accessible or not affordable to community integrated service networks, the commissioners shall recommend to the legislature a voluntary or mandatory reinsurance purchasing pool for community integrated service networks. The commissioners' recommendations shall address the conditions under which community networks would be permitted or required to participate in the pool and the role of the state in overseeing or administering the pool.

Sec. 20. [EFFECTIVE DATE.]

Sections 1 to 19 are effective July 1, 1994.

ARTICLE 2

REQUIREMENTS FOR ALL HEALTH PLAN COMPANIES

Section 1. Minnesota Statutes 1993 Supplement, section 62J.33, is amended by adding a subdivision to read:

Subd. 3. [OFFICE OF CONSUMER INFORMATION.] The commissioner shall create an office of consumer information to assist health plan company enrollees and to serve as a resource center for enrollees. The office shall operate within the information clearinghouse. The functions of the office are:

- (1) to assist enrollees in understanding their rights;
- (2) to explain and assist in the use of all available complaint systems, including internal complaint systems within health carriers, community integrated service networks, integrated service networks, and the departments of health and commerce;
- (3) to provide information on coverage options in each regional coordinating board region of the state;
- (4) to provide information on the availability of purchasing pools and enrollee subsidies; and
- (5) to help consumers use the health care system to obtain coverage.

The office of consumer information shall not provide legal services to consumers and shall not represent a consumer or enrollee. The office of consumer information shall not serve as an advocate for consumers in disputes with health plan companies. Nothing in this subdivision shall interfere with the ombudsman program established under section 256B.031, subdivision 6, or other existing ombudsman programs.

Sec. 2. Minnesota Statutes 1993 Supplement, section 62J.33, is amended by adding a subdivision to read:

Subd. 4. [INFORMATION ON HEALTH PLAN COMPANIES.] The information clearinghouse shall provide information on all health plan companies operating in a specific geographic area to consumers and purchasers who request it.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62J.33, is amended by adding a subdivision to read:

Subd. 5. [DISTRIBUTION OF DATA ON QUALITY.] The commissioner shall make available through the clearinghouse hospital quality data collected under section 62J.45, subdivision 4b, and health plan company quality data collected under section 62J.45, subdivision 4c.

Sec. 4. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4a. [EVALUATION OF CONSUMER SATISFACTION; PROVIDER INFORMATION PILOT STUDY.] (a) The commissioner may make a grant to the data institute to develop and implement a mechanism for collecting comparative data on consumer satisfaction through adoption of a standard consumer satisfaction survey. As a condition of receiving this grant, the data institute shall appoint a consumer advisory group which shall consist of 13 individuals, representing enrollees from public and private health plan companies and programs and two uninsured consumers, to advise the data institute on issues of concern to consumers. The advisory group must have at least one member from each regional coordinating board region of the state. The advisory group expires June 30, 1997. No more than seven members may be of the same gender. This survey shall include enrollees in community integrated service networks, integrated service networks, health maintenance organizations, preferred provider organizations, indemnity insurance plans, public programs, and other health plan companies. The data institute shall determine a mechanism for the inclusion of the uninsured. Health plan companies and group purchasers shall provide enrollment information, including the names, addresses, and telephone numbers of enrollees and former enrollees and other data necessary for the completion of this study to the data institute. This enrollment information provided by the health plan companies and group purchasers is classified as private data on individuals, as defined in section 13.02, subdivision 12. The data institute shall provide raw unaggregated data to the data analysis unit. The data institute may analyze and prepare findings from the raw, unaggregated data, and the findings from this survey may be included in the health plan company report cards, and in other reports developed by the data analysis unit, in consultation with the data institute, to be disseminated by the information clearinghouse. The raw unaggregated data is classified as private data on individuals as defined in section 13.02, subdivision 12. The survey may include information on the following subjects:

- (1) enrollees' overall satisfaction with their health care plan;
- (2) consumers' perception of access to emergency, urgent, routine, and preventive care, including locations, hours, waiting times, and access to care when needed;
- (3) premiums and costs;
- (4) technical competence of providers;
- (5) communication, courtesy, respect, reassurance, and support;
- (6) choice and continuity of providers;
- (7) continuity of care;
- (8) outcomes of care;
- (9) services offered by the plan, including range of services, coverage for preventive and routine services, and coverage for illness and hospitalization;

(10) availability of information; and

(11) paperwork.

(b) The commissioner, in consultation with the data institute, shall develop a pilot study to collect comparative data from health care providers on opportunities and barriers to the provision of quality, cost-effective health care. The provider information pilot study shall include providers in community integrated service networks, integrated service networks, health maintenance organizations, preferred provider organizations, indemnity insurance plans, public programs, and other health plan companies. Health plan companies and group purchasers shall provide to the commissioner providers' names, health plan assignment, and other appropriate data necessary for the commissioner to conduct the study. The provider information pilot study shall examine factors that increase and hinder access to the provision of quality, cost-effective health care. The study may examine:

(1) administrative barriers and facilitators;

(2) time spent obtaining permission for appropriate and necessary treatments;

(3) latitude to order appropriate and necessary tests, pharmaceuticals, and referrals to specialty providers;

(4) assistance available for decreasing administrative and other routine paperwork activities;

(5) continuing education opportunities provided;

(6) access to readily available information on diagnoses, diseases, outcomes, and new technologies;

(7) continuous quality improvement activities;

(8) inclusion in administrative decision-making;

(9) access to social services and other services that facilitate continuity of care;

(10) economic incentives and disincentives;

(11) peer review procedures; and

(12) the prerogative to address public health needs.

In selecting additional data for collection, the commissioner shall consider the: (1) statistical validity of the indicator; (2) public need for the information; (3) estimated expense of collecting and reporting the indicator; and (4) usefulness of the indicator to identify barriers and opportunities to improve quality care provision within health plan companies.

Sec. 5. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4b. [HOSPITAL QUALITY INDICATORS.] The commissioner, in consultation with the data institute, shall develop a system for collecting data on hospital quality. The commissioner shall require a licensed hospital to collect and report data as needed for the system. Data to be collected shall include structural characteristics including staff-mix and nurse-patient ratios. In selecting additional data for collection, the commissioner shall consider: (1) feasibility and statistical validity of the indicator; (2) purchaser and public demand for the indicator; (3) estimated expense of collecting and reporting the indicator; and (4) usefulness of the indicator for internal improvement purposes.

Sec. 6. Minnesota Statutes 1993 Supplement, section 62J.45, is amended by adding a subdivision to read:

Subd. 4c. [QUALITY REPORT CARDS.] Each health plan company shall report annually by April 1 to the commissioner specific quality indicators, in the form specified by the commissioner in consultation with the data institute. The quality indicators must be reported using standard definitions and measurement processes as specified by the commissioner. Wherever possible, the commissioner's specifications must be consistent with those outlined in the health plan employer data and information set (HEDIS 2.0). The commissioner, in consultation with the data institute, may modify the quality indicators to be reported to incorporate improvements in quality measurement tools.

When HEDIS 2.0 indicators or health care financing administration approved quality indicators for medical assistance and Medicare are used, the commissioner is exempt from rulemaking. For additions or modifications to the HEDIS indicators or if other quality indicators are added, the commissioner shall proceed through rulemaking pursuant to chapter 14. The data analysis unit shall develop quality report cards, and these report cards shall be disseminated through the information clearinghouse. Data shall be collected and reported by county and high-risk and special needs populations as well as by health plans, except when this would allow individuals to be identified.

Sec. 7. Minnesota Statutes 1992, section 62M.02, subdivision 5, is amended to read:

Subd. 5. [CERTIFICATION.] "Certification" means a determination by a utilization review organization that an admission, extension of stay, or other health care service has been reviewed and that it, based on the information provided, meets the utilization review requirements of the applicable health plan and the health carrier will then pay for the covered benefit, provided the preexisting limitation provisions, the general exclusion provisions, and any deductible, copayment, coinsurance, or other policy requirements have been met.

Sec. 8. Minnesota Statutes 1992, section 62M.02, subdivision 21, is amended to read:

Subd. 21. [UTILIZATION REVIEW ORGANIZATION.] "Utilization review organization" means an entity including but not limited to an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a community integrated service network or an integrated service network licensed under chapter 62N; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; a multiple employer welfare arrangement, as defined in section 3 of the Employee Retirement Income Security Act of 1974 (ERISA), United States Code, title 29, section 1103, as amended; a third party administrator licensed under section 60A.23, subdivision 8, which conducts utilization review and determines certification of an admission, extension of stay, or other health care services for a Minnesota resident; or any entity performing utilization review that is affiliated with, under contract with, or conducting utilization review on behalf of, a business entity in this state.

Sec. 9. Minnesota Statutes 1992, section 62M.03, subdivision 1, is amended to read:

Subdivision 1. [LICENSED UTILIZATION REVIEW ORGANIZATION.] Beginning January 1, 1993, any organization that ~~is licensed in this state and that~~ meets the definition of utilization review organization in section 62M.02, subdivision 21, must be licensed under chapter 60A, 62C, 62D, 62N, or 64B, or registered under this chapter and must comply with sections 62M.01 to 62M.16 and section 72A.201, subdivisions 8 and 8a. Each licensed community integrated service network, integrated service network, or health maintenance organization that has an employed staff model of providing health care services shall comply with sections 62M.01 to 62M.16 and section 72A.201, subdivisions 8 and 8a, for any services provided by providers under contract.

Sec. 10. Minnesota Statutes 1992, section 62M.03, subdivision 2, is amended to read:

Subd. 2. [NONLICENSED UTILIZATION REVIEW ORGANIZATION.] An organization that meets the definition of a utilization review organization under section 62M.02, subdivision 21, that is not licensed in this state that performs utilization review services for Minnesota residents must register with the commissioner of commerce and must certify compliance with sections 62M.01 to 62M.16.

Initial registration must occur no later than January 1, 1993. The registration is effective for two years and may be renewed for another two years by written request. Each utilization review organization registered under this chapter shall notify the commissioner of commerce within 30 days of any change in the name, address, or ownership of the organization.

Sec. 11. Minnesota Statutes 1992, section 62M.03, subdivision 3, is amended to read:

Subd. 3. [PENALTIES AND ENFORCEMENTS.] If a ~~nonlicensed~~ utilization review organization fails to comply with sections 62M.01 to 62M.16, the organization may not provide utilization review services for any Minnesota resident. The commissioner of commerce may issue a cease and desist order under section 45.027, subdivision 5, to enforce this provision. The cease and desist order is subject to appeal under chapter 14. A nonlicensed utilization review organization that fails to comply with the provisions of sections 62M.01 to 62M.16 is subject to all applicable penalty and enforcement provisions of section 72A.201. Each utilization review organization licensed under chapter 60A, 62C, 62D, 62N, or 64B shall comply with sections 62M.01 to 62M.16 as a condition of licensure.

Sec. 12. Minnesota Statutes 1992, section 62M.05, subdivision 3, is amended to read:

Subd. 3. [NOTIFICATION OF DETERMINATIONS.] A utilization review organization must have written procedures for providing notification of its determinations on all certifications in accordance with the following:

(a) When an initial determination is made to certify, notification must be provided promptly by telephone to the provider. The utilization review organization shall send written notification to the hospital, attending physician, or applicable service provider within ten business days of the determination in accordance with section 72A.20, subdivision 4a, or shall maintain an audit trail of the determination and telephone notification. For purposes of this subdivision, "audit trail" includes documentation of the telephone notification, including the date; the name of the person spoken to, the enrollee or patient; the service, procedure, or admission certified; and the date of the service, procedure, or admission. If the utilization review organization indicates certification by use of a number, the number must be called the "certification number."

(b) When a determination is made not to certify a hospital or surgical facility admission or extension of a hospital stay, or other service requiring review determination, within one working day after making the decision the attending physician and hospital must be notified by telephone and a written notification must be sent to the hospital, attending physician, and enrollee or patient. The written notification must include the principal reason or reasons for the determination and the process for initiating an appeal of the determination. Upon request, the utilization review organization shall provide the attending physician or provider with the criteria used to determine the necessity, appropriateness, and efficacy of the health care service and identify the database, professional treatment parameter, or other basis for the criteria. Reasons for a determination not to certify may include, among other things, the lack of adequate information to certify after a reasonable attempt has been made to contact the attending physician.

Sec. 13. Minnesota Statutes 1992, section 62M.06, subdivision 3, is amended to read:

Subd. 3. [STANDARD APPEAL.] The utilization review organization must establish procedures for appeals to be made either in writing or by telephone.

(a) Each utilization review organization shall notify in writing the enrollee or patient, attending physician, and claims administrator of its determination on the appeal as soon as practical, but in no case later than 45 days after receiving the required documentation on the appeal.

(b) The documentation required by the utilization review organization may include copies of part or all of the medical record and a written statement from the health care provider.

(c) Prior to upholding the original decision not to certify for clinical reasons, the utilization review organization shall conduct a review of the documentation by a physician who did not make the original determination not to certify.

(d) The process established by a utilization review organization may include defining a period within which an appeal must be filed to be considered. The time period must be communicated to the patient, enrollee, or attending physician when the initial determination is made.

(e) An attending physician who has been unsuccessful in an attempt to reverse a determination not to certify shall, consistent with section 72A.285, be provided the following:

(1) a complete summary of the review findings;

(2) qualifications of the reviewers, including any license, certification, or specialty designation; and

(3) the relationship between the enrollee's diagnosis and the review criteria used as the basis for the decision, including the specific rationale for the reviewer's decision.

(f) In cases ~~where an~~ of appeal to reverse a determination not to certify for clinical reasons ~~is unsuccessful~~, the utilization review organization must, upon request of the attending physician, ensure that a physician of the utilization review organization's choice in the same or a similar general specialty as typically manages the medical condition, procedure, or treatment under discussion is reasonably available to review the case.

Sec. 14. Minnesota Statutes 1992, section 62M.09, subdivision 5, is amended to read:

Subd. 5. [WRITTEN CLINICAL CRITERIA.] A utilization review organization's decisions must be supported by written clinical criteria and review procedures. Clinical criteria and review procedures must be established with appropriate involvement from physicians, in accordance with acceptable and prevailing medical practice in Minnesota, and based upon data that is valid for Minnesota residents. A utilization review organization must use written clinical criteria, as required, for determining the appropriateness of the certification request. The utilization review organization must have a procedure for ensuring the periodic evaluation and updating of the written criteria.

Sec. 15. [62Q.01] [DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of health.

Subd. 3. [HEALTH PLAN.] "Health plan" means a health plan as defined in section 62A.011 or a policy, contract, or certificate issued by a community integrated service network; an integrated service network; or an all-payer insurer as defined in section 62P.02.

Subd. 4. [HEALTH PLAN COMPANY.] "Health plan company" means:

(1) a health carrier as defined under section 62A.011, subdivision 2;

(2) an integrated service network as defined under section 62N.02, subdivision 8;

(3) an all-payer insurer as defined under section 62P.02; or

(4) a community integrated service network as defined under section 62N.02, subdivision 4a.

Sec. 16. [62Q.03] [PROCESS FOR DEFINING, DEVELOPING, AND IMPLEMENTING A RISK ADJUSTMENT SYSTEM.]

Subdivision 1. [PURPOSE.] Risk adjustment is a vital element of the state's strategy for achieving a more equitable, efficient system of health care delivery and financing for all state residents. Risk adjustment is needed to: remove current disincentives in the health care system to insure and serve high risk and special needs populations; promote fair competition among health plan companies on the basis of their ability to efficiently and effectively provide services rather than on the health status of those in a given insurance pool; and help assure the viability of all health plan companies, including community integrated service networks. It is the commitment of the state to develop and implement a risk adjustment system by July 1, 1997, and to continue to improve and refine risk adjustment over time. The process for designing and implementing risk adjustment shall be open, explicit, utilize resources and expertise from both the private and public sectors, and include at least the representation described in subdivision 4. The process shall take into account the formative nature of risk adjustment as an emerging science, and shall develop and implement risk adjustment to allow continual modifications, expansions, and refinements over time. The process shall have at least two stages, as described in subdivision 2 and 3.

Subd. 2. [FIRST STAGE OF RISK ADJUSTMENT DEVELOPMENT PROCESS.] The objective of the first stage is to report to the legislature by January 15, 1995, with recommendations on the process, organization, resource needs, and specific work plan to define, develop, and implement a risk adjustment mechanism by July 1, 1997, and to continually improve risk adjustment over time. The report shall address the specific issues listed in subdivision 5, and shall also identify any additional policy issues, questions and concerns that must be addressed to facilitate development and implementation of risk adjustment.

Subd. 3. [SECOND STAGE OF THE RISK ADJUSTMENT DEVELOPMENT PROCESS.] The second stage of the process, following review and any modification by the legislature of the January 15, 1995 report, shall be to carry out the work plan to develop and implement a risk adjustment mechanism by July 1, 1997, and to continue to improve and refine a risk adjustment over time. The second stage of the process shall be carried out by the association created in subdivision 6.

Subd. 4. [EXPERT PANEL.] The commissioners of health and commerce shall convene an expert advisory panel comprised of, but not limited to, the board members of the Minnesota risk adjustment association, as described in subdivision 8, and experts from the fields of epidemiology, health services research, and health economics. The commissioners may also convene technical work groups that may include members of the expert advisory panel and other persons, all selected in the sole discretion of the commissioners. The expert advisory panel and the workgroups shall assist and advise the commissioners of health and commerce in preparing the implementation report described in subdivision 5.

Subd. 5. [IMPLEMENTATION REPORT TO THE LEGISLATURE.] The commissioners of health and commerce shall submit a report to the legislature by January 15, 1995, with recommendations on the process, organization, resource needs, and specific work plan to define, develop, and implement a risk adjustment system by July 1, 1997, and to continually improve risk adjustment over time. In developing the January 15, 1995 report, the commissioners of commerce and health must consider and describe the following:

- (1) the relationship of risk adjustment to the implementation of universal coverage and community rating;
- (2) the role of reinsurance in the risk adjustment system, as a short-term alternative in the absence of a risk adjustment methodology;
- (3) the relationship of the risk adjustment system to the implementation of reforms in underwriting and rating requirements;
- (4) the potential role of the health coverage reinsurance association in the risk adjustment system;
- (5) the need for mandatory participation of all health plan companies in the risk adjustment system;
- (6) current and emerging applications of risk adjustment methodologies used for reimbursement purposes at the state and national level and the reliability and validity of current risk assessment and risk adjustment methodologies;
- (7) the levels and types of risk to be distributed through the risk adjustment system;
- (8) the extent to which prepaid contracting by public programs needs to be addressed by the risk adjustment methodology;
- (9) a plan for testing of the risk adjustment options being proposed, including simulations using existing health plan data, and development and testing of models on simulated data to assess the feasibility and efficacy of specific methodologies;
- (10) the appropriate role of the state in the supervision of the risk adjustment association created pursuant to subdivision 6;
- (11) risk adjustment methodologies that take into account differences among health plan companies due to their relative efficiencies, characteristics, and relative to existing insured contracts, new business, underwriting, or rating restrictions required or permitted by law; and
- (12) methods to encourage health plan companies to enroll higher risk populations.

To the extent possible, the implementation report shall identify a specific methodology or methodologies that may serve as a starting point for risk adjustment, explain the advantages and disadvantages of each such methodology, and provide a specific workplan for implementing the methodology.

Subd. 6. [CREATION OF RISK ADJUSTMENT ASSOCIATION.] The Minnesota risk adjustment association is created on July 1, 1994, and may operate as a nonprofit unincorporated association.

Subd. 7. [PURPOSE OF ASSOCIATION.] The association is established to carry out the purposes of subdivision 1, as further elaborated on by the implementation report described in subdivision 5 and by legislation enacted in 1995 or subsequently.

Subd. 8. [GOVERNANCE.] (a) The association shall be governed by an interim 19-member board as follows: one provider member appointed by the Minnesota Hospital Association; one provider member appointed by the Minnesota Medical Association; one provider member appointed by the governor; three members appointed by the Minnesota Council of HMOs to include an HMO with at least 50 percent of total membership enrolled through a public program; three members appointed by Blue Cross and Blue Shield of Minnesota, to include a member from a Blue Cross and Blue Shield of Minnesota affiliated health plan with fewer than 50,000 enrollees and located outside the Minneapolis-St. Paul metropolitan area; two members appointed by the Insurance Federation of Minnesota; one member appointed by the Minnesota Association of Counties; and three public members appointed by the governor, to include at least one representative of a public program. The commissioners of health, commerce, human services, and employee relations shall be nonvoting ex-officio members.

(b) The board may elect officers and establish committees as necessary.

(c) A majority of the members of the board constitutes a quorum for the transaction of business.

(d) Approval by a majority of the board members present is required for any action of the board.

(e) Interim board members shall be appointed by July 1, 1994, and shall serve until a new board is elected according to the plan developed by the association.

(f) A member may designate a representative to act as a member of the interim board in the member's absence.

Subd. 9. [DATA COLLECTION.] The board of the association shall consider antitrust implications and establish procedures to assure that pricing and other competitive information is appropriately shared among competitors in the health care market or members of the board. Any information shared shall be distributed only for the purposes of administering or developing any of the tasks identified in subdivisions 2 and 4. In developing these procedures, the board of the association may consider the identification of a state agency or other appropriate third party to receive information of a confidential or competitive nature.

Subd. 10. [SUPERVISION.] The association's activities shall be supervised by the commissioners of health and commerce.

Subd. 11. [REPORTING.] The board of the association shall provide a status report on its activities to the health care commission on a quarterly basis.

Sec. 17. [62Q.05] [DATA.]

Health plan companies are subject to the data reporting requirements of the 1992 and 1993 MinnesotaCare acts, as amended.

Sec. 18. [62Q.07] [ACTION PLANS.]

Subdivision 1. [ACTION PLANS REQUIRED.] (a) To increase public awareness and accountability of health plan companies, all health plan companies must annually file with the applicable commissioner an action plan that satisfies the requirements of this section beginning July 1, 1994, as a condition of doing business in Minnesota. Each health plan company must also file its action plan with the information clearinghouse. Action plans are required solely to provide information to consumers, purchasers, and the larger community as a first step toward greater accountability of health plan companies. The sole function of the commissioner in relation to the action plans is to ensure that each health plan company files a complete action plan, that the action plan is truthful and not misleading, and that the action plan is reviewed by appropriate community agencies.

(b) If a commissioner responsible for regulating a health plan company required to file an action plan under this section has reason to believe an action plan is false or misleading, the commissioner may conduct an investigation to determine whether the action plan is truthful and not misleading, and may require the health plan company to submit any information that the commissioner reasonably deems necessary to complete the investigation. If the commissioner determines that an action plan is false or misleading, the commissioner may require the health plan company to file an amended plan or may take any action authorized under chapter 72A.

Subd. 2. [CONTENTS OF ACTION PLANS.] (a) An action plan must include a detailed description of all of the health plan company's methods and procedures, standards, qualifications, criteria, and credentialing requirements for designating the providers who are eligible to participate in the health plan company's provider network, including any limitations on the numbers of providers to be included in the network. This description must be updated by the health plan company and filed with the applicable agency on a quarterly basis.

(b) An action plan must include the number of full-time equivalent physicians, by specialty, nonphysician providers, and allied health providers used to provide services. The action plan must also describe how the health plan company intends to encourage the use of nonphysician providers, midlevel practitioners, and allied health professionals, through at least consumer education, physician education, and referral and advisement systems. The annual action plan must also include data that is broken down by type of provider, reflecting actual utilization of midlevel practitioners and allied professionals by enrollees of the health plan company during the previous year. Until July 1, 1995, a health plan company may use estimates if actual data is not available. For purposes of this paragraph, "provider" has the meaning given in section 62J.03, subdivision 8.

(c) An action plan must include a description of the health plan company's policy on determining the number and the type of providers that are necessary to deliver cost-effective health care to its enrollees. The action plan must also include the health plan company's strategy, including provider recruitment and retention activities, for ensuring that sufficient providers are available to its enrollees.

(d) An action plan must include a description of actions taken or planned by the health plan company to ensure that information from report cards, outcome studies, and complaints is used internally to improve quality of the services provided by the health plan company.

(e) An action plan must include a detailed description of the health plan company's policies and procedures for enrolling and serving high risk and special needs populations. This description must also include the barriers that are present for the high risk and special needs population and how the health plan company is addressing these barriers in order to provide greater access to these populations. "High risk and special needs populations" includes, but is not limited to, recipients of medical assistance, general assistance medical care, and MinnesotaCare; persons with chronic conditions or disabilities; individuals within certain racial, cultural, and ethnic communities; individuals and families with low income; adolescents; the elderly; individuals with limited or no English language proficiency; persons with high-cost preexisting conditions; chemically dependent persons; and persons who are at high-risk of requiring treatment. The action plan must also reflect actual utilization of providers by enrollees defined by this section as high risk or special needs populations during the previous year. For purposes of this paragraph, "provider" has the meaning given in section 62J.03, subdivision 8.

(f) An action plan must include a general description of any action the health plan company has taken and those it intends to take to offer health coverage options to rural communities and other communities not currently served by the health plan company.

(g) A health plan company may satisfy any of the requirements of the action plan in paragraphs (a) to (f) by stating that it has no policies, procedures, practices, or requirements, either written or unwritten, or formal or informal, and has undertaken no activities or plans on the issues required to be addressed in the action plan, provided that the statement is truthful and not misleading.

Sec. 19. [62Q.11] [DISPUTE RESOLUTION.]

Subdivision 1. [ESTABLISHED.] The commissioners of health and commerce shall make dispute resolution processes available to encourage early settlement of disputes in order to avoid the time and cost associated with litigation and other formal adversarial hearings. For purposes of this section, "dispute resolution" means the use of negotiation, mediation, arbitration, mediation-arbitration, neutral fact finding, and minitrials. These processes shall be nonbinding unless otherwise agreed to by all parties to the dispute.

Subd. 2. [REQUIREMENTS.] (a) If an enrollee of a health plan company chooses to use a dispute resolution process prior to the filing of a formal claim or of a lawsuit, the health plan company must participate.

(b) If an enrollee chooses to use a dispute resolution process after the filing of a lawsuit, the health plan company must participate in dispute resolution, including, but not limited to, alternative dispute resolution under Rule 114 of the Minnesota general rules of practice.

(c) The commissioners of health and commerce shall inform and educate health plan companies' enrollees about dispute resolution and its benefits.

(d) A health plan company may encourage but not require an enrollee to submit a complaint to alternative dispute resolution.

Sec. 20. [62Q.13] [LIMITATION ON EXCLUSIVE CONTRACTS.]

A contract requirement between a health care provider and health plan company that obligates the health care provider to provide health care services exclusively to enrollees or insureds of the health plan company applies only if the health plan company maintains the same licensure status that it did at the time the contract was entered into. If the health plan company changes its licensure status, a contract for the exclusive provision of services is not valid and is not enforceable. For purposes of this section, the provision of health care services through a preferred provider organization is considered a form of licensure status. This section does not apply to health care providers employed by a health plan company.

Sec. 21. [62Q.14] [FREEDOM OF CHOICE.]

No health plan company may restrict the choice of an enrollee as to where the enrollee receives the services defined under United States Code, title 42, section 1396d(a)(4)(c), or receives services for the treatment of sexually transmitted diseases.

Sec. 22. [62Q.16] [STANDARD POLICY TERMS.]

The termination of any health plan as defined in section 62A.011, subdivision 3, with the exception of individual health plans, issued or renewed after January 1, 1995, must provide coverage until the end of the month in which coverage was terminated.

Sec. 23. [UTILIZATION REVIEW STUDY.]

The commissioners of health and commerce shall study means of funding the registration required by Minnesota Statutes, section 62M.03, and of monitoring and enforcing the requirements of Minnesota Statutes, chapter 62M. They shall jointly report their recommendations to the legislature by January 15, 1995.

Sec. 24. [ALTERNATIVE DISPUTE RESOLUTION PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health, in consultation with the commissioner of commerce, the Minnesota health care commission, and the state office of dispute resolution at the bureau of mediation services, shall establish an alternative dispute resolution pilot project. The project shall be administered by the commissioner of health. For purposes of this section, "dispute resolution" means the use of negotiation, mediation, mediation-arbitration, neutral fact finding, and minitrials.

Subd. 2. [REQUIREMENTS.] The pilot project may be used by health care providers and their patients to attempt to resolve disputes before litigation is commenced in any court. The pilot project requires the use of negotiation, mediation, arbitration, mediation-arbitration, neutral fact finding, and minitrials prior to the filing of a lawsuit. These processes shall be nonbinding unless otherwise agreed to by all parties to the dispute.

Subd. 3. [REPORT.] The commissioner of health shall report to the legislature by January 1, 1995, on the results of the pilot project and on any recommended legislative changes.

Sec. 25. [EXEMPTION.]

The commissioner of health shall apply to the health care financing administration for an exemption to the requirement that physicians report settlements of \$10,000 or less to the National Practitioners Data Bank under Code of Federal Regulations, title 45, part 60.

Sec. 26. [EFFECTIVE DATE.]

Sections 15 to 17 and 23 are effective the day following final enactment. Sections 1 to 6 and 18 are effective July 1, 1994. Sections 7 to 14, 19, and 21 are effective January 1, 1995.

ARTICLE 3

THE REGULATED ALL-PAYER OPTION

Section 1. Minnesota Statutes 1993 Supplement, section 62P.01, is amended to read:

62P.01 [REGULATED ALL-PAYER SYSTEM OPTION.]

~~The regulated all-payer system established under this chapter governs all health care services that are provided outside of an integrated service network. The regulated all-payer system is designed to control costs, prices, and utilization of all health care services not provided through an integrated service network while maintaining or improving the quality of services. The commissioner of health shall adopt rules establishing controls within the system to ensure that the rate of growth in spending in the system, after adjustments for population size and risk, remains within the limits set by the commissioner under section 62J.04. All providers that serve Minnesota residents and all health carriers that cover Minnesota residents shall comply with the requirements and rules established under this chapter for all health care services or coverage provided to Minnesota residents. The purpose of the regulated all-payer option is to provide an alternative to integrated service networks for those consumers, providers, third-party payers, and group purchasers who prefer to participate in a fee-for-service system. The initial goal of the all-payer option is to reduce administrative costs and burdens by including the all-payer option in a uniform, standardized system of billing forms and procedures and utilization review. The longer-term goal of the all-payer option is to establish a uniform reimbursement system, reimbursement and utilization controls, and quality standards and monitoring; to ensure that the annual growth in the costs for all services not provided through integrated service networks will remain within the growth limits established under section 62J.04; and to ensure that quality for these services is maintained or improved.~~

Sec. 2. [62P.02] [DEFINITIONS.]

(a) For purposes of this chapter, the following definitions apply:

(b) "All-payer insurer" means a health carrier as defined in section 62A.011, subdivision 2. The term does not include community integrated service networks or integrated service networks licensed under chapter 62N.

(c) "All-payer reimbursement level" means the reimbursement amount specified by the all-payer reimbursement system.

(d) "All-payer reimbursement system" means the Minnesota-specific fee schedule, the Minnesota-specific diagnosis related groups system, and other provider payment methods established under this chapter or rules adopted under this chapter.

(e) "Commissioner" means the commissioner of health.

(f) "Health care provider" has the meaning given in section 62J.03, subdivision 8.

(g) "Cosmetic medical or cosmetic dental procedures" means elective medical or dental procedures not part of the universal standard benefits set which are primarily performed to improve physical appearance.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62P.03, is amended to read:

62P.03 [IMPLEMENTATION.]

~~(a) By January 1, 1994, the commissioner of health, in consultation with the Minnesota health care commission, shall report to the legislature recommendations for the design and implementation of the all-payer system. The commissioner may use a consultant or other technical assistance to develop a design for the all-payer system. The commissioner's recommendations shall include the following:~~

~~(1) methods for controlling payments to providers such as uniform fee schedules or rate limits to be applied to all health plans and health care providers with independent billing rights;~~

~~(2) methods for controlling utilization of services such as the application of standardized utilization review criteria, incentives based on setting and achieving volume targets, recovery of excess spending due to overutilization, or required use of practice parameters;~~

- ~~(3) methods for monitoring quality of care and mechanisms to enforce the quality of care standards;~~
- ~~(4) requirements for maintaining and reporting data on costs, prices, revenues, expenditures, utilization, quality of services, and outcomes;~~
- ~~(5) measures to prevent or discourage adverse risk selection between the regulated all-payer system and integrated service networks;~~
- ~~(6) measures to coordinate the regulated all-payer system with integrated service networks to minimize or eliminate barriers to access to health care services that might otherwise result;~~
- ~~(7) an appeals process;~~
- ~~(8) measures to encourage and facilitate appropriate use of midlevel practitioners and eliminate undesirable barriers to their participation in providing services;~~
- ~~(9) measures to assure appropriate use of technology and to manage introduction of new technology;~~
- ~~(10) consequences to be imposed on providers whose expenditures have exceeded the limits established by the commissioner; and~~
- ~~(11) restrictions on provider conflicts of interest.~~

(b) On July 1, 1994, the regulated all-payer system option shall begin to be phased in with full implementation of the all-payer reimbursement system by July 1, 1996 1997. During the transition period, expenditure limits for health carriers shall be established in accordance with section 62P.04 and health care provider revenue limits shall be established in accordance with section 62P.05.

Sec. 4. Minnesota Statutes 1993 Supplement, section 62P.04, is amended to read:

62P.04 [EXPENDITURE LIMITS FOR HEALTH PLAN COMPANY.]

Subdivision 1. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Health carrier plan company" has the definition provided in section 62A.011 62Q.01.

(c) ~~"Total expenditures" mean incurred claims or expenditures on health care services, administrative expenses, charitable contributions, and all other payments made by health carriers out of premium revenues, except taxes and assessments, and payments or allocations made to establish or maintain reserves. Total expenditures are equivalent to the amount of total revenues minus taxes and assessments. Taxes and assessments~~ "Exempted taxes and assessments" means direct payments for taxes to government agencies, contributions to the Minnesota comprehensive health association, the medical assistance provider's surcharge under section 256.9657, the MinnesotaCare provider tax under section 295.52, assessments by the health coverage reinsurance association, assessments by the Minnesota life and health insurance guaranty association, assessments by the Minnesota reinsurance and risk adjustment association, and any new assessments imposed by federal or state law.

(d) "Consumer cost-sharing" means enrollee coinsurance, copayment, and deductible requirements.

(e) "Total expenditures" means incurred claims or expenditures on health care services, administrative expenses, charitable contributions, and all other payments made by health plan companies out of premium revenues, except taxes and assessments, and payments of allocations made to establish or maintain reserves. Total expenditures are equivalent to the amount of total revenue minus taxes and assessments.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish limits on the increase in total expenditures by each health carrier plan company for calendar years 1994 and, 1995, 1996, and 1997. The limits must be the same as the annual rate of growth in health care spending established under section 62J.04, subdivision 1, paragraph (b). Health carriers plan companies that are affiliates may elect to meet one combined expenditure limit.

Subd. 3. [DETERMINATION OF EXPENDITURES.] Health carriers plan companies shall submit to the commissioner of health, by April 1, 1994, for calendar year 1993, and by, April 1, 1995, for calendar year 1994; April 1, 1996, for calendar year 1995; April 1, 1997, for calendar year 1996; and April 1, 1998, for calendar year 1997 all

information the commissioner determines to be necessary to implement and enforce this section. The information must be submitted in the form specified by the commissioner. The information must include, but is not limited to, expenditures per member per month or cost per employee per month, and detailed information on revenues and reserves. The commissioner, to the extent possible, shall coordinate the submittal of the information required under this section with the submittal of the financial data required under chapter 62J, to minimize the administrative burden on health carriers plan companies. The commissioner may adjust final expenditure figures for demographic changes, risk selection, changes in basic benefits, and legislative initiatives that materially change health care costs, as long as these adjustments are consistent with the methodology submitted by the health carrier plan company to the commissioner, and approved by the commissioner as actuarially justified. The methodology to be used for adjustments and the election to meet one expenditure limit for affiliated health carriers plan companies must be submitted to the commissioner by September 1, 1993 June 1, 1994. Community integrated service networks may submit the information with their application for licensure. The commissioner shall also accept changes to methodologies already submitted. The adjustment methodology submitted and approved by the commissioner must apply to all periods of the interim limits.

Subd. 4. [MONITORING OF RESERVES.] (a) The ~~commissioner~~ commissioners of health and commerce shall monitor health carrier plan company reserves and net worth as established under chapters 60A, 62C, 62D, 62H, and 64B with respect to the health plan companies that each commissioner respectively regulates, to ensure that savings resulting from the establishment of expenditure health care provider revenue limits are passed on to consumers in the form of lower premium rates.

(b) Health carriers plan companies shall fully reflect in the premium rates the savings generated by the expenditure limits and the health care provider revenue limits. No premium rate increase may be approved for those health carriers plan companies unless the health carrier plan company establishes to the satisfaction of the commissioner of commerce or the commissioner of health, as appropriate, that the proposed new rate would comply with this paragraph.

Subd. 5. [NOTICE.] The commissioner of health shall publish in the State Register and make available to the public by July 1, 1995, a list of all health carriers plan companies that exceeded their expenditure target for the 1994 calendar year. The commissioner shall publish in the State Register and make available to the public by July 1, 1996, a list of all health carriers plan companies that exceeded their combined expenditure limit for calendar years 1994 and 1995. The commissioner shall notify each health carrier plan company that the commissioner has determined that the carrier health plan company exceeded its expenditure limit, at least 30 days before publishing the list, and shall provide each carrier health plan company with ten days to provide an explanation for exceeding the expenditure target. The commissioner shall review the explanation and may change a determination if the commissioner determines the explanation to be valid.

Subd. 6. [ASSISTANCE BY THE COMMISSIONER OF COMMERCE.] The commissioner of commerce shall provide assistance to the commissioner of health in monitoring health carriers plan companies regulated by the commissioner of commerce. The commissioner of commerce, in consultation with the commissioner of health, shall enforce compliance by those health carriers plan companies.

Subd. 7. [ENFORCEMENT.] The commissioners of health and commerce shall enforce the reserve limits referenced in subdivision 4, with respect to the health carriers plan companies that each commissioner respectively regulates. Each commissioner shall require health carriers plan companies under the commissioner's jurisdiction to submit plans of corrective action when the reserve requirement is not met. Each commissioner may adopt rules necessary to enforce this section. Carriers Health plan companies that exceed the expenditure limits based on two-year average expenditure data (1994 and 1995, 1996 and 1997) or whose reserves exceed the limits referenced in subdivision 4 shall be required by the appropriate commissioner to pay back the amount overspent through an assessment on the carrier health plan company. A health plan company may appeal the commissioner's order to pay back the amount overspent by mailing to the commissioner a written notice of appeal within 30 days from the date the commissioner's order was mailed. The contested case and judicial review provisions of chapter 14 apply to the appeal. The health plan company shall pay the amount specified by the commissioner either to the commissioner or into an escrow account until final resolution of the appeal. Notwithstanding sections 3.762 to 3.765, each party is responsible for its own fees and expenses, including attorneys fees, for the appeal. Any amount required to be paid back under this section shall be deposited in the general fund. The appropriate commissioner may approve a different repayment method to take into account the carrier's health plan company's financial condition. Health plan companies shall comply with the limits but shall also guarantee that their contractual obligations are met. Health plan companies are prohibited from meeting spending obligations by increasing subscriber liability, including copayments and deductibles.

Sec. 5. Minnesota Statutes 1993 Supplement, section 62P.05, is amended to read:

62P.05 [HEALTH CARE PROVIDER REVENUE LIMITS.]

Subdivision 1. [DEFINITION.] For purposes of this section, "health care provider" has the definition given in section 62J.03, subdivision 8.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish limits on the increase in revenue for each health care provider, for calendar years 1994 ~~and 1995, 1996, and 1997~~. The limits must be the same as the annual rate of growth in health care spending established under section 62J.04, subdivision 1, paragraph (b). The commissioner may adjust final revenue figures for case mix complexity, ~~inpatient to outpatient conversion~~, payer mix, out-of-period settlements, certain taxes and assessments including the MinnesotaCare provider tax and provider surcharge, any new assessments imposed by federal or state law, research and education costs, donations, grants, and legislative initiatives that materially change health care ~~costs~~ revenues, as long as these adjustments are consistent with the methodology submitted by the health care provider to the commissioner, and approved by the commissioner as actuarially justified. The methodology to be used for adjustments must be submitted to the commissioner by ~~September 1, 1993~~ June 1, 1994. The commissioner shall also accept changes to methodologies already submitted. The adjustment methodology submitted and approved by the commissioner must apply to all periods of the interim limits. A health care provider's revenues for purposes of these growth limits are net of the contributions, surcharges, taxes, and assessments listed in section 62P.04, subdivision 1, that the health care provider pays.

Subd. 3. [MONITORING OF REVENUE.] The commissioner of health shall monitor health care provider revenue, to ensure that savings resulting from the establishment of revenue limits are passed on to consumers in the form of lower charges. The commissioner shall monitor hospital revenue by examining net ~~patient inpatient~~ patient outpatient revenue per adjusted admission and net outpatient revenue per outpatient visit. The commissioner shall monitor the revenue of physicians and other health care providers by examining revenue per patient per year or revenue per encounter. If this information is not available, the commissioner may enforce an annual limit on the rate of growth of the provider's current fees ~~based on the limits on the rate of growth established for calendar years 1994 and 1995~~.

Subd. 4. [MONITORING AND ENFORCEMENT.] Health care providers shall submit to the commissioner of health, in the form and at the times required by the commissioner, all information the commissioner determines to be necessary to implement and enforce this section. ~~Health care providers shall submit to audits conducted by the commissioner. The commissioner shall enforce limits based on survey data supplied to the commissioner by April 1 for the previous calendar year's revenue and spending data. Providers that do not submit survey data to the commissioner are required to meet the growth limits and may be subject to random audits.~~ The commissioner shall regularly audit all health clinics employing or contracting with over 100 physicians. The commissioner shall also audit, at times and in a manner that does not interfere with delivery of patient care, a sample of smaller clinics, hospitals, and other health care providers. Providers that exceed revenue limits based on two-year average revenue data shall be required by the commissioner to pay back the amount overspent during the following calendar year.

The commissioner shall monitor providers meeting the growth limits based on their current fees on an annual basis. The fee charged for each service must be averaged across 12 months and compared to the previous 12-month period. The percentage increase in the average fee from 1993 to 1994, from 1994 to 1995, from 1995 to 1996, and from 1996 to 1997 is subject to the growth limits established under section 62J.04, subdivision 1, paragraph (b). The audit process must include a review of the provider's monthly fee schedule, and a random claims analysis for the provider during different parts of the year to monitor variations in fees. The commissioner shall require providers that exceed growth limits, based on annual fees, to pay back during the following calendar year the amount overspent.

The commissioner shall notify each provider that has exceeded its revenue limit, at least 30 days before taking action, and shall provide each provider with ten days to provide an explanation for exceeding the revenue target. The commissioner shall review the explanation and may change a determination if the commissioner determines the explanation to be valid.

The commissioner may approve a different repayment schedule for a health care provider that takes into account the provider's financial condition. ~~For those providers subject to fee limits established by the commissioner, Based on claims data submitted under section 62J.38, the commissioner may adjust the percentage increase in the fee schedule to account for changes in utilization. The commissioner may adopt rules in order to enforce this section.~~

A provider may appeal the commissioner's order to pay back the amount overspent by mailing a written notice of appeal to the commissioner within 30 days after the commissioner's order was mailed. The contested case and judicial review provisions of chapter 14 apply to the appeal. The provider shall pay the amount specified by the commissioner either to the commissioner or into an escrow account until final resolution of the appeal. Notwithstanding sections 3.762 to 3.765, each party is responsible for its own fees and expenses, including attorneys fees, for the appeal. Any amount required to be paid back under this section shall be deposited in the general fund.

Sec. 6. [62P.07] [SCOPE.]

Subdivision 1. [GENERAL APPLICABILITY.] (a) Minnesota health care providers shall comply with the requirements and rules established under this chapter for: (1) all health care services provided to Minnesota residents who are not enrolled in a community integrated service network or an integrated service network; (2) all out-of-network services provided to enrollees of community integrated service networks and integrated service networks; and (3) all health care services provided to persons covered by an all-payer insurer.

(b) All-payer insurers shall comply with the requirements and rules established under this chapter for all coverage provided.

(c) Community integrated service networks and integrated service networks shall comply with the requirements and rules established under this chapter when reimbursing health care providers for out-of-network services.

(d) The rules and requirements of this chapter do not apply to cosmetic medical or cosmetic dental procedures performed by a physician or dentist.

Subd. 2. [PROGRAMS EXCLUDED.] This chapter does not apply to services reimbursed under Medicare, medical assistance, general assistance medical care, the MinnesotaCare program, or worker's compensation programs.

Subd. 3. [PAYMENT REQUIRED AT ALL-PAYER LEVEL.] (a) All reimbursements to Minnesota health care providers from all-payer insurers, for services provided to covered persons, shall be at the all-payer reimbursement level.

(b) All-payer insurers shall reimburse out-of-state health care providers for nonemergency services provided to covered persons at the all-payer reimbursement level. For purposes of this paragraph, "nonemergency services" means services that do not meet the definition of "emergency care" under Minnesota Rules, part 4685.0100, subpart 5.

(c) Community integrated service networks and integrated service networks shall reimburse Minnesota health care providers for out-of-network services at the all-payer reimbursement level.

(d) Community integrated service networks and integrated service networks shall reimburse out-of-network health care providers located out-of-state for nonemergency out-of-network services at the all-payer reimbursement level. For purposes of this paragraph, "nonemergency out-of-network services" means out-of-network services that do not meet the definition of "emergency care" under Minnesota Rules, part 4685.0100, subpart 5.

Subd. 4. [BALANCE BILLING PROHIBITED.] Minnesota health care providers shall accept reimbursement at the all-payer reimbursement level, including applicable copayments, deductibles, and coinsurance, as payment in full for services provided to Minnesota residents and persons covered by all-payer insurers, and for out-of-network services provided to enrollees of community integrated service networks and integrated service networks.

Sec. 7. [62P.09] [DUTIES OF THE COMMISSIONER.]

Subdivision 1. [GENERAL DUTIES.] The commissioner of health is responsible for developing and administering the all-payer option. The commissioner shall:

(1) develop, implement, and administer fee schedules for physicians and providers with independent billing rights;

(2) develop, implement, and administer a reimbursement system for hospitals and other institutional providers, but excluding intermediate care facilities for the mentally retarded, nursing homes, state-operated community service sites operated by the commissioner of human services, regional treatment centers, and child care facilities;

(3) modify and adjust all-payer reimbursement levels so that health care spending under the all-payer option does not exceed the growth limits on health care spending established under section 62J.04;

- (4) collect data from all-payer insurers, health care providers, and patients to monitor spending and quality of care;
- (5) provide incentives for the appropriate utilization of services and the appropriate use and distribution of technology;
- (6) coordinate the development and administration of the all-payer option with the development and administration of the integrated service network system; and
- (7) develop and implement a fair and efficient system for resolving appeals by providers and insurers.

Subd. 2. [COORDINATION.] The commissioner shall regularly consult with the commissioner of commerce in developing and administering the all-payer option and in applying the all-payer reimbursement system to health carriers regulated by the commissioner of commerce.

Subd. 3. [TIMELINES FOR IMPLEMENTATION.] In developing and implementing the all-payer option, the commissioner shall comply with the following implementation schedule:

- (a) The phase-in of standardized billing requirements must be completed following the timetable set forth in article 9.
- (b) The phase-in of the all-payer reimbursement system must begin January 1, 1996.
- (c) The all-payer reimbursement system must be fully implemented by July 1, 1997.

Subd. 4. [IMPLEMENTATION PLAN.] The commissioner, as part of the implementation plan due January 1, 1995, shall present recommendations and draft legislation to the legislature to:

- (1) establish reimbursement methods for the all-payer option reimbursement system;
- (2) provide an implementation schedule to phase-in the all-payer reimbursement system, beginning January 1, 1996; and
- (3) establish mechanisms to ensure compliance by all-payer insurers, health care providers, and patients with the all-payer option reimbursement system and all-payer option reimbursement limits established under section 62I.04.

Sec. 8. [62P.11] [PAYMENT TO PHYSICIANS AND INDEPENDENT PROVIDERS.]

Subdivision 1. [FEE SCHEDULE.] The commissioner shall adopt a Minnesota-specific fee schedule, based upon the Medicare resource based relative value scale, to reimburse physicians and other independent providers. The fee schedule must assign each service a relative value unit that measures the relative resources required to provide the service. Payment levels for each service must be determined by multiplying relative value units by a conversion factor that converts relative value units into monetary payment. The conversion factor used to derive the fee schedule must be set at a level that is consistent with current relevant health care spending, subject to the state's target for spending growth. The conversion factor must be set at a level that equalizes total aggregate expenditures for a given period before and after implementation of the all-payer option.

Subd. 2. [DEVELOPMENT AND MODIFICATION OF RELATIVE VALUE UNITS.] (a) When appropriate, the relative value unit for each service shall be the Medicare value adjusted to reflect Minnesota health care costs. The commissioner may assign a different relative value to a service if, in the judgment of the commissioner, the Medicare relative value unit is not accurate. The commissioner may also develop or adopt relative value units for services not covered under the Medicare resource based relative value scale. Except as provided in paragraph (b), modifications or additions to relative value units are subject to the rulemaking requirements of chapter 14.

(b) The commissioner may modify the relative value units used in the Minnesota-specific fee schedule, or increase the number of services assigned relative value units, to reflect changes and improvements in the Medicare resource based relative value scale. When adopting these federal changes, the commissioner is exempt from the rulemaking requirements of chapter 14, but shall publish a notice of modifications and additions to relative value units in the State Register 30 days before they take effect.

Subd. 3. [DEVELOPMENT OF THE CONVERSION FACTOR.] The commissioner shall develop a conversion factor using actual Minnesota claims data available to the commissioner.

Sec. 9. [62P.13] [VOLUME PERFORMANCE STANDARD FOR PHYSICIAN AND OUTPATIENT SERVICES.]

Subdivision 1. [DEVELOPMENT.] The commissioner shall establish an annual, statewide volume performance standard for physician and outpatient services. The volume performance standard shall serve as an expenditure target and must be set at a level that is consistent with achieving the limits on health care spending growth pursuant to section 62J.04. The volume performance standard must combine expenditures for all services provided by physicians and other independent providers and all ambulatory care services that are not provided through an integrated service network. The statewide volume performance standard must be developed from aggregated and encounter level data reported to the state, including the claims database established under section 62J.38, when it becomes operational.

Subd. 2. [APPLICATION.] The commissioner shall compare actual expenditures for physician and outpatient services with the volume performance standard in order to keep all-payer option expenditures within the statewide growth limits. If total expenditures during a particular year exceed the expenditure target for that year, the commissioner shall update the fee schedule rates for the second year following the year in which the target was exceeded, by adjusting the conversion factor, in order to offset this increase.

Sec. 10. [62P.15] [REIMBURSEMENT.]

The commissioner, as part of the implementation report due January 1, 1995, shall recommend to the legislature and the governor which health care professionals should be paid at the full fee schedule rate and which at a partial rate, for services covered in the fee schedule.

Sec. 11. [62P.17] [PAYMENT FOR SERVICES NOT IN THE FEE SCHEDULE.]

The commissioner shall examine options for paying for services not covered in the fee schedule and shall present recommendations to the legislature and the governor as part of the implementation report due January 1, 1995. The options examined by the commissioner must include, but are not limited to, updates and modifications to the Medicare resource based relative value scale; development of additional relative value units; development of a fee schedule based on a percentage of usual, customary, and reasonable charges; and use of rate of increase controls.

Sec. 12. [62P.19] [PAYMENT FOR URBAN AND SELECTED RURAL HOSPITALS.]

Subdivision 1. [ESTABLISHMENT OF RATE.] The commissioner shall develop a Minnesota-specific diagnosis related groups system to pay for inpatient services in those acute-care general hospitals not qualifying for reimbursement under section 62P.25. In developing this system, the commissioner shall consider the all-patient refined diagnosis related groups system and other diagnosis related groups systems. Payment rates must be standardized on a statewide basis based on hospital cost data for operating and capital expenses, adjusted for area wage rates, and consistent with the overall growth target for health care spending. The commissioner shall consider whether other adjustments are needed, based on studies of the cost of graduate medical education and uncompensated care. The commissioner shall recommend any needed adjustments to the legislature and governor as part of the implementation report due January 1, 1995.

Subd. 2. [SHORT STAY AND LONG STAY OUTLIERS.] The reimbursement system must provide, on a budget neutral basis, lower charges for self-pay patients with short or low cost stays. The commissioner shall phase out this exception once universal coverage is achieved. The commissioner, as part of the implementation report due January 1, 1995, shall recommend to the legislature and the governor whether an outlier payment for long stays is needed.

Sec. 13. [62P.21] [STATEWIDE VOLUME PERFORMANCE STANDARD FOR HOSPITALS.]

Subdivision 1. [DEVELOPMENT.] The commissioner shall establish an annual, statewide volume performance standard for inpatient hospital expenditures. The volume performance standard shall serve as an expenditure target and must be set at a level that is consistent with meeting the limits on health care spending growth.

Subd. 2. [APPLICATION.] The commissioner shall compare actual inpatient hospital expenditures with the volume performance standard in order to keep all-payer option expenditures within the statewide growth limits. If aggregate inpatient hospital expenditures for a particular year exceed the volume performance standard, the commissioner shall adjust the annual increase in payment levels for diagnosis related groups for the following year.

Sec. 14. [62P.23] [FLEXIBILITY IN APPLYING THE VOLUME PERFORMANCE STANDARD; REVIEW.]

Subdivision 1. [REALLOCATION.] The commissioner may reallocate spending limits between the inpatient hospital services volume performance standard and the physician and outpatient services volume performance standard, if this promotes the efficient use of health care services and does not cause total health care spending in the all-payer option to exceed the level allowed by the growth limits on health care spending.

Subd. 2. [REVIEW.] The commissioner shall review the effectiveness of the volume performance standard after the first three years of operation and shall recommend any necessary changes to the legislature and the governor.

Sec. 15. [62P.25] [REIMBURSEMENT FOR SMALL RURAL HOSPITALS.]

All-payer insurers shall pay small rural hospitals on the basis of reasonable charges, subject to a rate of increase control. For purposes of this requirement, a "small rural hospital" means a hospital with 40 or fewer licensed beds that is located at least 25 miles from any other hospital. The commissioner shall recommend to the legislature and the governor a methodology for determining reasonable charges as part of the implementation report due January 1, 1995.

Sec. 16. [62P.27] [PAYMENT FOR OUTPATIENT SERVICES.]

Outpatient services provided in acute-care general hospitals and freestanding ambulatory surgery centers shall be paid on the basis of approved charges, subject to rate of increase controls. The rate of increase allowed must be consistent with the volume performance standard for physician and outpatient services.

Sec. 17. [62P.29] [OTHER INSTITUTIONAL PROVIDERS.]

Subdivision 1. [SPECIALTY HOSPITALS AND HOSPITAL UNITS.] The commissioner shall develop payment mechanisms for specialty hospitals providing pediatric and psychiatric care and distinct psychiatric and rehabilitation units in hospitals. The commissioner shall present these recommendations to the legislature and governor as part of the implementation report due January 1, 1995.

Subd. 2. [OTHER PROVIDERS.] The commissioner shall apply rate of increase limits on charges or fees to other nonhospital institutional providers. These providers include, but are not limited to, home health agencies, substance abuse treatment centers, and nursing homes, to the extent their services are included in the all-payer option.

Sec. 18. [62P.31] [LIMITATIONS ON ALL-PAYER OPTION.]

Beginning July 1, 1997, all-payer insurers shall not employ or contract with health care providers, establish a network of exclusive or preferred providers, or negotiate provider payments that differ from the all-payer fee schedule, except that all-payer insurers may establish and maintain preferred provider networks solely for utilization control and quality management and not for negotiation of provider payments. Preferred provider organizations may continue to provide care to their existing enrollees, without becoming licensed as an integrated service network or otherwise becoming subject to this section, through December 31, 1997.

Sec. 19. [62P.33] [RECOMMENDATIONS FOR A USER FEE.]

The commissioner of health shall present to the legislature, as part of the implementation plan due January 1, 1996, recommendations for establishing and collecting a user fee from all-payer insurers. The user fee must be set at a level that reflects the state's investment in fee schedules, standard utilization reviews, quality monitoring, and other regulatory and administrative functions provided for the regulated all-payer option. The commissioner may consult actuaries in developing recommendations for and setting the level of the user fee. The commissioner may also present recommendations to establish additional fees and assessments if the commissioner determines they are needed to assure equal levels of accountability between the integrated service network system and the regulated all-payer option in terms of public health goals, serving high-risk and special needs populations, and other obligations imposed on the integrated service network system.

Sec. 20. [STUDY OF STANDARD UTILIZATION REVIEW CRITERIA FOR SERVICES.]

The commissioner of health, after consulting with providers, utilization review organizations, the practice parameters advisory committee, and the health technology advisory committee, shall report to the legislature by July 1, 1995, and recommend clinical criteria for determining the necessity, appropriateness, and efficacy of five frequently used health care services for which standard criteria for utilization review would decrease providers' administrative costs.

Sec. 21. [INSTRUCTION TO THE REVISOR.]

The revisor, in the next edition of Minnesota Statutes, shall replace the term "regulated all-payer system" and similar terms with "regulated all-payer option" and similar terms in sections 62J.04, 62J.09, 62J.152, 62P.01, and 62P.03.

Sec. 22. [EFFECTIVE DATE.]

Sections 1 to 21 are effective the day following final enactment, except that section 6 is effective January 1, 1996, and section 18 is effective July 1, 1997.

ARTICLE 4

FUTURE REQUIREMENTS FOR HEALTH PLAN COMPANIES

Section 1. [62J.48] [CRITERIA FOR REIMBURSEMENT.]

All ambulance services licensed under section 144.802 are eligible for reimbursement under the integrated service network system and the regulated all-payer option. The commissioner shall require community integrated service networks, integrated service networks, and all-payer insurers to adopt the following reimbursement policies.

(1) All emergency calls must be reimbursed without prior approval. Reimbursement must not be denied through retroactive review.

(2) All scheduled or prearranged air and ground ambulance transports must be reimbursed if requested by an attending physician or nurse, or if approved by a designated representative of an integrated service network who is immediately available on a 24-hour basis.

(3) Reimbursement must be provided for all emergency ambulance calls in which a patient is transported or medical treatment rendered.

(4) Special transportation services must not be billed or reimbursed if the patient needs medical attention immediately before transportation.

Sec. 2. Minnesota Statutes 1993 Supplement, section 62N.06, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED ENTITIES.] (a) An integrated service network may be organized as a separate nonprofit corporation under chapter 317A or, as a cooperative under chapter 308A, or as an insurance company licensed under chapter 60A.

(b) A nonprofit health carrier, as defined in section 62A.011, may establish and operate one or more integrated service networks without forming a separate corporation or cooperative, but only if all of the following conditions are met:

(i) a an existing contract between the health carrier and a health care provider, for a term of less than seven years, that was executed before June 1, 1993, that does not explicitly mention the provider's relationship within an integrated service network, or a future integrated service network, does not bind the health carrier or provider as applied to integrated service network services, except with the mutual consent of the health carrier and provider entered into on or after June 1, 1993. This clause does not apply to contracts between a health carrier and its salaried employees;

(ii) the health carrier shall not apply toward the net worth, working capital, or deposit requirements of this chapter any assets used to satisfy net worth, working capital, deposit, or other financial requirements under any other chapter of Minnesota law;

(iii) the health carrier shall not include in its premiums for health coverage provided under any other chapter of Minnesota law, an assessment or surcharge relating to net worth, working capital, or deposit requirements imposed upon the integrated service network under this chapter; and

(iv) the health carrier shall not include in its premiums for integrated service network coverage under this chapter an assessment or surcharge relating to net worth working capital or deposit requirements imposed upon health coverage offered under any other chapter of Minnesota law.

Sec. 3. [62N.14] [OFFICE OF CONSUMER AFFAIRS.]

Subdivision 1. [DUTIES.] Every integrated service network must have an office of consumer affairs which will be responsible for dealing with all enrollee complaints and inquiries. The integrated service network, through its office of consumer affairs, will be responsible for:

- (1) soliciting consumer comment on the quality and accessibility of services available;
- (2) disseminating information to consumers on the integrated service network's enrollee complaint resolutions system;
- (3) receiving unsolicited comments on and complaints about services;
- (4) taking prompt action upon consumer complaints; and
- (5) providing for and participating in alternative dispute resolution processes.

Subd. 2. [CONTACT WITH COMMISSIONER.] Each integrated service network shall designate a contact person for direct communication with the commissioner. Integrated service network complaint files must be maintained by the integrated service network for seven years and must be made available upon the request of the commissioner. The health department may at any time inspect the integrated service network's office of consumer affairs complaint files.

Subd. 3. [ENROLLEE MEMBERSHIP CARDS.] Integrated service networks shall issue enrollee membership cards to each enrollee of the integrated service network. The enrollee card shall contain, at minimum, the following information:

- (1) the telephone number of the integrated service network's office of consumer affairs;
- (2) the telephone number of the state's office of consumer information; and
- (3) the telephone number of the department of health.

The membership cards shall also conform to the requirements set forth in section 62J.60.

Subd. 4. [ENROLLEE DOCUMENTS.] Each integrated service network, through its office of consumer affairs, is responsible for providing enrollees, upon request, with any reasonable information desired by an enrollee. This information may include duplicate copies of the evidence of coverage form required under section 62N.11; an annually updated list of addresses and telephone numbers of available integrated service network providers, including midlevel practitioners and allied professionals; and information on the enrollee complaint system of the integrated service network.

Sec. 4. [62N.38] [FEDERAL AGENCY PARTICIPATION.]

Subdivision 1. [PARTICIPATION.] An integrated service network may be organized by a department, agency, or instrumentality of the United States government.

Subd. 2. [ENROLLEES.] An integrated service network organized under subdivision 1 may limit its enrollment to those persons entitled to care under the federal program responsible for the integrated service network.

Subd. 3. [PARTICIPATION IN STATE PROGRAMS.] An integrated service network organized under subdivision 1 may request that the commissioner of health waive the requirement of section 62N.10, subdivision 4 with regard to some or all of the programs listed in that provision. The commissioner shall grant the waiver unless the commissioner determines that the applicant does not plan to provide care to low-income persons who are otherwise eligible for enrollment in the integrated service network. The integrated service network may withdraw its waiver with respect to some or all of the programs listed in section 62N.10, subdivision 4 at any time, as long as it is willing and able to enroll in the programs previously waived on the same basis as other integrated service networks.

Subd. 4. [SOLVENCY.] The commissioner shall consult with federal officials to develop procedures to allow integrated service networks organized under subdivision 1 to use the United States government as a guaranteeing organization.

Subd. 5. [VETERANS.] In developing and implementing initiatives to expand access to health care, the commissioner shall recognize the unique problems of veterans and consider methods to reach underserved portions of the veteran population.

Sec. 5. [62N.381] [AMBULANCE SERVICE RATE NEGOTIATION.]

Subdivision 1. [APPLICABILITY.] This section applies to all reimbursement rate negotiations between ambulance services and community integrated service networks or integrated service networks.

Subd. 2. [RANGE OF RATES.] The reimbursement rate negotiated for a new contract period must not be lower than the rate for the current contract period, and must not be greater than the current rate plus the rate of growth allowed under section 62J.04, subdivision 1, unless the ambulance service proposes a lower rate or can justify a higher rate. If the network and ambulance service cannot agree on a rate, each party shall submit their rate proposal along with supportive data to the advisory committee established by the commissioner under subdivision 3.

Subd. 3. [ADVISORY COMMITTEE ON AMBULANCE RATES.] The commissioner shall establish an advisory committee on ambulance rates, by September 1, 1994. Membership of the committee shall consist of: three representatives of integrated service networks, three representatives of the ambulance industry chosen by the Minnesota Ambulance Association, and one representative selected by the commissioner who has expertise in business or finance and is not a state employee. Each member shall designate an alternate, who shall have full voting rights. The committee is governed by section 15.0575.

Subd. 4. [DEVELOPMENT OF CRITERIA.] The commissioner, in consultation with the advisory committee, shall develop criteria for the committee to use in reviewing rate proposals, and criteria for the commissioner to use in making a final determination.

Subd. 5. [REVIEW OF RATE PROPOSALS.] The committee, using the criteria developed under subdivision 4, shall review the rate proposals by ambulance services and integrated service networks, and shall: (1) endorse the network rate proposal; (2) endorse the ambulance service proposal; or (3) develop and recommend its own proposal. The committee shall forward its decision to the commissioner. The commissioner, using the criteria developed under subdivision 4 and after considering the committee's decision, shall make a final rate determination and require the network and the ambulance service to adhere to this reimbursement rate.

Sec. 6. [62Q.19] [ESSENTIAL COMMUNITY PROVIDERS.]

Subdivision 1. [DESIGNATION.] The commissioner shall designate essential community providers. The criteria for essential community provider designation shall be the following:

(1) a demonstrated ability to integrate applicable supportive and stabilizing services with medical care for uninsured persons and high-risk and special needs populations as defined in section 62Q.07, subdivision 2, paragraph (e), underserved, and other special needs populations; and

(2) a commitment to serve low-income and underserved populations by meeting the following requirements:

(i) has nonprofit status in accordance with chapter 317A;

(ii) has tax exempt status in accordance with the Internal Revenue Service Code, section 501(c)(3);

(iii) charges for services on a sliding fee schedule based on current poverty income guidelines; and

(iv) does not restrict access or services because of a client's financial limitation; or

(3) status as a community health board as defined in chapter 145A.

The commissioner may designate an eligible provider as an essential community provider for all the services offered by that provider or for specific services designated by the commissioner.

For the purpose of this subdivision, supportive and stabilizing services include at a minimum, transportation, child care, cultural, and linguistic services where appropriate.

Subd. 2. [APPLICATION.] Any provider may apply to the commissioner for designation as an essential community provider within two years after the effective date of the rules adopted by the commissioner to implement this section.

Subd. 3. [HEALTH PLAN COMPANY AFFILIATION.] A health plan company must offer a provider contract to any designated essential community provider located within the area served by the health plan company. A health plan company shall not unduly restrict enrollee access to the essential community provider for the population that the essential community provider is certified to serve. A health plan company may also make other providers available to this same population. A health plan company may require an essential community provider to meet all data requirements, utilization review, and quality assurance requirements on the same basis as other health plan providers.

Subd. 4. [ESSENTIAL COMMUNITY PROVIDER RESPONSIBILITIES.] Essential community providers must agree to serve enrollees of all health plan companies operating in the area that the essential community provider is certified to serve.

Subd. 5. [CONTRACT PAYMENT RATES.] An essential community provider and a health plan company may negotiate the payment rate for covered services provided by the essential community provider. This rate must be competitive with rates paid to other health plan providers for the same or similar services.

Subd. 6. [TERMINATION.] The designation as an essential community provider is terminated five years after it is granted, and the former essential community provider has no rights or privileges beyond those of any other health care provider.

Subd. 7. [RECOMMENDATIONS ON ESSENTIAL COMMUNITY PROVIDERS.] As part of the implementation plan due January 1, 1995, the commissioner shall present recommendations and draft legislation for defining essential community providers, using the criteria established under subdivision 1, and defining the relationship between essential community providers and health plan companies.

Sec. 7. [62Q.21] [UNIVERSAL STANDARD BENEFITS SET.]

Subdivision 1. [MANDATORY OFFERING.] Effective January 1, 1996, each health plan company shall offer the universal standard benefits set to its enrollees.

Subd. 2. [STANDARD BENEFIT SET.] Effective July 1, 1997, health plan companies shall offer, sell, issue, or renew only the universal standard benefits set and the cost-sharing and supplemental coverage options allowed under sections 62Q.25 and 62Q.27.

Subd. 3. [GENERAL DESCRIPTION.] The universal standard benefits set must contain all appropriate and necessary health care services. Benefits necessary to meet public health goals, adequately serve high risk and special needs populations, facilitate the utilization of cost-effective alternatives to traditional inpatient acute and extended health care delivery, or meet other objectives of health care reform shall be considered by the commissioner for inclusion in the universal standard benefits set. Appropriate and necessary dental services must be included.

Subd. 4. [BENEFIT SET RECOMMENDATIONS.] The commissioner, in consultation with the Minnesota health care commission and the commissioners of commerce and human services, shall develop the universal standard benefits set and report these recommendations to the legislature by January 1, 1995. The commissioner shall include in this report a definition for "appropriate and necessary." In developing this definition, the commissioner shall consider that a benefit set that excludes genuinely appropriate and necessary services will not reduce or contain costs, but will only transfer those costs onto individuals and the public sector. Therefore, the definition of appropriate and necessary must be sufficiently broad to address the type, frequency, level, setting, and duration of services that address an individual's mental or physical condition, the needs of those with chronic conditions or disabilities, including those who need health services to improve their functioning, those for whom maintenance of health may not be possible, and those for whom preventing deterioration in their health conditions might not be achievable, and meet other health care reform objectives. In developing the universal standard benefits set, the commissioner shall take into account factors including, but not limited to:

- (1) information regarding the benefits, risks, and cost-effectiveness of health care interventions;
- (2) development of practice parameters;
- (3) technology assessments;

- (4) medical innovations;
- (5) health status assessments;
- (6) identification of unmet needs or particular barriers to access;
- (7) public health goals;
- (8) expenditure limits available funding; and
- (9) cost-efficient and effective alternatives to inpatient health care services for acute or extended health care needs, such as home health care services; and
- (10) cost savings resulting from the inclusion of a health care service that will decrease the utilization of other health care services in the benefit set.

Subd. 5. [ADVISORY COMMITTEE ON THE UNIVERSAL BENEFITS SET.] The commissioner shall appoint an advisory committee to develop recommendations regarding nondental health care services to be included in the universal benefits set. The committee must include representatives of health care providers, consumers, health plan companies, and counties. No more than half plus one of the members may be of the same gender. Recommendations of the committee must be provided to the Minnesota health care commission by October 1, 1994. The advisory committee expires January 1, 1995.

Subd. 6. [ADVISORY COMMITTEE ON DENTAL SERVICES.] The commissioner shall appoint an advisory committee to develop recommendations regarding the level of appropriate and necessary dental services to be included in the universal standard benefits set. No more than half plus one of the members may be of the same gender. The committee shall also develop recommendations on an appropriate system to deliver dental services. In its analysis, the committee shall study the quality and cost-effectiveness of dental services delivered through capitated dental networks, discounted dental preferred provider organizations, and independent practice dentistry. The committee shall report these recommendations to the Minnesota health care commission by October 1, 1994. The advisory committee expires January 1, 1995.

Subd. 7. [CHEMICAL DEPENDENCY SERVICES.] If chemical dependency services are included in the universal standard benefits set, the commissioner shall consider the cost-effectiveness of requiring health plan companies and chemical dependency facilities to use the assessment criteria in Minnesota Rules, parts 9530.6600 to 9530.6660.

Sec. 8. [62Q.22] [CHEMICAL DEPENDENCY SERVICES.]

In developing benefit set recommendations the commissioner shall develop criteria to ensure that chemically dependent individuals have access to cost-effective treatment options that address the specific needs of individuals. These include, but are not limited to, the need for: treatment that takes into account severity of illness and comorbidities; provision of a continuum of care from primary inpatient to outpatient care, aftercare, and long-term care; the safety of the individual's domestic and community environment; gender appropriate and culturally appropriate programs; and access to appropriate social services.

Sec. 9. [62Q.23] [GENERAL SERVICES.]

(a) Health plan companies shall comply with all continuation and conversion of coverage requirements applicable to health maintenance organizations under state or federal law.

(b) Health plan companies shall comply with sections 62A.047, 62A.27, and any other coverage required under chapter 62A of newborn infants, dependent children who do not reside with a covered person, handicapped children and dependents, and adopted children. A health plan company providing dependent coverage shall comply with section 62A.302.

(c) Health plan companies shall comply with the equal access requirements of section 62A.15, subdivision 2.

Sec. 10. [62Q.25] [SUPPLEMENTAL COVERAGE.]

Health plan companies may choose to offer separate supplemental coverage for services not covered under the universal benefits set. Health plan companies may offer any Medicare supplement, Medicare select, or other

Medicare-related product otherwise permitted for any type of health plan company in this state. Each Medicare-related product may be offered only in full compliance with the requirements in chapters 62A, 62D, and 62E that apply to that category of product.

Sec. 11. [62Q.27] [ENROLLEE COST-SHARING.]

(a) The commissioner, as part of the implementation plan due January 1, 1995, shall present to the legislature recommendations and draft legislation to establish up to five standardized benefit plans which may be offered by each health plan company. The plans must vary only on the basis of enrollee cost sharing and encompass a range of cost-sharing options from (1) lower premium costs combined with higher enrollee cost-sharing, to (2) higher premium costs combined with lower enrollee cost-sharing. Each plan offered may include out-of-network coverage options.

(b) For purposes of this section, "enrollee cost-sharing" or "cost-sharing" means copayments, deductibles, coinsurance, and other out-of-pocket expenses paid by the individual consumer of health care services.

(c) The following principles must apply to cost-sharing:

(1) enrollees must have a choice of cost-sharing arrangements;

(2) enrollee cost-sharing must be administratively feasible and consistent with efforts to reduce the overall administrative burden on the health care system;

(3) cost-sharing for recipients of medical assistance, general assistance medical care, or the MinnesotaCare program must be determined by applicable law and rules governing these programs;

(4) cost-sharing must be capped at an annual limit determined by the commissioner to protect individuals and families from financial catastrophe and to protect individuals with substantial health care needs;

(5) child health supervision services, immunizations, prenatal care, and other preventive services must not be subjected to cost-sharing;

(6) the impact of enrollee cost-sharing requirements on appropriate utilization must be considered when cost-sharing requirements are developed;

(7) additional requirements may be established to assist enrollees for whom an inducement in addition to the elimination of cost-sharing is necessary in order to encourage them to use cost-effective preventive services. These requirements may include the provision of educational information, assistance or guidance, and opportunities for responsible decision making by enrollees that minimize potential out-of-pocket costs;

(8) a copayment may be no greater than 25 percent of the paid charges for the service or product;

(9) cost-sharing requirements and benefit or service limitations for outpatient mental health and outpatient chemical dependency services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for outpatient medical services; and

(10) cost-sharing requirements and benefit or service limitations for inpatient hospital mental health and inpatient hospital and residential chemical dependency services, except for persons placed in chemical dependency services under Minnesota Rules, parts 9530.6600 to 9530.6660, must not place a greater financial burden on the insured or enrollee, or be more restrictive than those requirements and limitations for inpatient hospital medical services.

(d) The commissioner shall consider whether a health plan company may return all or part of an enrollee's cost-sharing to the enrollee as an incentive for completing preventive care, participating in health education, improving health, or reducing health risks.

Sec. 12. [62Q.29] [STATE-ADMINISTERED PUBLIC PROGRAMS.]

Public agencies, on behalf of eligible recipients enrolled in public programs such as medical assistance, general assistance medical care, and MinnesotaCare, may contract with health plan companies to provide services included in these programs, but not included in the universal standard benefits set.

Sec. 13. [62Q.30] [EXPEDITED FACT FINDING AND DISPUTE RESOLUTION PROCESS.]

The commissioner shall establish an expedited fact finding and dispute resolution process to assist enrollees of integrated service networks and all-payer insurers with contested treatment, coverage, and service issues to be in effect July 1, 1997. The commissioner may order an integrated service network or an all-payer insurer to provide or pay for a service that is within the universal standard benefits set. If the disputed issue relates to whether a service is appropriate and necessary, the commissioner may issue an order only after consulting with appropriate experts, reviewing pertinent literature, and considering the availability of satisfactory alternatives. The commissioner may fine or revoke the license of an integrated service network or an all-payer insurer that is the subject of repeated orders by the commissioner that suggests a pattern of inappropriate underutilization.

Sec. 14. [EFFECTIVE DATE.]

Sections 2, 3, 6, 7, and 11 to 13 are effective the day following final enactment, except that sections 9 and 10 are effective July 1, 1997.

ARTICLE 5

IMPLEMENTATION AND TRANSITION PLANS

Section 1. [62Q.41] [ANNUAL IMPLEMENTATION PLAN.]

The commissioner of health, in consultation with the Minnesota health care commission, shall develop an annual implementation plan to be submitted to the legislature each year beginning January 1, 1995, describing the progress and status of rule development and implementation of the integrated service network system and the regulated all-payer option, and providing recommendations for legislative changes that the commissioner determines may be needed.

Sec. 2. [TRANSITION PLAN.]

The commissioner of health, in consultation with the Minnesota health care commission, shall develop a plan to facilitate the transition from the existing health care delivery and financing system to the integrated service network system and the regulated all-payer option. The plan may include recommendations for integrated service network requirements or other requirements that should become applicable to some or all health plan companies prior to July 1, 1997, and recommendations for requirements that should be modified or waived during a transition period after July 1, 1997, as health plan companies convert to integrated service networks or to the regulated all-payer option. The transition plan must be submitted to the legislature by January 1, 1995.

Sec. 3. [STATE ADMINISTERED HEALTH PROGRAM PHASE-IN.]

(a) The commissioner of human services shall present to the legislature and the governor, as part of the implementation plan due January 1, 1996, a plan to incorporate state administered health programs, into the all-payer option and the integrated service network system. The plan must identify the federal waivers and approvals required. The plan must also provide a schedule for phasing in the state administered health programs beginning July 1, 1997, and for increasing reimbursement levels in stages over the phase-in period. For purposes of this section, "state administered health programs" means the medical assistance, general assistance medical care, and MinnesotaCare programs.

(b) The commissioner shall include with the plan required under paragraph (a) recommendations, including proposed legislation, for a coordinated program for receiving bids from managed care plans to serve enrollees of the state health plan and recipients of state administered health programs, to be phased in beginning July 1, 1997.

(c) The recommendations shall include a requirement that managed care plans interested in contracting to serve enrollees or recipients of any program listed in paragraph (b) submit a bid to provide services to all enrollees and recipients of those programs residing within the plan's service area.

(d) The commissioner must convene an advisory task force to assist with the preparation of plans, recommendations, and legislation required by this section. The task force must include representatives of recipients of state administered health programs, providers with substantial experience in providing services to recipients of these programs, the department of human services, county human services representatives, and other affected persons. No more than one-half plus one of the members may be of the same gender.

Sec. 4. [RECODIFICATION AND HEALTH PLAN COMPANY REGULATORY REFORM.]

Subdivision 1. [PROPOSED LEGISLATION.] The commissioner of health, in consultation with the commissioner of commerce, the Minnesota health care commission, and the legislative commission on health care access, shall draft proposed legislation to recodify, simplify, and standardize all statutes, rules, regulatory requirements, and procedures relating to health plan companies. The recodification and regulatory reform must become effective simultaneously with the full implementation of the integrated service network system and the regulated all-payer option on July 1, 1997. The commissioner of health shall submit to the legislature by January 1, 1996, a report on the recodification and regulatory reform with proposed legislation.

Subd. 2. [ADVISORY TASK FORCE.] The commissioner of health shall convene an advisory task force to advise the commissioner on the recodification and reform of regulatory requirements under this section. The task force must include representatives of health plan companies, consumers, public and private employers, labor unions, providers, and other affected persons. No more than half plus one of the members may be of the same gender.

Sec. 5. [HEALTH REFORM DEMONSTRATION MODELS.]

The commissioner of health, in consultation with appropriate state agencies, is authorized to seek federal and private foundation grants to supplement any funds appropriated under this act in order to conduct demonstration models to develop the implementation strategies for the various components of health care reform. The model projects may include the following:

- (1) risk adjustment formulas;
- (2) integration of special needs populations into integrated service networks;
- (3) organization of health services delivery by post-secondary educational facilities;
- (4) establishment of rural purchasing pools and cooperative service arrangements;
- (5) integration of rural public health nursing agency services with rural community integrated service networks;
- (6) development of appropriate access services which facilitate enrollment of low-income or special needs populations into integrated service networks;
- (7) evaluation methods for the action plans prepared by health plan companies; and
- (8) integration of services provided by licensed school nurses into integrated service networks.

Sec. 6. [AMBULANCE RATE REGULATION STUDY.]

The commissioner, in consultation with the Minnesota Ambulance Association and the regional emergency medical services systems, shall develop an ambulance rate regulation system for ambulance services provided in both the integrated service network and all-payer option sectors. The commissioner shall present recommendations and an implementation plan for this rate regulation system to the legislature by January 1, 1996.

Sec. 7. [PREPAID MEDICAL ASSISTANCE PLAN STUDY.]

The commissioners of health and human services shall study the coordination between health care reform and the prepaid medical assistance plan. The study must also determine whether there have been cost savings, cost increases, or cost shifting under current implementation of the prepaid medical assistance plan. The commissioners shall jointly report their findings to the legislature by January 1, 1995.

Sec. 8. [POOLED PRESCRIPTION DRUG PURCHASING PROGRAM.]

Subdivision 1. [FINDINGS AND PURPOSE.] The legislature finds that increasing costs are threatening the ability of a number of Minnesotans without prescription drug coverage to afford the purchase of prescription drugs. The legislature also finds that innovative private and public arrangements involving pooled prescription drug benefit management have provided many Minnesotans with economical access to prescription drugs. The legislature desires to make available the advantages of similar arrangements to those Minnesotans not currently enjoying such advantages without disrupting existing and future private and public arrangements in which other Minnesotans participate.

Subd. 2. [PROPOSED LEGISLATION.] By January 15, 1995, the commissioner of health shall provide the legislature with proposed legislation containing the commissioner's recommendations for creation of a pooled prescription drug purchasing program. The program to be created by the proposed legislation shall:

(1) make available the cost savings associated with pooled prescription drug purchasing to those Minnesotans lacking private or public prescription drug coverage who are not eligible to participate in other private or public pooled prescription drug benefit management programs;

(2) not disrupt, displace or otherwise affect existing private and public arrangements for management of prescription drug benefits;

(3) provide that the program may be administered by a private vendor supervised by the state and selected on the basis of competitive bidding; and

(4) take into account the effect of ongoing changes in state and federal health care policy.

Sec. 9. [EFFECTIVE DATE.]

Sections 1 to 8 are effective the day following final enactment.

ARTICLE 6

UNIVERSAL COVERAGE

Section 1. [62Q.16] [UNIVERSAL COVERAGE.]

It is the commitment of the state to achieve universal health coverage for all Minnesotans by July 1, 1997. In order to achieve this commitment, the following goals must be met:

(1) every Minnesotan shall have health coverage and shall contribute to the costs of coverage based on ability to pay;

(2) no Minnesotan shall be denied coverage or forced to pay more because of health status;

(3) quality health care services must be accessible to all Minnesotans;

(4) all health care purchasers must be placed on an equal footing in the health care marketplace; and

(5) a comprehensive and affordable health plan must be available to all Minnesotans.

Sec. 2. [62Q.17] [VOLUNTARY PURCHASING POOLS.]

Subdivision 1. [PERMISSION TO FORM.] Notwithstanding section 62A.10, employers, groups, and individuals may voluntarily form purchasing pools, for the purpose of negotiating and purchasing health plan coverage from health plan companies for members of the pool.

Subd. 2. [COMMON FACTORS.] All participants in a purchasing pool must live within a common geographic region, be employed in a similar occupation, or share some common factor as approved by the commissioner.

Subd. 3. [GOVERNING STRUCTURE.] Each pool must have a governing structure controlled by its members. The governing structure of the pool is responsible for administration of the pool. The governing structure shall review and evaluate all bids for coverage from health plan companies, shall determine criteria for joining and leaving the pool, and may design incentives for healthy lifestyles and health promotion programs. The governing structure may design uniform entrance standards for all employers, except small employers as defined under section 62L.02. Small employers must be permitted to enter any pool if the small employer meets the pool's membership requirements. Pools must provide as much choice in health plans to members as is financially possible. The governing structure may charge all members a fee for administrative purposes.

Subd. 4. [ENROLLMENT.] Pools must have an annual open enrollment period of not less than 15 days, during which all individuals or groups that qualify for membership may enter the pool without any preexisting condition limitations or exclusions or exclusionary riders, except those permitted under chapter 62L for groups or section 62A.65

for individuals. Pools must reach and maintain an enrolled population of at least 1,000 members within six months of formation. If a pool fails to reach or maintain the minimum enrollment, all coverage subsequently purchased through the purchasing pool must be regulated through existing applicable laws and forego all advantages under this section.

Subd. 5. [MEMBERS.] The governing structure of the pool shall set a minimum time period for membership. Members must stay in the purchasing pool for the entire minimum period to avoid paying a penalty. Penalties for early withdrawal from the purchasing pool shall be established by the governing structure.

Subd. 6. [EMPLOYER-BASED PURCHASING POOLS.] Employer-based purchasing pools must, with respect to small employers as defined in section 62L.02, meet all the requirements of chapter 62L. The experience of the pool must be pooled and the rates blended across all groups. Pools may decide to create tiers within the pool, based on experience of group members. These tiers must be designed within the requirements of section 62L.08. The governing structure may establish criteria limiting movement between tiers. Tiers must be phased out within two years of the pool's creation.

Subd. 7. [INDIVIDUAL MEMBERS.] Purchasing pools that contain individual members must meet all of the underwriting and rate restrictions found in the individual health plan market.

Subd. 8. [REPORTS.] Prior to the initial effective date of coverage, and annually thereafter, each pool shall file a report with the information clearinghouse. The information clearinghouse must use the report to promote the purchasing pools. The annual report must contain the following information:

- (1) the number of lives in the pool;
- (2) the geographic area the pool intends to cover;
- (3) the number of health plans offered;
- (4) a description of the benefits under each plan;
- (5) a description of the premium structure, including any copayments or deductibles, of each plan offered;
- (6) evidence of compliance with chapter 62L;
- (7) a sample of marketing information, including a phone number where the pool may be contacted; and
- (8) a list of all administrative fees charged.

Sec. 3. [62Q.18] [UNIVERSAL COVERAGE; INSURANCE REFORMS.]

Subdivision 1. [DEFINITION.] For purposes of this section,

- (1) "continuous coverage" has the meaning given in section 62L.02;
- (2) "guaranteed issue" means:

(i) for individual health plans, that a health plan company shall not decline an application by an individual for any individual health plan offered by that health plan company, including coverage for a dependent of the individual to whom the health plan has been or would be issued; and

(ii) for group health plans, that a health plan company shall not decline an application by a group for any group health plan offered by that health plan company and shall not decline to cover under the group health plan any person eligible for coverage under the group's eligibility requirements, including persons who become eligible after initial issuance of the group health plan;

- (3) "qualifying coverage" has the meaning given in section 62L.02; and
- (4) "underwriting restrictions" has the meaning given in section 62L.03, subdivision 4.

Subd. 2. [INDIVIDUAL MANDATE.] Effective July 1, 1997, each Minnesota resident shall obtain and maintain qualifying coverage.

Subd. 3. [GUARANTEED ISSUE.] (a) Effective July 1, 1997, each health plan company shall offer, sell, issue, or renew each of its individual health plan forms on a guaranteed issue basis to any Minnesota resident.

(b) Effective July 1, 1997, each health plan company shall offer, sell, issue, or renew each of its group health plan forms to any employer that has its principal place of business in this state on a guaranteed issue basis, provided that the guaranteed issue requirement does not apply to employees, dependents, or other persons to be covered, who are not residents of this state.

(c) Effective July 1, 1997, each health plan company that issues a group health plan to an employer that does not have its principal place of business in this state, where the health plan covers or is intended to cover 20 or more residents of this state, must cover residents of this state on a guaranteed issue basis.

Subd. 4. [UNDERWRITING RESTRICTIONS LIMITED.] Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew a health plan that has underwriting restrictions that apply to a Minnesota resident, except as expressly permitted under this section.

Subd. 5. [PREEXISTING CONDITION LIMITATIONS.] Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew a health plan that contains a preexisting condition limitation or exclusion or exclusionary rider that applies to a Minnesota resident, except a limitation which is no longer than 12 months and applies only to a person who has not maintained continuous coverage. An unexpired preexisting condition limitation from previous qualifying coverage may be carried over to new coverage under a health plan, if the unexpired condition is one permitted under this section. A Minnesota resident who has not maintained continuous coverage may be subjected to a new 12-month preexisting condition limitation after each break in continuous coverage.

Subd. 6. [LIMITS ON PREMIUM RATE VARIATIONS.] (a) Effective July 1, 1995, the premium rate variations permitted under sections 62A.65 and 62L.08 become:

(1) for factors other than age and geography, 12.5 percent of the index rate; and

(2) for age, 25 percent of the index rate.

(b) Effective July 1, 1996, the premium variations permitted under sections 62A.65 and 62L.08 become:

(1) for factors other than age and geography, 7.5 percent of the index rate; and

(2) for age, 15 percent of the index rate.

(c) Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew a health plan, that is subject to section 62A.65 or 62L.08, for which the premium rate varies between covered persons on the basis of any factor other than:

(1) for individual health plans, differences in benefits or benefit design, and for group health plans, actuarially valid differences in benefits or benefit design;

(2) the number of persons to be covered by the health plan;

(3) actuarially valid differences in expected costs between adults and children;

(4) healthy lifestyle discounts authorized by statute; and

(5) for individual health plans, geographic variations permitted under section 62A.65, and for group health plans, geographic variations permitted under section 62L.08.

(d) All premium rate variations permitted under paragraph (c) are subject to the approval of the commissioner.

Subd. 7. [PORTABILITY OF COVERAGE.] (a) Effective July 1, 1997, no health plan company shall offer, sell, issue, or renew any group or individual health plan that does not provide for guaranteed issue, with full credit for previous qualifying coverage against any preexisting condition limitation that would otherwise apply under subdivision 5. No health plan shall be subject to any other type of underwriting restriction.

(b) Effective July 1, 1994, no health plan company shall offer, sell, issue, or renew any group or individual health plan that does not, with respect to individuals who maintain continuous coverage and whose immediately preceding qualifying coverage is a health plan issued by the same health plan company, medical assistance under chapter 256B, general assistance medical care under chapter 256D, or the MinnesotaCare plan established under section 256.9352,

(1) make coverage available on a guaranteed issue basis; and

(2) give full credit for previous continuous coverage against any applicable preexisting condition limitation or exclusion.

(c) Paragraph (b) applies to individuals whose immediately preceding qualifying coverage is medical assistance under chapter 256B, general assistance medical care under chapter 256D, or the MinnesotaCare plan established under section 256.9352, only if the individual has disenrolled from the public program or will disenroll upon issuance of the new coverage. Paragraph (b) does not apply if the public program uses or will use public funds to pay the premiums for an individual who remains or will remain enrolled in the public program. This paragraph does not prohibit public payment of premiums to continue private sector coverage originally obtained prior to enrollment in the public program, where otherwise permitted by state or federal law.

(d) Effective July 1, 1994, no health plan company shall offer, sell, issue, or renew any group health plan that does not, with respect to individuals who maintain continuous coverage:

(1) make coverage available on a guaranteed issue basis; and

(2) give full credit for previous continuous coverage against any applicable preexisting condition limitation or exclusion.

To the extent that this paragraph conflicts with chapter 62L, with respect to small employers as defined in section 62L.02, chapter 62L governs.

Subd. 8. [COMPREHENSIVE HEALTH ASSOCIATION.] Effective July 1, 1997, the comprehensive health association created in section 62E.10 shall not accept new applicants for enrollment, except for medicare-related coverage described in section 62E.12 and for coverage described in section 62E.18.

Subd. 9. [CONTINGENCY; FUTURE LEGISLATION.] This section, except for subdivision 6, paragraphs (a) and (b), and subdivision 7, paragraphs (b), (c), and (d), is not intended to be implemented prior to legislation enacted to achieve the objectives of sections 1, 5, 6, and 7.

Sec. 4. [MARKET REFORM STRATEGIES STUDY.]

The health care commission shall study and recommend to the legislature by January 1, 1995, insurance market reforms designed to promote the formation of large purchasing pools to be available to individuals and small employers by July 1, 1997. The health care commission shall study:

(1) whether mergers between or among health care providers and group purchasers that expand market share beyond a specified percentage should be regulated or prohibited, in order to preserve competition on price and quality;

(2) integrating public and private sector financing mechanisms to extend MinnesotaCare subsidies to employees and dependents who are eligible for employer-based coverage without eroding existing coverage;

(3) requiring purchasing pools to make available to consumers all plans that submit bids to the pool;

(4) whether some or all purchasers should be required to obtain coverage through a public or private pool;

(5) the impact and effectiveness of the Minnesota employees insurance program under section 43A.317 and the public employees insurance plan under section 43A.316; and

(6) how statewide or regional purchasing pools could be developed for all individuals and small groups that do not have access to a private purchasing pool, and for the MinnesotaCare program and other state-subsidized health care programs, by expanding the Minnesota employees insurance program currently operated by the department of employee relations or by other means.

Sec. 5. [SURVEY OF THE UNINSURED AND EVALUATION OF EXISTING REFORMS.]

Subdivision 1. [SURVEY.] The Minnesota health care commission shall authorize a survey of Minnesota households and employers to provide current data on the uninsured population and assess the effectiveness of the existing health care reforms. As part of this survey, the commissioner of human services shall conduct a survey of the MinnesotaCare population to determine the effects of existing health care reforms on this population. Results of this survey shall be presented to the legislature by January 15, 1995.

Subd. 2. [EVALUATION.] The commissioner of health, in consultation with the health care commission and the commissioners of human services and commerce, shall evaluate the effect of existing reforms and the effect of the MinnesotaCare program on the uninsured population. Based on this evaluation, the commissioners of health, commerce, and human services shall recommend modifications to existing reforms as necessary to continue to make progress toward universal coverage by 1997 and report these modifications to the legislature by January 15, 1996.

Sec. 6. [HEALTH CARE AFFORDABILITY STUDY.]

(a) The commissioner of health, in consultation with the commissioners of human services, commerce, and revenue, shall study and report to the Minnesota health care commission by October 1, 1994, the various factors that affect health care affordability, including out-of-pocket spending, insurance premiums, and taxes.

(b) Based on the study in paragraph (a), the Minnesota health care commission shall recommend to the legislature by January 15, 1995, a specific percentage of income that overall health care costs to a family or individual should not exceed.

(c) The recommendations in paragraph (b) must be used by the commissioners of health and human services to develop an appropriate premium subsidy and sliding fee scale for a permanent health care subsidy program.

Sec. 7. [FINANCING STUDY.]

The Minnesota health care commission, in consultation with the commissioners of health, commerce, human services, and revenue, and representatives of county government shall report to the legislature by January 1, 1995, with an implementation schedule and plan for a stable, long-term health care funding system for all government health programs. The report must include recommendations for overhauling the current system, specific financing methods, and detailed cost estimates for an expanded, fully-funded subsidy program to guarantee universal coverage to all Minnesota residents. The report must include an inventory and analysis of the existing system of government financing of health care. It must include recommendations for capturing savings that will accrue under health care reform and reallocating them to offset additional costs of universal coverage. The commission may contract for actuarial, finance, and taxation expertise.

The study must take into account the following goals and guiding principles:

(a) To the extent possible, universal coverage should be achieved without a net increase in total health spending, taxes, or government spending by recapturing savings and reallocating resources within the system.

(b) To the extent that universal coverage will require additional financing mechanisms, revenues should be raised through an income or payroll tax with consideration given to providing appropriate offsets for low-income individuals. Taxing items that are considered to be health risks and contribute to preventable illness and injury shall be considered as a possible funding source.

(c) Financing reform should ensure adequate and equitable financing of all necessary components of the health system.

(d) Activities that benefit the entire community, such as core public health activities, including collection of data on health status and community health needs, and medical education should be financed by broad-based funding sources. Funding mechanisms should promote collaboration between the public and private sectors.

(e) Personal health care services for individuals who are enrolled in a health plan should be provided or paid for by the health plan.

(f) Government subsidy programs for low-income Minnesotans should be financed by broad-based funding sources such as an income or payroll tax.

(g) Funding mechanisms that are inequitable or create undesirable incentives, such as the Minnesota comprehensive health association assessment, should be restructured.

Sec. 8. [PREEXISTING CONDITIONS STUDY.]

The health care commission shall study the feasibility and impact of the following:

- (1) eliminating preexisting condition limitations in steps;
- (2) standardizing preexisting condition limitations;
- (3) narrowing the preexisting condition limitation period from 12 months to six months; and
- (4) requiring limited coverage of services for preexisting conditions.

The health care commission shall provide a written report to the legislature on or before December 15, 1994.

Sec. 9. [REQUIRED OFFER OF INDIVIDUAL HEALTH PLANS.]

The health care commission shall study the effects and desirability of the requirement that all health plan companies offer individual health plans, as provided in section 62Q.18, subdivision 9. The health care commission shall provide a written report to the legislature on or before December 15, 1994.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 4 to 9 are effective the day following final enactment. Sections 2 and 3 are effective July 1, 1994.

ARTICLE 7

PUBLIC HEALTH

Section 1. [62Q.075] [LOCAL PUBLIC ACCOUNTABILITY AND COLLABORATION PLAN.]

Subdivision 1. [DEFINITION.] For purposes of this section, "managed care organization" means a health maintenance organization, community integrated service network, or integrated service network.

Subd. 2. [REQUIREMENT.] Beginning July 1, 1995, all managed care organizations shall annually file with the action plans required under section 62Q.07 a plan describing the actions the managed care organization has taken and those it intends to take to contribute to achieving public health goals for each service area in which an enrollee of the managed care organization resides. This plan must be jointly developed in collaboration with the local public health units, appropriate regional coordinating boards, and other community organizations providing health services within the same service area as the managed care organization. Local government units with responsibilities and authority defined under chapters 145A and 256E may designate individuals to participate in the collaborative planning with the managed care organization to provide expertise and represent community needs and goals as identified under chapters 145A and 256E.

Subd. 3. [CONTENTS.] The plan must address the following:

(a) specific measurement strategies and a description of any activities which contribute to public health goals and needs of high risk and special needs populations as defined and developed under chapters 145A and 256E;

(b) description of the process by which the managed care organization will coordinate its activities with the community health boards, regional coordinating boards, and other relevant community organizations servicing the same area;

(c) documentation indicating that local public health units and local government unit designees were involved in the development of the plan;

(d) documentation of compliance with the plan filed the previous year, including data on the previously identified progress measures.

Subd. 4. [REVIEW.] Upon receipt of the plan, the appropriate commissioner shall provide a copy to the regional coordinating boards, local community health boards, and other relevant community organizations within the managed care organization's service area. After reviewing the plan, these community groups may submit written comments on the plan to either the commissioner of health or commerce, as applicable, and may advise the commissioner of the managed care organization's effectiveness in assisting to achieve regional public health goals. The plan may be reviewed by the county boards, or city councils acting as a local board of health in accordance with chapter 145A, within the managed care organization's service area to determine whether the plan is consistent with the goals and objectives of the plans required under chapters 145A and 256E and whether the plan meets the needs of the community. The county board, or applicable city council, may also review and make recommendations on the availability and accessibility of services provided by the managed care organization. The county board, or applicable city council, may submit written comments to the appropriate commissioner, and may advise the commissioner of the managed care organization's effectiveness in assisting to meet the needs and goals as defined under the responsibilities of chapters 145A and 256E. Copies of these written comments must be provided to the managed care organization. The plan and any comments submitted must be filed with the information clearinghouse to be distributed to the public.

Sec. 2. [62Q.32] [LOCAL OMBUDSPERSON.]

Community health service agencies may establish an office of ombudsperson to provide a system of consumer advocacy for persons receiving health care services through an integrated service network system or through the regulated all-payer option. The ombudsperson's functions may include but are not limited to:

(a) mediation or advocacy on behalf of a person who is having difficulty accessing health care services through either an integrated service network or through the regulated all-payer option; and

(b) investigation of the quality of services provided to a person and determine the extent to which quality assurance mechanisms are needed or any other system change may be needed.

Sec. 3. [62Q.33] [LOCAL GOVERNMENT PUBLIC HEALTH FUNCTIONS.]

Subdivision 1. [FINDINGS.] The legislature finds that the local government public health functions of community assessment, policy development, and assurance of service delivery are essential elements in consumer protection and in achieving the objectives of health care reform in Minnesota. The legislature further finds that the site-based and population-based services provided by state and local health departments are a critical strategy for the long-term containment of health care costs. The legislature further finds that without adequate resources, the local government public health system will lack the capacity to fulfill these functions in a manner consistent with the needs of a reformed health care delivery system.

Subd. 2. [REPORT ON SYSTEM DEVELOPMENT.] The commissioner of health, in consultation with the state community health services advisory committee and the commissioner of human services, and representatives of local health departments, county government, a municipal government acting as a local board of health, the Minnesota health care commission, area Indian health services, health care providers, and citizens concerned about public health, shall coordinate the process for defining implementation and financing responsibilities of the local government core public health functions. The commissioner shall submit recommendations and an initial and final report on local government core public health functions according to the timeline established in subdivision 5.

Subd. 3. [CORE PUBLIC HEALTH FUNCTIONS.] (a) The report required by subdivision 2 must describe the local government core public health functions of: assessment of community health needs; goal-determination, public policy, and program development for addressing these needs; and assurance of service availability and accessibility to meet community health goals and needs. The report must further describe activities for implementation of these functions that are the continuing responsibility of the local government public health system, taking into account the ongoing reform of the health care delivery system.

(b) The activities to be defined in terms of the local government core public health functions include, but are not limited to:

- (1) consumer protection and advocacy;
- (2) targeted outreach and linkage to personal services;
- (3) health status monitoring and disease surveillance;
- (4) investigation and control of diseases and injuries;
- (5) protection of the environment, work places, housing, food, and water;
- (6) laboratory services to support disease control and environmental protection;
- (7) health education and information;
- (8) community mobilization for health-related issues;
- (9) training and education of public health professionals;
- (10) public health leadership and administration;
- (11) emergency medical services;
- (12) violence prevention; and
- (13) other activities that have the potential to improve the health of the population or special needs populations and reduce the need for or cost of health care services.

Subd. 4. [CAPACITY BUILDING, ACCOUNTABILITY AND FUNDING.] The recommendations required by subdivision 2 shall include:

- (1) a definition of minimum outcomes for implementing core public health functions, including a local ombudsperson under the assurance of services function;
- (2) the identification of counties and applicable cities with public health programs that need additional assistance to meet the minimum outcomes;
- (3) a budget for supporting all functions needed to achieve the minimum outcomes, including the local ombudsperson assurance of services function;
- (4) an analysis of the costs and benefits expected from achieving the minimum outcomes;
- (5) strategies for improving local government public health functions throughout the state to meet the minimum outcomes including: (i) funding distribution for local government public health functions necessary to meet the minimum outcomes; and (ii) strategies for the financing of personal health care services within the uniform benefits set and identifying appropriate mechanisms for the delivery of these services; and
- (6) a recommended level of dedicated funding for local government public health functions in terms of a percentage of total health service expenditures by the state or in terms of a per capita basis, including methods of allocating the dedicated funds to local government.

Subd. 5. [TIMELINE.] (a) By October 1, 1994, the commissioner shall submit to the legislative commission on health care access the initial report and recommendations required by subdivisions 2 to 4.

(b) By February 15, 1995, the commissioner, in cooperation with the legislative commission on health care access, shall submit a final report to the legislature, with specific recommendations for capacity building and financing to be implemented over the period from January 1, 1996, through December 31, 1997.

(c) By January 1, 1997, and by January 1 of each odd-numbered year thereafter, the commissioner shall present to the legislature an updated report and recommendations.

Sec. 4. [PUBLIC HEALTH GOALS REPORT.]

The commissioner of health shall provide a written report to the legislature by January 1, 1996, of recommendations on how providers and payers participating in the regulated all-payer option shall participate in achieving public health goals.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

ARTICLE 8

CONFORMING AND MISCELLANEOUS CHANGES

Section 1. [43A.312] [LIMITATION ON COMPENSATION.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Administrative employee" means an individual whose primary duty as an employee is the performance of office or nonmanual work directly related to management policies or general business operations.

(b) "Compensation" means the annual value of wages, salary, benefits, deferred compensation, and stock options.

(c) "Executive employee" means an individual whose primary duty as an employee consists of the management of the enterprise in which the individual is employed.

(d) "Health care provider" means a person or organization that provides health care or medical care services within Minnesota for a fee and is eligible for reimbursement under the medical assistance program under chapter 256B. "Health care provider" includes a for-profit affiliate of the health care provider. For purposes of this subdivision, "for a fee" includes traditional fee-for-service arrangements, capitation arrangements, and any other arrangement in which a provider receives compensation for providing health care services or has the authority to directly bill a group purchaser, health plan company, or individual for providing health care services. For purposes of this subdivision, "eligible for reimbursement under the medical assistance program" means that the provider's services would be reimbursed by the medical assistance program if the services were provided to medical assistance enrollees and the provider sought reimbursement, or that the services would be eligible for reimbursement under medical assistance except that those services are characterized as experimental, cosmetic, or voluntary.

(e) "Health plan company" means:

(1) a health carrier as defined under section 62A.011, subdivision 2;

(2) an integrated service network as defined under section 62N.02;

(3) an all-payer insurer regulated under chapter 62P;

(4) a community integrated service network regulated under chapter 62N; or

(5) a for-profit affiliate of an entity listed in this paragraph.

(f) "State health care plan" means the medical assistance program, the general assistance medical care program, the MinnesotaCare program, health insurance plans for state employees established under section 43A.18, the public employees insurance plan under section 43A.316, the workers' compensation system under section 176.135, and insurance plans provided through the Minnesota comprehensive health association under sections 62E.01 to 62E.19.

Subd. 2. [SALARY RATIO LIMITATION.] No health care provider or health plan company serving enrollees or clients of a state health care plan, or serving as a contractor or third-party administrator for a state health care plan, may compensate its most highly paid executive or administrative employee an amount exceeding 25 times the compensation paid to its lowest paid employee. For purposes of this requirement, stock options are valued at fair market value at the time they become the property of the employee.

Subd. 3. [REPORTING.] Each health care provider and health plan company subject to the salary ratio limitation in subdivision 2 shall report the compensation received by its most highly paid executive or administrative employee, based upon full-time equivalents, and its lowest paid employee, based upon full-time equivalents, to the commissioner of employee relations. This information shall be provided in the form and at the times specified by the commissioner. This information on compensation is classified as public data under chapter 13. Health plan companies subject to subdivision 2, and state health care programs, shall report the names and business addresses of all health care providers serving as participating providers to the commissioner of employee relations. This information is classified as private data under chapter 13.

Subd. 4. [ENFORCEMENT.] The commissioner of employee relations shall verify that all health care providers and health plan companies subject to subdivision 2 have reported the information required in subdivision 3 and shall verify that all health care providers and health plan companies have complied with the salary ratio limitation. The commissioner shall notify all health care providers and health plan companies in violation of subdivision 2 and shall provide four years for the health care provider or health plan company to comply with the salary ratio limitation. The commissioner shall require health care providers and health plan companies to submit the information necessary to demonstrate compliance. If at the end of four years the health care provider or health plan company has not complied, the commissioner, in conjunction with the appropriate agency commissioner or commissioners, shall prohibit the health care provider or health plan company from serving enrollees or clients of a state health care plan, or from serving as a contractor or third-party administrator for state health care plans. All state agency commissioners shall cooperate with the commissioner of employee relations in administering and enforcing this section.

Sec. 2. Minnesota Statutes 1992, section 60A.15, subdivision 1, is amended to read:

Subdivision 1. [DOMESTIC AND FOREIGN COMPANIES.] (a) On or before April 1, June 1, and December 1 of each year, every domestic and foreign company, including town and farmers' mutual insurance companies, domestic mutual insurance companies, marine insurance companies, health maintenance organizations, integrated service networks, community integrated service networks, and nonprofit health service plan corporations, shall pay to the commissioner of revenue installments equal to one-third of the insurer's total estimated tax for the current year. Except as provided in paragraphs (b) and (e), installments must be based on a sum equal to two percent of the premiums described in paragraph (c).

(b) For town and farmers' mutual insurance companies and mutual property and casualty insurance companies other than those (i) writing life insurance, or (ii) whose total assets on December 31, 1989, exceeded \$1,600,000,000, the installments must be based on an amount equal to the following percentages of the premiums described in paragraph (c):

- (1) for premiums paid after December 31, 1988, and before January 1, 1992, one percent; and
- (2) for premiums paid after December 31, 1991, one-half of one percent.

(c) Installments under paragraph (a), (b), or (e) are percentages of gross premiums less return premiums on all direct business received by the insurer in this state, or by its agents for it, in cash or otherwise, during such year.

(d) Failure of a company to make payments of at least one-third of either (1) the total tax paid during the previous calendar year or (2) 80 percent of the actual tax for the current calendar year shall subject the company to the penalty and interest provided in this section, unless the total tax for the current tax year is \$500 or less.

(e) For health maintenance organizations and nonprofit health services plan corporations, integrated service networks, and community integrated service networks, the installments must be based on an amount equal to one percent of premiums described in paragraph (c) that are paid after December 31, 1995.

(f) Premiums under the children's health plan medical assistance, the health right plan MinnesotaCare program, and the Minnesota comprehensive health insurance plan are not subject to tax under this section.

Sec. 3. Minnesota Statutes 1992, section 62A.48, subdivision 1, is amended to read:

Subdivision 1. [POLICY REQUIREMENTS.] No individual or group policy, certificate, subscriber contract, or other evidence of coverage of nursing home care or other long-term care services shall be offered, issued, delivered, or renewed in this state, whether or not the policy is issued in this state, unless the policy is offered, issued, delivered, or renewed by a qualified insurer and the policy satisfies the requirements of sections 62A.46 to 62A.56. A long-term

care policy must cover prescribed long-term care in nursing facilities and at least the prescribed long-term home care services in section 62A.46, subdivision 4, clauses (1) to (5), provided by a home health agency. Coverage under a long-term care policy AA must include: a maximum lifetime benefit limit of at least \$100,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Coverage under a long-term care policy A must include: a maximum lifetime benefit limit of at least \$50,000 for services, and nursing facility and home care coverages must not be subject to separate lifetime maximums. Prior hospitalization may not be required under a long-term care policy.

Coverage under either policy designation must cover preexisting conditions during the first six months of coverage if the insured was not diagnosed or treated for the particular condition during the 90 days immediately preceding the effective date of coverage. Coverage under either policy designation may include a waiting period of up to 90 days before benefits are paid, but there must be no more than one waiting period per benefit period; for purposes of this sentence, "days" means calendar days. No policy may exclude coverage for mental or nervous disorders which have a demonstrable organic cause, such as Alzheimer's and related dementias. No policy may require the insured to be homebound or house confined to receive home care services. The policy must include a provision that the plan will not be canceled or renewal refused except on the grounds of nonpayment of the premium, provided that the insurer may change the premium rate on a class basis on any policy anniversary date. A provision that the policyholder may elect to have the premium paid in full at age 65 by payment of a higher premium up to age 65 may be offered. A provision that the premium would be waived during any period in which benefits are being paid to the insured during confinement in a nursing facility must be included. A nongroup policyholder may return a policy within 30 days of its delivery and have the premium refunded in full, less any benefits paid under the policy, if the policyholder is not satisfied for any reason.

No individual long-term care policy shall be offered or delivered in this state until the insurer has received from the insured a written designation of at least one person, in addition to the insured, who is to receive notice of cancellation of the policy for nonpayment of premium. The insured has the right to designate up to a total of three persons who are to receive the notice of cancellation, in addition to the insured. The form used for the written designation must inform the insured that designation of one person is required and that designation of up to two additional persons is optional and must provide space clearly designated for listing between one and three persons. The designation shall include each person's full name, home address, and telephone number. Each time an individual policy is renewed or continued, the insurer shall notify the insured of the right to change this written designation.

The insurer may file a policy form that utilizes a plan of care prepared as provided under section 62A.46, subdivision 5, clause (1) or (2).

Sec. 4. Minnesota Statutes 1993 Supplement, section 61B.20, subdivision 13, is amended to read:

Subd. 13. [MEMBER INSURER.] "Member insurer" means an insurer licensed or holding a certificate of authority to transact in this state any kind of insurance for which coverage is provided under section 61B.19, subdivision 2, and includes an insurer whose license or certificate of authority in this state may have been suspended, revoked, not renewed, or voluntarily withdrawn. The term does not include:

(1) a nonprofit hospital or medical service organization, other than a nonprofit health service plan corporation that operates under chapter 62C;

(2) a health maintenance organization;

(3) a fraternal benefit society;

(4) a mandatory state pooling plan;

(5) a mutual assessment company or an entity that operates on an assessment basis;

(6) an insurance exchange; or

(7) an integrated service network or a community integrated service network; or

(8) an entity similar to those listed in clauses (1) to (6) (7).

Sec. 5. Minnesota Statutes 1992, section 62D.04, is amended by adding a subdivision to read:

Subd. 5. [PARTICIPATION; GOVERNMENT PROGRAMS.] Health maintenance organizations shall, as a condition of receiving and retaining a certificate of authority, participate in the medical assistance, general assistance medical care, and MinnesotaCare programs. The participation required from health maintenance organizations shall be pursuant to rules adopted under section 256B.0644.

Sec. 6. Minnesota Statutes 1992, section 62E.02, subdivision 10, is amended to read:

Subd. 10. [INSURER.] "Insurer" means those companies operating pursuant to chapter 62A or 62C and offering, selling, issuing, or renewing policies or contracts of accident and health insurance. "Insurer" does not include health maintenance organizations, integrated service networks, or community integrated service networks.

Sec. 7. Minnesota Statutes 1992, section 62E.02, subdivision 18, is amended to read:

Subd. 18. [WRITING CARRIER.] "Writing carrier" means the insurer or insurers and, health maintenance organization or organizations, integrated service network or networks, and community integrated service network or networks selected by the association and approved by the commissioner to administer the comprehensive health insurance plan.

Sec. 8. Minnesota Statutes 1992, section 62E.02, subdivision 20, is amended to read:

Subd. 20. [COMPREHENSIVE INSURANCE PLAN OR STATE PLAN.] "Comprehensive health insurance plan" or "state plan" means policies of insurance and contracts of health maintenance organization, integrated service network, or community integrated service network coverage offered by the association through the writing carrier.

Sec. 9. Minnesota Statutes 1992, section 62E.02, subdivision 23, is amended to read:

Subd. 23. [CONTRIBUTING MEMBER.] "Contributing member" means those companies regulated under chapter 62A and offering, selling, issuing, or renewing policies or contracts of accident and health insurance; health maintenance organizations regulated under chapter 62D; nonprofit health service plan corporations regulated under chapter 62C; integrated service network and community integrated service networks regulated under chapter 62N; fraternal benefit societies regulated under chapter 64B; the private employers insurance program established in section 43A.317, effective July 1, 1993; and joint self-insurance plans regulated under chapter 62H. For the purposes of determining liability of contributing members pursuant to section 62E.11 payments received from or on behalf of Minnesota residents for coverage by a health maintenance organization, integrated service network, or community integrated service network shall be considered to be accident and health insurance premiums.

Sec. 10. Minnesota Statutes 1992, section 62E.10, subdivision 1, is amended to read:

Subdivision 1. [CREATION; TAX EXEMPTION.] There is established a comprehensive health association to promote the public health and welfare of the state of Minnesota with membership consisting of all insurers; self-insurers; fraternal; joint self-insurance plans regulated under chapter 62H; the private employers insurance program established in section 43A.317, effective July 1, 1993; and health maintenance organizations; integrated service networks; and community integrated service networks licensed or authorized to do business in this state. The comprehensive health association shall be exempt from taxation under the laws of this state and all property owned by the association shall be exempt from taxation.

Sec. 11. Minnesota Statutes 1992, section 62E.10, subdivision 2, is amended to read:

Subd. 2. [BOARD OF DIRECTORS; ORGANIZATION.] The board of directors of the association shall be made up of nine members as follows: five insurer directors selected by participating members, subject to approval by the commissioner; four public directors selected by the commissioner, at least two of whom must be plan enrollees. Public members may include licensed insurance agents. In determining voting rights at members' meetings, each member shall be entitled to vote in person or proxy. The vote shall be a weighted vote based upon the member's cost of self-insurance, accident and health insurance premium, subscriber contract charges, or health maintenance contract payment, integrated service network, or community integrated service network payment derived from or on behalf of Minnesota residents in the previous calendar year, as determined by the commissioner. In approving directors of the board, the commissioner shall consider, among other things, whether all types of members are fairly represented. Insurer directors may be reimbursed from the money of the association for expenses incurred by them as directors, but shall not otherwise be compensated by the association for their services. The costs of conducting meetings of the association and its board of directors shall be borne by members of the association.

Sec. 12. Minnesota Statutes 1992, section 62E.10, subdivision 3, is amended to read:

Subd. 3. [MANDATORY MEMBERSHIP.] All members shall maintain their membership in the association as a condition of doing accident and health insurance, self-insurance, ~~or health maintenance organization,~~ integrated service network, or community integrated service network business in this state. The association shall submit its articles, bylaws and operating rules to the commissioner for approval; provided that the adoption and amendment of articles, bylaws and operating rules by the association and the approval by the commissioner thereof shall be exempt from the provisions of sections 14.001 to 14.69.

Sec. 13. Minnesota Statutes 1993 Supplement, section 62J.03, subdivision 6, is amended to read:

Subd. 6. [GROUP PURCHASER.] "Group purchaser" means a person or organization that purchases health care services on behalf of an identified group of persons, regardless of whether the cost of coverage or services is paid for by the purchaser or by the persons receiving coverage or services, as further defined in rules adopted by the commissioner. "Group purchaser" includes, but is not limited to, integrated service networks; community integrated service networks; health insurance companies, health maintenance organizations, nonprofit health service plan corporations, and other health plan companies; employee health plans offered by self-insured employers; trusts established in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq.; the Minnesota comprehensive health association; group health coverage offered by fraternal organizations, professional associations, or other organizations; state and federal health care programs; state and local public employee health plans; workers' compensation plans; and the medical component of automobile insurance coverage.

Sec. 14. Minnesota Statutes 1992, section 62J.03, is amended by adding a subdivision to read:

Subd. 10. [HEALTH PLAN COMPANY.] "Health plan company" means a health plan company as defined in section 62Q.01, subdivision 4.

Sec. 15. Minnesota Statutes 1993 Supplement, section 62J.04, subdivision 1, is amended to read:

Subdivision 1. [LIMITS ON THE RATE OF GROWTH.] (a) The commissioner of health shall set annual limits on the rate of growth of public and private spending on health care services for Minnesota residents, as provided in paragraph (b). The limits on growth must be set at levels the commissioner determines to be realistic and achievable but that will reduce the rate of growth in health care spending by at least ten percent per year for the next five years. The commissioner shall set limits on growth based on available data on spending and growth trends, including data from group purchasers, national data on public and private sector health care spending and cost trends, and trend information from other states.

(b) The commissioner shall set the following annual limits on the rate of growth of public and private spending on health care services for Minnesota residents:

(1) for calendar year 1994, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1993 plus 6.5 percentage points;

(2) for calendar year 1995, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1994 plus 5.3 percentage points;

(3) for calendar year 1996, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1995 plus 4.3 percentage points;

(4) for calendar year 1997, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1996 plus 3.4 percentage points; and

(5) for calendar year 1998, the rate of growth must not exceed the change in the regional consumer price index for urban consumers for calendar year 1997 plus 2.6 percentage points.

~~If the health care financing administration forecast for the total growth in national health expenditures for a calendar year is lower than the rate of growth for the calendar year as specified in clauses (1) to (5), the commissioner shall adopt this forecast as the growth limit for that calendar year.~~ The commissioner shall adjust the growth limit set for calendar year 1995 to recover savings in health care spending required for the period July 1, 1993 to December 31, 1993. The commissioner shall publish:

(1) the projected limits in the State Register by April 15 of the year immediately preceding the year in which the limit will be effective except for the year 1993, in which the limit shall be published by July 1, 1993;

(2) the quarterly change in the regional consumer price index for urban consumers; and

(3) the health care financing administration forecast for total growth in the national health care expenditures. In setting an annual limit, the commissioner is exempt from the rulemaking requirements of chapter 14. The commissioner's decision on an annual limit is not appealable.

Sec. 16. Minnesota Statutes 1993 Supplement, section 62J.04, subdivision 1a, is amended to read:

Subd. 1a. [ADJUSTED GROWTH LIMITS AND ENFORCEMENT.] (a) The commissioner shall publish the final adjusted growth limit in the State Register by January ~~15~~ 31 of the year that the expenditure limit is to be in effect. The adjusted limit must reflect the actual regional consumer price index for urban consumers for the previous calendar year, and may deviate from the previously published projected growth limits to reflect differences between the actual regional consumer price index for urban consumers and the projected Consumer Price Index for urban consumers. The commissioner shall report to the legislature by ~~January~~ February 15 of each year on differences between the projected increase in health care expenditures, the implementation of growth limits, and the reduction in the trend in the growth based on the limits imposed the actual expenditures based on data collected, and the impact and validity of growth limits within the overall health care reform strategy.

(b) The commissioner shall enforce limits on growth in spending and revenues for integrated service networks and for the regulated all-payer system. If the commissioner determines that artificial inflation or padding of costs or prices has occurred in anticipation of the implementation of growth limits, the commissioner may adjust the base year spending totals or growth limits or take other action to reverse the effect of the artificial inflation or padding.

(c) The commissioner shall impose and enforce overall limits on growth in revenues and spending for integrated service networks, with adjustments for changes in enrollment, benefits, severity, and risks. If an integrated service network exceeds a spending limit, the commissioner may reduce future limits on growth in aggregate premium revenues for that integrated service network by up to the amount overspent. If the integrated service network system exceeds a systemwide spending limit, the commissioner may reduce future limits on growth in premium revenues for the integrated service network system by up to the amount overspent.

(d) The commissioner shall set prices, utilization controls, and other requirements for the regulated all-payer system to ensure that the overall costs of this system, after adjusting for changes in population, severity, and risk, do not exceed the growth limits. If spending growth limits for a calendar year are exceeded, the commissioner may reduce reimbursement rates or otherwise recoup overspending for all or part of the next calendar year, to recover in savings up to the amount of money overspent. To the extent possible, the commissioner may reduce reimbursement rates or otherwise recoup overspending from individual providers who exceed the spending growth limits.

(e) The commissioner, in consultation with the Minnesota health care commission, shall research and make recommendations to the legislature regarding the implementation of growth limits for integrated service networks and the regulated all-payer option. The commissioner must consider both spending and revenue approaches and will report on the implementation of the interim limits as defined in sections 62P.04 and 62P.05. The commissioner must examine and make recommendations on the use of annual update factors based on volume performance standards as a mechanism for achieving controls on spending in the all-payer option. The commissioner must make recommendations regarding the enforcement mechanism and must consider mechanisms to adjust future growth limits as well as mechanisms to establish financial penalties for noncompliance. The commissioner must also address the feasibility of system-wide limits imposed on all integrated service networks.

Sec. 17. Minnesota Statutes 1993 Supplement, section 62J.09, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] (a) [NUMBER OF MEMBERS.] Each regional coordinating board consists of 17 members as provided in this subdivision. A member may designate a representative to act as a member of the board in the member's absence. The governor shall appoint the chair of each regional board from among its members. The appointing authorities under each paragraph for which there is to be chosen more than one member shall consult prior to appointments being made to ensure that, to the extent possible, the board includes a representative from each county within the region.

(b) [PROVIDER REPRESENTATIVES.] Each regional board must include four members representing health care providers who practice in the region. One member is appointed by the Minnesota Medical Association. One member is appointed by the Minnesota Hospital Association. One member is appointed by the Minnesota Nurses' Association. The remaining member is appointed by the governor to represent providers other than physicians, hospitals, and nurses.

(c) [HEALTH PLAN COMPANY REPRESENTATIVES.] Each regional board includes four members representing health plan companies who provide coverage for residents of the region, including one member representing health insurers who is elected by a vote of all health insurers providing coverage in the region, one member elected by a vote of all health maintenance organizations providing coverage in the region, and one member appointed by Blue Cross and Blue Shield of Minnesota. The fourth member is appointed by the governor.

(d) [EMPLOYER REPRESENTATIVES.] Regional boards include three members representing employers in the region. Employer representatives are ~~elected by a vote of the employers who are appointed by the Minnesota chamber of commerce from nominations provided by~~ members of chambers of commerce in the region. At least one member must represent self-insured employers.

(e) [EMPLOYEE UNIONS.] Regional boards include one member appointed by the AFL-CIO Minnesota who is a union member residing or working in the region or who is a representative of a union that is active in the region.

(f) [PUBLIC MEMBERS.] Regional boards include three consumer members. One consumer member is elected by the community health boards in the region, with each community health board having one vote. One consumer member is elected by the state legislators with districts in the region. One consumer member is appointed by the governor.

(g) [COUNTY COMMISSIONER.] Regional boards include one member who is a county board member. The county board member is elected by a vote of all of the county board members in the region, with each county board having one vote.

(h) [STATE AGENCY.] Regional boards include one state agency commissioner appointed by the governor to represent state health coverage programs.

Sec. 18. Minnesota Statutes 1993 Supplement, section 62J.2916, subdivision 2, is amended to read:

Subd. 2. [PROCEDURES AVAILABLE.] (a) [DECISION ON THE WRITTEN RECORD.] The commissioner may issue a decision based on the application, the comments, and the applicant's responses to the comments, to the extent each is relevant. In making the decision, the commissioner may consult with staff of the department of health and may rely on department of health data.

(b) [LIMITED HEARING.] (1) The commissioner may order a limited hearing. A copy of the order must be mailed to the applicant and to all persons who have submitted comments or requested to be kept informed of the proceedings involving the application. The order must state the date, time, and location of the limited hearing and must identify specific issues to be addressed at the limited hearing. The issues may include the feasibility and desirability of one or more alternatives to the proposed arrangement. The order must require the applicant to submit written evidence, in the form of affidavits and supporting documents, addressing the issues identified, within 20 days after the date of the order. The order shall also state that any person may arrange to receive a copy of the written evidence from the commissioner, at the person's expense, and may provide written comments on the evidence within 40 days after the date of the order. A person providing written comments shall provide a copy of the comments to the applicant.

(2) The limited hearing must be held before the commissioner or department of health staff member or members designated by the commissioner. The commissioner or the commissioner's designee or designees shall question the applicant about the evidence submitted by the applicant. The questions may address relevant issues identified in the comments submitted in response to the written evidence or identified by department of health staff or brought to light by department of health data. At the conclusion of the applicant's responses to the questions, any person who submitted comments about the applicant's written evidence may make a statement addressing the applicant's responses to the questions. The commissioner or the commissioner's designee or designees may ask questions of any person making a statement. At the conclusion of all statements, the applicant may make a closing statement.

(3) The commissioner's decision after a limited hearing must be based upon the application, the comments, the applicant's response to the comments, the applicant's written evidence, the comments in response to the written evidence, and the information presented at the limited hearing, to the extent each is relevant. In making the decision, the commissioner may consult with staff of the department of health and may rely on department of health data.

(c) [CONTESTED CASE HEARING.] The commissioner may order a contested case hearing. A contested case hearing shall be tried before an administrative law judge who shall issue a written recommendation to the commissioner and shall follow the procedures in sections 14.57 to 14.62. All factual issues relevant to a decision must be presented in the contested case. The attorney general may appear as a party. Additional parties may appear to the extent permitted under sections 14.57 to 14.62. The record in the contested case includes the application, the comments, the applicant's response to the comments, and any other evidence that is part of the record under sections 14.57 to 14.62.

Sec. 19. Minnesota Statutes 1993 Supplement, section 62J.32, subdivision 4, is amended to read:

Subd. 4. [PRACTICE PARAMETER ADVISORY COMMITTEE.] (a) The commissioner shall convene a 15-member practice parameter advisory committee comprised of eight health care professionals, and representatives of the research community and the medical technology industry. One representative of the research community must be an individual with expertise in pharmacology or pharmaceutical economics who is familiar with the results of the pharmaceutical care research project at the University of Minnesota and the potential cost savings that can be achieved through use of a comprehensive pharmaceutical care model. The committee shall present recommendations on the adoption of practice parameters to the commissioner and the Minnesota health care commission and provide technical assistance as needed to the commissioner and the commission. The advisory committee is governed by section 15.059, except that its existence does not terminate and members do not receive per diem compensation.

(b) The commissioner, upon the advice and recommendation of the practice parameter advisory committee, may convene expert review panels to assess practice parameters and outcome research associated with practice parameters.

Sec. 20. Minnesota Statutes 1993 Supplement, section 62J.35, subdivision 2, is amended to read:

Subd. 2. [FAILURE TO PROVIDE DATA.] The intentional failure to provide the data requested under this chapter is grounds for revocation of a license or other disciplinary or regulatory action against a regulated provider or group purchaser. The commissioner may assess a fine against a provider or group purchaser who refuses to provide data required by the commissioner. If a provider or group purchaser refuses to provide the data required, the commissioner may obtain a court order requiring the provider or group purchaser to produce documents and allowing the commissioner to inspect the records of the provider or group purchaser for purposes of obtaining the data required.

Sec. 21. Minnesota Statutes 1993 Supplement, section 62J.35, subdivision 3, is amended to read:

Subd. 3. [DATA PRIVACY.] All data received under this section or under section 62J.04, 62J.37, 62J.38, 62J.41, or 62J.42 is private or nonpublic, ~~as applicable~~ except to the extent that it is given a different classification elsewhere in this chapter. The commissioner shall establish procedures and safeguards to ensure that data released by the commissioner is in a form that does not identify specific patients, providers, employers, purchasers, or other specific individuals and organizations, except with the permission of the affected individual or organization, or as permitted elsewhere in this chapter.

Sec. 22. Minnesota Statutes 1993 Supplement, section 62J.38, is amended to read:

62J.38 [DATA FROM GROUP PURCHASERS.]

(a) The commissioner shall require group purchasers to submit detailed data on total health care spending for calendar years 1990, 1991, and 1992, and for calendar year 1993 and successive calendar years. Group purchasers shall submit data for the 1993 calendar year by ~~February 15~~ April 1, 1994, and each April 1 thereafter shall submit data for the preceding calendar year.

(b) The commissioner shall require each group purchaser to submit data on revenue, expenses, and member months, as applicable. Revenue data must distinguish between premium revenue and revenue from other sources and must also include information on the amount of revenue in reserves and changes in reserves. Expenditure data, including raw data from claims, must be provided separately for the following categories: physician services, dental

services, other professional services, inpatient hospital services, outpatient hospital services, emergency and out-of-area care, pharmacy services and prescription drugs, mental health services, chemical dependency services, other expenditures, subscriber liability, and administrative costs.

(c) State agencies and all other group purchasers shall provide the required data using a uniform format and uniform definitions, as prescribed by the commissioner.

Sec. 23. Minnesota Statutes 1993 Supplement, section 62J.41, subdivision 2, is amended to read:

Subd. 2. [ANNUAL MONITORING AND ESTIMATES.] The commissioner shall require health care providers to submit the required data for the period July 1, 1993 to December 31, 1993, by ~~February 15~~ April 1, 1994. Health care providers shall submit data for the 1994 calendar year by ~~February 15~~ April 1, 1995, and each ~~February 15~~ April 1 thereafter shall submit data for the preceding calendar year. The commissioner of revenue may collect health care service revenue data from health care providers, if the commissioner of revenue and the commissioner agree that this is the most efficient method of collecting the data. The commissioner of revenue shall provide any data collected to the commissioner of health.

Sec. 24. Minnesota Statutes 1993 Supplement, section 62J.45, subdivision 11, is amended to read:

Subd. 11. [USE OF DATA.] (a) The board of the data institute, with the advice of the data collection advisory committee and the practice parameter advisory committee through the commissioner, is responsible for establishing the methodology for the collection of the data and is responsible for providing direction on what data would be useful to the plans, providers, consumers, and purchasers.

(b) The health care analysis unit is responsible for the analysis of the data and the development and dissemination of reports.

(c) The commissioner, in consultation with the board, shall determine when and under what conditions data disclosure to group purchasers, health care providers, consumers, researchers, and other appropriate parties may occur to meet the state's goals. The commissioner may require users of data to contribute toward the cost of data collection through the payment of fees. The commissioner shall require users of data to maintain the data according to the data privacy provisions applicable to the data.

(d) The commissioner and the board shall not allow a group purchaser or health care provider to use or have access to data collected by the data institute, unless the group purchaser or health care provider fully cooperates with the data collection efforts of the data institute by submitting all data requested in the form and manner specified by the board. The commissioner and the board shall prohibit group purchasers and health care providers from transferring, providing, or sharing data obtained from the data institute with a group purchaser or health care provider that does not fully cooperate with the data collection efforts of the data institute.

Sec. 25. [62J.65] [EXEMPTION.]

Patient revenues derived from non-Minnesota patients are exempt from the regulated all-payer system and Medicare balance billing prohibition under section 62J.25.

Sec. 26. Minnesota Statutes 1993 Supplement, section 62N.01, is amended to read:

62N.01 [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] ~~Sections 62N.01 to 62N.24~~ This chapter may be cited as the "Minnesota integrated service network act."

Subd. 2. [PURPOSE.] ~~Sections 62N.01 to 62N.24 allow~~ This chapter allows the creation of integrated service networks that will be responsible for arranging for or delivering a full array of health care services, from routine primary and preventive care through acute inpatient hospital care, to a defined population for a fixed price from a purchaser.

Each integrated service network is accountable to keep its total revenues within the limit of growth set by the commissioner of health under section 62N.05, subdivision 2. Integrated service networks can be formed by health care providers, health maintenance organizations, insurance companies, employers, or other organizations. Competition between integrated service networks on the quality and price of health care services is encouraged.

Sec. 27. Minnesota Statutes 1993 Supplement, section 62N.02, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] The definitions in this section apply to ~~sections 62N.04, subdivision 8, and 62N.01 to 62N.24~~ this chapter.

Sec. 28. Minnesota Statutes 1993 Supplement, section 62N.065, subdivision 1, is amended to read:

Subdivision 1. [UNREASONABLE EXPENSES.] No integrated service network shall incur or pay for any expense of any nature which is unreasonably high in relation to the value of the service or goods provided. The commissioner shall implement and enforce this section by rules adopted under this section.

In an effort to achieve the stated purposes of ~~sections 62N.01 to 62N.24~~ this chapter, in order to safeguard the underlying nonprofit status of integrated service networks; and to ensure that payment of integrated service network money to any person or organization results in a corresponding benefit to the integrated service network and its enrollees; when determining whether an integrated service network has incurred an unreasonable expense in relation to payments made to a person or organization, due consideration shall be given to, in addition to any other appropriate factors, whether the officers and trustees of the integrated service network have acted with good faith and in the best interests of the integrated service network in entering into, and performing under, a contract under which the integrated service network has incurred an expense. In addition to the compliance powers under subdivision 3, the commissioner has standing to sue, on behalf of an integrated service network, officers or trustees of the integrated service network who have breached their fiduciary duty in entering into and performing such contracts.

Sec. 29. Minnesota Statutes 1993 Supplement, section 62N.10, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] All integrated service networks must be licensed by the commissioner. Licensure requirements are:

(1) the ability to be responsible for the full continuum of required health care and related costs for the defined population that the integrated service network will serve;

(2) the ability to satisfy standards for quality of care;

(3) financial solvency; ~~and~~

(4) the ability to develop and complete the action plans required by law; and

(5) the ability to fully comply with this chapter and all other applicable law.

The commissioner may adopt rules to specify licensure requirements for integrated service networks in greater detail, consistent with this subdivision.

Sec. 30. Minnesota Statutes 1993 Supplement, section 62N.10, subdivision 2, is amended to read:

Subd. 2. [FEES.] Licensees shall pay an initial fee and a renewal fee each following year to be established by the commissioner of health. The fee must be imposed at a rate sufficient to cover the cost of regulation.

Sec. 31. Minnesota Statutes 1993 Supplement, section 62N.22, is amended to read:

62N.22 [DISCLOSURE OF COMMISSIONS.]

Before ~~selling, or offering to sell,~~ any coverage or enrollment in a community integrated service network or an integrated service network, a person selling the coverage or enrollment shall disclose in writing to the prospective purchaser the amount of any commission or other compensation the person will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 32. Minnesota Statutes 1993 Supplement, section 62N.23, is amended to read:

62N.23 [TECHNICAL ASSISTANCE; LOANS.]

(a) The commissioner shall provide technical assistance to parties interested in establishing or operating a community integrated service network or an integrated service network. This shall be known as the integrated service network technical assistance program (ISNTAP).

The technical assistance program shall offer seminars on the establishment and operation of community integrated service networks or integrated service networks in all regions of Minnesota. The commissioner shall advertise these seminars in local and regional newspapers, and attendance at these seminars shall be free.

The commissioner shall write a guide to establishing and operating a community integrated service network or an integrated service network. The guide must provide basic instructions for parties wishing to establish a community integrated service network or an integrated service network. The guide must be provided free of charge to interested parties. The commissioner shall update this guide when appropriate.

The commissioner shall establish a toll-free telephone line that interested parties may call to obtain assistance in establishing or operating a community integrated service network or an integrated service network.

(b) The commissioner, in consultation with the commission, shall provide recommendations for the creation of a loan program that would provide loans or grants to entities forming community integrated service networks or integrated service networks or to community networks or networks less than one year old. The commissioner shall propose criteria for the loan program.

Sec. 33. Minnesota Statutes 1992, section 144.1485, is amended to read:

144.1485 [DATA BASE ON HEALTH PERSONNEL.]

(a) The commissioner of health shall develop and maintain a data base on health services personnel. The commissioner shall use this information to assist local communities and units of state government to develop plans for the recruitment and retention of health personnel. Information collected in the data base must include, but is not limited to, data on levels of educational preparation, specialty, and place of employment. The commissioner may collect information through the registration and licensure systems of the state health licensing boards.

(b) Health professionals who report their practice/place of employment address to the commissioner of health under section 144.052 may request in writing that their practice/place of employment address be classified as private data on individuals, as defined in section 13.02, subdivision 12. The commissioner shall grant the classification upon receipt of a signed statement by the health professional that the classification is required for the safety of the health professional, if the statement also provides a valid, existing address where the health professional consents to receive service of process. The commissioner shall use the mailing address in place of the practice/place of employment address in all documents available to the general public. The practice/place of employment address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to other state agencies. The practice/place of employment address may be used to develop summary reports that show in aggregate the distribution of health care providers in Minnesota.

Sec. 34. Minnesota Statutes 1993 Supplement, section 144.1486, is amended to read:

144.1486 [RURAL COMMUNITY HEALTH CENTERS.]

~~The commissioner of health shall develop and implement a program to establish community health centers in rural areas of Minnesota that are underserved by health care providers. The program shall provide rural communities and community organizations with technical assistance, capital grants for start-up costs, and short term assistance with operating costs. The technical assistance component of the program must provide assistance in review of practice management, market analysis, practice feasibility analysis, medical records system analysis, and scheduling and patient flow analysis. The program must: (1) include a local match requirement for state dollars received; (2) require local communities, through instrumentalities of the state of Minnesota or nonprofit boards comprised of local residents, to operate and own their community's health care program; (3) encourage the use of midlevel practitioners; and (4) incorporate a quality assurance strategy that provides regular evaluation of clinical performance and allows peer review comparisons for rural practices. The commissioner shall report to the legislature on implementation of the program by February 15, 1994.~~

Subdivision 1. [COMMUNITY HEALTH CENTER.] "Community health center" means a community owned and operated primary and preventive health care practice that meets the unique, essential health care needs of a specified population.

Subd. 2. [PROGRAM GOALS.] The Minnesota community health center program shall increase health care access for residents of rural Minnesota by creating new community health centers in areas where they are needed and maintaining essential rural health care services. The program is not intended to duplicate the work of current health care providers.

Subd. 3. [GRANTS.] (a) The commissioner shall provide grants to communities for planning and establishing community health centers through the Minnesota community health center program. Grant recipients shall develop and implement a strategy that allows them to become self-sufficient and qualify for other supplemental funding and enhanced reimbursement. The commissioner shall coordinate the grant program with the federal rural health clinic, federally qualified health center, and migrant and community health center programs to encourage federal certification. The commissioner may award planning, project, and initial operating expense grants, as provided in paragraphs (b) to (d).

(b) Planning grants may be awarded to communities to plan and develop state funded community health centers, federally qualified health centers, or migrant and community health centers.

(c) Project grants may be awarded to communities for community health center start-up or expansion, and the conversion of existing practices to community health centers. Start-up grants may be used for facilities, capital equipment, moving expenses, initial staffing, and setup. Communities must provide reasonable assurance of their ability to obtain health care providers and effectively utilize existing health care provider resources. Funded community health center projects must become operational before funding expires. Communities may obtain funding for conversion of existing health care practices to community health centers. Communities with existing community health centers may apply for grants to add sites in underserved areas. Governing boards must include representatives of new service areas.

(d) Centers may apply for grants for up to two years to subsidize initial operating expenses. Applicants for initial operating expense grants must demonstrate that expenses exceed revenues by a minimum of ten percent or demonstrate other extreme need that cannot be met using organizational reserves.

Subd. 4. [ELIGIBILITY REQUIREMENTS.] In order to qualify for community health center program funding, a project must:

(1) be located in a rural shortage area that is a medically underserved, federal health professional shortage, or governor designated shortage area. "Rural" means an area of the state outside the ten-county Twin Cities metropolitan area and outside of the Duluth, St. Cloud, East Grand Forks, Moorhead, Rochester, and LaCrosse census defined urbanized areas;

(2) represent or propose the formation of a nonprofit corporation with local resident governance, or be a governmental entity. Applicants in the process of forming a nonprofit corporation may have a nonprofit coapplicant serve as financial agent through the remainder of the formation period. With the exception of governmental entities, all applicants must submit application for nonprofit incorporation and 501(c)(3) tax-exempt status within six months of accepting community health center grant funds;

(3) result in a locally owned and operated community health center that provides primary and preventive health care services, and incorporates quality assurance, regular reviews of clinical performance, and peer review;

(4) seek to employ midlevel professionals, where appropriate;

(5) demonstrate community and popular support and provide a 20 percent local match of state funding; and

(6) propose to serve an area that is not currently served by a federally certified medical organization.

Subd. 5. [REVIEW PROCESS, RATING CRITERIA AND POINT ALLOCATION.] (a) The commissioner shall establish grant application guidelines and procedures that allow the commissioner to assess relative need and the applicant's ability to plan and manage a health care project. Program documentation must communicate program objectives, philosophy, expectations, and other conditions of funding to potential applicants.

The commissioner shall establish an impartial review process to objectively evaluate grant applications. Proposals must be categorized, ranked, and funded using a 100-point rating scale. Fifty-two points shall be assigned to relative need and 48 points to project merit.

(b) The scoring of relative need must be based on proposed service area factors, including but not limited to:

(1) population below 200 percent of poverty;

(2) geographic barriers based on average travel time and distance to the next nearest source of primary care that is accessible to Medicaid and Medicare recipients and uninsured low-income individuals;

(3) a shortage of primary care health professionals, based on the ratio of the population in the service area to the number of full-time equivalent primary care physicians in the service area; and

(4) other community health issues including a high unemployment rate, high percentage of uninsured population, high growth rate of minority and special populations, high teenage pregnancy rate, high morbidity rates due to specific diseases, late entry into prenatal care, high percentage geriatric population, high infant mortality rate, high percentage of low birth weight, cultural and language barriers, high percentage minority population, excessive average travel time and distance to next nearest source of subsidized primary care.

(c) Project merit shall be determined based on expected benefit from the project, organizational capability to develop and manage the project, and probability of success, including but not limited to the following factors:

(1) proposed scope of health services;

(2) clinical management plan;

(3) governance;

(4) financial and administrative management; and

(5) community support, integration, collaboration, resources, and innovation.

The commissioner may elect not to award any of the community health center grants if applications fail to meet criteria or lack merit. The commissioner's decision on an application is final.

Subd. 6. [ELIGIBLE EXPENDITURES.] Grant recipients may use grant funds for the following types of expenditures:

(1) salaries and benefits for employees, to the extent they are involved in project planning and implementation;

(2) purchase, repair, and maintenance of necessary medical and dental equipment and furnishings;

(3) purchase of office, medical, and dental supplies;

(4) in-state travel to obtain training or improve coordination;

(5) initial operating expenses of community health centers;

(6) programs or plans to improve the coordination, effectiveness, or efficiency of the primary health care delivery system;

(7) facilities;

(8) necessary consultant fees; and

(9) reimbursement to rural-based primary care practitioners for equipment, supplies, and furnishings that are transferred to community health centers. Up to 65 percent of the grant funds may be used to reimburse owners of rural practices for the reasonable market value of usable facilities, equipment, furnishings, supplies, and other resources that the community health center chooses to purchase.

Grant funds shall not be used to reimburse applicants for preexisting debt amortization, entertainment, and lobbying expenses.

Subd. 7. [SPECIAL CONSIDERATION.] The commissioner, through the office of rural health, shall make special efforts to identify areas of the state where need is the greatest, notify representatives of those areas about grant opportunities, and encourage them to submit applications.

Subd. 8. [REQUIREMENTS.] The commissioner shall develop a list of requirements for community health centers and a tracking and reporting system to assess benefits realized from the program to ensure that projects are on schedule and effectively utilizing state funds.

The commissioner shall require community health centers established through the grant program to:

- (1) abide by all federal and state laws, rules, regulations, and executive orders;
- (2) establish policies, procedures, and services equivalent to those required for federally certified rural health clinics or federally qualified health centers. Written policies are required for description of services, medical management, drugs, biologicals and review of policies;
- (3) become a Minnesota nonprofit corporation and apply for 501(c)(3) tax-exempt status within six months of accepting state funding. Local governmental or tribal entities are exempt from this requirement;
- (4) establish a governing board composed of nine to 25 members who are residents of the area served and representative of the social, economic, linguistic, ethnic, and racial target population. At least 35 percent of the board must represent consumers;
- (5) establish corporate bylaws that reflect all functions and responsibilities of the board;
- (6) develop an appropriate management and organizational structure with clear lines of authority and responsibility to the board;
- (7) provide for adequate patient management and continuity of care on site and from referral sources;
- (8) establish quality assurance and risk management programs, policies, and procedures;
- (9) develop a strategic staffing plan to acquire an appropriate mix of primary care providers and clinical support staff;
- (10) establish billing policies and procedures to maximize patient collections, except where federal regulations or contractual obligations prohibit the use of these measures;
- (11) develop and implement policies and procedures, including a sliding scale fee schedule, that assure that no person will be denied services because of inability to pay;
- (12) establish an accounting and internal control system in accordance with sound financial management principles;
- (13) provide a local match equal to 20 percent of the grant amount;
- (14) work cooperatively with the local community and other health care organizations, other grant recipients, and the office of rural health;
- (15) obtain an independent annual audit and submit audit results to the office of rural health;
- (16) maintain detailed records and, upon request, make these records available to the commissioner for examination; and
- (17) pursue supplemental funding sources, when practical, for implementation and initial operating expenses.

Subd. 9. [PRECAUTIONS.] The commissioner may withhold, delay, or cancel grant funding if a grant recipient does not comply with program requirements and objectives.

Subd. 10. [TECHNICAL ASSISTANCE.] The commissioner may provide, contract for, or provide supplemental funding for technical assistance to community health centers in the areas of clinical operations, medical practice management, community development, and program management.

Sec. 35. [144.1492] [PHYSICIAN SUBSTITUTE DEMONSTRATION PROJECT.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of health, through the office of rural health, shall establish and administer a physician substitute (locum tenens and emergency room coverage) demonstration project at up to four rural demonstration sites within the state. The commissioner shall coordinate the administration of the project with the University of Minnesota health system. The commissioner may contract with a nonprofit rural health policy organization to establish, administer, and evaluate the physician substitute program.

Subd. 2. [PROJECT ACTIVITIES.] The project must:

- (1) encourage physicians to serve as substitute physicians for the demonstration sites;
- (2) provide a central register of physicians interested in serving as physician substitutes at the demonstration sites;
- (3) provide a referral service for requests from demonstration sites for physician substitutes; and
- (4) provide physician substitute services, at rates that reflect the administrative savings resulting from centralized referral and credentialing.

Subd. 3. [UNIVERSITY OF MINNESOTA HEALTH SYSTEM.] The commissioner shall seek the assistance of the University of Minnesota health system in credentialing persons desiring to serve as physician substitutes. The University of Minnesota health system may employ physician substitutes serving in the demonstration project as temporary clinical faculty and may provide physician substitutes with additional opportunities for professional education and interaction.

Subd. 4. [DEMONSTRATION SITES.] The commissioner shall designate up to four rural communities as demonstration sites for the project. The commissioner shall choose sites based on a community's need for physician substitute services and the willingness of the community to work cooperatively with the commissioner and the University of Minnesota health system and participate in the demonstration project evaluation.

Subd. 5. [EVALUATION.] The commissioner shall evaluate the demonstration project and shall present an evaluation report to the legislature by January 15, 1995. The evaluation must identify any modifications necessary to improve the effectiveness of the project. The evaluation must also include a recommendation on whether the demonstration project should be extended to other areas of the state.

Sec. 36. [144.1493] [STATE RURAL HEALTH NETWORK REFORM INITIATIVE.]

Subdivision 1. [PURPOSE AND MATCHING FUNDS.] The commissioner of health shall apply for federal grant funding under the state rural health network reform initiative, a health care financing administration program to provide grant funds to states to encourage innovations in rural health financing and delivery systems. The commissioner may use state funds appropriated to the department of health for the provision of technical assistance for community integrated service network development as matching funds for the federal grant.

Subd. 2. [USE OF FEDERAL FUNDS.] If the department of health receives federal funding under the state rural health network reform initiative, the department shall use these funds to implement a program to provide technical assistance and grants to rural communities to establish health care networks and to develop and test a rural health network reform model.

Subd. 3. [ELIGIBLE APPLICANTS AND CRITERIA FOR AWARDING OF GRANTS TO RURAL COMMUNITIES.]
(a) Funding which the department receives to award grants to rural communities to establish health care networks shall be awarded through a request for proposal process. Planning grant funds may be used for community facilitation and initial network development activities including incorporation as a nonprofit organization or cooperative, assessment of network models, and determination of the best fit for the community. Implementation grant funds can be used to enable incorporated nonprofit organizations and cooperatives to purchase technical services needed for further network development such as legal, actuarial, financial, marketing, and administrative services.

(b) In order to be eligible to apply for a planning or implementation grant under the federally funded health care network reform program, an organization must be located in a rural area of Minnesota excluding the seven-county Twin Cities metropolitan area and the census-defined urbanized areas of Duluth, Rochester, St. Cloud, and Moorhead. The proposed network organization must also meet or plan to meet the criteria for a community integrated service network.

(c) In determining which organizations will receive grants, the commissioner may consider the following factors:

(1) the applicant's description of their plans for health care network development, their need for technical assistance, and other technical assistance resources available to the applicant. The applicant must clearly describe the service area to be served by the network, how the grant funds will be used, what will be accomplished, and the expected results. The applicant should describe achievable objectives, a timetable, and roles and capabilities of responsible individuals and organizations;

(2) the extent of community support for the applicant and the health care network. The applicant should demonstrate support from private and public health care providers in the service area, local community and government leaders, and the regional coordinating board for the area. Evidence of such support may include commitment of financial support, in-kind services or cash, for development of the network;

(3) the size and demographic characteristics of the population in the service area for the proposed network and the distance of the service area from the nearest metropolitan area; and

(4) the technical assistance resources available to the applicant from nonstate sources and the financial ability of the applicant to purchase technical assistance services with nonstate funds.

Sec. 37. Minnesota Statutes 1992, section 144.581, subdivision 2, is amended to read:

Subd. 2. [USE OF HOSPITAL FUNDS FOR CORPORATE PROJECTS.] In the event that the municipality, political subdivision, state agency, or other governmental entity provides direct financial subsidy to the hospital from tax revenue at the time an undertaking authorized under subdivision 1, clauses (a) to (g), is established or funded, the hospital may not contribute funds to the undertaking for more than three years and thereafter all funds must be repaid, with interest in no more than ten years.

Sec. 38. Minnesota Statutes 1992, section 145.64, subdivision 1, is amended to read:

Subdivision 1. [DATA AND INFORMATION.] All data and information acquired by a review organization, in the exercise of its duties and functions, shall be held in confidence, shall not be disclosed to anyone except to the extent necessary to carry out one or more of the purposes of the review organization, and shall not be subject to subpoena or discovery. No person described in section 145.63 shall disclose what transpired at a meeting of a review organization except to the extent necessary to carry out one or more of the purposes of a review organization. The proceedings and records of a review organization shall not be subject to discovery or introduction into evidence in any civil action against a professional arising out of the matter or matters which are the subject of consideration by the review organization. Information, documents or records otherwise available from original sources shall not be immune from discovery or use in any civil action merely because they were presented during proceedings of a review organization, nor shall any person who testified before a review organization or who is a member of it be prevented from testifying as to matters within the person's knowledge, but a witness cannot be asked about the witness' testimony before a review organization or opinions formed by the witness as a result of its hearings.

The confidentiality protection and protection from discovery or introduction into evidence provided in this subdivision shall also apply to the governing body of the review organization and shall not be waived as a result of referral of a matter from the review organization to the governing body or consideration by the governing body of decisions, recommendations, or documentation of the review organization.

The governing body of a hospital, community integrated service network, or integrated service network, that is owned or operated by a governmental entity, may close a meeting to discuss decisions, recommendations, deliberations, or documentation of the review organization. A meeting may not be closed except by a majority vote of the governing body in a public meeting. The closed meeting must be tape recorded and the tape must be retained by the governing body for five years.

Sec. 39. Minnesota Statutes 1993 Supplement, section 256.9352, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL MANAGEMENT.] (a) The commissioner shall manage spending for the health right plan MinnesotaCare program in a manner that maintains a minimum reserve equal to five percent of the expected cost of state premium subsidies. The commissioner must make a quarterly assessment of the expected expenditures for the covered services for the remainder of the current fiscal year and for the following two fiscal years. The estimated expenditure shall be compared to an estimate of the revenues that will be deposited in the health care access fund.

Based on this comparison, and after consulting with the chairs of the house ways and means committee and the senate finance committee, and the legislative commission on health care access, the commissioner shall make adjustments as necessary to ensure that expenditures remain within the limits of available revenues. The adjustments the commissioner may use must be implemented in this order: first, stop enrollment of single adults and households without children; second, upon 45 days' notice, stop coverage of single adults and households without children already enrolled in the health-right plan MinnesotaCare program; third, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income above 200 percent of the federal poverty guidelines; fourth, upon 90 days' notice, decrease the premium subsidy amounts by ten percent for families with gross annual income at or below 200 percent; and fifth, require applicants to be uninsured for at least six months prior to eligibility in the health-right plan MinnesotaCare program. If these measures are insufficient to limit the expenditures to the estimated amount of revenue, the commissioner may further limit enrollment or decrease premium subsidies.

The reserve referred to in this subdivision is appropriated to the commissioner but may only be used upon approval of the commissioner of finance, if estimated costs will exceed the forecasted amount of available revenues after all adjustments authorized under this subdivision have been made.

By February 1, 1994 1995, the department of human services and the department of health shall develop a plan to adjust benefit levels, eligibility guidelines, or other steps necessary to ensure that expenditures for the MinnesotaCare program are contained within the two percent provider tax taxes imposed under section 295.52 and the one percent HMO gross premiums tax for the 1996-1997 biennium imposed under section 60A.15, subdivision 1, paragraph (e), for fiscal year 1997. Notwithstanding any law to the contrary, no further enrollment in MinnesotaCare, and no additional hiring of staff for the departments shall take place after June 1, 1994, unless a plan to balance the MinnesotaCare budget for the 1996-1997 biennium has been passed by the 1994 legislature.

(b) Notwithstanding paragraph (a), the commissioner shall proceed with the enrollment of single adults and households without children who have gross family incomes that are equal to or less than 125 percent of the federal poverty guidelines, even if the expenditures do not remain within the limits of available revenues through fiscal year 1997, in order to allow the department of human services and the department of health to develop the plan required by paragraph (a).

(c) Notwithstanding any law to the contrary, no further enrollment in MinnesotaCare, and no additional hiring of staff for the department of human services and the department of health shall take place after September 30, 1995, unless a plan to balance the MinnesotaCare budget for the 1996-1997 biennium has been passed by the 1995 legislature.

Sec. 40. Minnesota Statutes 1993 Supplement, section 256.9354, subdivision 5, is amended to read:

Subd. 5. [ADDITION OF SINGLE ADULTS AND HOUSEHOLDS WITH NO CHILDREN.] (a) Beginning July October 1, 1994, "eligible persons" means shall include all families and individuals individuals and households with no children who have gross family incomes that are equal to or less than 125 percent of the federal poverty guidelines and who are not eligible for medical assistance under chapter 256B.

(b) Beginning October 1, 1995, "eligible persons" means all individuals and families who are not eligible for medical assistance under chapter 256B.

(c) These persons All eligible persons under paragraphs (a) and (b) are eligible for coverage through the MinnesotaCare plan program but must pay a premium as determined under sections 256.9357 and 256.9358. Individuals and families whose income is greater than the limits established under section 256.9358 may not enroll in the MinnesotaCare plan program.

Sec. 41. Minnesota Statutes 1992, section 256.9358, subdivision 4, is amended to read:

Subd. 4. [INELIGIBILITY.] An individual or family Families with children whose gross monthly income is above the amount specified in subdivision 3 is are not eligible for the plan. Beginning October 1, 1994, an individual or households with no children whose gross monthly income is greater than \$767 for a single individual and \$1,025 for a married couple without children are ineligible for the plan. Beginning October 1, 1995, an individual or families whose gross monthly income is above the amount specified in subdivision 3 are not eligible for the plan.

Sec. 42. Minnesota Statutes 1993 Supplement, section 151.21, subdivision 7, is amended to read:

Subd. 7. ~~This section does not apply to prescription drugs dispensed to persons covered by a health plan that covers prescription drugs under a managed care formulary or similar practices. This section does not apply when a pharmacist is dispensing a prescribed drug to persons covered under a managed health care plan that maintains a mandatory or closed drug formulary.~~

Sec. 43. Minnesota Statutes 1993 Supplement, section 151.21, subdivision 8, is amended to read:

Subd. 8. ~~The following drugs are excluded from this section: coumadin, dilantin, lanoxin, premarin, theophylline, synthroid, tegretol, and phenobarbital. The drug formulary committee established under section 256B.0625, subdivision 13, shall establish a list of drug products that are to be excluded from this section. This list shall be updated on an annual basis and shall be provided to the board for dissemination to pharmacists licensed in the state.~~

Sec. 44. Minnesota Statutes 1993 Supplement, section 256.9354, is amended by adding a subdivision to read:

Subd. 7. [GENERAL ASSISTANCE MEDICAL CARE.] A person cannot have coverage under both MinnesotaCare and general assistance medical care in the same month, except that a MinnesotaCare enrollee may be eligible for retroactive general assistance medical care according to section 256D.03, subdivision 3, paragraph (b).

Sec. 45. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 6, is amended to read:

Subd. 6. [COPAYMENTS AND BENEFIT LIMITS.] Enrollees are responsible for all copayments in section 256.9353, subdivision 6, and shall pay copayments to the managed care plan or to its participating providers. The enrollee is also responsible for payment of inpatient hospital charges which exceed the MinnesotaCare benefit limit ~~to the managed care plan or its participating providers.~~

Sec. 46. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 7, is amended to read:

Subd. 7. [MANAGED CARE PLAN VENDOR REQUIREMENTS.] The following requirements apply to all counties or vendors who contract with the department of human services to serve MinnesotaCare recipients. Managed care plan contractors:

- (1) shall authorize and arrange for the provision of the full range of services listed in section 256.9353 in order to ensure appropriate health care is delivered to enrollees;
- (2) shall accept the prospective, per capita payment or other contractually defined payment from the commissioner in return for the provision and coordination of covered health care services for eligible individuals enrolled in the program;
- (3) may contract with other health care and social service practitioners to provide services to enrollees;
- (4) shall provide for an enrollee grievance process as required by the commissioner and set forth in the contract with the department;
- (5) shall retain all revenue from enrollee copayments;
- (6) shall accept all eligible MinnesotaCare enrollees, without regard to health status or previous utilization of health services;
- (7) shall demonstrate capacity to accept financial risk according to requirements specified in the contract with the department. A health maintenance organization licensed under chapter 62D, or a nonprofit health plan licensed under chapter 62C, is not required to demonstrate financial risk capacity, beyond that which is required to comply with chapters 62C and 62D; and
- (8) shall submit information as required by the commissioner, including data required for assessing enrollee satisfaction, quality of care, cost, and utilization of services; and

~~(9) shall submit to the commissioner claims in the format specified by the commissioner of human services for all hospital services provided to enrollees for the purpose of determining whether enrollees meet medical assistance spend down requirements and shall provide to the enrollee, upon the enrollee's request, information on the cost of services provided to the enrollee by the managed care plan for the purpose of establishing whether the enrollee has met medical assistance spend down requirements.~~

Sec. 47. Minnesota Statutes 1993 Supplement, section 256.9363, subdivision 9, is amended to read:

Subd. 9. [RATE SETTING.] Rates will be prospective, per capita, where possible. The commissioner may allow health plans to arrange for inpatient hospital services on a risk or nonrisk basis. The commissioner shall consult with an independent actuary to determine appropriate rates.

Sec. 48. Minnesota Statutes 1993 Supplement, section 256.9657, subdivision 3, is amended to read:

Subd. 3. [HEALTH MAINTENANCE ORGANIZATION; INTEGRATED SERVICE NETWORK SURCHARGE.] (a) Effective October 1, 1992, each health maintenance organization with a certificate of authority issued by the commissioner of health under chapter 62D and each integrated service network and community integrated service network licensed by the commissioner under sections 62N.01 to 62N.22 chapter 62N shall pay to the commissioner of human services a surcharge equal to six-tenths of one percent of the total premium revenues of the health maintenance organization, or integrated service network, or community integrated service network as reported to the commissioner of health according to the schedule in subdivision 4.

(b) For purposes of this subdivision, total premium revenue means:

(1) premium revenue recognized on a prepaid basis from individuals and groups for provision of a specified range of health services over a defined period of time which is normally one month, excluding premiums paid to a health maintenance organization, integrated service network, or community integrated service network from the Federal Employees Health Benefit Program;

(2) premiums from Medicare wrap-around subscribers for health benefits which supplement Medicare coverage;

(3) Medicare revenue, as a result of an arrangement between a health maintenance organization, an integrated service network, or a community integrated service network and the health care financing administration of the federal Department of Health and Human Services, for services to a Medicare beneficiary; and

(4) medical assistance revenue, as a result of an arrangement between a health maintenance organization, integrated service network, or community integrated service network and a Medicaid state agency, for services to a medical assistance beneficiary.

If advance payments are made under clause (1) or (2) to the health maintenance organization, integrated service network, or community integrated service network for more than one reporting period, the portion of the payment that has not yet been earned must be treated as a liability.

Sec. 49. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 4, is amended to read:

Subd. 4. [HEALTH CARE PROVIDER.] (a) "Health care provider" means:

(1) a person furnishing any or all of the following goods or services directly to a patient or consumer: medical, surgical, optical, visual, dental, hearing, nursing services, drugs, medical supplies, medical appliances, laboratory, diagnostic or therapeutic services, or any goods and services not listed above that qualifies for reimbursement under the medical assistance program provided under chapter 256B;

(2) a staff model health earlier plan company; or

(3) a licensed ambulance service.

(b) Health care provider does not include hospitals, nursing homes licensed under chapter 144A, pharmacies, and surgical centers.

Sec. 50. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 12b, is amended to read:

Subd. 12b. [STAFF MODEL HEALTH CARRIER PLAN COMPANY.] "Staff model health carrier plan company" means a health carrier plan company as defined in section 62L.02, ~~subdivision 16~~ 62Q.01, subdivision 4, which employs one or more types of health care provider to deliver health care services to the health carrier's plan company's enrollees.

Sec. 51. [317A.022] [ELECTION BY CERTAIN CHAPTER 318 ASSOCIATIONS.]

Subdivision 1. [GENERAL.] An association described in section 318.02, subdivision 5, may elect to cease to be an association subject to and governed by chapter 318 and to become subject to and governed by this chapter in the same manner and to the extent provided in this chapter as though it were a nonprofit corporation by complying with this section.

Subd. 2. [AMENDED TITLE AND OTHER CONFORMING AMENDMENTS.] The declaration of trust, as defined in section 318.02, subdivision 1, of the association must be amended to identify it as the "articles of an association electing to be treated as a nonprofit corporation." All references in this chapter to "articles" or "articles of incorporation" include the declaration of trust of an electing association. If the declaration of trust includes a provision prohibited by this chapter for inclusion in articles of incorporation, omits a provision required by this chapter to be included in articles of incorporation, or is inconsistent with this chapter, the electing association shall amend its declaration of trust to conform to the requirements of this chapter. The appropriate provisions of the association's declaration of trust or bylaws or chapter 318 control the manner of adoption of the amendments required by this subdivision.

Subd. 3. [METHOD OF ELECTION.] An election by an association under subdivision 2 must be made by resolution approved by the affirmative vote of the trustees of the association and by the affirmative vote of the members or other persons with voting rights in the association. The affirmative vote of both the trustees of the association and of the members or other persons with voting rights, if any, in the association must be of the same proportion that is required for an amendment of the declaration of trust of the association before the election, in each case upon proper notice that a purpose of the meeting is to consider an election by the association to cease to be an association subject to and governed by chapter 318 and to become and be a nonprofit corporation subject to and governed by this chapter. The resolution and the articles of the amendment of the declaration of trust must be filed with the secretary of state and are effective upon filing, or a later date as may be set forth in the filed resolution. Upon the effective date, without any other action or filing by or on behalf of the association, the association automatically is subject to this chapter in the same manner and to the same extent as though it had been formed as a nonprofit corporation pursuant to this chapter. Upon the effective date of the election, the association is not considered to be a new entity, but is considered to be a continuation of the same entity.

Subd. 4. [EFFECTS OF ELECTION.] Upon the effective date of an association's election under subdivision 3, and consistent with the continuation of the association under this chapter:

(1) the organization has the rights, privileges, immunities, powers, and is subject to the duties and liabilities, of a corporation formed under this chapter;

(2) all real or personal property, debts, including debts arising from a subscription for membership and interests belonging to the association, continue to be the real and personal property, and debts of the organization without further action;

(3) an interest in real estate possessed by the association does not revert to the grantor, or otherwise, nor is it in any way impaired by reason of the election, and the personal property of the association does not revert by reason of the election;

(4) except where the will or other instrument provides otherwise, a devise, bequest, gift, or grant contained in a will or other instrument, in a trust or otherwise, made before or after the election has become effective, to or for the association, inures to the organization;

(5) the debts, liabilities, and obligations of the association continue to be the debts, liabilities, and obligations of the organization, just as if the debts, liabilities, and obligations had been incurred or contracted by the organization after the election;

(6) existing claims or a pending action or proceeding by or against the association may be prosecuted to judgment as though the election had not been affected;

(7) the liabilities of the trustees, members, officers, directors, or similar groups or persons, however denominated, of the association, are not affected by the election;

(8) the rights of creditors or liens upon the property of the association are not impaired by the election;

(9) an electing association may merge with one or more nonprofit corporations in accordance with the applicable provisions of this chapter, and either the association or a nonprofit corporation may be the surviving entity in the merger; and

(10) the provisions of the bylaws of the association that are consistent with this chapter remain or become effective and provisions of the bylaws that are inconsistent with this chapter are not effective.

Sec. 52. Minnesota Statutes 1992, section 318.02, is amended by adding a subdivision to read:

Subd. 5. [ELECTION TO BE GOVERNED BY CHAPTER 317A.] An association may cease to be subject to or governed by this chapter by filing an election in the manner described in section 317A.022, to be subject to and governed by chapter 317A in the same manner and to the same extent provided in chapter 317A as though it were a nonprofit corporation if:

(1) it is not formed for a purpose involving pecuniary gain to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government; and

(2) it does not pay dividends or other pecuniary remuneration, directly or indirectly, to its members, other than to members that are nonprofit organizations or subdivisions, units, or agencies of the United States or a state or local government.

Sec. 53. [REVISOR INSTRUCTION.]

The revisor of statutes shall change the term "health right" to "MinnesotaCare," "health right plan" to "MinnesotaCare program," and "MinnesotaCare plan" to "MinnesotaCare program," wherever these terms are used in Minnesota Statutes or Minnesota Rules.

Sec. 54. [REPEALER.]

Minnesota Statutes 1992, section 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16, are repealed.

Sec. 55. [EFFECTIVE DATE.]

Sections 2 to 4, 6 to 18, 21 to 33, 36, 38 to 41, and 48 to 52 are effective the day following final enactment. Sections 1, 19, 20, 34, 35, 37, 42 to 47, and 53 are effective July 1, 1994. Section 5 is effective January 1, 1995.

ARTICLE 9

ADMINISTRATIVE SIMPLIFICATION

Section 1. [62J.50] [CITATION AND PURPOSE.]

Subdivision 1. [CITATION.] Sections 62J.50 to 62J.61 may be cited as the Minnesota health care administrative simplification act of 1994.

Subd. 2. [PURPOSE.] The legislature finds that significant savings throughout the health care industry can be accomplished by implementing a set of administrative standards and simplified procedures and by setting forward a plan toward the use of electronic methods of data interchange. The legislature finds that initial steps have been taken at the national level by the federal health care financing administration in its implementation of nationally accepted electronic transaction sets for its medicare program. The legislature further recognizes the work done by the workgroup for electronic data interchange and the American national standards institute and its accredited

standards committee X12, at the national level, and the Minnesota administrative uniformity committee, a statewide, voluntary, public-private group representing payers, hospitals, state programs, physicians, and other health care providers in their work toward administrative simplification in the health care industry.

Sec. 2. [62J.51] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of sections 62J.50 to 62J.61, the following definitions apply.

Subd. 2. [ANSI.] "ANSI" means the American national standards institute.

Subd. 3. [ASCX12] "ASC X12" means the American national standards institute committee X12.

Subd. 4. [CATEGORY I INDUSTRY PARTICIPANTS.] "Category I industry participants" means the following group purchasers, providers, and other health care organizations doing business in Minnesota including public and private payers: hospitals; self-insured plans and employers with more than 100 employees; clinic laboratories; durable medical equipment suppliers with a volume of at least 50,000 claims or encounters per year; and group practices with 20 or more physicians.

Subd. 5. [CATEGORY II INDUSTRY PARTICIPANTS.] "Category II industry participants" means all group purchasers and providers doing business in Minnesota not classified as category I industry participants.

Subd. 6. [CLAIM PAYMENT/ADVICE TRANSACTION SET (ANSI ASC X12 835).] "Claim payment/advice transaction set (ANSI ASC X12 835)" means the electronic transaction format developed and approved for implementation in October 1991, and used for electronic remittance advice and electronic funds transfer.

Subd. 7. [CLAIM SUBMISSION TRANSACTION SET (ANSI ASC X12 837).] "Claim submission transaction set (ANSI ASC X12 837)" means the electronic transaction format developed and approved for implementation in October 1992, and used to submit all health care claims information.

Subd. 8. [EDI.] "EDI" or "electronic data interchange" means the computer application to computer application exchange of information using nationally accepted standard formats.

Subd. 9. [ELIGIBILITY TRANSACTION SET (ANSI ASC X12 270/271).] "Eligibility transaction set (ANSI ASC X12 270/271)" means the transaction format developed and approved for implementation in February 1993, and used by providers to request and receive coverage information on the member or insured.

Subd. 10. [ENROLLMENT TRANSACTION SET (ANSI ASC X12 834).] "Enrollment transaction set (ANSI ASC X12 834)" means the electronic transaction format developed and approved for implementation in February 1992, and used to transmit enrollment and benefit information from the employer to the payer for the purpose of enrolling in a benefit plan.

Subd. 11. [GROUP PURCHASER.] "Group purchaser" has the meaning given in section 62J.03, subdivision 6.

Subd. 12. [ISO.] "ISO" means the international standardization organization.

Subd. 13. [NCPDP.] "NCPDP" means the national council for prescription drug programs, inc.

Subd. 14. [NCPDP TELECOMMUNICATION STANDARD FORMAT 3.2.] "NCPDP telecommunication standard format 3.2" means the recommended transaction sets for claims transactions adopted by the membership of NCPDP in 1992.

Subd. 15. [NCPDP TAPE BILLING AND PAYMENT FORMAT 2.0.] "NCPDP tape billing and payment format 2.0" means the recommended transaction standards for batch processing claims adopted by the membership of the NCPDP in 1993.

Subd. 16. [PROVIDER.] "Provider" or "health care provider" has the meaning given in section 62J.03, subdivision 8.

Subd. 17. [UNIFORM BILLING FORM HCFA 1450.] "Uniform billing form HCFA 1450" means the uniform billing form known as the HCFA 1450 or UB92, developed by the national uniform billing committee in 1992 and approved for implementation in October 1993.

Subd. 18. [UNIFORM BILLING FORM HCFA 1500.] "Uniform billing form HCFA 1500" means the 1990 version of the health insurance claim form, HCFA 1500, developed by the uniform claims form task force of the federal health care financing administration.

Subd. 19. [UNIFORM DENTAL BILLING FORM.] "Uniform dental billing form" means the 1990 uniform dental claim form developed by the American dental association.

Subd. 20. [UNIFORM PHARMACY BILLING FORM.] "Uniform pharmacy billing form" means the national council for prescription drug programs/universal claim form (NCPDP/UCF).

Subd. 21. [WEDI.] "WEDI" means the national workgroup for electronic data interchange report issued in October, 1993.

Sec. 3. [62J.52] [ESTABLISHMENT OF UNIFORM BILLING FORMS.]

Subdivision 1. [UNIFORM BILLING FORM HCFA 1450.] (a) On and after January 1, 1996, all institutional inpatient hospital services, ancillary services, and institutionally owned or operated outpatient services rendered by providers in Minnesota, that are not being billed using an equivalent electronic billing format, must be billed using the uniform billing form HCFA 1450, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1450 shall be in accordance with the uniform billing form manual specified by the commissioner. In promulgating these instructions, the commissioner may utilize the manual developed by the national uniform billing committee, as adopted and finalized by the Minnesota uniform billing committee.

(c) Services to be billed using the uniform billing form HCFA 1450 include: institutional inpatient hospital services and distinct units in the hospital such as psychiatric unit services, physical therapy unit services, swing bed (SNF) services, inpatient state psychiatric hospital services, inpatient skilled nursing facility services, home health services (Medicare part A), and hospice services; ancillary services, where benefits are exhausted or patient has no Medicare part A, from hospitals, state psychiatric hospitals, skilled nursing facilities, and home health (Medicare part B); and institutional owned or operated outpatient services such as hospital outpatient services, including ambulatory surgical center services, hospital referred laboratory services, hospital-based ambulance services, and other hospital outpatient services, skilled nursing facilities, home health, including infusion therapy, freestanding renal dialysis centers, comprehensive outpatient rehabilitation facilities (CORF), outpatient rehabilitation facilities (ORF), rural health clinics, community mental health centers, and any other health care provider certified by the Medicare program to use this form.

(d) On and after January 1, 1996, a mother and newborn child must be billed separately, and must not be combined on one claim form.

Subd. 2. [UNIFORM BILLING FORM HCFA 1500.] (a) On and after January 1, 1996, all noninstitutional health care services rendered by providers in Minnesota except dental or pharmacy providers, that are not currently being billed using an equivalent electronic billing format, must be billed using the health insurance claim form HCFA 1500, except as provided in subdivision 5.

(b) The instructions and definitions for the use of the uniform billing form HCFA 1500 shall be in accordance with the manual developed by the administrative uniformity committee entitled standards for the use of the HCFA 1500 form, dated February 1994, as further defined by the commissioner.

(c) Services to be billed using the uniform billing form HCFA 1500 include physician services and supplies, durable medical equipment, noninstitutional ambulance services, independent ancillary services including occupational therapy, physical therapy, speech therapy and audiology, podiatry services, optometry services, mental health licensed professional services, substance abuse licensed professional services, nursing practitioner professional services, certified registered nurse anesthetists, chiropractors, physician assistants, laboratories, medical supplies, and other health care providers such as home health intravenous therapy providers, personal care attendants, day activity centers, waived services, hospice, and other home health services, and freestanding ambulatory surgical centers.

Subd. 3. [UNIFORM DENTAL BILLING FORM.] (a) On and after January 1, 1996, all dental services provided by dental care providers in Minnesota, that are not currently being billed using an equivalent electronic billing format, shall be billed using the American dental association uniform dental billing form.

(b) The instructions and definitions for the use of the uniform dental billing form shall be in accordance with the manual developed by the administrative uniformity committee dated February 1994, and as amended or further defined by the commissioner.

Subd. 4. [UNIFORM PHARMACY BILLING FORM.] On and after January 1, 1996, all pharmacy services provided by pharmacists in Minnesota that are not currently being billed using an equivalent electronic billing format shall be billed using the NCPDP/universal claim form, except as provided in subdivision 5.

Subd. 5. [STATE AND FEDERAL HEALTH CARE PROGRAMS.] (a) Skilled nursing facilities and ICF-MR services billed to state and federal health care programs administered by the department of human services shall use the form designated by the department of human services.

(b) On and after July 1, 1996, state and federal health care programs administered by the department of human services shall accept the HCFA 1450 for community mental health center services and shall accept the HCFA 1500 for freestanding ambulatory surgical center services.

(c) State and federal health care programs administered by the department of human services shall be authorized to use the forms designated by the department of human services for pharmacy services and for child and teen checkup services.

(d) State and federal health care programs administered by the department of human services shall accept the form designated by the department of human services, and the HCFA 1500 for supplies, medical supplies or durable medical equipment. Health care providers may choose which form to submit.

Sec. 4. [62J.53] [ACCEPTANCE OF UNIFORM BILLING FORMS BY GROUP PURCHASERS.]

On and after January 1, 1996, all category I and II group purchasers in Minnesota shall accept the uniform billing forms prescribed under section 62J.52 as the only nonelectronic billing forms used for payment processing purposes.

Sec. 5. [62J.54] [IDENTIFICATION AND IMPLEMENTATION OF UNIQUE IDENTIFIERS.]

Subdivision 1. [UNIQUE IDENTIFICATION NUMBER FOR HEALTH CARE PROVIDER ORGANIZATIONS.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify health care provider organizations, except as provided in paragraph (d).

(b) Following the recommendation of the workgroup for electronic data interchange, the federal tax identification number assigned to each health care provider organization by the internal revenue service of the department of the treasury shall be used as the unique identification number for health care provider organizations.

(c) The unique health care provider organization identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the medicaid management information system or the unique physician identification number (UPIN) assigned by the health care financing administration.

Subd. 2. [UNIQUE IDENTIFICATION NUMBER FOR INDIVIDUAL HEALTH CARE PROVIDERS.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify an individual health care provider, except as provided in paragraph (d).

(b) The Unique Identification Number (UPIN) assigned by the health care financing administration shall be used as the unique identification number for individual health care providers. Providers who do not currently have a UPIN number shall request one from the health care financing administration.

(c) The unique individual health care provider identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The state and federal health care programs administered by the department of human services shall use the unique identification number assigned to health care providers for implementation of the medicaid management information system or the unique physician identification number (UPIN) assigned by the health care financing administration.

Subd. 3. [UNIQUE IDENTIFICATION NUMBER FOR GROUP PURCHASERS.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify group purchasers.

(b) The federal tax identification number assigned to each group purchaser by the internal revenue service of the department of the treasury shall be used as the unique identification number for group purchasers. This paragraph applies until the codes described in paragraph (c) are available and feasible to use, as determined by the commissioner.

(c) A two-part code, consisting of 11 characters and modeled after the national association of insurance commissioners company code shall be assigned to each group purchaser and used as the unique identification number for group purchasers. The first six characters, or prefix, shall contain the numeric code, or company code, assigned by the national association of insurance commissioners. The last five characters, or suffix, which is optional, shall contain further codes that will enable group purchasers to further route electronic transaction in their internal systems.

(d) The unique group purchaser identifier shall be used for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

Subd. 4. [UNIQUE PATIENT IDENTIFICATION NUMBER.] (a) On and after July 1, 1995, all group purchasers and health care providers in Minnesota shall use a unique identification number to identify each patient who receives health care services in Minnesota, except as provided in paragraph (e).

(b) Following the recommendation of the workgroup for electronic data interchange, the social security number of the patient shall be used as the unique patient identification number.

(c) The unique patient identification number shall be used by group purchasers and health care providers for purposes of submitting and receiving claims, and in conjunction with other data collection and reporting functions.

(d) The commissioner shall develop an alternate numbering system for patients who do not have or refuse to provide a social security number. This provision does not require that patients provide their social security numbers and does not require group purchasers or providers to demand that patients provide their social security numbers.

(e) The state and federal health care programs administered by the department of human services shall use the unique person master index (PMI) identification number assigned to clients participating in programs administered by the department of human services.

Sec. 6. [62J.55] [PRIVACY OF UNIQUE IDENTIFIERS.]

(a) When the unique identifiers specified in section 62J.54 are used for data collection purposes, the identifiers must be encrypted, as required in section 62J.30, subdivision 6. Encryption must follow encryption standards set by the national bureau of standards and approved by the American national standards institute as ANSI X3.92-1982/R 1987 to protect the confidentiality of the data. Social security numbers must not be maintained in unencrypted form in the database, and the data must never be released in a form that would allow for the identification of individuals. The encryption algorithm and hardware used must not use clipper chip technology.

(b) Providers and group purchasers shall treat the social security number as confidential, private data and shall maintain strict confidentiality of medical records and data files. Social security numbers must not be used to link with non-health-related data under any circumstances.

Sec. 7. [62J.56] [IMPLEMENTATION OF ELECTRONIC DATA INTERCHANGE STANDARDS.]

Subdivision 1. [GENERAL PROVISIONS.] (a) The legislature finds that there is a need to advance the use of electronic methods of data interchange among all health care participants in the state in order to achieve significant administrative cost savings. The legislature also finds that in order to advance the use of health care electronic data interchange in a cost-effective manner, the state needs to implement electronic data interchange standards that are

nationally accepted, widely recognized, and available for immediate use. The legislature intends to set forth a plan for a systematic phase-in of uniform health care electronic data interchange standards in all segments of the health care industry.

(b) The commissioner of health, with the advice of the Minnesota health data institute and the Minnesota administrative uniformity committee, shall administer the implementation of and monitor compliance with, electronic data interchange standards of health care participants, according to the plan provided in this section.

(c) The commissioner may grant exemptions to category I and II industry participants from the requirements to implement some or all of the provisions in this section if the commissioner determines that the cost of compliance would place the organization in financial distress, or if the commissioner determines that appropriate technology is not available to the organization.

Subd. 2. [IDENTIFICATION OF CORE TRANSACTION SETS.] (a) All category I and II industry participants in Minnesota shall comply with the standards developed by the ANSI ASC X12 for the following core transaction sets, according to the implementation plan outlined for each transaction set.

(1) ANSI ASC X12 835 health care claim payment/advice transaction set.

(2) ANSI ASC X12 837 health care claim transaction set.

(3) ANSI ASC X12 834 health care enrollment transaction set.

(4) ANSI ASC X12 270/271 health care eligibility transaction set.

(b) The commissioner, with the advice of the Minnesota health data institute and the Minnesota administrative uniformity committee, and in coordination with federal efforts, may approve the use of new ASC X12 standards as they become available, or other nationally recognized standards, where appropriate ASC X12 standards are not available for use. These alternative standards may be used during a transition period while ASC X12 standards are developed.

Subd. 3. [IMPLEMENTATION GUIDES.] (a) The commissioner, with the advice of the Minnesota administrative uniformity committee, and the Minnesota Center for Health Care Electronic Data Interchange shall review and recommend the use of guides to implement the core transaction sets. Implementation guides must contain the background and technical information required to allow health care participants to implement the transaction set in the most cost-effective way.

(b) The commissioner shall promote the development of implementation guides among health care participants for those business transaction types for which implementation guides are not available, to allow providers and group purchasers to implement electronic data interchange. In promoting the development of these implementation guides, the commissioner shall review the work done by the American hospital association through the national uniform billing committee and its state representative organization; the American medical association through the uniform claim task force; the American dental association; the national council of prescription drug programs; and the workgroup for electronic data interchange.

Sec. 8. [62J.57] [MINNESOTA CENTER FOR HEALTH CARE ELECTRONIC DATA INTERCHANGE.]

(a) It is the intention of the legislature to support, to the extent of funds appropriated for that purpose, the creation of the Minnesota center for health care electronic data interchange as a broad-based effort of public and private organizations representing group purchasers, health care providers, and government programs to advance the use of health care electronic data interchange in the state. The center shall attempt to obtain private sector funding to supplement legislative appropriations, and shall become self-supporting by the end of the second year.

(b) The Minnesota center for health care electronic data interchange shall facilitate the statewide implementation of electronic data interchange standards in the health care industry by:

(1) Coordinating and ensuring the availability of quality electronic data interchange education and training in the state;

(2) Developing an extensive, cohesive health care electronic data interchange education curriculum;

(3) Developing a communications and marketing plan to publicize electronic data interchange education activities, and the products and services available to support the implementation of electronic data interchange in the state;

(4) Administering a resource center that will serve as a clearinghouse for information relative to electronic data interchange, including the development and maintenance of a health care constituents data base, health care directory and resource library, and a health care communications network through the use of electronic bulletin board services and other network communications applications; and

(5) Providing technical assistance in the development of implementation guides, and in other issues including legislative, legal, and confidentiality requirements.

Sec. 9. [62].58 [IMPLEMENTATION OF STANDARD TRANSACTION SETS.]

Subdivision 1. [CLAIMS PAYMENT.] (a) By July 1, 1995, all category I industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic transfer of payment information.

(b) By July 1, 1996, all category II industry participants, except pharmacists, shall be able to submit or accept, as appropriate, the ANSI ASC X12 835 health care claim payment/advice transaction set (draft standard for trial use version 3030) for electronic submission of payment information to health care providers.

Subd. 2. [CLAIMS SUBMISSION.] Beginning July 1, 1995, all category I industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 837 health care claim transaction set (draft standard for trial use version 3030) for the electronic transfer of health care claim information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning July 1, 1996.

Subd. 3. [ENROLLMENT INFORMATION.] Beginning January 1, 1996, all category I industry participants, excluding pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 834 health care enrollment transaction set (draft standard for trial use version 3030) for the electronic transfer of enrollment and health benefit information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.

Subd. 4. [ELIGIBILITY INFORMATION.] By January 1, 1996, all category I industry participants, except pharmacists, shall be able to accept or submit, as appropriate, the ANSI ASC X12 270/271 health care eligibility transaction set (draft standard for trial use version 3030) for the electronic transfer of health benefit eligibility information. Category II industry participants, except pharmacists, shall be able to accept or submit, as appropriate, this transaction set, beginning January 1, 1997.

Subd. 5. [APPLICABILITY.] This section does not require a group purchaser, health care provider, or employer to use electronic data interchange or to have the capability to do so. This section applies only to the extent that a group purchaser, health care provider, or employer chooses to use electronic data interchange.

Sec. 10. [62].59 [IMPLEMENTATION OF NCPDP TELECOMMUNICATIONS STANDARD FOR PHARMACY CLAIMS.]

(a) Beginning January 1996, all category I and II pharmacists licensed in this state shall accept the NCPDP telecommunication standard format 3.2 or the NCPDP tape billing and payment format 2.0 for the electronic submission of claims as appropriate.

(b) Beginning January 1996, all category I and category II group purchasers in this state shall use the NCPDP telecommunication standard format 3.2 or NCPDP tape billing and payment format 2.0 for electronic submission of payment information to pharmacists.

Sec. 11. [62].60 [STANDARDS FOR THE MINNESOTA UNIFORM HEALTH CARE IDENTIFICATION CARD.]

Subdivision 1. [MINNESOTA HEALTH CARE IDENTIFICATION CARD.] All individuals with health care coverage shall be issued health care identification cards by group purchasers as of January 1, 1998. The health care identification cards shall comply with the standards prescribed in this section.

Subd. 2. [GENERAL CHARACTERISTICS.] (a) The Minnesota health care identification card must be a preprinted card constructed of plastic, paper, or any other medium that conforms with ANSI and ISO 7810 physical characteristics standards. The card dimensions must also conform to ANSI and ISO 7810 physical characteristics standard. The use of a signature panel is optional.

(b) The Minnesota health care identification card must have an essential information window in the front side with the following data elements left justified in the following top to bottom sequence: issuer name, issuer number, identification number, identification name. No optional data may be interspersed between these data elements. The window must be left justified.

(c) Standardized labels are required next to human readable data elements. The card issuer may decide the location of the standardized label relative to the data element.

Subd. 3. [HUMAN READABLE DATA ELEMENTS.] (a) The following are the minimum human readable data elements that must be present on the front side of the Minnesota health care identification card:

(1) Issuer name or logo, which is the name or logo that identifies the card issuer. The issuer name or logo may be the card's front background. No standard label is required for this data element;

(2) Issuer number, which is the unique card issuer number consisting of a base number assigned by a registry process followed by a suffix number assigned by the card issuer. The use of this element is mandatory within one year of the establishment of a process for this identifier. The standardized label for this element is "Issuer";

(3) Identification number, which is the unique identification number of the individual card holder established and defined under this section. The standardized label for the data element is "ID";

(4) Identification name, which is the name of the individual card holder. The identification name must be formatted as follows: first name, space, optional middle initial, space, last name, optional space and name suffix. The standardized label for this data element is "Name";

(5) Account number(s), which is any other number, such as a group number, if required for part of the identification or claims process. The standardized label for this data element is "Account";

(6) Care type, which is the description of the group purchaser's plan product under which the beneficiary is covered. The standardized label for this data element is "Care Type";

(7) Service type, which is the description of coverage provided such as hospital, dental, vision, prescription, or mental health. The standard label for this data element is "Svc Type";

(8) Employer name, which is the name of the employer of the primary beneficiary; and

(9) Union local name and number.

(b) The following human readable data elements shall be present on the back side of the Minnesota health identification card. These elements must be left justified, and no optional data elements may be interspersed between them:

(1) Claims submission name(s) and address(es), which are the name(s) and address(es) of the entity or entities to which claims should be submitted. If different destinations are required for different types of claims, this must be labeled;

(2) Telephone number(s) and name(s); which are the telephone number(s) and name(s) of the following contact(s) with a standardized label describing the service function as applicable:

(i) eligibility information;

(ii) utilization review;

(iii) precertification; and

(iv) customer services.

(c) All human readable data elements not required under paragraph (a) or (b) are optional and may be used at the issuer's discretion.

Subd. 4. [MACHINE READABLE DATA CONTENT.] The Minnesota health care identification card may be machine readable or nonmachine readable. If the card is machine readable, the card must contain a magnetic stripe that conforms to ANSI and ISO standards for Tracks 1. The machine readable record format must conform to the following record length and format standards.

Sec. 12. [62J.61] [RULEMAKING; IMPLEMENTATION.]

The commissioner of health is exempt from rulemaking in implementing sections 62J.50 to 62J.54, subdivision 3, and 62J.56 to 62J.59. The commissioner shall publish proposed rules in the State Register. Interested parties have 30 days to comment on the proposed rules. After the commissioner has considered all comments, the commissioner shall publish the final rules in the State Register 30 days before they are to take effect. The commissioner may use emergency and permanent rulemaking to implement the remainder of this article. The commissioner shall not adopt any rules requiring patients to provide their social security numbers unless and until federal laws are modified to allow or require such action, nor shall the commissioner adopt rules which allow medical records, claims, or other treatment or clinical data to be included on the health care identification card, except as specifically provided in this chapter.

Sec. 13. [COMMISSIONER; CONTINUED SIMPLIFICATION.] The commissioner of health shall continue to develop additional standard billing and administrative procedure simplification. These may include reduction or elimination of payer-required attachments to claims, standard formularies, standard format for direct patient billing, and increasing standardization of claims forms and EDI formats.

Sec. 14. [EVALUATIONS.]

Subdivision 1. [UNIQUE EMPLOYER IDENTIFICATION NUMBER.] The commissioner of health shall evaluate the need for the development and implementation of unique employer identification numbers to identify employers or entities that provide health care coverage.

Subd. 2. [UNIQUE "ISSUER" IDENTIFICATION NUMBER.] The commissioner of health shall evaluate the need for the development and implementation of unique identification numbers to identify issuers of health care identification cards.

Sec. 15. [EFFECTIVE DATE.]

Sections 1 to 14 are effective the day following final enactment.

ARTICLE 10

INSURANCE REFORM

Section 1. Minnesota Statutes 1993 Supplement, section 43A.317, is amended by adding a subdivision to read:

Subd. 12. [STATUS OF AGENTS.] Notwithstanding section 60K.03, subdivision 5, and 72A.07, the program may use, and pay referral fees, commissions, or other compensation to, agents licensed as life and health agents under chapter 60K or licensed under section 62C.17, regardless of whether the agents are appointed to represent the particular health carriers, integrated service networks, or community integrated service networks that provide the coverage available through the program. When acting under this subdivision, an agent is not an agent of the health carrier, integrated service network, or community integrated service network, with respect to that transaction.

Sec. 2. Minnesota Statutes 1993 Supplement, section 60K.14, subdivision 7, is amended to read:

Subd. 7. [DISCLOSURE OF COMMISSIONS.] Before selling, or offering to sell, any health insurance or a health plan as defined in section 62A.011, subdivision 3, an agent shall disclose in writing to the prospective purchaser the amount of any commission or other compensation the agent will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 3. Minnesota Statutes 1993 Supplement, section 62A.011, subdivision 3, is amended to read:

Subd. 3. [HEALTH PLAN.] "Health plan" means a policy or certificate of accident and sickness insurance as defined in section 62A.01 offered by an insurance company licensed under chapter 60A; a subscriber contract or certificate offered by a nonprofit health service plan corporation operating under chapter 62C; a health maintenance contract or certificate offered by a health maintenance organization operating under chapter 62D; a health benefit certificate offered by a fraternal benefit society operating under chapter 64B; or health coverage offered by a joint self-insurance employee health plan operating under chapter 62H. Health plan means individual and group coverage, unless otherwise specified. Health plan does not include coverage that is:

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;
- (3) supplemental to liability insurance;
- (4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense-incurred basis;
- (5) credit accident and health insurance as defined in section 62B.02;
- (6) designed solely to provide dental or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident-only coverage;
- (9) a long-term care policy as defined in section 62A.46;
- (10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended ~~through December 31, 1994~~;
- (11) workers' compensation insurance; or
- (12) issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health plan.

Sec. 4. Minnesota Statutes 1992, section 62A.303, is amended to read:

62A.303 [PROHIBITION; SEVERING OF GROUPS.]

Section 62L.12, subdivisions ~~1, 2, 3,~~ and 4, apply to all employer group health plans, as defined in section 62A.011, regardless of the size of the group.

Sec. 5. [62A.305] [USE OF GENDER PROHIBITED.]

Subdivision 1. [APPLICABILITY.] This section applies to all health plans as defined in section 62A.011 offered, sold, issued, or renewed, by a health carrier on or after January 1, 1995.

Subd. 2. [PROHIBITION ON USE OF GENDER.] No health plan described in subdivision 1 shall determine the premium rate or any other underwriting decision, including initial issuance, through a method that is in any way based upon the gender of any person covered or to be covered under the health plan. This subdivision prohibits use of marital status or generalized differences in expected costs between employees and spouses or between principal insureds and their spouses.

Sec. 6. Minnesota Statutes 1993 Supplement, section 62A.31, subdivision 1h, is amended to read:

Subd. 1h. [LIMITATIONS ON DENIALS, CONDITIONS, AND PRICING OF COVERAGE.] No issuer of Medicare supplement policies, including policies that supplement Medicare issued by health maintenance organizations or those policies governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395,

et seq., in this state may impose preexisting condition limitations or otherwise deny or condition the issuance or effectiveness of any Medicare supplement insurance policy form available for sale in this state, nor may it discriminate in the pricing of such a policy, because of the health status, claims experience, receipt of health care, or medical condition of an applicant where an application for such insurance is submitted during the six-month period beginning with the first month in which an individual first enrolled for benefits under Medicare Part B. This paragraph applies regardless of whether the individual has attained the age of 65 years. If an individual who is enrolled in Medicare Part B due to disability status is involuntarily disenrolled due to loss of disability status, the individual is eligible for the six-month enrollment period provided under this subdivision if the individual later becomes eligible for and enrolls again in Medicare Part B.

Sec. 7. Minnesota Statutes 1993 Supplement, section 62A.36, subdivision 1, is amended to read:

Subdivision 1. [LOSS RATIO STANDARDS.] (a) For purposes of this section, "Medicare supplement policy or certificate" has the meaning given in section 62A.31, subdivision 3, but also includes a policy, contract, or certificate issued under a contract under section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et seq. A Medicare supplement policy form or certificate form shall not be delivered or issued for delivery unless the policy form or certificate form can be expected, as estimated for the entire period for which rates are computed to provide coverage, to return to policyholders and certificate holders in the form of aggregate benefits, not including anticipated refunds or credits, provided under the policy form or certificate form:

(1) at least 75 percent of the aggregate amount of premiums earned in the case of group policies, and

(2) at least 65 percent of the aggregate amount of premiums earned in the case of individual policies, calculated on the basis of incurred claims experience or incurred health care expenses where coverage is provided by a health maintenance organization on a service rather than reimbursement basis and earned premiums for the period and according to accepted actuarial principles and practices. An insurer shall demonstrate that the third year loss ratio is greater than or equal to the applicable percentage. The applicable percentage for group policies or contracts shall increase by one percentage point on July 1 of each year, beginning on July 1, 1994, until an 82 percent loss ratio is reached on July 1, 2000. The applicable percentage for individual policies or contracts shall increase by one percentage point on July 1 of each year, beginning on July 1, 1994, until a 72 percent loss ratio is reached on July 1, 2000.

All filings of rates and rating schedules shall demonstrate that expected claims in relation to premiums comply with the requirements of this section when combined with actual experience to date. Filings of rate revisions shall also demonstrate that the anticipated loss ratio over the entire future period for which the revised rates are computed to provide coverage can be expected to meet the appropriate loss ratio standards, and aggregate loss ratio from inception of the policy or certificate shall equal or exceed the appropriate loss ratio standards.

(b) An issuer shall collect and file with the commissioner by May 31 of each year the data contained in the National Association of Insurance Commissioners Medicare Supplement Refund Calculating form, for each type of Medicare supplement benefit plan.

If, on the basis of the experience as reported, the benchmark ratio since inception (ratio 1) exceeds the adjusted experience ratio since inception (ratio 3), then a refund or credit calculation is required. The refund calculation must be done on a statewide basis for each type in a standard Medicare supplement benefit plan. For purposes of the refund or credit calculation, experience on policies issued within the reporting year shall be excluded.

A refund or credit shall be made only when the benchmark loss ratio exceeds the adjusted experience loss ratio and the amount to be refunded or credited exceeds a de minimis level. The refund shall include interest from the end of the calendar year to the date of the refund or credit at a rate specified by the secretary of health and human services, but in no event shall it be less than the average rate of interest for 13-week treasury bills. A refund or credit against premiums due shall be made by September 30 following the experience year on which the refund or credit is based.

(c) An issuer of Medicare supplement policies and certificates in this state shall file annually its rates, rating schedule, and supporting documentation including ratios of incurred losses to earned premiums by policy or certificate duration for approval by the commissioner according to the filing requirements and procedures prescribed by the commissioner. The supporting documentation shall also demonstrate in accordance with actuarial standards of practice using reasonable assumptions that the appropriate loss ratio standards can be expected to be met over the entire period for which rates are computed. The demonstration shall exclude active life reserves. An expected third-year loss ratio which is greater than or equal to the applicable percentage shall be demonstrated for policies or certificates in force less than three years.

As soon as practicable, but before the effective date of enhancements in Medicare benefits, every issuer of Medicare supplement policies or certificates in this state shall file with the commissioner, in accordance with the applicable filing procedures of this state:

(1) a premium adjustment that is necessary to produce an expected loss ratio under the policy or certificate that will conform with minimum loss ratio standards for Medicare supplement policies or certificates. No premium adjustment that would modify the loss ratio experience under the policy or certificate other than the adjustments described herein shall be made with respect to a policy or certificate at any time other than on its renewal date or anniversary date;

(2) if an issuer fails to make premium adjustments acceptable to the commissioner, the commissioner may order premium adjustments, refunds, or premium credits considered necessary to achieve the loss ratio required by this section;

(3) any appropriate riders, endorsements, or policy or certificate forms needed to accomplish the Medicare supplement insurance policy or certificate modifications necessary to eliminate benefit duplications with Medicare. The riders, endorsements, or policy or certificate forms shall provide a clear description of the Medicare supplement benefits provided by the policy or certificate.

(d) The commissioner may conduct a public hearing to gather information concerning a request by an issuer for an increase in a rate for a policy form or certificate form if the experience of the form for the previous reporting period is not in compliance with the applicable loss ratio standard. The determination of compliance is made without consideration of a refund or credit for the reporting period. Public notice of the hearing shall be furnished in a manner considered appropriate by the commissioner.

(e) An issuer shall not use or change premium rates for a Medicare supplement policy or certificate unless the rates, rating schedule, and supporting documentation have been filed with, and approved by, the commissioner according to the filing requirements and procedures prescribed by the commissioner.

Sec. 8. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 2, is amended to read:

Subd. 2. [GUARANTEED RENEWAL.] No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the health plan provides that the plan is guaranteed renewable at a premium rate that does not take into account the claims experience or any change in the health status of any covered person that occurred after the initial issuance of the health plan to the person. The premium rate upon renewal must also otherwise comply with this section. A health carrier must not refuse to renew an individual health plan may be subject to refusal to renew only under the conditions provided in chapter 62L for health benefit plans prior to enrollment in Medicare Parts A and B, except for nonpayment of premiums, fraud, or misrepresentation.

Sec. 9. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 3, is amended to read:

Subd. 3. [PREMIUM RATE RESTRICTIONS.] No individual health plan may be offered, sold, issued, or renewed to a Minnesota resident unless the premium rate charged is determined in accordance with the ~~rating and premium restrictions provided under chapter 62L, except that the minimum loss ratio applicable to an individual health plan is as provided in section 62A.021. All rating and premium restrictions of chapter 62L apply to the individual market, unless clearly inapplicable to the individual market.~~ following requirements:

(a) Premium rates must be no more than 25 percent above and no more than 25 percent below the index rate charged to individuals for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this paragraph must be based only upon health status, claims experience, and occupation. For purposes of this paragraph, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined by the commissioner to be actuarially valid and have been approved by the commissioner. Variations permitted under this paragraph must not be based upon age or applied differently at different ages. This paragraph does not prohibit use of a constant percentage adjustment for factors permitted to be used under this paragraph.

(b) Premium rates may vary based upon the ages of covered persons only as provided in this paragraph. In addition to the variation permitted under paragraph (a), each health carrier may use an additional premium variation based upon age of up to plus or minus 50 percent of the index rate.

(c) A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than 20 percent. Health carriers that do not do business in the Minneapolis/St. Paul metropolitan area may request approval for no more than two geographic regions, and clauses (2) and (3) do not apply to approval of requests made by those health carriers. The commissioner may grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;

(3) for each geographic region that is rural, the index rate for that region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area; and

(4) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

(d) Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based upon the number of adults or children covered under the policy and may reflect the availability of medicare coverage. The rates for different rate cells must not in any way reflect generalized differences in expected costs between principal insureds and their spouses.

(e) In developing its index rates and premiums for a health plan, a health carrier shall take into account only the following factors:

(1) actuarially valid differences in rating factors permitted under paragraphs (a) and (b); and

(2) actuarially valid geographic variations if approved by the commissioner as provided in paragraph (c).

(f) All premium variations must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All rate variations are subject to approval by the commissioner.

(g) The loss ratio must comply with the section 62A.021 requirements for individual health plans.

(h) The rates must not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risks associated with the enrollee populations, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549.

Sec. 10. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 4, is amended to read:

Subd. 4. [GENDER RATING PROHIBITED.] No individual health plan offered, sold, issued, or renewed to a Minnesota resident may determine the premium rate or any other underwriting decision, including initial issuance, ~~on~~ through a method that is in any way based upon the gender of any person covered or to be covered under the health plan. This subdivision prohibits the use of marital status or generalized differences in expected costs between principal insureds and their spouses.

Sec. 11. Minnesota Statutes 1993 Supplement, section 62A.65, subdivision 5, is amended to read:

Subd. 5. [PORTABILITY OF COVERAGE.] (a) No individual health plan may be offered, sold, issued, or with respect to children age 18 or under renewed, to a Minnesota resident that contains a preexisting condition limitation or exclusion or exclusionary rider, unless the limitation or exclusion ~~would be~~ is permitted under chapter 62L, this subdivision, provided that, except for children age 18 or under, underwriting restrictions may be retained on individual contracts that are issued without evidence of insurability as a replacement for prior individual coverage that was sold before May 17, 1993. The individual may be ~~treated as a late entrant, as defined in chapter 62L~~ subjected to an 18-month preexisting condition limitation, unless the individual has maintained continuous coverage as defined in ~~chapter 62L~~ section 62L.02. The individual must not be subjected to an exclusionary rider. An individual who has maintained continuous coverage may be subjected to a one-time preexisting condition limitation ~~as permitted under chapter 62L for persons who are not late entrants, of up to 12 months, with credit for time covered~~

under qualifying coverage as defined in section 62L.02, at the time that the individual first is covered under an individual health plan by any health carrier. The individual must not be subjected to an exclusionary rider. Thereafter, the individual must not be subject to any preexisting condition limitation or exclusion or exclusionary rider under an individual health plan by any health carrier, except an unexpired portion of a limitation under prior coverage, so long as the individual maintains continuous coverage.

(b) A health carrier must offer an individual health plan to any individual previously covered under a group health benefit plan issued by that health carrier, regardless of the size of the group, so long as the individual maintained continuous coverage as defined in ~~chapter 62L~~ section 62L.02. The offer must not be subject to underwriting, except as permitted under this paragraph. A health plan issued under this paragraph must be a qualified plan and must not contain any preexisting condition limitation or exclusion or exclusionary rider, except for any unexpired limitation or exclusion under the previous coverage. The individual health plan must cover pregnancy on the same basis as any other covered illness under the individual health plan. The initial premium rate for the individual health plan must comply with subdivision 3. The premium rate upon renewal must comply with subdivision 2. In no event shall the premium rate exceed 90 percent of the premium charged for comparable individual coverage by the Minnesota comprehensive health association, and the premium rate must be less than that amount if necessary to otherwise comply with this section. An individual health plan offered under this paragraph to a person satisfies the health carrier's obligation to offer conversion coverage under section 62E.16, with respect to that person. Section 72A.20, subdivision 28, applies to this paragraph.

Sec. 12. Minnesota Statutes 1993 Supplement, section 62A.65, is amended by adding a subdivision to read:

Subd. 7. [SHORT TERM COVERAGE.] (a) For purposes of this section, "short term coverage" means an individual health plan that:

(1) is issued to provide coverage for a period of 185 days or less, except that the health plan may permit coverage to continue until the end of a period of hospitalization for a condition for which the covered person was hospitalized on the day that coverage would otherwise have ended;

(2) is nonrenewable, provided that the health carrier may provide coverage for one or more subsequent periods that satisfy clause (1), if the total of the periods of coverage do not exceed a total of 185 days out of any 365 day period, plus any additional days covered as a result of hospitalization on the day that a period of coverage would otherwise have ended;

(3) does not cover any preexisting conditions, including ones that originated during a previous identical policy or contract with the same health carrier where coverage was continuous between the previous and the current policy or contract; and

(4) is available with an immediate effective date without underwriting upon receipt of a completed application indicating eligibility under the health carrier's eligibility requirements, provided that coverage that includes optional benefits may be offered on a basis that does not meet this requirement.

(b) Short term coverage is not subject to subdivisions 2 and 5. Short term coverage may exclude as a preexisting condition any injury, illness, or condition for which the covered person had medical treatment, symptoms, or any manifestations before the effective date of the coverage, but dependent children born or placed for adoption during the policy period must not be subject to this provision.

(c) Notwithstanding subdivision 3, and section 62A.021, a health carrier may combine short term coverage with its most commonly sold individual qualified plan as defined in section 62E.02, other than short term coverage, for purposes of complying with the loss ratio requirement.

(d) The 185 day coverage limitation provided in paragraph (a), applies to the total number of days of short term coverage that covers a person, regardless of the number of policies, contracts, or health carriers that provide the coverage. A written application for short term coverage must ask the applicant whether the applicant has been covered by short term coverage by any health carrier within the 365 days immediately preceding the effective date of the coverage being applied for. Short term coverage issued in violation of the 185 day limitation is valid until the end of its term, and does not lose its status as short term coverage, in spite of the violation. A health carrier that knowingly issues short term coverage in violation of the 185 day limitation is subject to the administrative penalties otherwise available to the commissioner of commerce or the commissioner of health, as appropriate.

(e) Time spent under short term coverage counts as time spent under a preexisting condition limitation for purposes of group or individual health plans, other than short term coverage, subsequently issued to that person, or to cover that person, by any health carrier, if the person maintains continuous coverage as defined in section 62L.02. Short term coverage is a health plan and is qualifying coverage as defined in section 62L.02. Notwithstanding any other law to the contrary, a health carrier is not required under any circumstances to provide a person covered by short-term coverage the right to obtain coverage on a guaranteed issue basis under another health plan offered by the health carrier, as a result of the person's enrollment in short-term coverage.

Sec. 13. Minnesota Statutes 1993 Supplement, section 62A.65, is amended by adding a subdivision to read:

Subd. 8. [CESSATION OF INDIVIDUAL BUSINESS.] Notwithstanding the provisions of subdivisions 1 to 7, a health carrier may elect to cease doing business in the individual market if it complies with the requirements of this subdivision. A health carrier electing to cease doing business in the individual market shall notify the commissioner 180 days prior to the effective date of the cessation. The cessation of business does not include the failure of a health carrier to offer or issue new business in the individual market or continue an existing product line, provided that a health carrier does not terminate, cancel, or fail to renew its current individual business or other product lines. A health carrier electing to cease doing business in the individual market shall provide 120 days' written notice to each policyholder covered by a health plan issued by the health carrier. A health carrier that ceases to write new business in the individual market shall continue to be governed by this section with respect to continuing individual business conducted by the carrier. A health carrier that ceases to do business in the individual market after July 1, 1994, is prohibited from writing new business in the individual market in this state for a period of five years from the date of notice to the commissioner. This subdivision applies to any health maintenance organization that ceases to do business in the individual market in one service area with respect to that service area only. Nothing in this subdivision prohibits an affiliated health maintenance organization from continuing to do business in the individual market in that same service area.

Sec. 14. Minnesota Statutes 1993 Supplement, section 62D.12, subdivision 17, is amended to read:

Subd. 17. [DISCLOSURE OF COMMISSIONS.] Any person receiving commissions for the sale of coverage or enrollment in a health plan, as defined in section 62A.011, offered by a health maintenance organization shall, before selling or offering to sell coverage or enrollment, disclose in writing to the prospective purchaser the amount of any commission or other compensation the person will receive as a direct result of the sale. The disclosure may be expressed in dollars or as a percentage of the premium. The amount disclosed need not include any anticipated renewal commissions.

Sec. 15. Minnesota Statutes 1992, section 62E.141, is amended to read:

62E.141 [INCLUSION IN EMPLOYER-SPONSORED PLAN.]

No employee, or dependent of an employee, of an employer who that offers a health benefit plan, under which the employee or dependent is eligible to enroll under chapter 62L for coverage, is eligible to enroll, or continue to be enrolled, in the comprehensive health association, except for enrollment or continued enrollment necessary to cover conditions that are subject to an unexpired preexisting condition limitation or exclusion or exclusionary rider under the employer's health benefit plan. This section does not apply to persons enrolled in the comprehensive health association as of June 30, 1993. With respect to persons eligible to enroll in the health plan of an employer that has more than 29 current employees, as defined in section 62L.02, this section does not apply to persons enrolled in the comprehensive health association as of December 31, 1994.

Sec. 16. Minnesota Statutes 1992, section 62E.16, is amended to read:

62E.16 [POLICY CONVERSION RIGHTS.]

Every program of self-insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization written or renewed in this state, shall include, in addition to the provisions required by section 62A.17, the right to convert to an individual coverage qualified plan without the addition of underwriting restrictions if the individual insured leaves the group regardless of the reason for leaving the group or if an employer member of a group ceases to remit payment so as to terminate coverage for its employees, or upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. If the health maintenance organization has canceled coverage for the group because of a loss of providers in a service area, the health maintenance organization shall arrange for other health maintenance or

indemnity conversion options that shall be offered to enrollees without the addition of underwriting restrictions. The required conversion contract must treat pregnancy the same as any other covered illness under the conversion contract. The person may exercise this right to conversion within 30 days of leaving the group or within 30 days following receipt of due notice of cancellation or termination of coverage of the group or of the employer member of the group and upon payment of premiums from the date of termination or cancellation. Due notice of cancellation or termination of coverage for a group or of the employer member of the group shall be provided to each employee having coverage in the group by the insurer, self-insurer or health maintenance organization canceling or terminating the coverage except where reasonable evidence indicates that uninterrupted and continuous group coverage is otherwise provided to the group. Every employer having a policy of group accident and health insurance, group subscriber or contract of coverage by a health maintenance organization shall, upon request, provide the insurer or health maintenance organization a list of the names and addresses of covered employees. Plans of health coverage shall also include a provision which, upon the death of the individual in whose name the contract was issued, permits every other individual then covered under the contract to elect, within the period specified in the contract, to continue coverage under the same or a different contract without the addition of underwriting restrictions until the individual would have ceased to have been entitled to coverage had the individual in whose name the contract was issued lived. An individual conversion contract issued by a health maintenance organization shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10. An individual health plan offered under section 62A.65, subdivision 5, paragraph (b), to a person satisfies the health carrier's obligation to offer conversion coverage under this section with respect to that person.

Sec. 17. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 8, is amended to read:

Subd. 8. [COMMISSIONER.] "Commissioner" means the commissioner of commerce for health carriers subject to the jurisdiction of the department of commerce or the commissioner of health for health carriers subject to the jurisdiction of the department of health, or the relevant commissioner's designated representative. For purposes of sections 62L.13 to 62L.22, "commissioner" means the commissioner of commerce or that commissioner's designated representative.

Sec. 18. Minnesota Statutes 1992, section 62L.02, subdivision 9, is amended to read:

Subd. 9. [CONTINUOUS COVERAGE.] "Continuous coverage" means the maintenance of continuous and uninterrupted qualifying ~~prior coverage by an eligible employee or dependent.~~ An eligible employee or dependent individual is considered to have maintained continuous coverage if the individual requests enrollment in ~~a health benefit plan qualifying coverage~~ within 30 days of termination of the qualifying ~~prior coverage.~~

Sec. 19. Minnesota Statutes 1992, section 62L.02, is amended by adding a subdivision to read:

Subd. 9a. [CURRENT EMPLOYEE.] "Current employee" means an employee, as defined in this section, other than a retiree or handicapped former employee.

Sec. 20. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 11, is amended to read:

Subd. 11. [DEPENDENT.] "Dependent" means an eligible employee's spouse, unmarried child who is under the age of 19 years, unmarried child under the age of 25 years who is a full-time student as defined in section 62A.301 ~~and financially dependent upon the eligible employee, or, dependent child of any age who is handicapped and who meets the eligibility criteria in section 62A.14, subdivision 2, or any other person whom state or federal law requires to be treated as a dependent for purposes of health plans.~~ For the purpose of this definition, a child may include a child for whom the employee or the employee's spouse has been appointed legal guardian.

Sec. 21. Minnesota Statutes 1992, section 62L.02, subdivision 13, is amended to read:

Subd. 13. [ELIGIBLE EMPLOYEE.] "Eligible employee" means an ~~individual employed by a small employer for at least 20 hours per week and employee~~ who has satisfied all employer participation and eligibility requirements, ~~including, but not limited to, the satisfactory completion of a probationary period of not less than 30 days but no more than 90 days.~~ The term includes ~~A sole proprietor, a partner of a partnership, or an independent contractor, if the sole proprietor, partner, or independent contractor is included as an employee under a health benefit plan of a small employer, but does not include employees who work on a temporary, seasonal, or substitute basis.~~

Sec. 22. Minnesota Statutes 1992, section 62L.02, is amended by adding a subdivision to read:

Subd. 13a. [EMPLOYEE.] "Employee" means an individual employed for at least 20 hours per week and includes a sole proprietor or a partner of a partnership, if the sole proprietor or partner is included under a health benefit plan of the employer, but does not include individuals who work on a temporary, seasonal, or substitute basis. "Employee" also includes a retiree or a handicapped former employee required to be covered under sections 62A.147 and 62A.148.

Sec. 23. Minnesota Statutes 1992, section 62L.02, is amended by adding a subdivision to read:

Subd. 14a. [GUARANTEED ISSUE.] "Guaranteed issue" means that a health carrier shall not decline an application by a small employer for any health benefit plan offered by that health carrier and shall not decline to cover under a health benefit plan any eligible employee or eligible dependent, including persons who become eligible employees or eligible dependents after initial issuance of the health benefit plan, subject to the health carrier's right to impose preexisting condition limitations permitted under this chapter.

Sec. 24. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 15, is amended to read:

Subd. 15. [HEALTH BENEFIT PLAN.] "Health benefit plan" means a policy, contract, or certificate offered, sold, issued, or renewed by a health carrier to a small employer for the coverage of medical and hospital benefits. Health benefit plan includes a small employer plan. Health benefit plan does not include coverage that is:

- (1) limited to disability or income protection coverage;
- (2) automobile medical payment coverage;
- (3) supplemental to liability insurance;
- (4) designed solely to provide payments on a per diem, fixed indemnity, or nonexpense-incurred basis;
- (5) credit accident and health insurance as defined in section 62B.02;
- (6) designed solely to provide dental or vision care;
- (7) blanket accident and sickness insurance as defined in section 62A.11;
- (8) accident-only coverage;
- (9) a long-term care policy as defined in section 62A.46;
- (10) issued as a supplement to Medicare, as defined in sections 62A.31 to 62A.44, or policies, contracts, or certificates that supplement Medicare issued by health maintenance organizations or those policies, contracts, or certificates governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395, et seq., as amended ~~through December 31, 1991~~;
- (11) workers' compensation insurance; or
- (12) issued solely as a companion to a health maintenance contract as described in section 62D.12, subdivision 1a, so long as the health maintenance contract meets the definition of a health benefit plan.

For the purpose of this chapter, a health benefit plan issued to eligible employees of a small employer who meets the participation requirements of section 62L.03, subdivision 3, is considered to have been issued to a small employer. A health benefit plan issued on behalf of a health carrier is considered to be issued by the health carrier.

Sec. 25. Minnesota Statutes 1992, section 62L.02, subdivision 16, is amended to read:

Subd. 16. [HEALTH CARRIER.] "Health carrier" means an insurance company licensed under chapter 60A to offer, sell, or issue a policy of accident and sickness insurance as defined in section 62A.01; a health service plan licensed under chapter 62C; a health maintenance organization licensed under chapter 62D; a fraternal benefit society operating under chapter 64B; a joint self-insurance employee health plan operating under chapter 62H; and a multiple employer welfare arrangement, as defined in United States Code, title 29, section 1002(40), as amended ~~through December 31, 1991~~. For purposes of sections

62L.01 to 62L.12, but not for purposes of sections 62L.13 to 62L.22, "health carrier" includes a community integrated service network or integrated service network licensed under chapter 62N. Any use of this definition in another chapter by reference does not include a community integrated service network or integrated service network, unless otherwise specified. For the purpose of this chapter, companies that are affiliated companies or that are eligible to file a consolidated tax return must be treated as one health carrier, except that any insurance company or health service plan corporation that is an affiliate of a health maintenance organization located in Minnesota, or any health maintenance organization located in Minnesota that is an affiliate of an insurance company or health service plan corporation, or any health maintenance organization that is an affiliate of another health maintenance organization in Minnesota, may treat the health maintenance organization as a separate health carrier.

Sec. 26. Minnesota Statutes 1992, section 62L.02, subdivision 17, is amended to read:

Subd. 17. [HEALTH PLAN.] "Health plan" means a health benefit plan ~~issued by a health carrier, except that it may be issued:~~

- (1) to a small employer;
- (2) ~~to an employer who does not satisfy the definition of a small employer as defined under subdivision 26; or~~
- (3) ~~to an individual purchasing an individual or conversion policy of health care coverage issued by a health carrier as defined in section 62A.011 and includes individual and group coverage regardless of the size of the group, unless otherwise specified.~~

Sec. 27. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 19, is amended to read:

Subd. 19. [LATE ENTRANT.] "Late entrant" means an eligible employee or dependent who requests enrollment in a health benefit plan of a small employer following the initial enrollment period applicable to the employee or dependent under the terms of the health benefit plan, provided that the initial enrollment period must be a period of at least 30 days. However, an eligible employee or dependent must not be considered a late entrant if:

(1) the individual was covered under qualifying ~~existing~~ coverage at the time the individual was eligible to enroll in the health benefit plan, declined enrollment on that basis, and presents to the health carrier a certificate of termination of the qualifying ~~prior~~ coverage, due to loss of eligibility for that coverage, provided that the individual maintains continuous coverage. For purposes of this clause, ~~eligibility for prior coverage does not include eligibility for an individual is not a late entrant if the individual elects coverage under the health benefit plan rather than accepting continuation coverage required for which the individual is eligible under state or federal law with respect to the individual's previous qualifying coverage;~~

(2) the individual has lost coverage under another group health plan due to the expiration of benefits available under the Consolidated Omnibus Budget Reconciliation Act of 1985, Public Law Number 99-272, as amended, and any state continuation laws applicable to the employer or health carrier, provided that the individual maintains continuous coverage;

(3) the individual is a new spouse of an eligible employee, provided that enrollment is requested within 30 days of becoming legally married;

(4) the individual is a new dependent child of an eligible employee, provided that enrollment is requested within 30 days of becoming a dependent;

(5) the individual is employed by an employer that offers multiple health benefit plans and the individual elects a different plan during an open enrollment period; or

(6) a court has ordered that coverage be provided for a former spouse or dependent child under a covered employee's health benefit plan and request for enrollment is made within 30 days after issuance of the court order.

Sec. 28. Minnesota Statutes 1992, section 62L.02, subdivision 24, is amended to read:

Subd. 24. [~~QUALIFYING PRIOR COVERAGE OR QUALIFYING EXISTING COVERAGE.~~] "Qualifying ~~prior~~ coverage" ~~or "qualifying existing coverage"~~ means health benefits or health coverage provided under:

- (1) a health plan, as defined in this section;

- (2) Medicare;
- (3) medical assistance under chapter 256B;
- (4) general assistance medical care under chapter 256D;
- (5) MCHA;
- (6) a self-insured health plan;

(7) the ~~health right~~ MinnesotaCare plan program established under section 256.9352, when the plan includes inpatient hospital services as provided in section 256.9353;

- (8) a plan provided under section 43A.316, 43A.317, or 471.617; or

(9) a plan similar to any of the above plans provided in this state or in another state as determined by the commissioner.

Sec. 29. Minnesota Statutes 1993 Supplement, section 62L.02, subdivision 26, is amended to read:

Subd. 26. [SMALL EMPLOYER.] (a) "Small employer" means a person, firm, corporation, partnership, association, or other entity actively engaged in business ~~who, including a political subdivision of the state, that~~, on at least 50 percent of its working days during the preceding ~~calendar year~~ 12 months, employed no fewer than two nor more than 29 ~~eligible, or after June 30, 1995, more than 49, current~~ employees, the majority of whom were employed in this state. A political subdivision of the state is not a small employer and is not subject to this chapter when it provides health coverage to its employees, officers, and retirees, and their dependents, by participation in group purchasing of health plan coverage by or through an association of political subdivisions or by or through an educational cooperative service unit created under section 123.58 or by participating in a joint self-insurance pool authorized under section 471.617, subdivision 2. If an employer has only two eligible employees and one is the spouse, child, sibling, parent, or grandparent of the other, the employer must be a Minnesota domiciled employer and have paid social security or self-employment tax on behalf of both eligible employees. If an employer has only one eligible employee who has not waived coverage, the sale of a health plan to or for that eligible employee is not a sale to a small employer and is not subject to this chapter and may be treated as the sale of an individual health plan. A small employer plan may be offered through a domiciled association to self-employed individuals and small employers who are members of the association, even if the self-employed individual or small employer has fewer than two ~~current~~ employees. Entities that are eligible to file a combined tax return for purposes of state tax laws are considered a single employer for purposes of determining the number of ~~eligible current~~ employees. Small employer status must be determined on an annual basis as of the renewal date of the health benefit plan. The provisions of this chapter continue to apply to an employer who no longer meets the requirements of this definition until the annual renewal date of the employer's health benefit plan.

(b) Where an association, described in section 62A.10, subdivision 1, comprised of employers contracts with a health carrier to provide coverage to its members who are small employers, the association shall be considered to be a small employer, with respect to those employers in the association that employ no fewer than two nor more than 29 ~~eligible, or after June 30, 1995, more than 49, current~~ employees, even though the association provides coverage to its members that do not qualify as small employers. An association in existence prior to July 1, 1993, is exempt from this chapter with respect to small employers that are members as of that date. However, in providing coverage to new ~~groups~~ employers after July 1, 1993, the existing association must comply with all requirements of this chapter. Existing associations must register with the commissioner of commerce prior to July 1, 1993. With respect to small employers having not fewer than 30 nor more than 49 current employees, the July 1, 1993 date in this paragraph becomes July 1, 1995, and the reference to "after" that date becomes "on or after."

(c) If an employer has employees covered under a trust ~~established~~ specified in a collective bargaining agreement under the federal Labor-Management Relations Act of 1947, United States Code, title 29, section 141, et seq., as amended, or employees whose health coverage is determined by a collective bargaining agreement and, as a result of the collective bargaining agreement, is purchased separately from the health plan provided to other employees, those employees are excluded in determining whether the employer qualifies as a small employer. Those employees are considered to be a separate small employer if they constitute a group that would qualify as a small employer in the absence of the employees who are not subject to the collective bargaining agreement.

Sec. 30. Minnesota Statutes 1992, section 62L.03, subdivision 1, is amended to read:

Subdivision 1. [GUARANTEED ISSUE AND REISSUE.] Every health carrier shall, as a condition of authority to transact business in this state in the small employer market, affirmatively market, offer, sell, issue, and renew any of its health benefit plans, on a guaranteed issue basis, to any small employer that meets the participation and contribution requirements of subdivision 3, as provided in this chapter. This requirement does not apply to a health benefit plan designed for a small employer to comply with a collective bargaining agreement, provided that the health benefit plan otherwise complies with this chapter and is not offered to other small employers, except for other small employers that need it for the same reason. Every health carrier participating in the small employer market shall make available both of the plans described in section 62L.05 to small employers and shall fully comply with the underwriting and the rate restrictions specified in this chapter for all health benefit plans issued to small employers. A health carrier may cease to transact business in the small employer market as provided under section 62L.09.

Sec. 31. Minnesota Statutes 1993 Supplement, section 62L.03, subdivision 3, is amended to read:

Subd. 3. [MINIMUM PARTICIPATION AND CONTRIBUTION.] (a) A small employer that has at least 75 percent of its eligible employees who have not waived coverage participating in a health benefit plan and that contributes at least 50 percent toward the cost of coverage of eligible employees must be guaranteed coverage on a guaranteed issue basis from any health carrier participating in the small employer market. The participation level of eligible employees must be determined at the initial offering of coverage and at the renewal date of coverage. A health carrier ~~may~~ must not increase the participation requirements applicable to a small employer at any time after the small employer has been accepted for coverage. For the purposes of this subdivision, waiver of coverage includes only waivers due to: (1) coverage under another group health plan; (2) coverage under Medicare parts A and B; or (3) coverage under MCHA permitted under section 62E.141.

(b) If a small employer does not satisfy the contribution or participation requirements under this subdivision, a health carrier may voluntarily issue or renew individual coverage health plans, or a health benefit plan which, ~~except for guaranteed issue,~~ must fully comply with this chapter. A health carrier that provides ~~group coverage a health benefit plan~~ to a small employer that does not meet the contribution or participation requirements of this subdivision must maintain this information in its files for audit by the commissioner. A health carrier may not offer an individual coverage health plan, purchased through an arrangement between the employer and the health carrier, to any employee unless the health carrier also offers coverage the individual health plan, on a guaranteed issue basis, to all other employees of the same employer.

(c) Nothing in this section obligates a health carrier to issue coverage to a small employer that currently offers coverage through a health benefit plan from another health carrier, unless the new coverage will replace the existing coverage and not serve as one of two or more health benefit plans offered by the employer.

Sec. 32. Minnesota Statutes 1993 Supplement, section 62L.03, subdivision 4, is amended to read:

Subd. 4. [UNDERWRITING RESTRICTIONS.] Health carriers may apply underwriting restrictions to coverage for health benefit plans for small employers, including any preexisting condition limitations, only as expressly permitted under this chapter. For purposes of this ~~subdivision section~~, "underwriting restrictions" means any refusal of the health carrier to issue or renew coverage, any premium rate higher than the lowest rate charged by the health carrier for the same coverage, ~~or any preexisting condition limitation or exclusion, or any exclusionary rider.~~ Health carriers may collect information relating to the case characteristics and demographic composition of small employers, as well as health status and health history information about employees, and dependents of employees, of small employers. Except as otherwise authorized for late entrants, preexisting conditions may be excluded by a health carrier for a period not to exceed 12 months from the effective date of coverage of an eligible employee or dependent, but exclusionary riders must not be used. When calculating a preexisting condition limitation, a health carrier shall credit the time period an eligible employee or dependent was previously covered by qualifying prior coverage, provided that the individual maintains continuous coverage. Late entrants may be subject to a preexisting condition limitation not to exceed 18 months from the effective date of coverage of the late entrant, but must not be subject to any exclusionary rider or exclusion. ~~Late entrants may also be excluded from coverage for a period not to exceed 18 months, provided that if a health carrier imposes an exclusion from coverage and a preexisting condition limitation, the combined time period for both the coverage exclusion and preexisting condition limitation must not exceed 18 months.~~ A health carrier shall, at the time of first issuance or renewal of a health benefit plan on or after July 1, 1993, credit against any preexisting condition limitation or exclusion permitted under this section, the time period prior to July 1, 1993, during which an eligible employee or dependent was covered by qualifying existing coverage or ~~qualifying prior coverage~~, if the person has maintained continuous coverage.

Sec. 33. Minnesota Statutes 1993 Supplement, section 62L.03, subdivision 5, is amended to read:

Subd. 5. [CANCELLATIONS AND FAILURES TO RENEW.] (a) No health carrier shall cancel, decline to issue, or fail to renew a health benefit plan as a result of the claim experience or health status of the persons covered or to be covered by the health benefit plan. A health carrier may cancel or fail to renew a health benefit plan:

(1) for nonpayment of the required premium;

(2) for fraud or misrepresentation by the small employer, or, with respect to coverage of an individual eligible employee or dependent, fraud or misrepresentation by the eligible employee or dependent, with respect to eligibility for coverage or any other material fact;

(3) if eligible employee participation during the preceding calendar year declines to less than 75 percent, subject to the waiver of coverage provision in subdivision 3;

(4) if the employer fails to comply with the minimum contribution percentage legally required by the health carrier under subdivision 3;

(5) if the health carrier ceases to do business in the small employer market under section 62L.09; or

(6) if a failure to renew is based upon the health carrier's decision to discontinue the health benefit plan form previously issued to the small employer, but only if the health carrier permits each small employer covered under the prior form to switch to its choice of any other health benefit plan offered by the health carrier, without any underwriting restrictions that would not have been permitted for renewal purposes; or

(7) for any other reasons or grounds expressly permitted by the respective licensing laws and regulations governing a health carrier, including, but not limited to, service area restrictions imposed on health maintenance organizations under section 62D.03, subdivision 4, paragraph (m), to the extent that these grounds are not expressly inconsistent with this chapter.

(b) A health carrier need not renew a health benefit plan, and shall not renew a small employer plan, if an employer ceases to qualify as a small employer as defined in section 62L.02. If a health benefit plan, other than a small employer plan, provides terms of renewal that do not exclude an employer that is no longer a small employer, the health benefit plan may be renewed according to its own terms. If a health carrier issues or renews a health plan to an employer that is no longer a small employer, without interruption of coverage, the health plan is subject to section 60A.082.

Sec. 34. Minnesota Statutes 1993 Supplement, section 62L.04, subdivision 1, is amended to read:

Subdivision 1. [APPLICABILITY OF CHAPTER REQUIREMENTS.] (a) Beginning July 1, 1993, health carriers participating in the small employer market must offer and make available on a guaranteed issue basis any health benefit plan that they offer, including both of the small employer plans provided in section 62L.05, to all small employers who that satisfy the small employer participation and contribution requirements specified in this chapter. Compliance with these requirements is required as of the first renewal date of any small employer group occurring after July 1, 1993. For new small employer business, compliance is required as of the first date of offering occurring after July 1, 1993.

(b) Compliance with these requirements is required as of the first renewal date occurring after July 1, 1994, with respect to employees of a small employer who had been issued individual coverage prior to July 1, 1993, administered by the health carrier on a group basis. Notwithstanding any other law to the contrary, the health carrier shall offer to terminate any individual coverage for employees of small employers who satisfy the small employer participation and contribution requirements specified in section 62L.03 and offer to replace it with a health benefit plan. If the employer elects not to purchase a health benefit plan, the health carrier must offer all covered employees and dependents the option of maintaining their current coverage, administered on an individual basis, or replacement individual coverage. Small employer and replacement individual coverage provided under this subdivision must be without application of underwriting restrictions, provided continuous coverage is maintained.

(c) With respect to small employers having no fewer than 30 nor more than 49 current employees, all dates in this subdivision become July 1, 1995, and any reference to "after" a date becomes "on or after" July 1, 1995.

Sec. 35. Minnesota Statutes 1992, section 62L.05, subdivision 1, is amended to read:

Subdivision 1. [TWO SMALL EMPLOYER PLANS.] Each health carrier in the small employer market must make available, on a guaranteed issue basis, to any small employer that satisfies the contribution and participation requirements of section 62L.03, subdivision 3, both of the small employer plans described in subdivisions 2 and 3. Under subdivisions 2 and 3, coinsurance and deductibles do not apply to child health supervision services and prenatal services, as defined by section 62A.047. The maximum out-of-pocket costs for covered services must be \$3,000 per individual and \$6,000 per family per year. The maximum lifetime benefit must be \$500,000. ~~The out-of-pocket cost limits and the deductible amounts provided in subdivision 2 must be adjusted on July 1 every two years, based upon changes in the consumer price index, as of the end of the previous calendar year, as determined by the commissioner of commerce. Adjustments must be in increments of \$50 and must not be made unless at least that amount of adjustment is required.~~

Sec. 36. Minnesota Statutes 1992, section 62L.05, subdivision 5, is amended to read:

Subd. 5. [PLAN VARIATIONS.] (a) No health carrier shall offer to a small employer a health benefit plan that differs from the two small employer plans described in subdivisions 1 to 4, unless the health benefit plan complies with all provisions of chapters 62A, 62C, 62D, 62E, 62H, 62N, and 64B that otherwise apply to the health carrier, except as expressly permitted by paragraph (b).

(b) As an exception to paragraph (a), a health benefit plan is deemed to be a small employer plan and to be in compliance with paragraph (a) if it differs from one of the two small employer plans described in subdivisions 1 to 4 only by providing benefits in addition to those described in subdivision 4, provided that the health ~~care~~ benefit plan has an actuarial value that exceeds the actuarial value of the benefits described in subdivision 4 by no more than two percent. "Benefits in addition" means additional units of a benefit listed in subdivision 4 or one or more benefits not listed in subdivision 4.

Sec. 37. Minnesota Statutes 1992, section 62L.05, subdivision 8, is amended to read:

Subd. 8. [CONTINUATION COVERAGE.] Small employer plans must include the continuation of coverage provisions required by the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), Public Law Number 99-272, as amended ~~through December 31, 1991~~, and by state law.

Sec. 38. Minnesota Statutes 1992, section 62L.08, subdivision 2, is amended to read:

Subd. 2. [GENERAL PREMIUM VARIATIONS.] Beginning July 1, 1993, each health carrier must offer premium rates to small employers that are no more than 25 percent above and no more than 25 percent below the index rate charged to small employers for the same or similar coverage, adjusted pro rata for rating periods of less than one year. The premium variations permitted by this subdivision must be based only on health status, claims experience, industry of the employer, and duration of coverage from the date of issue. For purposes of this subdivision, health status includes refraining from tobacco use or other actuarially valid lifestyle factors associated with good health, provided that the lifestyle factor and its effect upon premium rates have been determined to be actuarially valid and approved by the commissioner. Variations permitted under this subdivision must not be based upon age or applied differently at different ages. This subdivision does not prohibit use of a constant percentage adjustment for factors permitted to be used under this subdivision.

Sec. 39. Minnesota Statutes 1993 Supplement, section 62L.08, subdivision 4, is amended to read:

Subd. 4. [GEOGRAPHIC PREMIUM VARIATIONS.] A health carrier may request approval by the commissioner to establish no more than three geographic regions and to establish separate index rates for each region, provided that the index rates do not vary between any two regions by more than 20 percent. Health carriers that do not do business in the Minneapolis/St. Paul metropolitan area may request approval for no more than two geographic regions, and clauses (2) and (3) do not apply to approval of requests made by those health carriers. A health carrier may also request approval to establish one or more additional geographic region regions and a one or more separate index rate rates for premiums for employees working and residing outside of Minnesota, and that index rate must not be more than 30 percent higher than the next highest index rate. The commissioner may grant approval if the following conditions are met:

(1) the geographic regions must be applied uniformly by the health carrier;

(2) one geographic region must be based on the Minneapolis/St. Paul metropolitan area;

(3) if one geographic region is rural, the index rate for the rural region must not exceed the index rate for the Minneapolis/St. Paul metropolitan area;

(4) the health carrier provides actuarial justification acceptable to the commissioner for the proposed geographic variations in index rates, establishing that the variations are based upon differences in the cost to the health carrier of providing coverage.

Sec. 40. Minnesota Statutes 1992, section 62L.08, subdivision 5, is amended to read:

Subd. 5. [GENDER-BASED RATES PROHIBITED.] Beginning July 1, 1993, no health carrier may determine premium rates through a method that is in any way based upon the gender of eligible employees or dependents. Rates must not in any way reflect marital status or generalized differences in expected costs between employees and spouses.

Sec. 41. Minnesota Statutes 1992, section 62L.08, subdivision 6, is amended to read:

Subd. 6. [RATE CELLS PERMITTED.] Health carriers may use rate cells and must file with the commissioner the rate cells they use. Rate cells must be based on the number of adults and children covered under the policy and may reflect the availability of Medicare coverage. The rates for different rate cells must not in any way reflect marital status or differences in expected costs between employees and spouses.

Sec. 42. Minnesota Statutes 1992, section 62L.08, subdivision 7, is amended to read:

Subd. 7. [INDEX AND PREMIUM RATE DEVELOPMENT.] (a) In developing its index rates and premiums, a health carrier may take into account only the following factors:

(1) actuarially valid differences in benefit designs of health benefit plans;

(2) actuarially valid differences in the rating factors permitted in subdivisions 2 and 3;

(3) actuarially valid geographic variations if approved by the commissioner as provided in subdivision 4.

(b) All premium variations permitted under this section must be based upon actuarially valid differences in expected cost to the health carrier of providing coverage. The variation must be justified in initial rate filings and upon request of the commissioner in rate revision filings. All premium variations are subject to approval by the commissioner.

Sec. 43. Minnesota Statutes 1993 Supplement, section 62L.08, subdivision 8, is amended to read:

Subd. 8. [FILING REQUIREMENT.] No later than July 1, 1993, and each year thereafter, a health carrier that offers, sells, issues, or renews a health benefit plan for small employers shall file with the commissioner the index rates and must demonstrate that all rates shall be within the rating restrictions defined in this chapter. Such demonstration must include the allowable range of rates from the index rates and a description of how the health carrier intends to use demographic factors including case characteristics in calculating the premium rates. The rates shall not be approved, unless the commissioner has determined that the rates are reasonable. In determining reasonableness, the commissioner shall consider the growth rates applied under section 62J.04, subdivision 1, paragraph (b), to the calendar year or years that the proposed premium rate would be in effect, actuarially valid changes in risk associated with the enrollee population, and actuarially valid changes as a result of statutory changes in Laws 1992, chapter 549. For premium rates proposed to go into effect between July 1, 1993 and December 31, 1993, the pertinent growth rate is the growth rate applied under section 62J.04, subdivision 1, paragraph (b), to calendar year 1994. ~~As provided in section 62A.65, subdivision 3, this subdivision applies to the individual market, as well as to the small employer market.~~

Sec. 44. Minnesota Statutes 1992, section 62L.12, is amended to read:

62L.12 [PROHIBITED PRACTICES.]

Subdivision 1. [PROHIBITION ON ISSUANCE OF INDIVIDUAL POLICIES.] A health carrier operating in the small employer market shall not knowingly offer, issue, or renew an individual policy, ~~subscriber contract, or certificate health plan~~ to an eligible employee or dependent of a small employer that meets the minimum participation and contribution requirements ~~defined in~~ under section 62L.03, subdivision 3, except as authorized under subdivision 2.

Subd. 2. [EXCEPTIONS.] (a) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage under section 62D.104 as a result of leaving a health maintenance organization's service area.

(b) A health carrier may sell, issue, or renew individual conversion policies to eligible employees and dependents otherwise eligible for conversion coverage as a result of the expiration of any continuation of group coverage required under sections 62A.146, 62A.17, 62A.21, 62C.142, 62D.101, and 62D.105.

(c) A health carrier may sell, issue, or renew conversion policies under section 62E.16 to eligible employees and dependents.

(d) A health carrier may sell, issue, or renew individual continuation policies to eligible employees and dependents as required.

(e) A health carrier may sell, issue, or renew individual coverage health plans if the coverage is appropriate due to an unexpired preexisting condition limitation or exclusion applicable to the person under the employer's group coverage health plan or due to the person's need for health care services not covered under the employer's group policy group health plan.

(f) A health carrier may sell, issue, or renew an individual policy, ~~with the prior consent of the commissioner,~~ health plan, if the individual has elected to buy the individual coverage health plan not as part of a general plan to substitute individual coverage health plans for a group coverage health plan nor as a result of any violation of subdivision 3 or 4.

(g) Nothing in this subdivision relieves a health carrier of any obligation to provide continuation or conversion coverage otherwise required under federal or state law.

(h) Nothing in this chapter restricts the offer, sale, issuance, or renewal of coverage issued as a supplement to Medicare under sections 62A.31 to 62A.44, or policies or contracts that supplement Medicare issued by health maintenance organizations, or those contracts governed by section 1833 or 1876 of the federal Social Security Act, United States Code, title 42, section 1395 et. seq., as amended.

(i) Nothing in this chapter restricts the offer, sale, issuance, or renewal of individual health plans necessary to comply with a court order.

Subd. 3. [AGENT'S LICENSURE.] An agent licensed under chapter ~~60A~~ 60K or section 62C.17 who knowingly and willfully breaks apart a small group for the purpose of selling individual policies health plans to eligible employees and dependents of a small employer that meets the participation and contribution requirements of section 62L.03, subdivision 3, is guilty of an unfair trade practice and subject to disciplinary action, including the revocation or suspension of license, under section ~~60A.17, subdivision 6,~~ 60K.11 or 62C.17. The action must be by order and subject to the notice, hearing, and appeal procedures specified in section ~~60A.17, subdivision 6d~~ 60K.11. The action of the commissioner is subject to judicial review as provided under chapter 14.

Subd. 4. [EMPLOYER PROHIBITION.] A small employer shall not encourage or direct an employee or applicant to:

(1) refrain from filing an application for health coverage when other similarly situated employees may file an application for health coverage;

(2) file an application for health coverage during initial eligibility for coverage, the acceptance of which is contingent on health status, when other similarly situated employees may apply for health coverage, the acceptance of which is not contingent on health status;

(3) seek coverage from another health carrier, including, but not limited to, MCHA; or

(4) cause coverage to be issued on different terms because of the health status or claims experience of that person or the person's dependents.

Subd. 5. [SALE OF OTHER PRODUCTS.] A health carrier shall not condition the offer, sale, issuance, or renewal of a health benefit plan on the purchase by a small employer of other insurance products offered by the health carrier or a subsidiary or affiliate of the health carrier, including, but not limited to, life, disability, property, and general liability insurance. This prohibition does not apply to insurance products offered as a supplement to a health maintenance organization plan, including, but not limited to, supplemental benefit plans under section 62D.05, subdivision 6.

Sec. 45. Minnesota Statutes 1992, section 62L.21, subdivision 2, is amended to read:

Subd. 2. [ADJUSTMENT OF PREMIUM RATES.] The board of directors shall establish operating rules to allocate adjustments to the reinsurance premium charge of no more than minus 25 percent of the monthly reinsurance premium for health carriers that can demonstrate administrative efficiencies and cost-effective handling of equivalent risks. The adjustment must be made ~~annually on a retrospective basis~~ monthly, unless the board provides for a different interval in its operating rules. The operating rules must establish objective and measurable criteria which must be met by a health carrier in order to be eligible for an adjustment. These criteria must include consideration of efficiency attributable to case management, but not consideration of such factors as provider discounts.

Sec. 46. [REPEALER.]

(a) Minnesota Statutes 1992, sections 62E.51, 62E.52, 62E.53, 62E.531, 62E.54, and 62E.55 are repealed.

(b) Minnesota Statutes 1992, section 62A.02, subdivision 5, is repealed.

Sec. 47. [REVISOR INSTRUCTIONS.]

(a) The revisor of statutes shall change the name of the private employers insurance program established in Minnesota Statutes, section 43A.317 to the Minnesota employees insurance program, and the private employers insurance trust fund to the Minnesota employees insurance trust fund, wherever either term occurs in Minnesota Statutes or Minnesota Rules.

(b) The revisor of statutes shall renumber Minnesota Statutes 1992, section 62L.23, as section 62L.08, subdivision 11 and shall change all references to that section in Minnesota Statutes or Minnesota Rules accordingly.

Sec. 48. [EFFECTIVE DATES.]

Sections 1, 3 to 5, 8, 10, 12, 17 to 28, 30, 31, 33 to 42, and 44 to 47 are effective the day following final enactment. Sections 2, 6, 7, 13, 14, and 29 are effective July 1, 1994. Sections 9, 11, 15, 16, 23, 32, and 43 are effective January 1, 1995.

ARTICLE 11

HEALTH CARE COOPERATIVES

Section 1. Minnesota Statutes 1993 Supplement, section 62N.06, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED ENTITIES.] (a) An integrated service network may be organized as a separate nonprofit corporation under chapter 317A or as a cooperative under chapter 308A or 308B.

(b) A nonprofit health carrier, as defined in section 62A.011, may establish and operate one or more integrated service networks without forming a separate corporation or cooperative, but only if all of the following conditions are met:

(i) a contract between the health carrier and a health care provider, for a term of less than seven years, that was executed before June 1, 1993, does not bind the health carrier or provider as applied to integrated service network services, except with the mutual consent of the health carrier and provider entered into on or after June 1, 1993. This clause does not apply to contracts between a health carrier and its salaried employees;

(ii) the health carrier shall not apply toward the net worth, working capital, or deposit requirements of this chapter any assets used to satisfy net worth, working capital, deposit, or other financial requirements under any other chapter of Minnesota law;

(iii) the health carrier shall not include in its premiums for health coverage provided under any other chapter of Minnesota law, an assessment or surcharge relating to net worth, working capital, or deposit requirements imposed upon the integrated service network under this chapter; and

(iv) the health carrier shall not include in its premiums for integrated service network coverage under this chapter an assessment or surcharge relating to net worth working capital or deposit requirements imposed upon health coverage offered under any other chapter of Minnesota law.

Sec. 2. Minnesota Statutes 1993 Supplement, section 80A.15, subdivision 2, is amended to read:

Subd. 2. The following transactions are exempted from sections 80A.08 and 80A.16:

(a) Any sales, whether or not effected through a broker-dealer, provided that no person shall make more than ten sales of securities of the same issuer pursuant to this exemption during any period of 12 consecutive months; provided further, that in the case of sales by an issuer, except sales of securities registered under the Securities Act of 1933 or exempted by section 3(b) of that act, (1) the seller reasonably believes that all buyers are purchasing for investment, and (2) the securities are not advertised for sale to the general public in newspapers or other publications of general circulation or otherwise, or by radio, television, electronic means or similar communications media, or through a program of general solicitation by means of mail or telephone.

(b) Any nonissuer distribution of an outstanding security if (1) either Moody's, Fitch's, or Standard & Poor's Securities Manuals, or other recognized manuals approved by the commissioner contains the names of the issuer's officers and directors, a balance sheet of the issuer as of a date not more than 18 months prior to the date of the sale, and a profit and loss statement for the fiscal year preceding the date of the balance sheet, and (2) the issuer or its predecessor has been in active, continuous business operation for the five-year period next preceding the date of sale, and (3) if the security has a fixed maturity or fixed interest or dividend provision, the issuer has not, within the three preceding fiscal years, defaulted in payment of principal, interest, or dividends on the securities.

(c) The execution of any orders by a licensed broker-dealer for the purchase or sale of any security, pursuant to an unsolicited offer to purchase or sell; provided that the broker-dealer acts as agent for the purchaser or seller, and has no direct material interest in the sale or distribution of the security, receives no commission, profit, or other compensation from any source other than the purchaser and seller and delivers to the purchaser and seller written confirmation of the transaction which clearly itemizes the commission, or other compensation.

(d) Any nonissuer sale of notes or bonds secured by a mortgage lien if the entire mortgage, together with all notes or bonds secured thereby, is sold to a single purchaser at a single sale.

(e) Any judicial sale, exchange, or issuance of securities made pursuant to an order of a court of competent jurisdiction.

(f) The sale, by a pledge holder, of a security pledged in good faith as collateral for a bona fide debt.

(g) Any offer or sale to a bank, savings institution, trust company, insurance company, investment company as defined in the Investment Company Act of 1940, pension or profit sharing trust, or other financial institution or institutional buyer, or to a broker-dealer, whether the purchaser is acting for itself or in some fiduciary capacity.

(h) Any sales by an issuer to the number of persons that shall not exceed 25 persons in this state, or 35 persons if the sales are made in compliance with Regulation D promulgated by the Securities and Exchange Commission, Code of Federal Regulations, title 17, sections 230.501 to 230.506, (other than those designated in paragraph (a) or (g)), whether or not any of the purchasers is then present in this state, if (1) the issuer reasonably believes that all of the buyers in this state (other than those designated in clause (g)) are purchasing for investment, and (2) no commission or other remuneration is paid or given directly or indirectly for soliciting any prospective buyer in this state (other than those designated in clause (g)), except reasonable and customary commissions paid by the issuer to a broker-dealer licensed under this chapter, and (3) the issuer has, ten days prior to any sale pursuant to this paragraph, supplied the commissioner with a statement of issuer on forms prescribed by the commissioner, containing the following information: (i) the name and address of the issuer, and the date and state of its organization; (ii) the number of units, price per unit, and a description of the securities to be sold; (iii) the amount of commissions to be paid and the persons to whom they will be paid; (iv) the names of all officers, directors and persons owning five percent or more of the equity of the issuer; (v) a brief description of the intended use of proceeds; (vi) a description of all sales of securities made by the issuer within the six-month period next preceding the date of filing; and (vii)

a copy of the investment letter, if any, intended to be used in connection with any sale. Sales that are made more than six months before the start of an offering made pursuant to this exemption or are made more than six months after completion of an offering made pursuant to this exemption will not be considered part of the offering, so long as during those six-month periods there are no sales of unregistered securities (other than those made pursuant to paragraph (a) or (g)) by or for the issuer that are of the same or similar class as those sold under this exemption. The commissioner may by rule or order as to any security or transaction or any type of security or transaction, withdraw or further condition this exemption, or increase the number of offers and sales permitted, or waive the conditions in clause (1), (2), or (3) with or without the substitution of a limitation or remuneration.

(i) Any offer (but not a sale) of a security for which a registration statement has been filed under sections 80A.01 to 80A.31, if no stop order or refusal order is in effect and no public proceeding or examination looking toward an order is pending; and any offer of a security if the sale of the security is or would be exempt under this section. The commissioner may by rule exempt offers (but not sales) of securities for which a registration statement has been filed as the commissioner deems appropriate, consistent with the purposes of sections 80A.01 to 80A.31.

(j) The offer and sale by a cooperative association organized under chapter 308A or 308B, of its securities when the securities are offered and sold only to its members, or when the purchase of the securities is necessary or incidental to establishing membership in such association, or when such securities are issued as patronage dividends.

(l) The issuance and delivery of any securities of one corporation to another corporation or its security holders in connection with a merger, exchange of shares, or transfer of assets whereby the approval of stockholders of the other corporation is required to be obtained, provided, that the commissioner has been furnished with a general description of the transaction and with other information as the commissioner by rule prescribes not less than ten days prior to the issuance and delivery.

(m) Any transaction between the issuer or other person on whose behalf the offering is made and an underwriter or among underwriters.

(n) The distribution by a corporation of its or other securities to its own security holders as a stock dividend or as a dividend from earnings or surplus or as a liquidating distribution; or upon conversion of an outstanding convertible security; or pursuant to a stock split or reverse stock split.

(o) Any offer or sale of securities by an affiliate of the issuer thereof if: (1) a registration statement is in effect with respect to securities of the same class of the issuer and (2) the offer or sale has been exempted from registration by rule or order of the commissioner.

(p) Any transaction pursuant to an offer to existing security holders of the issuer, including persons who at the time of the transaction are holders of convertible securities, nontransferable warrants, or transferable warrants exercisable within not more than 90 days of their issuance, if: (1) no commission or other remuneration (other than a standby commission) is paid or given directly or indirectly for soliciting any security holder in this state; and (2) the commissioner has been furnished with a general description of the transaction and with other information as the commissioner may by rule prescribe no less than ten days prior to the transaction.

(q) Any nonissuer sales of any security, including a revenue obligation, issued by the state of Minnesota or any of its political or governmental subdivisions, municipalities, governmental agencies, or instrumentalities.

Sec. 3. Minnesota Statutes 1992, section 290.092, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] Corporations subject to tax under sections 290.05, subdivision 3; or 60A.15, subdivision 1, and 290.35; real estate investment trusts; regulated investment companies as defined in section 851(a) of the Internal Revenue Code of 1986 or funds of regulated investment companies as defined in section 851(h) of the Internal Revenue Code of 1986, as amended through December 31, 1991; cooperatives taxable under subchapter T of the Internal Revenue Code of 1986 or organized under chapter 308A or 308B or a similar law of another state; and entities having a valid election in effect under section 1362 or 860D(b) of the Internal Revenue Code of 1986, as amended through December 31, 1991, are not subject to the tax imposed in subdivision 1 or 5.

Sec. 4. [308B.01] [STATEMENT OF LEGISLATIVE PURPOSE AND INTENT.]

The legislature finds that the goals of containing health care costs, improving the quality of health care, and increasing the access of Minnesota citizens to health care services reflected under chapters 62J and 62N may be further enhanced through the promotion of health care cooperatives. The legislature further finds that locally based and

controlled efforts among health care providers, local businesses, units of local government, and health care consumers, can promote the attainment of the legislature's goals of health care reform, and takes notice of the long history of successful operations of cooperative organizations in this state. Therefore, in order to encourage cooperative efforts which are consistent with the goals of health care reform, including efforts among health care providers as sellers of health care services and efforts of consumers as buyers of health care services and health plan coverage, and to encourage the formation of and increase the competition among health plans in Minnesota, the legislature enacts the Minnesota health care cooperative act.

Sec. 5. [308B.02] [CITATION.]

This chapter may be cited as the "Minnesota health care cooperative act."

Sec. 6. [308B.03] [APPLICABILITY OF OTHER LAWS.]

Subdivision 1. [MINNESOTA COOPERATIVE LAW.] A health care cooperative organizing under this chapter is subject to chapter 308A unless otherwise provided in this chapter. After incorporation, a health care cooperative shall enjoy the powers and privileges and shall be subject to the duties and liabilities of other cooperatives organized under chapter 308A, to the extent applicable and except as limited or enlarged by this chapter. If any provision of this chapter conflicts with a provision of chapter 308A, the provision of this chapter takes precedence.

Subd. 2. [HEALTH PLAN LICENSURE AND OPERATION.] A health care network cooperative organized under this chapter must be licensed as a health maintenance organization licensed under chapter 62D, a nonprofit health service plan corporation licensed under chapter 62C, or a community integrated service network or an integrated service network licensed under chapter 62N, at the election of the health care network cooperative. The health care network cooperative shall be subject to the duties and liabilities of health plans licensed pursuant to the chapter under which the cooperative elects to be licensed, to the extent applicable and except as limited or enlarged by this chapter. If any provision of any chapter under which the cooperative elects to be licensed conflicts with the provisions of this chapter, the provisions of this chapter take precedence.

Subd. 3. [HEALTH PROVIDER COOPERATIVES.] A health provider cooperative organized under this chapter shall not be considered a mutual insurance company under chapter 60A, a health maintenance organization under chapter 62D, a nonprofit health services corporation under chapter 62C, or a community integrated service network or an integrated service network under chapter 62N. A health provider network shall not be considered to violate any limitations on the corporate practice of medicine. Health care service contracts under section 308B.06 shall not be considered to violate section 62J.23.

Sec. 7. [308B.04] [DEFINITIONS.]

Subdivision 1. [SCOPE.] For purposes of this chapter, the terms defined in this section have the meanings given.

Subd. 2. [HEALTH CARE COOPERATIVE.] "Health care cooperative" means a health care network cooperative or a health provider cooperative.

Subd. 3. [HEALTH CARE NETWORK COOPERATIVE.] "Health care network cooperative" means a corporation organized under this chapter and licensed in accordance with section 308B.03, subdivision 2. A health care network cooperative shall not have more than 50,000 enrollees, unless exceeding the enrollment limit is necessary to comply with guaranteed issue or guaranteed renewal requirements of chapter 62L or section 62A.65.

Subd. 4. [HEALTH PROVIDER COOPERATIVE.] "Health provider cooperative" means a corporation organized under this chapter and operated on a cooperative plan to market health care services to purchasers of those services.

Subd. 5. [MEMBER.] "Member" means:

(1) in the case of a health care network cooperative, the policyholder; if the policyholder is an individual enrollee, the individual enrollee is the member; if the policyholder is an employer or other group type, entity, or association, the group policyholder is the member;

(2) in the case of a health provider cooperative, the licensed health care provider, professional corporation, partnership, hospital, or other licensed institution, as provided in the cooperative's articles or bylaws.

Subd. 6. [COMMISSIONER.] Unless otherwise specified, "commissioner" means the commissioner of health for a health care network cooperative licensed under chapter 62D or 62N and the commissioner of commerce for a health care network cooperative licensed under chapter 62C.

Subd. 7. [HEALTH CARRIER.] "Health carrier" has the meaning provided in section 62A.011.

Subd. 8. [HEALTH CARE PROVIDING ENTITY.] "Health care providing entity" means a participating entity that provides health care to enrollees of a health care cooperative.

Sec. 8. [308B.05] [POWERS.]

In addition to the powers enumerated under section 308A.201, a health care cooperative shall have all of the powers granted a nonprofit corporation under section 317A.161, except to the extent expressly inconsistent with the provisions of chapter 308A.

Sec. 9. [308B.06] [HEALTH CARE SERVICE CONTRACTS.]

Subdivision 1. [PROVIDER CONTRACTS.] A health provider cooperative and its licensed members may execute marketing and service contracts requiring the provider members to provide some or all of their health care services through the provider cooperative to the enrollees, members, subscribers, or insureds, of a health care network cooperative, community integrated service network, integrated service network, nonprofit health service plan, health maintenance organization, accident and health insurance company, or any other purchaser, including the state of Minnesota and its agencies, instruments, or units of local government. Each purchasing entity is authorized to execute contracts for the purchase of health care services from a health provider cooperative in accordance with this section. Any contract between a provider cooperative and a purchaser must provide for payment by the purchaser to the health provider cooperative on a substantially capitated or similar risk-sharing basis. Each contract between a provider cooperative and a purchaser shall be filed by the provider network cooperative with the commissioner of health and is subject to the provisions of section 62D.19.

Subd. 2. [NO NETWORK LIMITATION.] A health care network cooperative may contract with any health provider cooperative and may contract with any other licensed health care provider to provide health care services for its enrollees.

Sec. 10. [308B.07] [AMENDMENT OF ARTICLES.]

The articles of a health care cooperative incorporated under this chapter shall be amended as provided in section 317A.131.

Sec. 11. [308B.08] [AMENDMENT OF BYLAWS.]

The bylaws of a health care cooperative incorporated under this chapter shall be amended as provided in section 317A.181.

Sec. 12. [308B.09] [VOTING.]

Subdivision 1. [ELECTION OF DIRECTORS.] Directors of health care cooperatives shall be elected in the manner provided in section 308A.311 with the exception of subdivision 4 of that section. Any requirements applicable to directors under chapters 60A and 62A, 62C, 62D, or 62N do not apply.

Subd. 2. [VOTE BY MAIL.] (a) A member may vote by mail for a director unless mail voting is prohibited for election of directors by the articles or bylaws.

(b) The ballot must be in a form prescribed by the board.

(c) The member shall mark the ballot for the candidate chosen and mail the ballot to the cooperative in a sealed plain envelope inside another envelope bearing the member's name.

(d) If the ballot of the member is received by the cooperative on or before the date of the regular members' meeting, the ballot must be accepted and counted as the vote of the absent member.

Subd. 3. [VOTING GENERALLY.] The requirements and procedures for membership voting for each health care cooperative shall be as provided in the bylaws.

Sec. 13. [308B.10] [GOVERNMENTAL PARTICIPATION.]

The state of Minnesota, or any agency, instrumentality, or unit of local government, may be a member of a health care cooperative. Any governmental hospital authorized, organized, or operated under chapters 158, 250, 376, and 397, or under sections 246A.01 to 246A.27, 412.221, 447.05 to 447.13, or 471.50, or under any special law authorizing or establishing a hospital or hospital district, may be a member of a health care provider cooperative.

Sec. 14. [308B.11] [RELICENSURE.]

(a) A health care network cooperative licensed under chapter 62C or 62D may relinquish that license and be granted a new license as a community integrated service network or an integrated service network under chapter 62N in accordance with this section, provided that the cooperative meets all requirements for licensure as a network under chapter 62N, to the extent not expressly inconsistent with the provisions of chapters 308A and 308B.

(b) The relicensure shall be effective at the time specified in the plan of relicensure, which must not be earlier than the date upon which the previous license is surrendered.

(c) Upon the relicensure of the cooperative as a community integrated service network or an integrated service network:

(1) all existing group and individual enrollee benefit contracts in force on the effective date of the relicensure shall continue in effect and with the same terms and conditions, notwithstanding the cooperative's new licensure as a network, until the date of each contract's next renewal or amendment, but no later than one year from the date of the relicensure. At this time, each benefit contract then in force must be amended to comply with all statutory and regulatory requirements for network benefit contracts as of that date; and

(2) all contracts between the cooperative and any health care providing entity, including a health care provider cooperative, in force on the effective date of relicensure shall remain in effect under the cooperative's new licensure as a network until the date of the next renewal or amendment of that contract, but no later than one year from the date of relicensure.

(d) Except as otherwise provided in this section, nothing in the relicensure of a health care network cooperative shall in any way affect its corporate existence or any of its contracts, rights, privileges, immunities, powers or franchises, debts, duties or other obligations or liabilities.

ARTICLE 12

RURAL HEALTH INITIATIVES

Section 1. Minnesota Statutes 1993 Supplement, section 62N.23, is amended to read:

62N.23 [TECHNICAL ASSISTANCE; LOANS.]

(a) The commissioner shall provide technical assistance to parties interested in establishing or operating a community integrated service network or an integrated service network. This shall be known as the integrated service network technical assistance program (ISNTAP).

The technical assistance program shall offer seminars on the establishment and operation of integrated service networks in all regions of Minnesota. The commissioner shall advertise these seminars in local and regional newspapers, and attendance at these seminars shall be free.

The commissioner shall write a guide to establishing and operating an integrated service network. The guide must provide basic instructions for parties wishing to establish an integrated service network. The guide must be provided free of charge to interested parties. The commissioner shall update this guide when appropriate.

The commissioner shall establish a toll-free telephone line that interested parties may call to obtain assistance in establishing or operating an integrated service network.

(b) The commissioner, in consultation with the commission, shall provide recommendations for the creation of a loan program that would provide loans or grants to entities forming integrated service networks or to networks less than one year old. The commissioner shall propose criteria for the loan program, shall grant loans for organizational

and start-up expenses to entities forming community integrated service networks or integrated service networks, or to networks less than one year old, to the extent of any appropriation for that purpose. The commissioner shall allocate the available funds among applicants based upon the following criteria, as evaluated by the commissioner within the commissioner's discretion:

- (1) the applicant's need for the loan;
- (2) the likelihood that the loan will foster the formation or growth of a network; and
- (3) the likelihood of repayment.

The commissioner shall determine any necessary application deadlines and forms and is exempt from rulemaking in doing so.

Sec. 2. Minnesota Statutes 1993 Supplement, section 144.1464, is amended to read:

144.1464 [SUMMER HEALTH CARE INTERNS.]

Subdivision 1. [SUMMER INTERNSHIPS.] The commissioner of health, through a contract with a nonprofit organization as required by subdivision 4, shall award grants to hospitals and clinics to establish a secondary and post-secondary summer health care intern program. The purpose of the program is to expose interested high-school secondary and post-secondary pupils to various careers within the health care profession.

Subd. 2. [CRITERIA.] (a) The commissioner, through the organization under contract, shall award grants to hospitals and clinics that agree to:

- (1) provide secondary and post-secondary summer health care interns with formal exposure to the health care profession;
- (2) provide an orientation for the secondary and post-secondary summer health care interns;
- (3) pay one-half the costs of employing a the secondary and post-secondary summer health care intern, based on an overall hourly wage that is at least the minimum wage but does not exceed \$6 an hour; and
- (4) interview and hire secondary and post-secondary pupils for a minimum of six weeks and a maximum of 12 weeks.

(b) In order to be eligible to be hired as a secondary summer health intern by a hospital or clinic, a pupil must:

- (1) intend to complete high school graduation requirements and be between the junior and senior year of high school;
- (2) be from a school district in proximity to the facility; and
- (3) provide the facility with a letter of recommendation from a health occupations or science educator.

(c) In order to be eligible to be hired as a post-secondary summer health care intern by a hospital or clinic, a pupil must:

- (1) intend to complete a two-year or four-year degree program and be planning on enrolling in or be enrolled in that degree program;
- (2) be from a school district or attend an educational institution in proximity to the facility; and
- (3) provide the facility with a letter of recommendation from a health occupations or science educator.

(d) Hospitals and clinics awarded grants may employ pupils as secondary and post-secondary summer health care interns beginning on or after June 15, 1993, if they agree to pay the intern, during the period before disbursement of state grant money, with money designated as the facility's 50 percent contribution towards internship costs.

Subd. 3. [GRANTS.] The commissioner, through the organization under contract, shall award separate grants to hospitals and clinics meeting the requirements of subdivision 2. The grants must be used to pay one-half of the costs of employing a pupil secondary and post-secondary pupils in a hospital or clinic during the course of the program. No more than five pupils may be selected from any one high school secondary or post-secondary institution to participate in the program and no more than one-half of the number of pupils selected may be from the seven-county metropolitan area.

Subd. 4. [CONTRACT.] The commissioner shall contract with a statewide, nonprofit organization representing facilities at which secondary and post-secondary summer health care interns will serve, to administer the grant program established by this section. The organization awarded the grant shall provide the commissioner with any information needed by the commissioner to evaluate the program, in the form and at the times specified by the commissioner.

Sec. 3. [144.1471] [EMERGENCY ROOM COVERAGE GRANT PROGRAM.]

Subdivision 1. [GRANT AWARDS.] The commissioner shall establish a grant program to improve access to quality and efficient emergency medical care. The commissioner shall award grants to small, rural hospitals that:

(1) agree to utilize the grant to maintain and keep open an emergency room, 24 hours a day, seven days a week; and

(2) meet the criteria in subdivision 2.

Subd. 2. [CRITERIA.] In order to be eligible for a grant, a hospital must:

(1) be a licensed acute-care hospital operating in the state;

(2) not be financially able to keep its emergency room open 24 hours a day, seven days a week;

(3) have fewer than three medical doctors on staff; and

(4) have fewer than 50 licensed hospital beds.

Sec. 4. [RURAL MEDICAL SCHOOL PLANNING GRANT.]

The higher education coordinating board shall award a planning grant to a post-secondary institution located in St. Louis county to expand its currently existing two-year medical school program to a four-year medical school program. The newly established four-year medical school program must focus on the training of primary care physicians who are likely to practice in rural areas of the state. If the board of regents of the University of Minnesota accepts the funding appropriated for the planning grant, it shall comply with the duties for which the appropriation is made.

Sec. 5. [PHYSICAL THERAPIST DEGREE PROGRAM.]

The higher education coordinating board shall study the need for the expansion of certified physical therapists degree programs at post-secondary institutions located in the northwestern and southwestern parts of the state of Minnesota. The higher education coordinating board shall also explore the option of telecommunications to provide greater access to physical therapist programs. The higher education coordinating board shall present recommendations to the legislature by January 15, 1995.

ARTICLE 13

FINANCING

Section 1. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 2a. [DELIVERED OUTSIDE OF MINNESOTA.] "Delivered outside of Minnesota" means property which the seller delivers to a common carrier for delivery outside Minnesota, places in the United States mail or parcel post directed to the purchaser outside Minnesota, or delivers to the purchaser outside Minnesota by means of the seller's own delivery vehicles, and which is not later returned to a point within Minnesota, except in the course of interstate commerce.

Sec. 2. Minnesota Statutes 1993 Supplement, section 295.50, subdivision 3, is amended to read:

Subd. 3. [GROSS REVENUES.] "Gross revenues" are total amounts received in money or otherwise by:

- (1) a resident hospital for patient services;
- (2) a resident surgical center for patient services;
- (3) a nonresident hospital for patient services provided to patients domiciled in Minnesota;
- (4) a nonresident surgical center for patient services provided to patients domiciled in Minnesota;
- (5) a resident health care provider, other than a staff model health carrier, for patient services;
- (6) a nonresident health care provider for patient services provided to an individual domiciled in Minnesota;

(7) a wholesale drug distributor for sale or distribution of prescription legend drugs that are delivered: (i) to a Minnesota resident by a wholesale drug distributor who is a nonresident pharmacy directly, by common carrier, or by mail; or (ii) in Minnesota by the wholesale drug distributor, by common carrier, or by mail, unless the prescription legend drugs are delivered to another wholesale drug distributor who sells legend drugs exclusively at wholesale. Prescription Legend drugs do not include nutritional products as defined in Minnesota Rules, part 9505.0325;

(8) a staff model health carrier plan company as gross premiums for enrollees, copayments, deductibles, coinsurance, and fees for patient services covered under its contracts with groups and enrollees;

(9) a resident pharmacy for medical supplies, appliances, and equipment; and

(10) a nonresident pharmacy for medical supplies, appliances, and equipment.

Sec. 3. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 6a. [HOSPICE CARE SERVICES.] "Hospice care services" are services:

(1) as defined in Minnesota Rules, part 9505.0297; and

(2) provided at a recipient's residence, if the recipient does not live in a hospital, nursing facility as defined in section 62A.46, subdivision 3, or intermediate care facility for persons with mental retardation as defined in section 256B.055, subdivision 12, paragraph (d).

Sec. 4. Minnesota Statutes 1992, section 295.50, is amended by adding a subdivision to read:

Subd. 15. [LEGEND DRUG.] "Legend drug" means a legend drug as defined in section 151.01, subdivision 17.

Sec. 5. Minnesota Statutes 1993 Supplement, section 295.52, subdivision 5, is amended to read:

Subd. 5. [VOLUNTEER AMBULANCE SERVICES.] Licensed Volunteer ambulance services for which all the ambulance attendants are "volunteer ambulance attendants" as defined in section 144.8091, subdivision 2, are not subject to the tax under this section. For purposes of this requirement, "volunteer ambulance service" means an ambulance service in which all of the individuals whose primary responsibility is direct patient care meet the definition of volunteer under section 144.8091, subdivision 2. The ambulance service may employ administrative and support staff, and remain eligible for this exemption, if the primary responsibility of these staff is not direct patient care.

Sec. 6. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 1, is amended to read:

Subdivision 1. [EXEMPTIONS.] The following payments are excluded from the gross revenues subject to the hospital, surgical center, or health care provider taxes under sections 295.50 to 295.57:

(1) payments received for services provided under the Medicare program, including payments received from the government, and organizations governed by sections 1833 and 1876 of title XVIII of the federal Social Security Act, United States Code, title 42, section 1395, and enrollee deductibles, coinsurance, and copayments, whether paid by the individual or by insurer or other third party. Payments for services not covered by Medicare are taxable;

(2) medical assistance payments including payments received directly from the government or from a prepaid plan;

(3) payments received for home health care services;

(4) payments received from hospitals or surgical centers for goods and services on which liability for tax is imposed under section 295.52 or the source of funds for the payment is exempt under clause (1), (2), (7), (8), or (10);

(5) payments received from health care providers for goods and services on which liability for tax is imposed under sections 295.52 to 295.57 or the source of funds for the payment is exempt under clause (1), (2), (7), (8), or (10);

(6) amounts paid for prescription legend drugs, other than nutritional products, to a wholesale drug distributor reduced by reimbursements received for prescription drugs under clauses (1), (2), (7), and (8);

(7) payments received under the general assistance medical care program including payments received directly from the government or from a prepaid plan;

(8) payments received for providing services under the MinnesotaCare program including payments received directly from the government or from a prepaid plan and enrollee deductibles, coinsurance, and copayments;

(9) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for care provided outside Minnesota to a patient who is not domiciled in Minnesota;

(10) payments received from the chemical dependency fund under chapter 254B;

(11) payments received in the nature of charitable donations that are not designated for providing patient services to a specific individual or group;

(12) payments received for providing patient services if the services are incidental to conducting medical research;

(13) payments received from any governmental agency for services benefiting the public, not including payments made by the government in its capacity as an employer or insurer;

(14) payments received for services provided by community residential mental health facilities licensed under Minnesota Rules, parts 9520.0500 to 9520.0690, community support programs and family community support programs approved under Minnesota Rules, parts 9535.1700 to 9535.1760, and community mental health centers as defined in section 245.62, subdivision 2; and

(15) government payments received by a regional treatment center;

(16) payments received for hospice care services;

(17) payments received by a resident health care provider or the wholly owned subsidiary of a resident health care provider for medical supplies, appliances and equipment delivered outside of Minnesota;

(18) payments from student fees received by a university or college student health service; and

(19) payments received for services provided by: residential care homes licensed under chapter 144B; board and lodging establishments providing only custodial services, that are licensed under chapter 157 and registered under section 157.031 to provide supportive services or health supervision services; and assisted living programs, congregate housing programs, and other senior housing options.

Sec. 7. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 2, is amended to read:

Subd. 2. [DEDUCTIONS FOR STAFF MODEL HEALTH CARRIERS PLAN COMPANY.] In addition to the exemptions allowed under subdivision 1, a staff model health carrier plan company may deduct from its gross revenues for the year:

(1) amounts paid to hospitals, surgical centers, and health care providers that are not employees of the staff model health ~~carrier~~ plan company for services on which liability for the tax is imposed under section 295.52;

(2) amounts added to reserves, if total reserves do not exceed 200 percent of the statutory net worth requirement, the calculation of which may be determined on a consolidated basis, taking into account the amounts held in reserve by affiliated staff model health ~~carriers~~ plan companies;

(3) assessments for the comprehensive health insurance plan under section 62E.11; and

(4) amounts spent for administration as reported as total administration to the department of health in the statement of revenues, expenses, and net worth pursuant to section 62D.08, subdivision 3, clause (a).

Sec. 8. Minnesota Statutes 1993 Supplement, section 295.53, subdivision 5, is amended to read:

Subd. 5. [DEDUCTIONS FOR PHARMACIES.] (a) Pharmacies may deduct from their gross revenues subject to tax payments for medical supplies, appliances, and devices that are exempt under subdivision 1, except payments under subdivision 1, clauses (3), (6), (9), (11), and (14).

(b) Resident pharmacies may deduct from their gross revenues subject to tax payments received for medical supplies, appliances, and equipment delivered outside of Minnesota.

Sec. 9. Minnesota Statutes 1993 Supplement, section 295.54, is amended to read:

295.54 [CREDIT FOR TAXES PAID TO ANOTHER STATE.]

Subdivision 1. [TAXES PAID TO ANOTHER STATE.] A resident hospital, resident surgical center, pharmacy, or resident health care provider who is liable for taxes payable to another state or province or territory of Canada measured by gross receipts and is subject to tax under section 295.52 is entitled to a credit for the tax paid to another state or province or territory of Canada to the extent of the lesser of (1) the tax actually paid to the other state or province or territory of Canada, or (2) the amount of tax imposed by Minnesota on the gross receipts subject to tax in the other taxing jurisdictions.

Subd. 2. [PHARMACY CREDIT.] A resident pharmacy may claim a quarterly credit against the total amount of tax the pharmacy owes during that quarter under section 295.52, subdivision 1b, as provided in this subdivision. The credit shall equal two percent of the amount paid by the pharmacy to a wholesale drug distributor subject to tax under section 295.52, subdivision 3, for legend drugs delivered by the pharmacy outside of Minnesota. If the amount of the credit exceeds the tax liability of the pharmacy under section 295.52, subdivision 1b, the commissioner shall provide the pharmacy with a refund equal to the excess amount.

Sec. 10. Minnesota Statutes 1992, section 295.55, subdivision 2, is amended to read:

Subd. 2. [ESTIMATED TAX; HOSPITALS; SURGICAL CENTERS.] (a) Each hospital or surgical center must make estimated payments of the taxes for the calendar year in monthly installments to the commissioner within ten days after the end of the month.

(b) Estimated tax payments are not required of hospitals or surgical centers if the tax for the calendar year is less than \$500 or if the a hospital has been allowed a grant under section 144.1484, subdivision 2, for the year.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-twelfth of the tax for the calendar year or (2) the tax for the actual gross revenues received during the month.

Sec. 11. Minnesota Statutes 1992, section 295.55, subdivision 3, is amended to read:

Subd. 3. [ESTIMATED TAX; OTHER TAXPAYERS.] (a) Each taxpayer, other than a hospital or surgical center, must make estimated payments of the taxes for the calendar year in quarterly installments to the commissioner by April 15, July 15, October 15, and January 15 of the following calendar year.

(b) Estimated tax payments are not required if the tax for the calendar year is less than \$500.

(c) Underpayment of estimated installments bear interest at the rate specified in section 270.75, from the due date of the payment until paid or until the due date of the annual return at the rate specified in section 270.75. An underpayment of an estimated installment is the difference between the amount paid and the lesser of (1) 90 percent of one-quarter of the tax for the calendar year or (2) the tax for the actual gross revenues received during the quarter.

Sec. 12. Minnesota Statutes 1993 Supplement, section 295.58, is amended to read:

295.58 [DEPOSIT OF REVENUES AND PAYMENT OF REFUNDS.]

The commissioner shall deposit all revenues, including penalties and interest, derived from the taxes imposed by sections 295.50 to 295.57 and from the insurance premiums tax on health maintenance organizations, community integrated service networks, integrated service networks, and nonprofit health service plan corporations in the health care access fund in the state treasury. Refunds of overpayments must be paid from the health care access fund in the state treasury. There is annually appropriated from the health care access fund to the commissioner of revenue the amount necessary to make any refunds required under section 295.54.

Sec. 13. Minnesota Statutes 1993 Supplement, section 295.582, is amended to read:

295.582 [AUTHORITY.]

(a) A hospital, surgical center, pharmacy, or health care provider that is subject to a tax under section 295.52, or a pharmacy that has paid additional expense transferred under this section by a wholesale drug distributor, may transfer additional expense generated by section 295.52 obligations on to all third-party contracts for the purchase of health care services on behalf of a patient or consumer. The expense must not exceed two percent of the gross revenues received under the third-party contract, including plus two percent of copayments and deductibles paid by the individual patient or consumer. The expense must not be generated on revenues derived from payments that are excluded from the tax under section 295.53. All third-party purchasers of health care services including, but not limited to, third-party purchasers regulated under chapter 60A, 62A, 62C, 62D, 62H, 62N, 64B, or 62H, 65A, 65B, 79, or 79A, or under section 471.61 or 471.617, must pay the transferred expense in addition to any payments due under existing or future contracts with the hospital, surgical center, pharmacy, or health care provider, to the extent allowed under federal law. A third-party purchaser of health care services includes, but is not limited to, a health carrier, integrated service network, or community integrated service network that pays for health care services on behalf of patients or that reimburses, indemnifies, compensates, or otherwise insures patients for health care services. A third-party purchaser shall comply with this section regardless of whether the third-party purchaser is a for-profit, not-for-profit, or nonprofit entity. A wholesale drug distributor may transfer additional expense generated by section 295.52 obligations to entities that purchase from the wholesaler. Nothing in this subdivision section limits the ability of a hospital, surgical center, pharmacy, wholesale drug distributor, or health care provider to recover all or part of the section 295.52 obligation by other methods, including increasing fees or charges.

(b) Each third-party purchaser regulated under any chapter cited in paragraph (a) shall include with its annual renewal for certification of authority or licensure documentation indicating compliance with paragraph (a). If the commissioner responsible for regulating the third-party purchaser finds at any time that the third-party purchaser has not complied with paragraph (a) the commissioner may by order fine or censure the third-party purchaser or revoke or suspend the certificate of authority or license of the third-party purchaser to do business in this state. The third-party purchaser may appeal the commissioner's order through a contested case hearing in accordance with chapter 14.

Sec. 14. Laws 1992, chapter 549, article 9, section 22, is amended to read:

Sec. 22. [GROSS RECEIPTS TAX; EFFECTIVE DATE.]

Sections 1 and 16 to 21 are effective the day following final enactment. Section 4 is effective for taxable years beginning after December 31, 1992. Section 7, subdivision 1, is effective for gross revenues generated by services performed and goods sold after December 31, 1992. Section 7, subdivisions 2 to 4, are effective for gross revenues generated by services performed and goods sold after December 31, 1993. Section 8 is effective for hospitals and surgical centers for gross revenues generated by services performed and goods sold after December 31, 1992, except the exclusion under subdivision 1, clause (6) applies to payments for prescription drug purchases made after December 31, 1993. Section 8 is effective for health care providers for gross revenues generated by services performed and goods sold after December 31, 1993, except the exclusion under subdivision 1, clause (6) applies to payments for prescription drug purchases made after December 31, 1993. Sections 14 and 15 are effective July 1, 1992.

Sec. 15. [CLARIFICATION; STATEMENT OF INTENT.]

The amendment in section 14 corrects and clarifies an effective date in the 1992 legislation enacting the gross receipts tax on hospitals and health care providers. This legislation imposed a gross receipts tax on hospitals effective January 1, 1993 and on health care providers and wholesale drug distributors effective January 1, 1994. To avoid double taxation or pyramiding of the tax burden, hospitals and health care providers were allowed an exclusion for amounts paid to wholesale drug distributors for prescription drugs. These amounts would already be taxed to the wholesale drug distributors. The section creating this exclusion did not contain an effective date. As a result, under Minnesota Statutes, section 645.02, the law may permit hospitals to deduct these amounts for prescription drugs purchased during 1993, even though no tax was imposed on the wholesale drug distributor and no double taxation or pyramiding of the tax could occur. Section 14 corrects this by providing an explicit effective date that makes it clear that the exclusion applies only after the wholesale drug distributor tax goes into effect.

Sec. 16. [EFFECTIVE DATES.]

(a) Sections 5, 7, and 12 are effective the day following final enactment.

(b) Sections 1, 3, 8, and 9 and the section 13 amendment to section 295.582, creating paragraph (b), are effective July 1, 1994. The section 6 amendment to section 295.53, subdivision 1, creating clauses (16) to (18), is effective July 1, 1994.

(c) Section 4 is effective retroactively from January 1, 1994. Section 2 amending section 295.50, subdivision 3, and the section 6 amendment to section 295.53, subdivision 1, clause (6), are effective retroactively from January 1, 1994.

(d) The section 13 amendment to section 295.582, paragraph (a), is effective retroactively from January 1, 1993, except that it is effective for pharmacies and wholesale drug distributors July 1, 1994.

ARTICLE 14

APPROPRIATIONS

Section 1. [APPROPRIATIONS; SUMMARY.]

Except as otherwise provided in this act, the sums set forth in the columns designated "fiscal year 1994" and "fiscal year 1995" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this act and are added to the appropriations for the fiscal years ending June 30, 1994, and June 30, 1995, in Laws 1993, chapter 345, or another named law.

SUMMARY BY FUND

	APPROPRIATIONS	
	1994	1995
General Fund	-0-	\$ 4,579,000
HCAF Fund	(\$ 10,810,000)	(\$ 16,820,000)
Subdivision 1. Department of Human Services		
(a) Rate Reduction - Health Care Access Fund	-0-	(145,000)
This reduction is to the appropriation in Laws 1993, chapter 345, article 14, section 2, due to the imposition of a five percent rate reduction for hospitals not providing preadmission certification of MinnesotaCare enrollees receiving inpatient services.		
(b) Delayed Enrollment of Single Adults Health Care Access Fund	(8,974,000)	(14,576,000)

APPROPRIATIONS

1994

1995

Subd. 2. Department of Employee Relations

Health Care Access Fund	(1,854,000)	(6,125,000)
-------------------------	-------------	-------------

This reduction is to the appropriation in Laws 1993, chapter 345, article 14, section 9, due to a negotiation of a third-party carrier contract for Minnesota employers insurance program.

Subd. 3. Department of Health

Health Care Access Fund	-0-	3,447,000
-------------------------	-----	-----------

Money appropriated before fiscal year 1995 to the commissioner of health for the administrative functions in connection with the data institute may be used by the data institute for the administration of the patient satisfaction survey to the extent that there are matching financial contributions from the private sector.

Subd. 4. Higher Education Coordinating Board

Health Care Access Fund	-0-	200,000
-------------------------	-----	---------

Of this appropriation, \$200,000 in fiscal year 1995 is to provide a medical school planning grant and to study physical therapist degree programs, as required under article 12.

Subd. 5. Department of Commerce

Health Care Access Fund	18,000	379,000
-------------------------	--------	---------

Sec. 2. TRANSFERS

The commissioner of finance shall transfer \$3,963,000 in fiscal year 1994 and \$11,101,000 in fiscal year 1995 from the health care access fund to the general fund. Of the amount transferred in fiscal year 1995, \$4,579,000 is appropriated to the commissioner of human services for general assistance medical care grants."

Delete the title and insert:

"A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring administrative rulemaking; setting timelines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; establishing and regulating health care cooperatives; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.15, subdivision 1; 62A.303; 62A.48, subdivision 1; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 16, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.08, subdivisions 2, 5, 6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 144.1485; 144.581, subdivision 2; 145.64, subdivision 1; 256.9358, subdivision 4; 290.092, subdivision 2; 295.50, by adding subdivisions; 295.55, subdivisions 2 and 3; and 318.02, by adding a subdivision;

Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.31, subdivision 1h; 62A.36, subdivision 1; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivision 2; 62J.2916, subdivision 2; 62J.32, subdivision 4; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, subdivision 11, and by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 19, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 80A.15, subdivision 2; 144.1464; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9354, subdivision 5, and by adding a subdivision; 256.9363, subdivisions 6, 7, and 9; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, and 12b; 295.52, subdivision 5; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; Laws 1992, chapter 549, article 9, section 22; proposing coding for new law in Minnesota Statutes, chapters 43A; 62A; 62J; 62N; 62P; 144; 317A; proposing coding for new law as Minnesota Statutes, chapters 62Q; and 308B; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.16."

The motion prevailed and the amendment was adopted.

Greenfield moved to amend S. F. No. 2192, as amended, as follows:

Page 83, line 17, delete everything after "plans"

Page 83, line 18, delete everything before the period

Page 133, after line 10, insert:

"Sec. 53. [CHISAGO COUNTY HOSPITAL PROJECT.]

(a) Notwithstanding the provisions of Minnesota Statutes, section 144.551, subdivision 1, paragraph (a), a project to replace a hospital in Chisago county may be commenced if:

(1) the new hospital is located within ten miles of the current site;

(2) the project will result in a net reduction of licensed hospital beds; and

(3) all hospitals within ten miles of the project agree to the general location criteria, or if the hospitals do not agree by July 1, 1994, the commissioner of health approves the project through the process described in paragraph (b). The hospitals may notify the commissioner and request a mutually agreed upon extension of time not to extend beyond August 15, 1994, for submission of this project to the commissioner. The commissioner shall render a decision on the project within 60 days after submission by the parties. The commissioner's decision is the final administrative decision of the agency.

(b) As expressly authorized under paragraph (a), the commissioner shall approve a project if it is determined that replacement of the existing hospital or hospitals will:

(1) promote high quality care and services;

(2) provide improved access to care;

(3) not involve a substantial expansion of inpatient service capacity; and

(4) benefit the region to be served by the new regional facility.

(c) Prior to making this determination, the commissioner shall solicit and review written comments from hospitals and community service agencies located within ten miles of the new hospital site and from the regional coordinating board.

(d) For the purposes of pursuing the project established under this section, Chisago health services and district memorial hospital may pursue discussions and work cooperatively with each other, and with another organization mutually agreed upon, to plan for a new hospital facility to serve the area presently served by the two hospitals."

Page 139, line 20, delete "July 1, 1995" and insert "January 1, 1996"

Page 140, line 2, delete "unique physician" and insert "uniform provider"

Page 140, line 5, delete "July 1, 1995" and insert "January 1, 1996"

Page 140, line 9, delete "Unique Identification Number" and insert "uniform provider identification number"

Page 140, line 22, delete "unique physician" and insert "uniform provider"

Page 140, line 25, delete "July 1, 1995" and insert "January 1, 1996"

Page 141, line 12, delete "July 1, 1995" and insert "January 1, 1996"

Page 146, line 20, after "January" insert "1."

Page 146, line 25, after "January" insert "1."

Page 149, line 6, delete everything after the period

Page 149, delete line 7

Page 205, delete lines 17 to 18 and insert:

"(18) payments received by a postsecondary educational institution from student tuition, student activity fees, health care service fees, government appropriations, donations, or grants. Fee for service payments and payments for extended coverage are taxable."

Page 211, line 15, delete everything after "1993" and insert a period

Page 211, delete lines 16 and 17

Reorder sections 42, 43, and 44 of Article 8 to be consistent with the statutory coding

Renumber the sections in sequence

Correct internal reference

The motion prevailed and the amendment was adopted.

Greenfield moved to amend S. F. No. 2192, as amended, as follows:

Page 78, after line 16, insert:

"(e) Notwithstanding paragraphs (a), (b), and (c), no health plan company shall renew any individual or group health plan, except in compliance with this paragraph. No premium rate for any policy holder or contract holder shall increase or decrease upon renewal, as a result of this subdivision, by more than 15 percent per year. The increase or decrease described in this paragraph is in addition to any premium increase or decrease caused by legally permissible factors other than this subdivision. If a premium increase or decrease is constrained by this paragraph, the health plan company may implement the remaining portion of the increase or decrease at the time of subsequent annual renewals, but never to exceed 15 percent per year for paragraphs (a), (b), and (c) combined."

The motion prevailed and the amendment was adopted.

Carlson moved to amend S. F. No. 2192, as amended, as follows:

Page 125, after line 28, insert:

"Sec. 41. Minnesota Statutes 1993 Supplement, section 256.9357, is amended by adding a subdivision to read:

Subd. 4. [EXEMPTION FROM PERIOD UNINSURED.] The requirement in subdivision 3 of at least four months of no health coverage prior to application for the MinnesotaCare program does not apply to families, children, and individuals who have gross family incomes that are equal to or less than 150 percent of the federal poverty guidelines and who want to apply for the MinnesotaCare program upon termination from a health plan, as defined in section 62A.011, that:

- (1) provides only hospital coverage or only hospital and surgical coverage;
- (2) requires an annual deductible that exceeds \$1,000 per person; or
- (3) has a limit on total annual out-of-pocket expenses that exceeds \$3,000 per person."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Cooper moved to amend S. F. No. 2192, as amended, as follows:

Page 79, line 32, delete everything after "for"

Page 79, line 35, after the period, insert "Subdivision 6 is not effective until an effective date is specified in future legislation."

The motion prevailed and the amendment was adopted.

Cooper moved to amend S. F. No. 2192, as amended, as follows:

Page 35, line 19, after "persons;" insert "persons with serious and persistent mental illness and children with severe emotional disturbance;"

The motion prevailed and the amendment was adopted.

Cooper, Davids and Kinkel moved to amend S. F. No. 2192, as amended, as follows:

Pages 60 and 61, delete section 5 and insert:

"Sec. 5. [62N.381] [AMBULANCE SERVICE RATE NEGOTIATION.]

Subdivision 1. [APPLICABILITY.] This section applies to all reimbursement rate negotiations between ambulance services and community integrated service networks or integrated service networks.

Subd. 2. [RANGE OF RATES.] The reimbursement rate negotiated for a contract period must not be more than 20 percent above or below the individual ambulance service's current customary charges, plus the rate of growth allowed under section 62J.04, subdivision 1. If the network and ambulance service cannot agree on a reimbursement rate, each party shall submit their rate proposal along with supportive data to the commissioner.

Subd. 3. [DEVELOPMENT OF CRITERIA.] The commissioner, in consultation with representatives of the Minnesota Ambulance Association, emergency medical services programs, community integrated service networks and integrated service networks, shall develop guidelines to use in reviewing rate proposals and making a final reimbursement rate determination.

Subd. 4. [REVIEW OF RATE PROPOSALS.] The commissioner, using the guidelines developed under subdivision 3, shall review the rate proposals of the ambulance service and community integrated service network or integrated service network and shall adopt either the network's or the ambulance service's proposal. The commissioner shall require the network and ambulance service to adhere to this reimbursement rate for the contract period."

The motion prevailed and the amendment was adopted.

Cooper and Gruenes moved to amend S. F. No. 2192, as amended, as follows:

Page 74, line 10, after the comma, insert "solely"

The motion prevailed and the amendment was adopted.

Cooper, Lourey, Huntley, Gruenes and Nelson moved to amend S. F. No. 2192, as amended, as follows:

Pages 186 to 192, delete sections 1, 2, and 3

Page 192, line 9, delete "[308B.01]" and insert "[62R.01]"

Page 192, line 29, delete "[308B.02]" and insert "[62R.02]"

Page 192, line 32, delete "[308B.03]" and insert "[62R.03]"

Page 192, line 34, delete "organizing under this chapter"

Page 193, line 8, delete "organized under this chapter"

Page 193, line 22, delete "organized under this chapter"

Page 193, line 30, delete "308B.06" and insert "62R.06"

Page 193, line 31, delete "[308B.04]" and insert "[62R.04]"

Page 194, line 3, delete "308B.03" and insert "62R.03"

Page 194, delete lines 12 to 21

Page 194, line 32, delete "[308B.05]" and insert "[62R.05]"

Renumber remaining subdivisions

Page 195, delete lines 27 to 36

Page 196, delete lines 1 to 26

Page 196, line 27, delete "[308B.11]" and insert "[62R.06]"

Page 196, line 35, delete "and 308B"

Page 197, after line 25, insert:

"Sec. 15. Minnesota Statutes 1992, section 308A.005, is amended by adding a subdivision to read:

Subd. 8a. [HEALTH CARE COOPERATIVE.] "Health care cooperative" has the meaning given in section 62R.04, subdivision 2.

Sec. 16. [308A.503] [HEALTH CARE COOPERATIVE MEMBERS.]

Subdivision 1. [HEALTH CARE NETWORK COOPERATIVE.] For a health care network cooperative, the policyholder is the member provided that if the policy holder is an individual enrollee, the individual enrollee is the member, and if the policyholder is an employer or other group type, entity, or association, the group policyholder is the member.

Subd. 2. [HEALTH PROVIDER COOPERATIVE.] For a health provider cooperative, the licensed health care provider, professional corporation, partnership, hospital, or other licensed provider is the member, as provided in the articles or bylaws.

Subd. 3. [STATE AND HOSPITAL MEMBERS AUTHORIZED.] The state, or any agency, instrumentality, or political subdivision of the state, may be a member of a health care cooperative. Any governmental hospital authorized, organized or operated under chapters 158, 250, 376, or 397 or under sections 246A.10 to 246A.27, 412.221, 447.05 to 447.13, or 471.50, or under any special law authorizing or establishing a hospital or hospital district, may be a member of a health care provider cooperative.

Sec. 17. Minnesota Statutes 1992, section 308A.635, is amended by adding a subdivision to read:

Subd. 5. [HEALTH CARE COOPERATIVE.] Notwithstanding the provisions of this section, the requirements and procedures for membership voting for a health care cooperative shall be as provided in the bylaws."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Asch, Davids, Gruenes and Bertram moved to amend S. F. No. 2192, as amended, as follows:

Page 153, lines 34 to 36, delete the new language.

Page 154, delete lines 1 to 5

Page 186, after line 2, insert:

"Sec. 46. [STUDY OF LOSS RATIOS: MEDICARE RELATED COVERAGE.]

The commissioner of commerce and the commissioner of health shall jointly study the loss ratios experienced with respect to all coverages regulated under Minnesota Statutes, section 62A.36, subdivision 1. The commissioners shall determine, using sound actuarial analysis, the effects of increasing the minimum loss ratios for those coverages by one percentage point per year for seven years. The commissioners shall jointly report their findings, analysis, and conclusions to the legislature, in compliance with Minnesota Statutes, section 3.195, no later than December 15, 1994. The commissioners shall conduct the entire study jointly and attempt to arrive at and report unified consistent findings, analysis, and conclusions; the commissioners shall not study separately only the coverages that each commissioner respectively regulates."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Asch et al amendment and the roll was called. There were 92 yeas and 41 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Jefferson	Limner	Olson, M.	Rodosovich	Van Engen
Asch	Dorn	Jennings	Lindner	Onnen	Rukavina	Vickerman
Beard	Erhardt	Johnson, A.	Lynch	Opatz	Sarna	Waltman
Bergson	Evans	Johnson, R.	Macklin	Osthoff	Seagren	Weaver
Bertram	Finseth	Johnson, V.	McCollum	Ozment	Smith	Wolf
Bettermann	Frerichs	Kalis	Milbert	Pauly	Solberg	Worke
Bishop	Girard	Kinkel	Molnau	Pawlenty	Steensma	Workman
Brown, C.	Goodno	Klinzing	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Commers	Gruenes	Knickerbocker	Mosel	Perlt	Swenson	
Cooper	Gutknecht	Knight	Neary	Peterson	Tomassoni	
Dauner	Haukoos	Koppenderayer	Nelson	Pugh	Tompkins	
Dauids	Holsten	Krinkie	Ness	Reding	Trimble	
Dehler	Hugoson	Leppik	Olson, E.	Rhodes	Tunheim	
Delmont	Jacobs	Lieder	Olson, K.	Rice	Van Dellen	

Those who voted in the negative were:

Anderson, R.	Clark	Hasskamp	Kelso	Mahon	Orfield	Vellenga
Battaglia	Dawkins	Hausman	Krueger	Mariani	Ostrom	Wagenius
Bauerly	Farrell	Huntley	Lasley	McGuire	Rest	Wejcman
Brown, K.	Garcia	Jaros	Long	Munger	Sekhon	Wenzel
Carlson	Greenfield	Kahn	Lourey	Murphy	Simoneau	Winter
Carruthers	Greiling	Kelley	Luther	Orenstein	Skoglund	

The motion prevailed and the amendment was adopted.

Asch and Davids moved to amend S. F. No. 2192, as amended, as follows:

Page 78, delete lines 24 to 36

Page 79, delete lines 1 to 13

Reletter the clauses and correct the internal references

Amend the title accordingly

The motion did not prevail and the amendment was not adopted.

Winter moved to amend S. F. No. 2192, as amended, as follows:

Page 73, after line 23, insert:

"Sec. 9. [STUDY OF HEALTH PLAN PRACTICES INHIBITING FORMATION OF LOCALLY-CONTROLLED HEALTH NETWORKS.]

The commissioner of health shall conduct a study and report to the Legislative Oversight Commission by November 15, 1994, concerning the impact of health plan practices that frustrate or inhibit the formation of locally based competing health care networks or cooperatives. The commissioner should recommend the prohibition of those practices significantly impeding the development of local plans."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Olson, K., and Winter moved to amend S. F. No. 2192, as amended, as follows:

Page 133, after line 25, insert:

"Sec. 56. [EFFECTIVE DATE.]

Laws 1994, chapter 433, is effective the day following final enactment of this act."

The motion prevailed and the amendment was adopted.

Weaver moved to amend S. F. No. 2192, as amended, as follows:

Page 125, after line 28, insert:

"Sec. 41. Minnesota Statutes 1993 Supplement, section 256.9357, subdivision 2, is amended to read:

Subd. 2. [MUST NOT HAVE ACCESS TO EMPLOYER-SUBSIDIZED COVERAGE.] (a) To be eligible for subsidized premium payments based on a sliding scale, a family or individual must not have access to subsidized health coverage through an employer, and must not have had access to subsidized health coverage through an employer for the 18 months prior to application for subsidized coverage under the MinnesotaCare plan. The requirement that the family or individual must not have had access to employer-subsidized coverage during the previous 18 months does not apply if employer-subsidized coverage was lost for reasons that would not disqualify the individual for unemployment benefits under section 268.09 and the family or individual has not had access to employer-subsidized coverage since the layoff. If employer-subsidized coverage was lost for reasons that disqualify an individual for unemployment benefits under section 268.09, children of that individual are exempt from the requirement of no access to employer subsidized coverage for the 18 months prior to application, as long as the children have not had access to employer subsidized coverage since the disqualifying event.

(b) For purposes of this requirement, subsidized health coverage means health coverage for which the employer pays at least 50 percent of the cost of coverage for the employee, excluding dependent coverage, or a higher percentage as specified by the commissioner. Children are eligible for employer-subsidized coverage through either parent, including the noncustodial parent. The commissioner must treat employer contributions to Internal Revenue Code Section 125 plans as qualified employer subsidies toward the cost of health coverage for employees for purposes of this subdivision."

Page 133, line 25, after the period, insert "Section 41 is effective for MinnesotaCare applications submitted on or after November 1, 1993."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Neary and Dawkins moved to amend S. F. No. 2192, as amended, as follows:

Page 64, line 36, delete "and"

Page 65, line 3, delete the period and insert "; and"

Page 65, after line 3, insert:

"(11) The desirability of including coverage for all court-ordered mental health services for juveniles."

The motion prevailed and the amendment was adopted.

Neary; Asch; Tompkins; Brown, K.; Greiling; Onnen; Swenson and Clark moved to amend S. F. No. 2192, as amended, as follows:

Page 23, after line 27, insert:

"Sec. 7. [62J.47] [MORATORIUM ON MERGERS OR ACQUISITIONS BY HOSPITAL SYSTEMS AND HEALTH CARRIERS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section, "health carrier" has the meaning given in section 62A.011, subdivision 2.

Subd. 2. [RESTRICTIONS.] Until July 1, 1996, the following hospitals, hospital systems, and health carriers are prohibited from merging with, or acquiring, directly or indirectly, any other hospital, hospital systems, or health carrier:

(1) a hospital or hospital system whose number of patients served in the state in the previous calendar year exceeds 7.5 percent of the total number of patients served by all hospitals in that year in the state of Minnesota;

(2) a hospital or hospital system whose number of patients served in the seven-county metropolitan area in the previous calendar year exceeds 15 percent of the total number of patients served by all hospitals in that year in the seven-county metropolitan area;

(3) a health carrier whose number of enrollees residing in the state in the previous calendar year exceeds five percent of the total number of insured persons in that year residing in the state of Minnesota; and

(4) a health carrier whose number of enrollees residing in the seven-county metropolitan area in the previous calendar year exceeds ten percent of the total number of insured persons in that year residing in the seven-county metropolitan area.

Subd. 3. [ENFORCEMENT.] The district court in Ramsey county has jurisdiction to enjoin an alleged violation of subdivision 2. The attorney general may bring an action to enjoin an alleged violation. The commissioner of health or commerce shall not issue or renew a license or certificate of authority to any hospital or health carrier in violation of subdivision 2."

Page 38, line 13, after the period insert:

"Section 7 is effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

Greenfield moved to amend the Neary et al amendment to S. F. No. 2192, as amended, as follows:

Page 1, line 5, delete "HOSPITAL SYSTEMS AND"

Page 1, lines 9 and 10, delete "the following hospitals, hospital systems, and"

Page 1, line 12, delete "hospital, hospital systems, or" and before the colon, insert ", unless the merger or acquisition has been approved by the commissioner under the antitrust exception approval process established under sections 62J.2911 to 62J.2921"

Page 1, delete lines 13 to 21

Renumber clauses in sequence

Page 2, line 11, delete "hospital or"

Page 2, line 12, after the period, insert:

"Subd. 4. [EXCEPTIONS.] This section does not prohibit: (1) joint ventures or collaborative efforts between health carriers and community integrated service networks or integrated service networks; or (2) any merger or direct or indirect acquisition approved by the commissioner that is intended to assure continuous coverage for enrollees and avoid liquidation or insolvency under chapter 60B."

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Neary et al amendment, as amended, to S. F. No. 2192, as amended. The motion prevailed and the amendment, as amended, was adopted.

Greenfield moved to amend S. F. No. 2192, as amended, as follows:

Page 3, line 24, after the period, insert "Notwithstanding the foregoing, an organization licensed as a community integrated service network that accepts payments for health care services on a capitated basis from a program of self-insurance maintained by an employer as described in section 60A.02, subdivision 3, paragraph (b), shall not be regulated as a community integrated service network with respect to the receipt of such payments, nor are any such payments "premium revenues" for the purposes of calculating the community integrated service network's liability for otherwise applicable state taxes, assessments, or surcharges with the exceptions of the MinnesotaCare provider tax, the one percent premium tax imposed in section 60A.15, subdivision 1, paragraph (d), and the Minnesota comprehensive health association assessment under section 62E.11, provided that the community integrated service network does not bear risk for health service expenses in excess of 110 percent of the self-insurance program's expected costs, and provided that the community integrated service network and the employer comply with the data submission and the administrative simplification provisions of chapter 62J and the provider tax passthrough provision of section 295.582, and provided that the employer has more than 100 employees and the employer does not carry stop loss, excess loss, or similar coverage with respect to the self-insurance program; risk borne by the community network shall affect its required reserves in the same manner as other capitation arrangements, with an appropriate adjustment for the portion of the risk retained by the employer."

Page 4, line 4, after the period, insert:

"Notwithstanding the foregoing, an organization licensed as an integrated service network that accepts payments for health care services on a capitated basis from a program of self-insurance maintained by an employer as described in section 60A.02, subdivision 3, paragraph (b), shall not be regulated as an integrated service network with respect to the receipt of such payments, nor are any such payments "premium revenues" for the purposes of calculating the integrated service network's liability for otherwise applicable state taxes, assessments, or surcharges with the exceptions of the MinnesotaCare provider tax, the one percent premium tax imposed in section 60A.15, subdivision 1, paragraph (d), and the Minnesota comprehensive health association assessment under section 62E.11, provided that the integrated service network does not bear risk for health service expenses in excess of 110 percent of the self-insurance program's expected costs, and provided that the integrated service network and the employer comply

with the data submission and the administrative simplification provisions of chapter 62J and the provider tax passthrough provision of section 295.582, and provided that the employer has more than 500 employees, the employer's self-insurance program was in effect on April 1, 1994, and the employer does not carry stop loss, excess loss, or similar coverage with respect to the self-insurance program; risk borne by the network shall affect required reserves in the same manner as other capitation arrangements, with an appropriate adjustment for the portion of the risk retained by the employer."

Page 91, after line 15, insert:

"Sec. 2. Minnesota Statutes 1992, section 60A.02, subdivision 3, is amended to read:

Subd. 3. [INSURANCE.] (a) "Insurance" is any agreement whereby one party, for a consideration, undertakes to indemnify another to a specified amount against loss or damage from specified causes, or to do some act of value to the assured in case of such loss or damage. A program of self-insurance, self-insurance revolving fund or pool established under section 471.981 is not insurance for purposes of this subdivision.

(b) Capitation payments to a capitated entity for health care services by a program of self-insurance maintained by an employer with more than 500 employees do not constitute insurance for the purposes of this subdivision so long as the employer maintained the program of self-insurance on April 1, 1994, shares risk with the capitated entity such that the capitated entity does not assume risk in excess of 110 percent of the self-insurance program's expected costs, and does not carry stop loss, excess loss, or similar coverage with respect to the self-insurance program, and so long as the employer and the capitated entity comply with the data submission and administrative simplification provisions of chapter 62J and the provider tax passthrough provision of section 295.582. For purposes of this subdivision, a capitated entity must be licensed as a health maintenance organization, integrated service network, or community integrated service network. This paragraph applies only to programs of self-insurance in existence as of April 1, 1994; all other insurance as defined in paragraph (a), even if maintained by an employer that also offers programs of self-insurance, continues to be subject to all applicable state regulations."

Page 95, after line 2, insert:

"Sec. 5. Minnesota Statutes 1992, section 62D.02, subdivision 4, is amended to read:

Subd. 4. "Health maintenance organization" means a nonprofit corporation organized under chapter 317A, or a local governmental unit as defined in subdivision 11, controlled and operated as provided in sections 62D.01 to 62D.30, which provides, either directly or through arrangements with providers or other persons, comprehensive health maintenance services, or arranges for the provision of these services, to enrollees on the basis of a fixed prepaid sum without regard to the frequency or extent of services furnished to any particular enrollee. Notwithstanding the foregoing, an organization licensed as a health maintenance organization that accepts payments for health care services on a capitated basis from a program of self-insurance maintained by an employer, as described in section 60A.02, subdivision 3, paragraph (b), shall not be regulated as a health maintenance organization with respect to the receipt of such payments, nor are any such payments "premium revenues" for the purposes of calculating the health maintenance organization's liability for otherwise applicable state taxes, assessments, or surcharges with the exceptions of the MinnesotaCare provider tax, the one percent premium tax imposed in section 60A.15, subdivision 1, paragraph (d), and the Minnesota comprehensive health association assessment under section 62E.11, provided that the health maintenance organization does not bear risk for health service expenses in excess of 110 percent of the self-insurance program's expected costs, and provided that the health maintenance organization and the employer comply with the data submission and the administrative simplification provisions of chapter 62J and the provider tax pass-through provision of section 295.582, and provided that the employer has more than 500 employees, the employer's self-insurance program was in effect on April 1, 1994, and the employer does not carry stop loss, excess loss, or similar coverage with respect to the self-insurance program; risk borne by the health maintenance organization shall affect required reserves in the same manner as other capitation arrangements, with an appropriate adjustment for the portion of the risk retained by the employer."

Renumber the sections of article 8 in sequence

Correct the internal references

Amend the title accordingly

Abrams moved to amend the Greenfield amendment to S. F. No. 2192, as amended, as follows:

Page 2, line 18, delete "500" and insert "100" and delete everything after the comma

Page 2, line 19, delete everything before "and"

Page 3, line 1, delete "500" and insert "100"

Page 3, line 3, delete everything after "employer"

Page 3, line 4, delete "1994,"

Page 3, line 14, delete "This"

Page 3, delete line 15

Page 3, line 16, delete everything before "other" and insert "All"

Page 4, line 17, delete "500" and insert "100" and delete everything after the comma

Page 4, line 18, delete everything before "and"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Greenfield amendment, as amended, to S. F. No. 2192, as amended. The motion prevailed and the amendment, as amended, was adopted.

Krueger moved to amend S. F. No. 2192, as amended, as follows:

Page 82, line 16, delete "financing mechanisms" and insert "funding" and delete "should" and insert "may"

Page 82, line 16, after "raised" insert "by reducing other general fund spending or"

Page 82, line 17, delete "an income or payroll tax with consideration given" and insert "broad-based taxes, including income or payroll, as long as they can be adjusted"

Page 82, line 18, delete "providing" and insert "provide"

Page 82, line 34, delete everything after "sources" and insert a period

Page 82, delete line 35

The motion prevailed and the amendment was adopted.

Leppik, Tompkins, Pauly, Lourey, Gruenes, Greenfield and Cooper moved to amend S. F. No. 2192, as amended, as follows:

Page 6, line 10, delete "shall" and insert "may"

Page 7, after line 28, insert:

"Subd. 7. [POINT OF SERVICE PRODUCT.] A community network that does not offer an expanded network under this section shall make available to its contract holders each of the following contracts:

(1) a contract that provides coverage for covered services obtained from health care providers, as defined in section 62J.03, subdivision 8, not employed by or under contract with the community network;

(2) a contract that provides coverage for covered services obtained from allied independent health care providers not employed by or under contract with the community network; and

(3) a contract that provides coverage for covered services obtained from health care providers, as defined in section 62J.03, subdivision 8, other than allied independent health providers, not employed by or under contract with the community network.

The community network may establish separate premium rates and cost-sharing requirements for those contracts, if those premium rates and cost-sharing requirements are actuarially justified and approved by the commissioner as otherwise required by law."

The motion prevailed and the amendment was adopted.

Leppik, Tompkins, Lourey, Pauly, Cooper and Greenfield moved to amend S. F. No. 2192, as amended, as follows:

Page 36, line 26, before "A" insert:

"Subdivision 1. [SAME LICENSURE.]"

Page 36, line 36, delete "section" and insert "subdivision"

Page 37, after line 1, insert:

"Subd. 2. [CHOICE OF NONEXCLUSIVE CONTRACT.] A health plan company that enters into a contract with a health care provider, that obligates the health care provider to provide health care services exclusively to the enrollees or insureds of the health plan company, must offer the health care provider the option of instead entering into a contract that does not require exclusivity. The nonexclusive contract must be identical, except for the exclusivity requirement and related provisions that are not applicable to nonexclusive relationships, including, but not limited to, provider location, fringe benefits, leasing of space, and arrangements regarding equipment and supplies. This subdivision does not apply to health care providers employed by a health plan company."

The motion prevailed and the amendment was adopted.

The Speaker called Bauerly to the Chair.

Worke and Davids moved to amend S. F. No. 2192, as amended, as follows:

Page 66, line 36, delete everything after "must" and insert "offer enrollees a choice of the following annual per-person deductibles: \$100, \$250, \$500, \$1,000, and \$2,500, may vary only on the basis of these deductibles and other cost-sharing features, and must provide"

Page 67, line 1, delete "cost sharing and encompass"

The motion did not prevail and the amendment was not adopted.

Worke, Lindner and Girard moved to amend S. F. No. 2192, as amended, as follows:

Page 125, after line 10, insert:

"Sec. 40. Minnesota Statutes 1993 Supplement, section 256.9353, subdivision 3, is amended to read:

Subd. 3. [INPATIENT HOSPITAL SERVICES.] (a) Beginning July 1, 1993, covered health services shall include inpatient hospital services, including inpatient hospital mental health services and inpatient hospital and residential chemical dependency treatment, subject to those limitations necessary to coordinate the provision of these services

with eligibility under the medical assistance spend-down. The inpatient hospital benefit for adult enrollees is subject to an annual benefit limit of \$10,000. The commissioner shall provide enrollees with at least 60 days' notice of coverage for inpatient hospital services and any premium increase associated with the inclusion of this benefit.

(b) Enrollees shall apply for and cooperate with the requirements of medical assistance by the last day of the third month following admission to an inpatient hospital. If an enrollee fails to apply for medical assistance within this time period, the enrollee and the enrollee's family shall be disenrolled from the plan within one calendar month. Enrollees and enrollees' families disenrolled for not applying for or not cooperating with medical assistance may not reenroll.

(c) All application material for MinnesotaCare must clearly state in 10-point capitalized letters the following notice:

"NOTICE

The MinnesotaCare program has a limited annual inpatient benefit of \$10,000. You may be personally responsible for any hospital bills exceeding this amount unless you have limited assets and qualify for medical assistance."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Worke et al amendment and the roll was called. There were 55 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Erhardt	Holsten	Krinkie	Morrison	Rhodes	Van Engen
Asch	Finseth	Hugoson	Leppik	Munger	Seagren	Vickerman
Bertram	Frerichs	Johnson, R.	Limmer	Ness	Smith	Waltman
Bettermann	Girard	Johnson, V.	Lindner	Olson, M.	Stanius	Weaver
Commers	Goodno	Klinzing	Lynch	Onnen	Sviggum	Wolf
Dauids	Gruenes	Knickerbocker	Macklin	Ozment	Swenson	Worke
Dehler	Gutknecht	Knight	Mahon	Pauly	Tompkins	Workman
Dempsey	Haukoos	Koppendraye	Molnau	Pawlenty	Van Dellen	

Those who voted in the negative were:

Battaglia	Dawkins	Jacobs	Lieder	Opatz	Rodosovich	Vellenga
Bauerly	Delmont	Jaros	Long	Orenstein	Rukavina	Wagenius
Beard	Dorn	Jefferson	Lourey	Orfield	Sarna	Wejzman
Bergson	Evans	Jennings	Luther	Ostrom	Sekhon	Wenzel
Brown, C.	Farrell	Johnson, A.	McCollum	Pelowski	Simoneau	Winter
Brown, K.	Garcia	Kahn	McGuire	Perlt	Skoglund	Spk. Anderson, I.
Carlson	Greenfield	Kalis	Milbert	Peterson	Solberg	
Carruthers	Greiling	Kelley	Murphy	Pugh	Steensma	
Clark	Hasskamp	Kinkel	Neary	Reding	Tomassoni	
Cooper	Hausman	Krueger	Nelson	Rest	Trimble	
Dauner	Huntley	Lasley	Olson, E.	Rice	Tunheim	

The motion did not prevail and the amendment was not adopted.

Klinzing; Worke; Lindner; Brown, K.; Bettermann; Bauerly; Olson, E.; Swenson; Bertram; Wejcman; Limmer; Garcia; Johnson, V.; Jaros; Delmont; Wenzel; Kinkel; Tomassori; Rukavina; Ness; Milbert; Perl; Vickerman; Koppendray; Rhodes; Peterson; Lasley; Jacobs; Tunheim; Pugh; Dauner; Stanius; Holsten; Hausman; Long; Winter; Clark; Mosel; Jennings; Mahon and Steensma moved to amend S. F. No. 2192, as amended, as follows:

Page 6, delete lines 9 to 17, and insert:

"Subdivision 1. [PROVIDER ACCEPTANCE REQUIRED.] Each health plan company with the exception of community integrated service networks and health plan companies that are exempt under subdivision 5 shall establish an expanded network of allied independent health providers, in addition to a preferred network. A health plan company shall accept as a provider in the expanded network any allied independent health provider who: (1) meets the health plan company's credentialing standards; (2) agrees to the terms of the health plan company's provider contract; and (3) agrees to comply with all managed care protocols of the health plan company. A community integrated service network may offer to its enrollees an expanded network of allied independent health providers as described under this section. This subdivision is effective January 1, 1995."

Page 6, line 31, delete "community"

Page 6, line 32, delete "network may" and insert "health plan company shall"

Page 35, after line 36, insert:

"Sec. 19. [62Q.10] [NONDISCRIMINATION.]

If a health plan company, with the exception of a community integrated service network or an indemnity insurer licensed under chapter 60A who does not offer a product through a preferred provider network, offers coverage of a health care service as part of its plan, it may not deny provider network status to a qualified health care provider type who meets the credentialing requirements of the health plan company solely because the provider is an allied independent health care provider as defined in section 62N.255."

Page 36, line 11, after "enrollee" insert ", health care provider, or applicant for network provider status" and delete "of a health"

Page 36, line 12, delete "plan company"

Page 36, line 15, after "enrollee" insert ", health care provider, or applicant for network provider status"

Page 36, after line 24, insert:

"Sec. 21. [62Q.12] [DENIAL OF ACCESS.]

No health plan company may deny access to a covered health care service unless the denial is made by, or under the direction of, or subject to the review of a health care professional licensed to provide the service in question."

Page 50, after line 33, insert:

"Subd. 5. [ADVISORY COMMITTEE.] The commissioner shall convene an advisory committee made up of a broad array of health care professionals that will be affected by the fee schedule. Recommendations of this committee must be submitted to the commissioner by November 15, 1994, and must be incorporated in the implementation report due January 1, 1995."

Page 65, delete lines 4 to 13, and insert:

"Subd. 5. [ADVISORY COMMITTEE ON THE UNIVERSAL BENEFITS SET.] The commissioner shall appoint an advisory committee to develop recommendations regarding the services other than dental services to be included in the universal benefits set. The committee must include representatives of health care providers, consumers, health plan companies, and counties. No more than half plus one of the members may be of the same gender. The health

care provider representatives must include both physicians and allied independent health care providers representing both physical and mental health conditions. The committee shall report these recommendations to the commissioner by October 1, 1994."

Page 66, line 21, delete ", subdivision 2"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Greenfield moved to amend the Klinzing et al amendment to S. F. No. 2192, as amended, as follows:

Page 1, delete lines 3 to 24 and insert:

"Pages 6 and 7, delete section 6 of article 1

Page 69, after line 11, insert:

"Sec. 14. [62Q.31] [MANDATORY POINT OF SERVICE PRODUCT.]

Each health plan company, other than an integrated service network or a community integrated service network, shall make available to its policy or contract holders a policy or contract that provides coverage for covered services obtained from health care providers, as defined in section 62J.03, subdivision 8, not employed by or under contract with the health plan company. The health plan company may establish separate premium rates and cost-sharing requirements for this policy or contract, if those premium rates and cost-sharing requirements are actuarially justified and approved by the appropriate commissioner as otherwise required by law. This section does not apply to a health plan company that does not contract with or employ providers in this state, that has fewer than 20,000 enrollees in this state, or that has no health plans open to new enrollees in this state."

Delete pages 2 and 3

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 36 yeas and 94 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Huntley	Lourey	Ness	Smith
Bishop	Greenfield	Johnson, A.	Mahon	Pauly	Sviggum
Commers	Greiling	Kahn	McGuire	Pawlenty	Trimble
Cooper	Gruenes	Kelley	Molnau	Peterson	Van Dellen
Erhardt	Gutknecht	Knickerbocker	Morrison	Simoneau	Wagenius
Frerichs	Hugoson	Leppik	Munger	Skoglund	Spk. Anderson, I.

Those who voted in the negative were:

Anderson, R.	Beard	Bettermann	Carlson	Davids	Delmont	Evans
Asch	Bergson	Brown, C.	Clark	Dawkins	Dempsey	Farrell
Battaglia	Bertram	Brown, K.	Dauner	Dehler	Dorn	Finseth

Garcia	Johnson, V.	Limmer	Neary	Ozment	Solberg	Weaver
Goodno	Kalis	Lindner	Nelson	Pelowski	Stanius	Wejcman
Hasskamp	Kelso	Long	Olson, E.	Perlt	Steensma	Wenzel
Haukoos	Kinkel	Luther	Olson, K.	Pugh	Swenson	Winter
Hausman	Klinzing	Lynch	Olson, M.	Reding	Tomassoni	Wolf
Holsten	Knight	Macklin	Onnen	Rhodes	Tompkins	Worke
Jacobs	Koppendraye	Mariani	Opatz	Rice	Tunheim	Workman
Jaros	Krinkie	McCollum	Orenstein	Rodosovich	Van Engen	
Jefferson	Krueger	Milbert	Orfield	Rukavina	Vellenga	
Jennings	Lasley	Mosel	Osthoff	Sarna	Vickerman	
Johnson, R.	Lieder	Murphy	Ostrom	Sekhon	Waltman	

The motion did not prevail and the amendment to the amendment was not adopted.

Pauly was excused between the hours of 4:00 p.m. and 5:55 p.m.

The question recurred on the Klinzing et al amendment and the roll was called. There were 97 yeas and 34 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Delmont	Jefferson	Limmer	Nelson	Pugh	Tomassoni
Asch	Dempsey	Jennings	Lindner	Ness	Reding	Tompkins
Battaglia	Dorn	Johnson, A.	Long	Olson, E.	Rhodes	Tunheim
Bauerly	Evans	Johnson, R.	Luther	Olson, M.	Rice	Van Engen
Beard	Farrell	Johnson, V.	Lynch	Onnen	Rodosovich	Vellenga
Bertram	Finseth	Kalis	Macklin	Opatz	Rukavina	Vickerman
Bettermann	Garcia	Kelso	Mariani	Orenstein	Sarna	Waltman
Brown, K.	Goodno	Kinkel	McCollum	Orfield	Sekhon	Weaver
Carlson	Hasskamp	Klinzing	McGuire	Osthoff	Smith	Wejcman
Carruthers	Haukoos	Koppendraye	Milbert	Ostrom	Solberg	Wenzel
Clark	Hausman	Krinkie	Molnau	Ozment	Stanius	Winter
Dauner	Holsten	Krueger	Mosel	Pelowski	Steensma	Worke
Davids	Jacobs	Lasley	Murphy	Perlt	Sviggum	Workman
Dawkins	Jaros	Lieder	Neary	Peterson	Swenson	

Those who voted in the negative were:

Abrams	Cooper	Greenfield	Huntley	Leppik	Pawlenty	Van Dellen
Bergson	Dehler	Greiling	Kahn	Lourey	Seagren	Wagenius
Bishop	Erhardt	Gruenes	Kelley	Mahon	Simoneau	Wolf
Brown, C.	Frerichs	Gutknecht	Knickerbocker	Morrison	Skoglund	Spk. Anderson, I.
Commers	Girard	Hugoson	Knight	Olson, K.	Trimble	

The motion prevailed and the amendment was adopted.

Goodno moved to amend S. F. No. 2192, as amended, as follows:

Page 206, after line 20, insert:

"Sec. 9. Minnesota Statutes 1993 Supplement, section 295.53, is amended by adding a subdivision to read:

Subd. 6. [EXEMPTION FOR BORDER PROVIDERS.] (a) For purposes of this subdivision, "border provider" means a resident health care provider, resident hospital, resident surgical center, or resident pharmacy whose location or practice site is located in a border city that has an enterprise zone designated pursuant to section 469.168, subdivision 4, clause (c), except for cities of the first class.

(b) Gross revenues received by border providers are exempt from the taxes imposed under section 295.52, if these revenues are received for services provided to a patient who is not a Minnesota resident at a location or practice site located in a border city that has an enterprise zone designated pursuant to section 469.168, subdivision 4, clause (c), except for cities of the first class. Revenues received by border providers for services provided to Minnesota residents, or provided at a location or practice site that is not located in a border city that has an enterprise zone designated pursuant to section 469.168, subdivision 4, clause (c), except for cities of the first class are subject to the taxes imposed under section 295.52."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Cooper moved to amend S. F. No. 2192, as amended, as follows:

Page 28, lines 9 to 11, delete the new language

The motion prevailed and the amendment was adopted.

Van Engen; Tompkins; Klinzing; Olson, M.; Workman; Steensma; Ornen; Cooper; Waltman; Hasskamp; Bettermann; Johnson, V., and Lynch moved to amend S. F. No. 2192, as amended, as follows:

Page 37, line 7, after the period, insert "Nothing in this section shall force or require a health plan company to provide elective, induced abortions, except as allowed in section 256B.0625, subdivision 16, whether performed in a hospital, other abortion facility, or the office of a physician."

A roll call was requested and properly seconded.

The question was taken on the Van Engen et al amendment and the roll was called. There were 83 yeas and 43 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dempsey	Jacobs	Lasley	Nelson	Pugh	Van Dellen
Battaglia	Dorn	Johnson, R.	Lieder	Ness	Reding	Van Engen
Bauerly	Finseth	Johnson, V.	Limmer	Olson, E.	Rodosovich	Vickerman
Beard	Frerichs	Kalis	Lindner	Olson, K.	Seagren	Waltman
Bertram	Girard	Kelso	Lynch	Olson, M.	Smith	Weaver
Bettermann	Goodno	Kinkel	Macklin	Ornen	Solberg	Wenzel
Brown, C.	Gruenes	Klinzing	Milbert	Opatz	Stanius	Winter
Commers	Gutknecht	Knickerbocker	Molnau	Ostrom	Steensma	Wolf
Cooper	Hasskamp	Knight	Morrison	Ozment	Sviggum	Worke
Dauner	Haukoos	Koppendrayner	Mosel	Pawlenty	Swenson	Workman
Davids	Holsten	Krinkie	Munger	Pelowski	Tompkins	Spk. Anderson, I.
Dehler	Hugoson	Krueger	Murphy	Peterson	Tunheim	

Those who voted in the negative were:

Abrams	Brown, K.	Dawkins	Greenfield	Jefferson	Kelley	Luther
Asch	Carlson	Delmont	Greiling	Jennings	Leppik	Mariani
Bergson	Carruthers	Erhardt	Hausman	Johnson, A.	Long	McCollum
Bishop	Clark	Evans	Huntley	Kahn	Lourey	McGuire

Neary	Osthoff	Rhodes	Simoneau	Vellenga
Orenstein	Perl	Rice	Skoglund	Wagenius
Orfield	Rest	Sekhon	Tomassoni	Wejcman

The motion prevailed and the amendment was adopted.

Abrams moved to amend S. F. No. 2192, as amended, as follows:

Page 7, lines 30 and 36, delete "shall" and insert "may"

Page 8, line 5, delete "shall" and insert "may"

The motion prevailed and the amendment was adopted.

Tompkins offered an amendment to S. F. No. 2192, as amended.

POINT OF ORDER

Pugh raised a point of order pursuant to rule 3.09 that the Tompkins amendment was not in order. Speaker pro tempore Bauerly ruled the point of order well taken and the amendment out of order.

Sviggum appealed the decision of the Chair.

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:

Abrams	Davidson	Hausman	Krinkie	Mosel	Peterson	Tunheim
Anderson, R.	Dehler	Holsten	Krueger	Murphy	Pugh	Van Dellen
Asch	Delmont	Huntley	Lasley	Neary	Reding	Van Engen
Battaglia	Dempsey	Jaros	Leppik	Nelson	Rhodes	Vellenga
Bauerly	Dorn	Jefferson	Lieder	Ness	Rice	Vickerman
Beard	Erhardt	Jennings	Limner	Olson, E.	Rodosovich	Wagenius
Bergson	Evans	Johnson, A.	Lindner	Olson, K.	Seagren	Waltman
Bertram	Farrell	Johnson, R.	Long	Olson, M.	Sekhon	Weaver
Bettermann	Finseth	Johnson, V.	Lourey	Onnen	Simoneau	Wejcman
Bishop	Frerichs	Kahn	Luther	Opatz	Skoglund	Wenzel
Brown, C.	Garcia	Kalis	Lynch	Orenstein	Smith	Winter
Brown, K.	Goodno	Kelley	Macklin	Orfield	Solberg	Wolf
Carlson	Greenfield	Kelso	Mariani	Osthoff	Stanis	Worke
Carruthers	Greiling	Kinkel	McCollum	Ostrom	Steensma	Workman
Clark	Gruenes	Klinzing	McGuire	Ozment	Sviggum	
Commers	Gutknecht	Knickerbocker	Milbert	Pawlenty	Swenson	
Cooper	Hasskamp	Knight	Molnau	Pelowski	Tomassoni	
Dauner	Haukoos	Koppendraye	Morrison	Perl	Tompkins	

Carruthers 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 vote was taken on the question "Shall the decision of Speaker pro tempore Bauerly stand as the judgment of the House?" and the roll was called. There were 89 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Jaros	Lasley	Murphy	Pugh	Swenson
Asch	Dawkins	Jefferson	Lieder	Neary	Reding	Tomassoni
Battaglia	Delmont	Jennings	Long	Nelson	Rest	Trimble
Bauerly	Dorn	Johnson, A.	Lourey	Olson, E.	Rice	Tunheim
Beard	Evans	Johnson, R.	Luther	Olson, K.	Rodosovich	Vellenga
Bergson	Farrell	Kahn	Macklin	Opatz	Rukavina	Wagenius
Bertram	Garcia	Kalis	Mahon	Orenstein	Sarna	Weaver
Bishop	Greenfield	Kelley	Mariani	Orfield	Sekhon	Wejcman
Brown, C.	Greiling	Kelso	McCollum	Osthoff	Simoneau	Wenzel
Brown, K.	Hasskamp	Kinkel	McGuire	Ostrom	Skoglund	Winter
Carlson	Hausman	Klinzing	Milbert	Pelowski	Smith	Spk. Anderson, I.
Carruthers	Huntley	Knickerbocker	Mosel	Perlt	Solberg	
Clark	Jacobs	Krueger	Munger	Peterson	Steensma	

Those who voted in the negative were:

Abrams	Erhardt	Haukoos	Leppik	Olson, M.	Sviggum	Worke
Bettermann	Finseth	Holsten	Limmer	Onnen	Tompkins	Workman
Commers	Frerichs	Hugoson	Lindner	Ozment	Van Dellen	
Dauner	Girard	Johnson, V.	Lynch	Pawlenty	Van Engen	
Dauids	Goodno	Knight	Molnau	Rhodes	Vickerman	
Dehler	Gruenes	Koppendrayer	Morrison	Seagren	Waltman	
Dempsey	Gutknecht	Krinkie	Ness	Stanis	Wolf	

So it was the judgment of the House that the decision of Speaker pro tempore Bauerly should stand.

CALL OF THE HOUSE LIFTED

Long moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Ozment was excused while in conference.

Vellenga was excused for the remainder of today's session.

Sviggum and Davids moved to amend S. F. No. 2192, as amended, as follows:

Page 77, delete lines 26 to 36

Page 78, delete lines 1 to 16

Renumber the subdivisions in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Sviggum and Davids amendment and the roll was called. There were 63 yeas and 67 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Holsten	Knickerbocker	Milbert	Pawlenty	Tompkins
Asch	Erhardt	Hugoson	Knight	Molnau	Pelowski	Van Dellen
Bergson	Finseth	Jennings	Koppendrayer	Morrison	Rhodes	Van Engen
Bertram	Frerichs	Johnson, R.	Krinkie	Nelson	Seagren	Vickerman
Bettermann	Girard	Johnson, V.	Leppik	Ness	Smith	Waltman
Bishop	Goodno	Kalis	Limner	Olson, M.	Stanisus	Weaver
Commers	Gruenes	Kelso	Lindner	Onnen	Steensma	Wolf
Davids	Gutknecht	Kinkel	Lynch	Osthoff	Sviggum	Worke
Dehler	Hasskamp	Klinzing	Macklin	Ozment	Swenson	Workman

Those who voted in the negative were:

Anderson, R.	Dauner	Huntley	Long	Olson, E.	Rest	Trimble
Battaglia	Dawkins	Jacobs	Lourey	Olson, K.	Rice	Tunheim
Bauerly	Delmont	Jaros	Luther	Opatz	Rodosovich	Wagenius
Beard	Dorn	Jefferson	Mahon	Orenstein	Rukavina	Wejcmán
Brown, C.	Evans	Johnson, A.	Mariani	Orfield	Sarna	Wenzel
Brown, K.	Farrell	Kahn	McGuire	Ostrom	Sekhon	Winter
Carlson	Garcia	Kelley	Mosel	Perlt	Simoneau	Spk. Anderson, I.
Carruthers	Greenfield	Krueger	Munger	Peterson	Skoglund	
Clark	Greiling	Lasley	Murphy	Pugh	Solberg	
Cooper	Hausman	Lieder	Neary	Reding	Tomassoni	

The motion did not prevail and the amendment was not adopted.

Bergson and Goodno moved to amend S. F. No. 2192, as amended, as follows:

Page 129, after line 22, insert:

"Sec. 49. Minnesota Statutes 1993 Supplement, section 256B.0625, subdivision 13, is amended to read:

Subd. 13. [DRUGS.] (a) Medical assistance covers drugs, except for fertility drugs, if prescribed by a licensed practitioner and dispensed by a licensed pharmacist, or by a physician enrolled in the medical assistance program as a dispensing physician. The commissioner, after receiving recommendations from professional medical associations and professional pharmacist associations, shall designate a formulary committee to advise the commissioner on the names of drugs for which payment is 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 formulary committee shall consist of nine members, four of whom shall be physicians who are not employed by the department of human services, 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 human services, 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 three-year terms and shall serve without compensation. Members may be reappointed once.

(b) The commissioner shall 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 committee shall review and recommend drugs which require prior authorization. The formulary committee may recommend drugs for prior authorization directly to the commissioner, as long as opportunity for public input is provided. Prior authorization may be requested by the commissioner based on medical and clinical criteria before certain drugs are eligible for payment. Before a drug may be considered for prior authorization at the request of the commissioner:

(1) the drug formulary committee must develop criteria to be used for identifying drugs; the development of these criteria is not subject to the requirements of chapter 14, but the formulary committee shall provide opportunity for public input in developing criteria;

(2) the drug formulary committee must hold a public forum and receive public comment for an additional 15 days; and

(3) the commissioner must provide information to the formulary committee on the impact that placing the drug on prior authorization will have on the quality of patient care and information regarding whether the drug is subject to clinical abuse or misuse. Prior authorization may be required by the commissioner before certain formulary drugs are eligible for payment. The formulary shall not include:

(i) drugs or products for which there is no federal funding;

(ii) over-the-counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, products for the treatment of lice, vitamins for adults with documented vitamin deficiencies, and vitamins for children under the age of seven and pregnant or nursing women;

(iii) any other over-the-counter drug identified by the commissioner, in consultation with the drug formulary committee, as necessary, appropriate, and cost-effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14;

(iv) anorectics; and

(v) drugs for which medical value has not been established.

The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

(c) The basis for determining the amount of payment shall be the lower of the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner, the maximum allowable cost set by the federal government or by the commissioner plus the fixed dispensing fee or the usual and customary price charged to the public. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. The actual acquisition cost of a drug shall be estimated by the commissioner, at average wholesale price minus 7.6 percent effective January 1, 1994. The maximum allowable cost of a multisource drug may be set by the commissioner and it shall be comparable to, but no higher than, the maximum amount paid by other third party payors in this state who have maximum allowable cost programs. Establishment of the amount of payment for drugs shall not be subject to the requirements of the administrative procedure act. An additional dispensing fee of \$.30 may be added to the dispensing fee paid to pharmacists for legend drug prescriptions dispensed to residents of long-term care facilities when a unit dose blister card system, approved by the department, is used. Under this type of dispensing system, the pharmacist must dispense a 30-day supply of drug. The National Drug Code (NDC) from the drug container used to fill the blister card must be identified on the claim to the department. The unit dose blister card containing the drug must meet the packaging standards set forth in Minnesota Rules, part 6800.2700, that govern the return of unused drugs to the pharmacy for reuse. The pharmacy provider will be required to credit the department for the actual acquisition cost of all unused drugs that are eligible for reuse. Over-the-counter medications must be dispensed in the manufacturer's unopened package. The commissioner may permit the drug clozapine to be dispensed in a quantity that is less than a 30-day supply. 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 - brand necessary" on the prescription as required by section 151.21, subdivision 2. Implementation of any change in the fixed dispensing fee that has not been subject to the administrative procedure act is limited to not more than 180 days, unless, during that time, the commissioner initiates rulemaking through the administrative procedure act.

(d) Until the date the on-line, real-time Medicaid Management Information System (MMIS) upgrade is successfully implemented, as determined by the commissioner of administration, a pharmacy provider may require individuals who seek to become eligible for medical assistance under a one-month spend-down, as provided in section 256B.056, subdivision 5, to pay for services to the extent of the spend-down amount at the time the services are provided. A pharmacy provider choosing this option shall file a medical assistance claim for the pharmacy services provided. If medical assistance reimbursement is received for this claim, the pharmacy provider shall return to the individual the total amount paid by the individual for the pharmacy services reimbursed by the medical assistance program. If the claim is not eligible for medical assistance reimbursement because of the provider's failure to comply with the provisions of the medical assistance program, the pharmacy provider shall refund to the individual the total amount paid by the individual. Pharmacy providers may choose this option only if they apply similar credit restrictions to private pay or privately insured individuals. A pharmacy provider choosing this option must inform individuals who

seek to become eligible for medical assistance under a one-month spend-down of (1) their right to appeal the denial of services on the grounds that they have satisfied the spend-down requirement, and (2) their potential eligibility for the health right program or the children's health plan."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Cooper and Worke moved to amend S. F. No. 2192, as amended, as follows:

Page 133, after line 10, insert:

"Sec. 53. [STUDY OF ANESTHESIA PRACTICES.]

The commissioner of health shall study and report to the legislature by January 15, 1995, on anesthesia services provided in health care facilities of this state by nurse anesthetists and anesthesiologists. The study shall compare different third party reimbursement practices and contractual and employment arrangements between health care facilities, nurse anesthetists, and anesthesiologists in terms of their effect on:

(1) patient outcomes, including mortality/morbidity as related to provider and practice methods in urban and rural settings as disclosed by retrospective or prospective study or other statistical analysis;

(2) the cost of the service provided under each arrangement to hospitals, third-party purchasers, and patients; and

(3) any inequitable or anticompetitive effects under each arrangement.

The report shall also include the commissioner's recommendations on the most appropriate method to provide anesthesia services to ensure cost-effective delivery of quality anesthesia services."

Renumber the sections of article 8 in sequence

Correct the internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Evans, Garcia, Mahon, Murphy, Long, Neary, Rest, McGuire, Munger, Wejcman, Clark, Pauly, Orenstein, Luther, Reding, Skoglund, Knickerbocker, Greenfield, Mariani, Orfield, Asch, Trimble, Kahn, McCollum, Kalis, Wagenius, Sekhon, Hausman, Hasskamp, Greiling and Carlson offered an amendment to S. F. No. 2192, as amended.

POINT OF ORDER

Frerichs raised a point of order pursuant to rule 3.09 that the Evans et al amendment was not in order. Speaker pro tempore Bauerly ruled the point of order well taken and the amendment out of order.

Knight moved to amend S. F. No. 2192, as amended, as follows:

Page 203, after line 25, insert:

"Sec. 6. Minnesota Statutes 1992, section 295.52, is amended by adding a subdivision to read:

Subd. 6. [DENTISTS.] Dentists are exempt from the health care provider tax imposed by this section unless the funds collected are used solely for dental care."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Knight amendment and the roll was called. There were 101 yeas and 29 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krinkie	Mosel	Pugh	Tunheim
Anderson, R.	Dehler	Hugoson	Lasley	Murphy	Rest	Van Dellen
Asch	Delmont	Huntley	Leppik	Nelson	Rhodes	Van Engen
Bauerly	Dempsey	Jacobs	Lieder	Ness	Rice	Vickerman
Beard	Dorn	Jefferson	Limner	Olson, K.	Rukavina	Waltman
Bergson	Erhardt	Jennings	Lindner	Olson, M.	Sarna	Weaver
Bertram	Evans	Johnson, A.	Long	Onnen	Seagren	Winter
Bettermann	Farrell	Johnson, R.	Lynch	Opatz	Solberg	Wolf
Bishop	Finseth	Johnson, V.	Macklin	Orenstein	Stanius	Worke
Brown, K.	Frerichs	Kalis	Mahon	Osthoff	Steensma	Workman
Carlson	Girard	Kelso	McCollum	Ozment	Sviggum	Spk. Anderson, I.
Commers	Goodno	Klinzing	McGuire	Pawlenty	Swenson	
Cooper	Gutknecht	Knickerbocker	Milbert	Pelowski	Tomassoni	
Dauner	Hasskamp	Knight	Molnau	Perlt	Tompkins	
Dauids	Haukoos	Koppendrayner	Morrison	Peterson	Trimble	

Those who voted in the negative were:

Battaglia	Greenfield	Kahn	Mariani	Ostrom	Skoglund
Brown, C.	Greiling	Kelley	Munger	Reding	Wagenius
Carruthers	Gruenes	Krueger	Neary	Rodosovich	Wejzman
Clark	Hausman	Lourey	Olson, E.	Sekhon	Wenzel
Garcia	Jaros	Luther	Orfield	Simoneau	

The motion prevailed and the amendment was adopted.

McCollum was excused while in conference.

Gutknecht moved to amend S. F. No. 2192, as amended, as follows:

Page 52, delete section 9

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Gutknecht amendment and the roll was called. There were 51 yeas and 73 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Gutknecht	Koppendrayner	Ness	Sviggum	Wolf
Asch	Dempsey	Haukoos	Krinkie	Olson, M.	Swenson	Worke
Bergson	Erhardt	Holsten	Leppik	Onnen	Tompkins	Workman
Bertram	Finseth	Hugoson	Limmer	Pawlenty	Van Dellen	
Bettermann	Frerichs	Johnson, V.	Lindner	Pelowski	Van Engen	
Bishop	Girard	Kalis	Lynch	Rhodes	Vickerman	
Commers	Goodno	Knickerbocker	Molnau	Seagren	Waltman	
Dauids	Gruenes	Knight	Morrison	Stanis	Weaver	

Those who voted in the negative were:

Anderson, R.	Delmont	Jefferson	Lieder	Neary	Pugh	Tomassoni
Battaglia	Dorn	Jennings	Long	Nelson	Reding	Trimble
Bauerly	Evans	Johnson, A.	Lourey	Olson, E.	Rice	Tunheim
Beard	Farrell	Johnson, R.	Luther	Olson, K.	Rest	Wejcman
Brown, C.	Garcia	Kahn	Mahon	Opatz	Rodosovich	Wenzel
Carlson	Greenfield	Kelley	Mariani	Orenstein	Rukavina	Winter
Carruthers	Greiling	Kelso	McGuire	Orfield	Sarna	Spk. Anderson, I.
Clark	Hausman	Kinkel	Milbert	Osthoff	Simoneau	
Cooper	Huntley	Klinzing	Mosel	Ostrom	Skoglund	
Dauner	Jacobs	Krueger	Munger	Perlt	Solberg	
Dawkins	Jaros	Lasley	Murphy	Peterson	Steensma	

The motion did not prevail and the amendment was not adopted.

Speaker pro tempore Bauerly called Kahn to the Chair.

Gutknecht moved to amend S. F. No. 2192, as amended, as follows:

Page 73, line 31, after the period, insert "The commissioners of health and human services shall study and report to the legislature by January 1, 1995, the cost of achieving universal coverage. The commissioners should also include in this study an implementation plan for achieving universal coverage and how it will be paid for."

The motion prevailed and the amendment was adopted.

Bauerly was excused for the remainder of today's session.

Asch moved to amend S. F. No. 2192, as amended, as follows:

Page 73, line 33, after "have" insert "access to"

Page 76, delete lines 25 to 27

Renumber remaining subdivisions

Correct internal references

A roll call was requested and properly seconded.

The question was taken on the Asch amendment and the roll was called. There were 63 yeas and 64 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Hasskamp	Koppendraye	Morrison	Pugh	Tompkins
Asch	Dempsey	Haukoos	Krinkie	Mosel	Rhodes	Van Dellen
Beard	Erhardt	Holsten	Leppik	Ness	Sarna	Van Engen
Bergson	Finseth	Hugoson	Limmer	Olson, M.	Seagren	Vickerman
Bertram	Frerichs	Jacobs	Lindner	Onnen	Smith	Waltman
Bettermann	Girard	Johnson, V.	Lynch	Opatz	Solberg	Weaver
Bishop	Goodno	Klinzing	Macklin	Osthoff	Stanius	Wolf
Commers	Gruenes	Knickerbocker	Milbert	Pauly	Sviggum	Worke
Dauids	Gutknecht	Knight	Molnau	Pawlenty	Swenson	Workman

Those who voted in the negative were:

Anderson, R.	Delmont	Jefferson	Lasley	Neary	Reding	Wejcman
Battaglia	Dorn	Jennings	Lieder	Nelson	Rice	Wenzel
Brown, C.	Evans	Johnson, A.	Long	Olson, E.	Rodosovich	Winter
Brown, K.	Farrell	Johnson, R.	Lourey	Olson, K.	Rukavina	Spk. Anderson, I.
Carlson	Garcia	Kahn	Luther	Orenstein	Simoneau	
Carruthers	Greenfield	Kalis	Mahon	Orfield	Skoglund	
Clark	Greiling	Kelley	Mariani	Ostrom	Steensma	
Cooper	Hausman	Kelso	McGuire	Pelowski	Tomassoni	
Dauner	Huntley	Kinkel	Munger	Perlt	Trimble	
Dawkins	Jaros	Krueger	Murphy	Peterson	Tunheim	

The motion did not prevail and the amendment was not adopted.

Seagren moved to amend S. F. No. 2192, as amended, as follows:

Page 7, line 21, delete "consulting"

The motion prevailed and the amendment was adopted.

Skoglund moved to amend S. F. No. 2192, as amended, as follows:

Page 154, after line 15, insert:

"An application form for a Medicare supplement policy or certificate, as defined in this section, must prominently disclose the anticipated loss ratio and explain what it means."

The motion prevailed and the amendment was adopted.

Stanius offered an amendment to S. F. No. 2192, as amended.

POINT OF ORDER

Greenfield raised a point of order pursuant to rule 3.09 that the Stanius amendment was not in order. Speaker pro tempore Kahn ruled the point of order well taken and the amendment out of order.

Onnen moved to amend S. F. No. 2192, as amended, as follows:

Page 21, line 26, after the period, insert "The commissioner shall contract with an independent quality improvement organization to conduct the pilot study."

Page 23, after line 27, insert:

"Sec. 7. [62].465 [INDEPENDENT QUALITY IMPROVEMENT ORGANIZATION.]

Subdivision 1. [CONTRACT.] The commissioner, in consultation with the data institute, shall contract with an independent health care quality improvement organization to conduct quality assessment and quality improvement activities, as specified by this section. The organization awarded the contract must be neither a health care provider or payer, nor a regulatory agency. The organization under contract shall provide an objective, unbiased, and comprehensive assessment of the quality of health care provided to consumers through integrated service networks and the regulated all-payer option.

Subd. 2. [DUTIES OF THE INDEPENDENT QUALITY IMPROVEMENT ORGANIZATION.] The independent quality improvement organization awarded the contract shall:

(1) provide independent analysis of the quality of health care based on the data collected by the data collection vendor, the quality indicators determined by the data institute, and other appropriate data sources;

(2) analyze data for utilization, process, and outcomes of health care services;

(3) provide technical assistance to health care providers to improve the quality of care;

(4) develop and maintain a mechanism to integrate and utilize information on quality of care from existing boards, agencies, offices of consumer advocacy and other sources;

(5) conduct independent quality assessments and provide these assessments to the data analysis unit, for inclusion in health care quality report cards; and

(6) conduct the provider information pilot study developed by the commissioner under section 62J.45, subdivision 4a, paragraph (b).

Subd. 3. [DISSEMINATION OF QUALITY OF CARE INFORMATION.] The information clearinghouse shall make reports generated by the independent quality improvement organization available to the public and health care providers."

Renumber the sections in sequence

Correct internal references

A roll call was requested and properly seconded.

The question was taken on the Onnen amendment and the roll was called. There were 50 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Holsten	Lindner	Osthoff	Swenson	Worke
Asch	Finseth	Hugoson	Lynch	Pauly	Tompkins	Workman
Bettermann	Frerichs	Johnson, V.	Macklin	Pawlenty	Van Dellen	
Commers	Girard	Knickerbocker	Molnau	Rhodes	Van Engen	
Dauids	Goodno	Knight	Morrison	Seagren	Vickerman	
Dehler	Gutknecht	Koppendrayner	Ness	Smith	Waltman	
Dempsey	Hasskamp	Krinkie	Olson, M.	Stanisus	Weaver	
Dorn	Haukoos	Limmer	Onnen	Svigum	Wolf	

Those who voted in the negative were:

Anderson, R.	Dauner	Jacobs	Klinzing	Mosel	Pelowski	Solberg
Battaglia	Dawkins	Jaros	Krueger	Munger	Perlt	Steensma
Beard	Delmont	Jefferson	Lasley	Murphy	Peterson	Tomassoni
Bergson	Evans	Jennings	Leppik	Neary	Reding	Trimble
Bertram	Farrell	Johnson, A.	Lieder	Nelson	Rest	Tunheim
Brown, C.	Garcia	Johnson, R.	Long	Olson, E.	Rice	Wejzman
Brown, K.	Greenfield	Kahn	Lourey	Olson, K.	Rodosovich	Wenzel
Carlson	Greiling	Kalis	Luther	Opatz	Rukavina	Winter
Carruthers	Gruenes	Kelley	Mahon	Orenstein	Sarna	Spk. Anderson, I.
Clark	Hausman	Kelso	Mariani	Orfield	Simoneau	
Cooper	Huntley	Kinkel	McGuire	Ostrom	Skoglund	

The motion did not prevail and the amendment was not adopted.

The Speaker resumed the Chair.

Onnen moved to amend S. F. No. 2192, as amended, as follows:

Page 4, line 20, after the period, insert "A community integrated service network may be organized as an insurance company licensed under chapter 60A or as a corporation organized under chapter 302A or under the similar laws of another state."

Page 57, line 27, delete "or"

Page 57, line 28, before the period insert ", or as a corporation organized under chapter 302A or under the similar laws of another state"

The motion did not prevail and the amendment was not adopted.

Cooper moved to amend S. F. No. 2192, as amended, as follows:

Page 1, line 17 of the Klinzing et al amendment, after the period, insert "A health plan company may require that providers who wish to apply for admission to the expanded network pay to the health plan company an application fee designed to cover the costs of establishing the expanded network. The application fee is subject to the approval of the commissioner of health."

A roll call was requested and properly seconded.

The question was taken on the Cooper amendment and the roll was called. There were 31 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Huntley	Leppik	Mariani	Orfield	Wejzman
Brown, C.	Dawkins	Jefferson	Lieder	Neary	Rice	
Brown, K.	Garcia	Johnson, A.	Lourey	Olson, E.	Simoneau	
Carlson	Greenfield	Kahn	Luther	Olson, K.	Skoglund	
Carruthers	Greiling	Kelley	Lynch	Orenstein	Van Engen	

Those who voted in the negative were:

Anderson, R.	Beard	Bettermann	Commers	Dehler	Dorn	Finseth
Asch	Bergson	Bishop	Dauner	Delmont	Erhardt	Frerichs
Battaglia	Bertram	Clark	Davids	Dempsey	Evans	Girard

Goodno	Johnson, V.	Lasley	Mosel	Pawlenty	Seagren	Van Dellen
Gruenes	Kalis	Limmer	Munger	Pelowski	Smith	Vickerman
Gutknecht	Kelso	Lindner	Murphy	Perlt	Solberg	Waltman
Hasskamp	Kinkel	Long	Nelson	Peterson	Stanislaus	Weaver
Haukoos	Klinzing	Macklin	Ness	Reding	Steensma	Wenzel
Holsten	Knickerbocker	Mahon	Olson, M.	Rest	Sviggum	Winter
Hugoson	Knight	McGuire	Onnen	Rhodes	Swenson	Wolf
Jacobs	Koppendrayner	Milbert	Opatz	Rodosovich	Tomassoni	Worke
Jaros	Krinkie	Molnau	Ostrom	Rukavina	Tompkins	Workman
Johnson, R.	Krueger	Morrison	Pauly	Sarna	Tunheim	Spk. Anderson, I.

The motion did not prevail and the amendment was not adopted.

Wenzel and Krueger moved to amend S. F. No. 2192, as amended, as follows:

Page 123, after line 18, insert:

"Sec. 39. Minnesota Statutes 1992, section 144.802, is amended by adding a subdivision to read:

Subd. 3c. [LICENSURE FOLLOWING CLOSURE OF AN EXISTING SUBSTATION.]

Except for submission of a written application to the commissioner, as provided under subdivision 3, paragraph (a), an applicant seeking a license under this section shall be exempt from the provisions of subdivisions 3 and 4, provided that the applicant:

(1) is a first response team applying for a basic life support ambulance service license;

(2) has applied to provide basic life support ambulance services in a two-township area, as a result of the August, 1991, closure of a substation by an advanced life support ambulance service; and

(3) agrees to withdraw its licensure application if the advanced life support ambulance service reopens the closed substation or opens a new substation in a location from which the two-township area can be effectively served.

The commissioner shall grant a license to an applicant who meets the requirements of this subdivision within 30 days after the written application."

Page 133, line 25, after the period insert "Section 39 relating to the licensure of an ambulance service is effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Leppik, Cooper and Abrams moved to amend S. F. No. 2192, as amended, as follows:

Page 1, line 17 of the Klinzing et al amendment, after the period, insert "Persons enrolled in health plans prior to January 1, 1995, shall be permitted to retain and renew their existing health plans with premium rates that do not reflect any costs of establishing or maintaining the expanded network, unless the person chooses to enroll in the expanded network."

A roll call was requested and properly seconded.

The question was taken on the Leppik et al amendment and the roll was called. There were 49 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Greenfield	Johnson, A.	Lynch	Pauly	Tomassoni
Bettermann	Dehler	Greiling	Kahn	Mariani	Pawlenty	Trimble
Bishop	Dempsey	Gruenes	Kelley	Molnau	Rhodes	Van Engen
Brown, K.	Erhardt	Haukoos	Knickerbocker	Morrison	Seagren	Vickerman
Carruthers	Frerichs	Hugoson	Leppik	Neary	Simoneau	Wagenius
Commers	Girard	Huntley	Long	Orenstein	Skoglund	Weaver
Cooper	Goodno	Jefferson	Lourey	Orfield	Swiggum	Wolf

Those who voted in the negative were:

Anderson, R.	Dorn	Kalis	Luther	Olson, E.	Reding	Swenson
Asch	Evans	Kinkel	Macklin	Olson, K.	Rest	Tompkins
Battaglia	Finseth	Klinzing	Mahon	Olson, M.	Rice	Tunheim
Beard	Garcia	Knight	McCollum	Onnen	Rodosovich	Van Dellen
Bergson	Gutknecht	Koppendrayner	McGuire	Opatz	Rukavina	Waltman
Bertram	Hasskamp	Krinkie	Milbert	Osthoft	Sarna	Wejzman
Brown, C.	Holsten	Krueger	Mosel	Ostrom	Sekhon	Wenzel
Carlson	Jacobs	Lasley	Munger	Pelowski	Smith	Winter
Dauner	Jaros	Lieder	Murphy	Perlt	Solberg	Worke
Davids	Johnson, R.	Limmer	Nelson	Peterson	Stanis	Workman
Delmont	Johnson, V.	Lindner	Ness	Pugh	Steensma	Spk. Anderson, I.

The motion did not prevail and the amendment was not adopted.

S. F. No. 2192, A bill for an act relating to health; MinnesotaCare; establishing and regulating community integrated service networks; defining terms; creating a reinsurance and risk adjustment association; classifying data; requiring reports; mandating studies; modifying provisions relating to the regulated all-payer option; requiring administrative rulemaking; setting timelines and requiring plans for implementation; designating essential community providers; establishing an expedited fact finding and dispute resolution process; requiring proposed legislation; establishing task forces; providing for demonstration models; mandating universal coverage; requiring insurance reforms; providing grant programs; establishing the Minnesota health care administrative simplification act; implementing electronic data interchange standards; creating the Minnesota center for health care electronic data interchange; providing standards for the Minnesota health care identification card; appropriating money; providing penalties; amending Minnesota Statutes 1992, sections 60A.02, subdivision 3; 60A.15, subdivision 1; 62A.303; 62D.02, subdivision 4; 62D.04, by adding a subdivision; 62E.02, subdivisions 10, 18, 20, and 23; 62E.10, subdivisions 1, 2, and 3; 62E.141; 62E.16; 62J.03, by adding a subdivision; 62L.02, subdivisions 9, 13, 17, 24, and by adding subdivisions; 62L.03, subdivision 1; 62L.05, subdivisions 1, 5, and 8; 62L.06; 62L.07, subdivision 2; 62L.08, subdivisions 2, 5, 6, and 7; 62L.12; 62L.21, subdivision 2; 62M.02, subdivisions 5 and 21; 62M.03, subdivisions 1, 2, and 3; 62M.05, subdivision 3; 62M.06, subdivision 3; 62M.09, subdivision 5; 144.335, by adding a subdivision; 144.581, subdivision 2; 256.9355, by adding a subdivision; 256.9358, subdivision 4; 295.50, by adding subdivisions; and 318.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 43A.317, by adding a subdivision; 60K.14, subdivision 7; 61B.20, subdivision 13; 62A.011, subdivision 3; 62A.65, subdivisions 2, 3, 4, 5, and by adding subdivisions; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivisions 1a and 2; 62J.33, by adding subdivisions; 62J.35, subdivisions 2 and 3; 62J.38; 62J.41, subdivision 2; 62J.45, by adding subdivisions; 62L.02, subdivisions 8, 11, 15, 16, 19, and 26; 62L.03, subdivisions 3, 4, and 5; 62L.04, subdivision 1; 62L.08, subdivisions 4 and 8; 62N.01; 62N.02, subdivisions 1, 8, and by adding a subdivision; 62N.06, subdivision 1; 62N.065, subdivision 1; 62N.10, subdivisions 1 and 2; 62N.22; 62N.23; 62P.01; 62P.03; 62P.04; 62P.05; 144.1486; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, and 6; 256.9356, subdivision 3; 256.9362, subdivision 6; 256.9363, subdivisions 6, 7, and 9; 256.9657, subdivision 3; 295.50, subdivisions 3, 4, and 12b; 295.52, subdivision 5; 295.53, subdivisions 1, 2, and 5; 295.54; 295.58; and 295.582; Laws 1992, chapter 549, article 9, section 22; proposing coding for new law in Minnesota Statutes, chapters 62A; 62J; 62N; 62P; 144; and 317A; proposing coding for new law as Minnesota Statutes, chapter 62Q; repealing Minnesota Statutes 1992, sections 62A.02, subdivision 5; 62E.51; 62E.52; 62E.53; 62E.531; 62E.54; 62E.55; and 256.362, subdivision 5; Minnesota Statutes 1993 Supplement, sections 62J.04, subdivision 8; 62N.07; 62N.075; 62N.08; 62N.085; and 62N.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 77 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Delmont	Jacobs	Knickerbocker	McGuire	Reding	Solberg
Battaglia	Dorn	Jaros	Krueger	Mosel	Rest	Steensma
Beard	Evans	Jefferson	Lasley	Munger	Rhodes	Swenson
Bishop	Farrell	Jennings	Leppik	Murphy	Rice	Tomassoni
Brown, K.	Finseth	Johnson, A.	Lieder	Neary	Rodosovich	Trimble
Carlson	Garcia	Johnson, R.	Long	Nelson	Rukavina	Tunheim
Carruthers	Greenfield	Kahn	Lourey	Olson, K.	Sarna	Wagenius
Clark	Greiling	Kalis	Luther	Orenstein	Sekhon	Wejcmán
Cooper	Hasskamp	Kelley	Mahon	Orfield	Simoneau	Wenzel
Dauner	Hausman	Kinkel	Mariani	Ostrom	Skoglund	Winter
Dawkins	Huntley	Klinzing	McCollum	Peterson	Smith	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Dehler	Haukoos	Limmer	Olson, E.	Pelowski	Van Engen
Asch	Dempsey	Holsten	Lindner	Olson, M.	Perlt	Vickerman
Bergson	Erhardt	Hugoson	Lynch	Onnen	Pugh	Waltman
Bertram	Frerichs	Johnson, V.	Macklin	Opatz	Seagren	Weaver
Bettermann	Girard	Kelso	Milbert	Osthoff	Starius	Wolf
Brown, C.	Goodno	Knight	Molnau	Ozment	Sviggun	Worke
Commers	Gruenes	Koppendrayner	Morrison	Pauly	Tompkins	Workman
Davids	Gutknecht	Krinkie	Ness	Pawlenty	Van Dellen	

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 the passage by the Senate of the following House File, herewith returned:

H. F. No. 1985, A bill for an act relating to partnerships; providing for the registration and operation of limited liability partnerships; appropriating money; amending Minnesota Statutes 1992, sections 319A.02, subdivision 5; 319A.05; 319A.06, subdivision 2; 319A.07; 319A.12, subdivisions 1, 1a, and 2; 323.02, subdivision 8, and by adding a subdivision; 323.06; 323.14; 323.17; 323.35; and 323.39; Minnesota Statutes 1993 Supplement, section 319A.02, subdivision 7; proposing coding for new law in Minnesota Statutes, chapter 323.

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. 2519, A bill for an act relating to prostitution; creating a civil cause of action for persons who are coerced into prostitution; proposing coding for new law in Minnesota Statutes, chapter 611A.

The Senate has appointed as such committee:

Ms. Reichgott Junge; Mr. Knutson; Ms. Kiscaden; Mr. Spear and Ms. Ranum.

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. 3193, A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt; authorizing the use of revenue recapture by certain housing agencies; clarifying a property tax exemption; allowing school districts to make and levy for certain contract or lease purchases; changing contract requirements for certain projects; changing certain debt service fund requirements; authorizing use of special assessments for on-site water contamination improvements; authorizing an increase in the membership of county housing and redevelopment authorities; amending Minnesota Statutes 1992, sections 270A.03, subdivision 2; 383.06, subdivision 2; 429.011, by adding a subdivision; 429.031, subdivision 3; 469.006, subdivision 1; 469.015, subdivision 4; 469.158; 469.184, by adding a subdivision; 471.56, subdivision 5; 471.562, subdivision 3, and by adding a subdivision; 475.52, subdivision 1; 475.53, subdivision 5; 475.54, subdivision 16; 475.66, subdivision 1; and 475.79; Minnesota Statutes 1993 Supplement, sections 124.91, subdivision 3; 272.02, subdivision 1; and 469.033, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 469.

PATRICK E. FLAHAVEN, Secretary of the Senate

Rest moved that the House refuse to concur in the Senate amendments to H. F. No. 3193, 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. 2227, A bill for an act relating to electric currents in earth; requiring the public utilities commission to appoint a team of science advisors; mandating scientific framing of research questions; providing for studies of stray voltage and the effects of earth as a conductor of electricity; requiring scientific peer review of findings and conclusions; providing for a report to the public utilities commission; appropriating money.

PATRICK E. FLAHAVEN, Secretary of the Senate

Krueger moved that the House refuse to concur in the Senate amendments to H. F. No. 2227, that the Speaker appoint a Conference Committee of 3 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

I hereby announce that the Senate refuses to concur in the House amendments to the following Senate File:

S. F. No. 1706, A bill for an act relating to public utilities; providing legislative authorization of the construction of a facility for the temporary dry cask storage of spent nuclear fuel at Prairie Island nuclear generating plant; providing conditions for any future expansion of storage capacity; providing for a transfer of land; approving the

continued operation of pool storage at Monticello and Prairie Island nuclear generating plants; requiring development of wind power; regulating nuclear power plants; requiring increased conservation investments; providing low-income discounted electric rates; regulating certain advertising expenses related to nuclear power; providing for intervenor compensation; appropriating money; amending Minnesota Statutes 1992, sections 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216B.

The Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Novak, Metzen, Dille, Murphy and Riveness.

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

Jennings 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. 1706. The motion prevailed.

Mr. Speaker:

I hereby announce the passage by the Senate of the following Senate File, herewith transmitted:

S. F. No. 180.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 180, A bill for an act relating to horse racing; proposing an amendment to the Minnesota Constitution, article X, section 8; permitting the legislature to authorize pari-mutuel betting on horse racing without limitation; directing the Minnesota racing commission to prepare and submit legislation to implement televised off-site betting.

The bill was read for the first time.

Simoneau moved that S. F. No. 180 and H. F. No. 3227, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

SPECIAL ORDERS

Carruthers moved that the bills on Special Orders for today be continued. The motion prevailed.

GENERAL ORDERS

Carruthers moved that the bills on General Orders for today be continued. The motion prevailed.

MOTIONS AND RESOLUTIONS

Wejcman moved that the names of Mosel and Luther be added as authors on H. F. No. 2380. The motion prevailed.

Jefferson moved that the name of Solberg be added as an author on H. F. No. 3041. The motion prevailed.

Knight moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative on Monday, April 25, 1994, when the vote was taken on the first Jennings and Dempsey amendment to S. F. No. 1706, the unofficial engrossment, as amended." The motion prevailed.

Olson, M., moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, April 25, 1994, when the vote was taken on the repassage of H. F. No. 2143, as amended by the Senate." The motion prevailed.

Olson, M., moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, April 25, 1994, when the vote was taken on the repassage of H. F. No. 2508, as amended by the Senate." The motion prevailed.

Olson, M., moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, April 25, 1994, when the vote was taken on the repassage of H. F. No. 3136, as amended by the Senate." The motion prevailed.

Van Dellen moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, April 25, 1994, when the vote was taken on the repassage of H. F. No. 3136, as amended by the Senate." The motion prevailed.

Rukavina moved that H. F. No. 2687 be recalled from the Committee on Education and be re-referred to the Committee on Capital Investment. 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. 1999:

Pugh, Asch and Swenson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2046:

Wagenius, Trimble and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2227:

Krueger, Jacobs and Koppendrayer.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3193:

Rest, Abrams and Milbert.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 1706:

Jennings, Munger, Carlson, Hausman and Johnson, V.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 9:00 a.m., Wednesday, April 27, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:00 a.m., Wednesday, April 27, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

