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STATE OF MINNESOTA

1994

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

NINETY-NINTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, APRIL 27, 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 Ronald A. Smith, Pastor, Open Door Baptist Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Abrams	Dawkins	Hugoson	Krueger	Munger	Peterson	Tomassoni
Anderson, R.	Dehler	Huntley	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	Evans	Jennings	Lindner	Olson, E.	Rice	Van Engen
Bergson	Farrell	Johnson, A.	Long	Olson, K.	Rodosovich	Vellenga
Bertram	Finseth	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Bettermann	Frerichs	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	Wejcman
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	Koppendrayer	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Davids	Hausman	Krinkie	Mosel	Perlt	Swenson	

A quorum was present.

Holsten was excused until 9:20 a.m. Erhardt was excused until 10:00 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Lindner 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. 180 and H. F. No. 3227, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Simoneau moved that the rules be so far suspended that S. F. No. 180 be substituted for H. F. No. 3227 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2072 and H. F. No. 2132, 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. 2072 be substituted for H. F. No. 2132 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2309 and H. F. No. 2603, 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. 2309 be substituted for H. F. No. 2603 and that the House File be indefinitely postponed. The motion prevailed.

S. F. No. 2354 and H. F. No. 2183, 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. 2354 be substituted for H. F. No. 2183 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. Nos. 180, 2072, 2309 and 2354 were read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Jennings; Johnson, V.; Mosel and Munger introduced:

H. F. No. 3235, A bill for an act relating to drainage; changing the law governing watershed and drainage districts; amending Minnesota Statutes 1992, sections 103D.201, subdivision 2; 103D.335, subdivision 9; 103D.715, subdivision 4; 103D.721, subdivision 3; 103E.005, subdivision 11; 103E.011, subdivision 4, and by adding a subdivision; 103E.015, subdivision 2, and by adding a subdivision; 103E.021, subdivisions 1 and 4; 103E.025; 103E.091, subdivisions 1 and 4; 103E.202, subdivisions 3, 4, and by adding a subdivision; 103E.212, subdivision 3; 103E.215, subdivision 4; 103E.221, subdivisions 2 and 6; 103E.225, subdivision 1; 103E.245, subdivisions 1, 2, and 4; 103E.255; 103E.261, subdivisions 4 and 5; 103E.285, subdivision 10; 103E.305, subdivision 1; 103E.315, subdivisions 1, 5, and 6; 103E.321, subdivision 1; 103E.323, subdivision 1; 103E.341; 103E.351, subdivisions 1 and 2; 103E.411, subdivision 1; 103E.701, subdivisions 2 and 6; 103E.805, subdivisions 1 and 3; and 103E.811, subdivisions 3 and 5; repealing Minnesota Statutes 1992, sections 103E.097; 103E.105; 103E.115; 103E.121; and 103E.315, subdivision 7.

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

Pugh, Frerichs, Jennings and Bertram introduced:

H. F. No. 3236, A bill for an act relating to employment; the employee leasing act; providing for the establishment and regulation of employee leasing companies; providing penalties; amending Minnesota Statutes 1992, section 13.99, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 116J.70, subdivision 2a; proposing coding for new law as Minnesota Statutes, chapter 181C.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Rukavina introduced:

H. F. No. 3237, A bill for an act relating to workers' compensation; providing insurance regulation; modifying benefits and provisions relating to fraud; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 79.50; 79.51, subdivisions 1 and 3; 79.53, subdivision 1; 79.55, subdivisions 2, 5, and by adding subdivisions; 79.56, subdivisions 1 and 3; 175.16; 176.011, subdivision 25; 176.021, subdivisions 3 and 3a; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, 6, 8, and by adding a subdivision; 176.105, subdivision 4; 176.178; 176.179; 176.221, subdivision 6a; 176.645, subdivision 1; 176.66, subdivision 11; and 176.82; Minnesota Statutes 1993 Supplement, section 268.08, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 79; and 176; repealing Minnesota Statutes 1992, sections 79.53, subdivision 2; 79.54; 79.56, subdivision 2; 79.57; 79.58; 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.132.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Rukavina and Beard introduced:

H. F. No. 3238, A bill for an act relating to workers' compensation; providing for insurance regulation; regulating benefits; appropriating money; amending Minnesota Statutes 1992, sections 79.50; 79.51, subdivisions 1 and 3; 79.53, subdivision 1; 79.55, subdivisions 2, 5, and by adding subdivisions; 79.56, subdivisions 1 and 3; 176.021, subdivisions 3 and 3a; 176.101, subdivisions 1, 3g, 3l, 3m, 3o, 3q, 4, and 5; 176.645, subdivision 1; and 176.66, subdivision 11; proposing coding for new law in Minnesota Statutes, chapter 79; repealing Minnesota Statutes 1992, sections 79.53, subdivision 2; 79.54; 79.56, subdivision 2; 79.57; 79.58; and 176.132, subdivisions 1 and 2.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

HOUSE ADVISORIES

The following House Advisory was introduced:

Jennings; Munger; Johnson, V., and Mosel introduced:

H. A. No. 37, A proposal to study and make recommendations for revisions to Minnesota Statutes, Chapter 103E relating to watershed and drainage districts.

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

H. F. No. 2010, A bill for an act relating to the environment; requiring a person who arranges for management of solid waste in an environmentally inferior manner to indemnify generators of the waste and, for a landfill, set aside a fund to pay for contamination from the landfill; proposing coding for new law in Minnesota Statutes, chapter 115A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Ozment moved that the House concur in the Senate amendments to H. F. No. 2010 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2010, A bill for an act relating to the environment; requiring a person who arranges for management of solid waste in an environmentally inferior manner to indemnify generators of the waste and, for a landfill, set aside a fund to pay for contamination from the landfill; proposing coding for new law in Minnesota Statutes, chapter 115A.

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	Dehler	Huntley	Krueger	Munger	Peterson	Tomassoni
Anderson, R.	Delmont	Jacobs	Lasley	Murphy	Pugh	Tompkins
Asch	Dempsey	Jaros	Leppik	Neary	Reding	Trimble
Battaglia	Dorn	Jefferson	Lieder	Nelson	Rhodes	Tunheim
Bauerly	Evans	Jennings	Limmer	Ness	Rice	Van Dellen
Beard	Farrell	Johnson, A.	Lindner	Olson, E.	Rodosovich	Van Engen
Bergson	Finseth	Johnson, R.	Long	Olson, M.	Rukavina	Vellenga
Bertram	Frerichs	Johnson, V.	Lourey	Onnen	Sarna	Vickerman
Bettermann	Garcia	Kahn	Luther	Opatz	Seagren	Wagenius
Brown, C.	Girard	Kalis	Lynch	Orenstein	Sekhon	Waltman
Brown, K.	Goodno	Kelley	Macklin	Orfield	Simoneau	Weaver
Carlson	Greiling	Kelso	Mahon	Osthoff	Skoglund	Wejcman
Carruthers	Gruenes	Kinkel	McCollum	Ostrom	Smith	Wenzel
Commers	Gutknecht	Klinzing	McGuire	Ozment	Solberg	Winter
Cooper	Hasskamp	Knickerbocker	Milbert	Pauly	Stanius	Wolf
Dauner	Haukoos	Knight	Molnau	Pawlenty	Steensma	Worke
Davids	Hausman	Koppendrayer	Morrison	Pelowski	Sviggum	Workman
Dawkins	Hugoson	Krinkie	Mosel	Perlt	Swenson	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. 1788, A bill for an act relating to marriage; providing for postnuptial contracts; amending Minnesota Statutes 1992, section 519.11.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Bishop moved that the House concur in the Senate amendments to H. F. No. 1788 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1788, A bill for an act relating to marriage; providing for postnuptial contracts; amending Minnesota Statutes 1992, section 519.11.

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

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 10 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	Delmont

Dempsey	Jacobs	Krinkie	Milbert	Osthoff	Seagren	Vellenga
Dorn	Jaros	Krueger	Molnau	Ostrom	Sekhon	Vickerman
Evans	Jefferson	Lasley	Morrison	Ozment	Simoneau	Waltman
Farrell	Jennings	Leppik	Mosel	Pauly	Skoglund	Weaver
Finseth	Johnson, A.	Lieder	Munger	Pawlenty	Solberg	Wejcman
Frerichs	Johnson, R.	Limmer	Murphy	Pelowski	Stanius	Wenzel
Garcia	Johnson, V.	Long	Neary	Perlt	Steensma	Winter
Girard	Kahn	Lourey	Nelson	Peterson	Sviggum	Wolf
Goodno	Kalis	Luther	Ness	Pugh	Swenson	Worke
Greenfield	Kelley	Lynch	Olson, E.	Reding	Tomassoni	Workman
Greiling	Kelso	Macklin	Olson, K.	Rest	Tompkins	Spk. Anderson, I.
Haukoos	Kinkel	Mahon	Olson, M.	Rhodes	Trimble	
Holsten	Klinzing	Mariani	Opatz	Rodosovich	Tunheim	
Hugoson	Knickerbocker	McCollum	Orenstein	Rukavina	Van Dellen	
Huntley	Koppendrayer	McGuire	Orfield	Sarna	Van Engen	

Those who voted in the negative were:

Gruenes	Hasskamp	Knight	Onnen	Smith
Gutknecht	Hausman	Lindner	Rice	Wagenius

The bill was repassed, as amended by the Senate, 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. 1712.

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. 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.

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. 1712, 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. 1712 be further amended as follows:

Page 1, line 23, delete "four" and insert "five"

Page 2, after line 4, insert:

"Sec. 2. Minnesota Statutes 1992, section 412.591, subdivision 2, is amended to read:

Subd. 2. Cities operating under Optional Plan A may, by an ordinance effective after the expiration of the term of the incumbent treasurer at the date of adoption of Optional Plan A, combine the offices of clerk and treasurer in the office of clerk-treasurer and thereafter the duties of the treasurer as prescribed by this chapter shall be performed

by the clerk-treasurer. The offices of clerk and treasurer may be reestablished by ordinance. If the offices of clerk and treasurer are combined as provided by this section, and the city's annual revenue for all governmental and enterprise funds combined is more than $100,000, the council shall provide for an annual audit of the city's financial affairs by the state auditor or a public accountant in accordance with minimum procedures prescribed by the state auditor. If the offices of clerk and treasurer are combined and the city's annual revenue for all governmental and enterprise funds combined is $100,000 or less, the council shall provide for an audit of the city's financial affairs by the state auditor or a public accountant in accordance with minimum audit procedures prescribed by the state auditor at least once every five years."

Amend the title as follows:

Page 1, line 2, delete "towns" and insert "local government"

Page 1, line 4, delete "section" and insert "sections" and before the period insert "; and 412.591, subdivision 2"

We request adoption of this report and repassage of the bill.

Senate Conferees: DEAN E. JOHNSON, PHIL J. RIVENESS AND JOHN C. HOTTINGER.

House Conferees: ROGER COOPER, DENNIS OZMENT AND CHUCK BROWN.

Cooper moved that the report of the Conference Committee on S. F. No. 1712 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, 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	Delmont	Jacobs	Lieder	Ness	Rhodes	Van Dellen
Anderson, R.	Dempsey	Jaros	Limmer	Olson, E.	Rice	Van Engen
Asch	Dorn	Jefferson	Lindner	Olson, K.	Rodosovich	Vellenga
Battaglia	Evans	Jennings	Long	Olson, M.	Rukavina	Vickerman
Bauerly	Farrell	Johnson, A.	Lourey	Onnen	Sarna	Wagenius
Beard	Finseth	Johnson, R.	Luther	Opatz	Seagren	Waltman
Bergson	Frerichs	Johnson, V.	Lynch	Orenstein	Sekhon	Weaver
Bertram	Garcia	Kalis	Macklin	Orfield	Simoneau	Wejcman
Bettermann	Girard	Kelley	Mahon	Osthoff	Skoglund	Wenzel
Brown, C.	Goodno	Kelso	McCollum	Ostrom	Smith	Winter
Brown, K.	Greiling	Kinkel	McGuire	Ozment	Solberg	Wolf
Carlson	Gruenes	Klinzing	Milbert	Pauly	Stanius	Worke
Carruthers	Gutknecht	Knickerbocker	Molnau	Pawlenty	Steensma	Workman
Commers	Hasskamp	Knight	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Cooper	Haukoos	Koppendrayer	Mosel	Perlt	Swenson	
Dauner	Hausman	Krinkie	Munger	Peterson	Tomassoni	
Davids	Holsten	Krueger	Murphy	Pugh	Tompkins	
Dawkins	Hugoson	Lasley	Neary	Reding	Trimble	
Dehler	Huntley	Leppik	Nelson	Rest	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. 2303.

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. 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.

April 25, 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. 2303, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S. F. No. 2303 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 65B.28, is amended to read:

65B.28 [ACCIDENT PREVENTION COURSE PREMIUM REDUCTIONS.]

Subdivision 1. [REQUIRED REDUCTION.] An insurer must provide an appropriate premium reduction of at least ten percent on its policies of private passenger vehicle insurance, as defined in section 65B.001, subdivision 2, issued, delivered, or renewed in this state ~~after January 1, 1985~~, to insureds 55 years old and older who successfully complete an accident prevention course or refresher course established under ~~subdivision 2~~ subdivisions 2 and 3.

Subd. 2. [ACCIDENT PREVENTION COURSE; RULES.] The commissioner of public safety shall~~, by January 1, 1985,~~ adopt rules establishing and regulating a motor vehicle accident prevention course for persons 55 years old and older. The rules must, at a minimum, include provisions:

(1) establishing curriculum requirements;

(2) establishing the number of hours required for successful completion of the course; and

(3) providing for the issuance of a course completion certification and requiring its submission to an insured as evidence of completion of the course~~; and~~.

~~(4) requiring persons 55 years old and older to retake the course every three years to remain eligible for a premium reduction.~~

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 no more than four hours, 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.

Sec. 2. [EFFECTIVE DATES.]

Section 1 is effective January 1, 1995."

We request adoption of this report and repassage of the bill.

Senate Conferees: SANDRA L. PAPPAS, CAL LARSON AND CAROL FLYNN.

House Conferees: DON OSTROM, VIRGIL J. JOHNSON AND KATY OLSON.

Ostrom moved that the report of the Conference Committee on S. F. No. 2303 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hugoson	Krueger	Munger	Reding	Trimble
Anderson, R.	Dehler	Huntley	Lasley	Murphy	Rest	Tunheim
Asch	Delmont	Jacobs	Leppik	Neary	Rhodes	Van Dellen
Battaglia	Dempsey	Jaros	Lieder	Nelson	Rice	Van Engen
Bauerly	Dorn	Jefferson	Limmer	Olson, E.	Rodosovich	Vellenga
Beard	Evans	Jennings	Lindner	Olson, K.	Rukavina	Vickerman
Bergson	Farrell	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	Wejcman
Brown, C.	Girard	Kalis	Macklin	Osthoff	Skoglund	Wenzel
Brown, K.	Goodno	Kelley	Mahon	Ostrom	Smith	Winter
Carlson	Greenfield	Kelso	Mariani	Ozment	Solberg	Wolf
Carruthers	Greiling	Kinkel	McCollum	Pauly	Stanius	Worke
Clark	Gruenes	Klinzing	McGuire	Pawlenty	Steensma	Workman
Commers	Gutknecht	Knickerbocker	Milbert	Pelowski	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Knight	Molnau	Perlt	Swenson	
Dauner	Hausman	Koppendrayer	Morrison	Peterson	Tomassoni	
Davids	Holsten	Krinkie	Mosel	Pugh	Tompkins	

Those who voted in the negative were:

Haukoos Ness

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

Mr. Speaker:

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

S. F. Nos. 2367, 1842, 2392, 2640 and 2685.

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. 2150, 2795, 2410, 2825 and 2090.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2367, A bill for an act relating to education; 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; clarifying the calculation of instructional appropriations; 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; authorizing the higher education board to supervise and control construction, improvement, and repair of its facilities; permitting reimbursement for certain costs and services relating to collective bargaining; amending Minnesota Statutes 1992, sections 43A.06, subdivision 1; 43A.08, subdivision 1; 43A.18, by adding a subdivision; 135A.03, subdivision 1; 136.31; 136.32; 136.33; 136.34; 136.35; 136.36; 136.37; 136.38; 136.41, by adding a subdivision; 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; 136.41, subdivision 8; and 136E.03; Laws 1991, chapter 356, article 9, sections 8, subdivision 1; 9; 12; and 13; proposing coding for new law in Minnesota Statutes, chapter 136E; repealing Minnesota Statutes 1992, sections 136.31, subdivision 6; 136.40; 136.41, subdivisions 1, 2, 3, 4, 5, 6, and 7; and 136.42.

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

S. F. No. 1842, A bill for an act relating to human services; protection of vulnerable adults; amending Minnesota Statutes 1992, section 626.557, subdivisions 2, 10a, and 12.

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

S. F. No. 2392, A bill for an act relating to crime prevention; requiring law enforcement agencies to adopt policies for investigating cases involving children who are missing and endangered; regulating releases in cases involving crimes against persons; requiring that all cases of children who are missing and endangered be reported to the bureau of criminal apprehension, which may assist local law enforcement agencies; restricting access to data involving juvenile witnesses; requiring pretrial evaluations in felony and certain other cases; requiring mandated reporters to report instances of kidnapping; requiring the commissioner of public safety to develop a plan for a criminal alert network; appropriating money; amending Minnesota Statutes 1992, sections 299C.52, subdivision 1; 299C.53, subdivision 1, and by adding a subdivision; 299D.07; 626.556, subdivision 3a; and 629.73; Minnesota Statutes 1993 Supplement, sections 13.82, subdivision 10; 299C.065, subdivision 1; and 480.30; proposing coding for new law in Minnesota Statutes, chapters 626; and 629.

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

S. F. No. 2640, A bill for an act relating to human services; modifying provisions relating to mental health; modifying provisions relating to medical assistance and general assistance; requiring certain tobacco product inspections, training, and reports; amending Minnesota Statutes 1992, sections 252.275, subdivisions 3 and 4; 256.015, subdivisions 2 and 7; 256.969, subdivisions 10 and 16; 256B.042, subdivision 2; 256B.059, subdivision 1; 256B.06, subdivision 4; 256B.15, subdivision 1a; 256B.69, subdivision 4, and by adding a subdivision; 256D.03, subdivisions 3a and 3b; and 256D.425, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 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; 256.9685, subdivision 1; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 20 and 37; 256B.15, subdivision 2; 256B.431, subdivision 15; and 256D.03, subdivisions 3 and 4; proposing coding for new law in Minnesota Statutes, chapters 245; and 461; repealing Minnesota Statutes 1992, section 252.275, subdivisions 4a and 10.

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

S. F. No. 2685, A bill for an act relating to lawful gambling; regulating the conduct of lawful gambling; adjusting the base of the tax on pull-tabs and tipboards; creating an advisory council on gambling; appropriating money; amending Minnesota Statutes 1992, sections 299L.02, subdivision 5, and by adding a subdivision; 349.12, subdivision 18; 349.13; 349.151, subdivision 4; 349.16, by adding a subdivision; 349.18, subdivision 1; 349.19, subdivision 10; 349.211, subdivision 2a; 349.212, by adding a subdivision; and 541.21; Minnesota Statutes 1993 Supplement, section 349.12, subdivision 25; proposing coding for new law in Minnesota Statutes, chapter 349.

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

S. F. No. 2150, A bill for an act relating to agriculture; establishing a feedlot and manure management advisory committee; providing for development of manure management research and monitoring priorities; amending eligibility requirements for beginning farmer loans; establishing livestock expansion loan program; providing for development of feedlot rules; changing definitions in the corporate farming law; appropriating money; amending Minnesota Statutes 1992, sections 41B.02, by adding a subdivision; and 116.07, subdivision 7; Minnesota Statutes 1993 Supplement, section 41B.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; and 41B.

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

S. F. No. 2795, A bill for an act relating to state finance; requiring fees to cover costs; amending Minnesota Statutes 1992, sections 16A.127, subdivision 1; 116.07, subdivision 4d; 144.98, subdivision 3; 221.0335; 326.2421, subdivision 3; and 341.10; Minnesota Statutes 1993 Supplement, sections 4A.05, subdivision 2; 16A.1285, subdivisions 2, 4, and 5; and 18E.03, subdivision 3; repealing Minnesota Statutes 1992, sections 14.1311; 14.235; and 14.305.

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

S. F. No. 2410, A bill for an act relating to recreational vehicles; modifying registration requirements for off-road vehicles; amending Minnesota Statutes 1993 Supplement, sections 84.797, subdivision 6, and by adding a subdivision; and 84.798, subdivision 1.

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

S. F. No. 2825, A bill for an act relating to human services; modifying provisions concerning rates for care of certain persons and recovery of medical assistance overpayments; modifying provisions concerning home care and alternative care; requiring changes in related rules; providing instructions to the revisor of statutes; amending Minnesota Statutes 1992, sections 256B.0913, subdivision 8; 256B.0915, subdivision 5; 256B.432, subdivisions 1, 2, 3, and 6; and 256B.501, subdivisions 1, 3, 3c, and by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 256B.0911, subdivisions 2 and 7; 256B.0913, subdivisions 5 and 12; 256B.0915, subdivisions 1 and 3; 256B.0917, subdivision 2; 256B.432, subdivision 5; 256B.501, subdivisions 3g and 8; and 256I.06, subdivision 1; repealing Minnesota Statutes 1992, section 256B.501, subdivisions 3d, 3e, and 3f.

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

S. F. No. 2090, A bill for an act relating to family law; modifying provisions dealing with the computation, administration, and enforcement of child support; modifying service provisions; providing for certain custody determinations; providing for studies; prohibiting denial of public accommodations because of marital status; appropriating money; amending Minnesota Statutes 1992, sections 518.11; 518.17, subdivision 1; 518.18; 518B.01, subdivision 8; and 548.091, subdivision 2a; Minnesota Statutes 1993 Supplement, sections 256.87, subdivision 5; 363.03, subdivision 3; 518.14; 518.171, subdivisions 1 and 6; 518.551, subdivision 5; 518.64, subdivision 2; and 518.68, subdivisions 1, 2, and 3; proposing coding for new law in Minnesota Statutes, chapters 8; and 518; repealing Minnesota Statutes 1993 Supplement, section 518.551, subdivision 10.

The bill was read for the first time.

Farrell moved that S. F. No. 2090 and H. F. No. 2055, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

April 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. 2410, 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: TOM RUKAVINA, STEVE TRIMBLE AND KATHLEEN SEKHON.

Senate Conferees: BOB LESSARD, KEVIN M. CHANDLER AND GARY W. LAIDIG.

Rukavina moved that the report of the Conference Committee on H. F. No. 2410 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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	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	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	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	Stanius	Worke
Dauner	Haukoos	Knight	Molnau	Pawlenty	Steensma	Workman
Davids	Hausman	Koppendrayer	Morrison	Pelowski	Sviggum	Spk. Anderson, I.

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

CONFERENCE COMMITTEE REPORT ON 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.

April 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. 2362, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2362 be further amended as follows:

Pages 1 and 2, delete section 2 and insert:

"Sec. 2. Minnesota Statutes 1992, section 347.51, subdivision 7, is amended to read:

Subd. 7. [TAG.] A dangerous dog registered under this section must have a standardized, easily identifiable tag identifying the dog as dangerous and containing the uniform dangerous dog symbol, affixed to the dog's collar at all times. The commissioner of public safety, after consultation with animal control professionals, shall provide by rule for the design of the tag."

We request adoption of this report and repassage of the bill.

House Conferees: LYNDON R. CARLSON, PHYLLIS KAHN AND THOMAS PUGH.

Senate Conferees: EMBER D. REICHGOTT JUNGE, JAMES P. METZEN AND ARLENE J. LESEWSKI.

Carlson moved that the report of the Conference Committee on H. F. No. 2362 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 21 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bettermann	Dempsey	Gruenes	Krinkie	Ness	Seagren	Waltman
Davids	Finseth	Haukoos	Lindner	Olson, M.	Stanius	Wolf
Dehler	Goodno	Knight	Molnau	Onnen	Van Engen	Workman

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

CONFERENCE COMMITTEE REPORT ON 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.

April 26, 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. 2624, 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. 2624 be further amended as follows:

(The text of the amended House File is identical to S. F. No. 2358.)

Page 9, line 11, strike "July 1" and insert "the first Monday in January"

Page 9, line 12, strike "July" and insert "January"

Page 21, line 21, delete "July 1" and insert "the first Monday in January "

We request adoption of this report and repassage of the bill.

House Conferees: LEO J. REDING, LOREN A. SOLBERG AND JERRY KNICKERBOCKER.

Senate Conferees: CAROL FLYNN, WILLIAM P. LUTHER AND SHEILA M. KISCADEN.

Reding moved that the report of the Conference Committee on H. F. No. 2624 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, 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	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	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	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	Stanius	Worke
Dauner	Haukoos	Knight	Molnau	Pawlenty	Steensma	Workman
Davids	Hausman	Koppendrayer	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 S. F. No. 2289.

S. F. No. 2289 was reported to the House.

Weaver moved to amend S. F. No. 2289 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the special revenue account.

(b) Notwithstanding paragraph (a), and section 16A.128, subdivision 1, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; providing information to the public about these activities; and, after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3.

(c) The agency shall adopt fee rules in accordance with the procedures in section 16A.128, subdivisions 1a and 2a, that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) in fiscal years 1992 and 1993, the amount appropriated by the legislature from the air quality account in the environmental fund for the agency's air quality program;

(2) for fiscal year 1994 and thereafter, an amount not less than $25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated; and

(3) for fiscal year 1994 and thereafter, the agency fee rules may also result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than $25 per ton of each pollutant not listed in clause (2) that is regulated under Minnesota Rules, chapter 7005, or for which a state primary ambient air quality standard has been adopted.

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year beginning after fiscal year 1993 by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand an air emission facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by paragraphs (a) to (d). When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt air permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

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."

Delete the title and insert:

"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."

The motion prevailed and the amendment was adopted.

Johnson, A., offered an amendment to S. F. No. 2289, as amended.

POINT OF ORDER

Goodno raised a point of order pursuant to rule 3.09 that the Johnson, A., amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Kahn moved to amend S. F. No. 2289, as amended, as follows:

Page 4, after line 9, 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. [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 north of United States Army Corps of Engineers lock and dam number one; 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. 4. [EFFECTIVE DATE.]

Sections 2 and 3 are effective the day following final enactment."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

POINT OF ORDER

Frerichs raised a point of order pursuant to rule 3.09 that the Kahn 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 S. F. No. 2289, as amended. The motion prevailed and the amendment was adopted.

Johnson, A., moved to amend S. F. No. 2289, as amended, as follows:

Page 1, line 15, after the period insert "However, inspection fees may not increase as a result of legislative changes to vehicles required to undergo inspection."

Page 4, after line 8, insert:

"Sec. 2. 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. 3. 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 three years more than its model year."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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 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 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, K.	Dempsey	Greiling	Jennings	Knight	Lynch
Anderson, R.	Carlson	Dorn	Gruenes	Johnson, A.	Koppendrayer	Macklin
Asch	Carruthers	Erhardt	Gutknecht	Johnson, R.	Krinkie	Mahon
Battaglia	Clark	Evans	Hasskamp	Johnson, V.	Krueger	Mariani
Bauerly	Commers	Farrell	Haukoos	Kahn	Leppik	McCollum
Beard	Cooper	Finseth	Holsten	Kalis	Lieder	McGuire
Bergson	Dauner	Frerichs	Hugoson	Kelley	Limmer	Milbert
Bertram	Davids	Garcia	Huntley	Kelso	Lindner	Morrison
Bettermann	Dawkins	Girard	Jacobs	Kinkel	Long	Mosel
Bishop	Dehler	Goodno	Jaros	Klinzing	Lourey	Murphy
Brown, C.	Delmont	Greenfield	Jefferson	Knickerbocker	Luther	Neary

Nelson	Orfield	Peterson	Sarna	Steensma	Van Engen	Winter
Ness	Osthoff	Pugh	Seagren	Sviggum	Vellenga	Worke
Olson, E.	Ostrom	Reding	Sekhon	Swenson	Vickerman	Workman
Olson, K.	Ozment	Rest	Simoneau	Tomassoni	Wagenius	Spk. Anderson, I.
Olson, M.	Pauly	Rhodes	Skoglund	Tompkins	Waltman	
Onnen	Pawlenty	Rice	Smith	Trimble	Weaver	
Opatz	Pelowski	Rodosovich	Solberg	Tunheim	Wejcman	
Orenstein	Perlt	Rukavina	Stanius	Van Dellen	Wenzel	

Those who voted in the negative were:

Lasley	Molnau	Munger	Wolf

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

SPECIAL ORDERS

S. F. No. 2500 was reported to the House.

Kahn and Bertram moved to amend S. F. No. 2500, the unofficial engrossment, as follows:

Page 5, line 17, after "(b)" insert "For public pension plans other than volunteer firefighters' relief associations governed by sections 69.77 or 69.771 to 69.775,"

Page 5, line 20, after the period, insert "For volunteer firefighters' relief associations governed by sections 69.77 or 69.771 to 69.775, 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 1991 to 1993 and on a monthly basis for subsequent years.

(c) Firefighter relief associations that have assets with a market value of less than $300,000 must submit the required information through fiscal year 1994 to the state auditor on or before October 1, 1995 and subsequently within six months of the end of each fiscal year. Other associations must submit"

Page 5, line 21, delete "must be submitted"

Page 5, line 27, before the period, insert "until the pension plan has complied with the reporting requirements"

Page 5, line 30, before the period, insert ", until the pension plan has complied with the reporting requirements"

Page 5, line 30, after the period, insert:

"The state auditor shall agree to waive the withholding of all state aid required by this subdivision for a volunteer firefighters' relief association governed by sections 69.77 or 69.771 to 69.775 if:

(1) the relief association certifies to the state auditor that the financial records necessary to comply with this reporting requirement for the fiscal years of the pension fund ending during calendar years 1991 to 1993 no longer exist; or

(2) the state auditor determines that reconstructing historical financial data for the fiscal years of the pension fund ending during calendar years 1991 to 1993 would create an excessive hardship for the relief association."

Page 6, after line 2, insert:

"Subd. 5. [EXPENSE OF REPORT.] All expenses incurred relating to the investment disclosure report described in subdivision 4 must be borne by the office of the state auditor and may not be charged back to the entities described in subdivision 1."

A roll call was requested and properly seconded.

Ozment moved to amend the Kahn and Bertram amendment to S. F. No. 2500, the unofficial engrossment, as follows:

Page 1, line 9, delete the first "for" and delete "for the fiscal"

Page 1, delete line 10

Page 1, line 11, 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 107 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Jacobs	Leppik	Neary	Reding	Tunheim
Anderson, R.	Erhardt	Jaros	Lieder	Nelson	Rest	Van Dellen
Battaglia	Evans	Jennings	Limmer	Ness	Rhodes	Van Engen
Bauerly	Farrell	Johnson, A.	Lindner	Olson, E.	Rodosovich	Vickerman
Beard	Finseth	Johnson, R.	Lourey	Olson, K.	Rukavina	Waltman
Bergson	Frerichs	Johnson, V.	Luther	Olson, M.	Sarna	Weaver
Bertram	Garcia	Kalis	Lynch	Onnen	Seagren	Wenzel
Bettermann	Girard	Kelley	Macklin	Opatz	Smith	Winter
Brown, K.	Goodno	Kelso	Mahon	Ostrom	Solberg	Wolf
Carlson	Gruenes	Kinkel	McGuire	Ozment	Stanius	Worke
Commers	Gutknecht	Klinzing	Milbert	Pauly	Steensma	Workman
Cooper	Hasskamp	Knickerbocker	Molnau	Pawlenty	Sviggum	
Dauner	Haukoos	Koppendrayer	Morrison	Pelowski	Swenson	
Davids	Holsten	Krinkie	Mosel	Perlt	Tomassoni	
Dehler	Hugoson	Krueger	Munger	Peterson	Tompkins	
Dempsey	Huntley	Lasley	Murphy	Pugh	Trimble	

Those who voted in the negative were:

Asch	Greenfield	Kahn	McCollum	Rice	Vellenga
Carruthers	Greiling	Knight	Orenstein	Sekhon	Wagenius
Clark	Hausman	Long	Orfield	Simoneau	Wejcman
Dawkins	Jefferson	Mariani	Osthoff	Skoglund	Spk. Anderson, I.

The motion prevailed and the amendment to the amendment was adopted.

Ozment moved to amend the Kahn and Bertram amendment, as amended, to S. F. No. 2500, the unofficial engrossment, as follows:

Page 1, line 14, delete "through fiscal year 1994"

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Kahn and Bertram amendment, as amended, and the roll was called. There were 75 yeas and 56 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bettermann	Carruthers	Dehler	Garcia	Greiling
Asch	Beard	Brown, K.	Clark	Dorn	Goodno	Gruenes
Battaglia	Bertram	Carlson	Dawkins	Evans	Greenfield	Gutknecht

Hasskamp	Kahn	Lourey	Neary	Pugh	Seagren	Van Dellen
Hausman	Kalis	Luther	Opatz	Reding	Sekhon	Vellenga
Huntley	Kelley	Mahon	Orenstein	Rest	Simoneau	Wagenius
Jacobs	Kinkel	Mariani	Orfield	Rhodes	Skoglund	Wejcman
Jaros	Klinzing	McCollum	Osthoff	Rice	Solberg	Wenzel
Jefferson	Krueger	McGuire	Ostrom	Rodosovich	Sviggum	Winter
Johnson, A.	Leppik	Milbert	Pawlenty	Rukavina	Tomassoni	
Johnson, R.	Long	Morrison	Peterson	Sarna	Tunheim	

Those who voted in the negative were:

Anderson, R.	Dempsey	Jennings	Lieder	Murphy	Pauly	Van Engen
Bergson	Erhardt	Johnson, V.	Limmer	Nelson	Pelowski	Vickerman
Brown, C.	Finseth	Kelso	Lindner	Ness	Perlt	Waltman
Commers	Frerichs	Knickerbocker	Lynch	Olson, E.	Smith	Weaver
Cooper	Girard	Knight	Macklin	Olson, K.	Stanius	Wolf
Dauner	Haukoos	Koppendrayer	Molnau	Olson, M.	Steensma	Worke
Davids	Holsten	Krinkie	Mosel	Onnen	Swenson	Workman
Delmont	Hugoson	Lasley	Munger	Ozment	Tompkins	Spk. Anderson, I.

The motion prevailed and the amendment, as amended, was adopted.

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 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 80 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Asch	Dorn	Johnson, A.	Long	Ness	Rodosovich	Tunheim
Battaglia	Evans	Kahn	Lourey	Olson, E.	Rukavina	Vellenga
Bauerly	Farrell	Kalis	Luther	Opatz	Sarna	Vickerman
Beard	Garcia	Kelley	Mahon	Orenstein	Seagren	Wagenius
Bertram	Greenfield	Kelso	Mariani	Orfield	Sekhon	Wejcman
Brown, K.	Greiling	Kinkel	McCollum	Osthoff	Simoneau	Wenzel
Carlson	Hausman	Klinzing	McGuire	Ostrom	Skoglund	Winter
Carruthers	Huntley	Krueger	Milbert	Pugh	Solberg	Spk. Anderson, I.
Clark	Jacobs	Lasley	Mosel	Reding	Steensma	
Cooper	Jaros	Leppik	Munger	Rest	Tomassoni	
Dawkins	Jefferson	Lieder	Murphy	Rhodes	Tompkins	
Delmont	Jennings	Limmer	Neary	Rice	Trimble	

Those who voted in the negative were:

Abrams	Dempsey	Hasskamp	Krinkie	Olson, M.	Smith	Wolf
Anderson, R.	Erhardt	Haukoos	Lindner	Onnen	Stanius	Worke
Bergson	Finseth	Holsten	Lynch	Ozment	Sviggum	Workman
Bettermann	Frerichs	Hugoson	Macklin	Pauly	Swenson	
Commers	Girard	Johnson, R.	Molnau	Pawlenty	Van Dellen	
Dauner	Goodno	Johnson, V.	Morrison	Pelowski	Van Engen	
Davids	Gruenes	Knickerbocker	Nelson	Perlt	Waltman	
Dehler	Gutknecht	Knight	Olson, K.	Peterson	Weaver	

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

H. F. No. 3011 was reported to the House.

Osthoff moved that H. F. No. 3011 be temporarily laid over on Special Orders. The motion prevailed.

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, 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 21 yeas and 106 nays as follows:

Those who voted in the affirmative were:

Bauerly	Dawkins	Kahn	Mariani	Orenstein	Simoneau	Vellenga
Carruthers	Greenfield	Kelley	McGuire	Orfield	Skoglund	Wagenius
Clark	Jaros	Lourey	Olson, K.	Pugh	Swenson	Wejcman

Those who voted in the negative were:

Abrams	Dehler	Haukoos	Koppendrayer	Mosel	Reding	Van Dellen
Anderson, R.	Delmont	Holsten	Krinkie	Munger	Rhodes	Van Engen
Asch	Dempsey	Hugoson	Krueger	Murphy	Rodosovich	Vickerman
Battaglia	Dorn	Huntley	Lasley	Nelson	Rukavina	Weaver
Beard	Erhardt	Jacobs	Leppik	Ness	Sarna	Wenzel
Bergson	Evans	Jefferson	Lieder	Olson, E.	Seagren	Winter
Bertram	Farrell	Jennings	Limmer	Olson, M.	Sekhon	Wolf
Bettermann	Finseth	Johnson, A.	Lindner	Onnen	Smith	Worke
Bishop	Frerichs	Johnson, R.	Long	Opatz	Solberg	Workman
Brown, C.	Garcia	Johnson, V.	Luther	Ostrom	Stanius	Spk. Anderson, I.
Brown, K.	Girard	Kalis	Lynch	Ozment	Steensma	
Carlson	Goodno	Kelso	Macklin	Pauly	Sviggum	
Commers	Greiling	Kinkel	Mahon	Pawlenty	Tomassoni	
Cooper	Gruenes	Klinzing	McCollum	Pelowski	Tompkins	
Dauner	Gutknecht	Knickerbocker	Molnau	Perlt	Trimble	
Davids	Hasskamp	Knight	Morrison	Peterson	Tunheim	

The bill was not passed, as amended.

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.

SPECIAL ORDERS, Continued

H. F. No. 3011 which was temporarily laid over earlier today on Special Orders was again reported to the House.

CALL OF THE HOUSE

On the motion of Rodosovich and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Dawkins	Hasskamp	Koppendrayer	Morrison	Pelowski	Tunheim
Asch	Dehler	Haukoos	Krinkie	Mosel	Peterson	Van Dellen
Battaglia	Delmont	Hugoson	Krueger	Murphy	Reding	Van Engen
Bauerly	Dempsey	Huntley	Lasley	Neary	Rest	Vellenga
Beard	Dorn	Jacobs	Leppik	Nelson	Rhodes	Vickerman
Bergson	Erhardt	Jefferson	Lieder	Ness	Rodosovich	Wagenius
Bettermann	Evans	Johnson, A.	Lindner	Olson, E.	Rukavina	Waltman
Bishop	Farrell	Johnson, R.	Long	Olson, K.	Sarna	Weaver
Brown, K.	Finseth	Johnson, V.	Lourey	Olson, M.	Seagren	Wejcman
Carlson	Frerichs	Kahn	Luther	Onnen	Sekhon	Wenzel
Carruthers	Girard	Kalis	Lynch	Opatz	Skoglund	Winter
Clark	Goodno	Kelso	Mahon	Orfield	Solberg	Wolf
Commers	Greenfield	Kinkel	Mariani	Osthoff	Steensma	Worke
Cooper	Greiling	Klinzing	McCollum	Ostrom	Sviggum	Workman
Dauner	Gruenes	Knickerbocker	McGuire	Pauly	Tompkins	Spk. Anderson, I.
Davids	Gutknecht	Knight	Molnau	Pawlenty	Trimble	

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.

Osthoff moved to amend H. F. No. 3011 as follows:

Page 1, after line 5, insert:

"ARTICLE 1"

Page 1, after line 25, insert:

"ARTICLE 2

Section 1. Minnesota Statutes 1992, section 84.928, subdivision 1, is amended to read:

Subdivision 1. [OPERATION ON ROADS AND RIGHTS-OF-WAY.] (a) A person shall not operate an all-terrain vehicle along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way other than in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway in this state unless otherwise allowed in sections 84.92 to 84.929.

(b) A person may operate an all-terrain vehicle registered for private use and used for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or county highway in this state if the all-terrain vehicle is operated on the extreme right-hand side of the road, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions.

(c) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands. This paragraph does not apply to an agent or employee of a road authority, as defined in section 160.02, subdivision 9, or the department of natural resources when performing or exercising official duties or powers.

(d) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.

(e) A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state.

Sec. 2. Minnesota Statutes 1992, section 160.085, subdivision 3, is amended to read:

Subd. 3. [DESCRIPTION MAY REFER TO MAP OR PLAT.] (a) Land acquisition by the road authority for highway purposes by instrument of conveyance or by eminent domain proceedings, may refer to ~~said~~ the map or plat and parcel number, together with delineation of the parcel, as the only manner of description necessary for the acquisition.

(b) In addition, land disposition by the road authority by instrument of conveyance may refer to the map or plat and parcel number, together with delineation of the parcel, as the only manner of description necessary for the disposition.

Sec. 3. Minnesota Statutes 1992, section 161.25, is amended to read:

161.25 [TEMPORARY TRUNK HIGHWAY DETOUR ~~AND TEMPORARY TRUNK HIGHWAY;~~ HAUL ROAD.]

~~On determining~~ If, for the purpose of constructing or maintaining any trunk highway, ~~that~~ the use of any public street or highway is necessary for a detour or haul road, the commissioner may designate ~~by order~~ any such street or highway as a temporary trunk highway detour or as a temporary trunk highway haul road, and shall thereafter maintain the same as a temporary trunk highway until the commissioner revokes the designation. Prior to revoking the designation the commissioner shall restore such streets or highways to as good condition as they were prior to the designation of same as temporary trunk highways. Upon revoking the ~~designations such streets or highways~~ designation, the street or highway shall revert to the subdivision charged with the care thereof at the time it was taken over as a temporary trunk highway.

Sec. 4. [161.442] [RECONVEYANCE TO FORMER OWNER.]

Notwithstanding sections 161.23, 161.41, 161.411, 161.43, 161.44, or any other statute, the commissioner of transportation, at the commissioner's sole discretion, may transfer, sell, or convey real property including fixtures, and interests in real property including easements, to the owner from whom the property was acquired by the state for trunk highway purposes through a pending eminent domain action. The transfer of title may be by stipulation, partial dismissal, bill of sale, or conveyance. Any resulting change in the state's acquisition must be explained in the final certificate for that action. This provision does not confer on a landowner the right to compel a reconveyance without the consent of the commissioner.

Sec. 5. Minnesota Statutes 1992, section 162.07, subdivision 1, is amended to read:

Subdivision 1. [FORMULA.] After deducting for administrative costs and for the disaster account and research account and state park roads as heretofore provided, the remainder of the total sum provided for in section 162.06, subdivision 1, shall be identified as the apportionment sum and shall be apportioned by the commissioner to the several counties on the basis of the needs of the counties as determined in accordance with the following formula:

(1) An amount equal to ~~ten~~ five percent of the apportionment sum shall be apportioned equally among the 87 counties.

(2) An amount equal to ~~ten~~ 20 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its motor vehicle registration for the calendar year preceding the one last past, determined by residence of registrants, bears to the total statewide motor vehicle registration.

(3) An amount equal to ~~30~~ 35 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its total ~~miles~~ existing lane miles of approved county state-aid highways bears to the total ~~miles~~ existing lane miles of approved statewide county state-aid highways.

(4) An amount equal to ~~50~~ 40 percent of the apportionment sum shall be apportioned among the several counties so that each county shall receive of such amount the percentage that its money needs bears to the sum of the money needs of all of the individual counties~~; provided, that the percentage of such amount that each county is to receive shall be adjusted so that each county shall receive in 1958 a total apportionment at least ten percent greater than its total 1956 apportionments from the state road and bridge fund; and provided further that those counties whose money needs are thus adjusted shall never receive a percentage of the apportionment sum less than the percentage that such county received in 1958~~.

In 1995 and thereafter, no county shall receive more than its apportionment for the previous year plus 39.5 percent, and in 1995 and thereafter no county shall receive less than its apportionment for 1994 plus three percent. The three percent may be decreased proportionately among the counties if the total apportionment sum is insufficient.

Sec. 6. Minnesota Statutes 1992, section 162.07, subdivision 3, is amended to read:

Subd. 3. [COMPUTATIONS FOR ~~RURAL~~ COUNTIES.] An amount equal to a levy of 0.01596 percent on each ~~rural~~ county's total taxable market value for the last preceding calendar year shall be computed and shall be subtracted from the county's total estimated construction costs. The result thereof shall be the money needs of the county. ~~For the purpose of this section, "rural counties" means all counties having a population of less than 175,000.~~

Sec. 7. Minnesota Statutes 1992, section 162.07, subdivision 5, is amended to read:

Subd. 5. [SCREENING BOARD.] On or before September 1 of each year the county engineer of each county shall forward to the commissioner, on forms prepared by the commissioner, all information relating to the mileage in lane miles of the county state-aid highway system in the county, and the money needs of the county that the commissioner deems necessary in order to apportion the county state-aid highway fund in accordance with the formula heretofore set forth. Upon receipt of the information the commissioner shall appoint a board consisting of ~~nine county engineers. The board shall be so selected that each~~ one county engineer ~~appointed shall be from a different~~ from each of the seven state highway construction ~~district~~ districts outside the department's metropolitan division and five county engineers from the department's metropolitan division. No county engineer shall be appointed so as to serve consecutively for more than ~~two~~ four years. The board shall investigate and review the information submitted by each county and shall on or before the first day of November of each year submit its findings and recommendations in writing as to each county's lane mileage and money needs to the commissioner on a form prepared by the commissioner. Final determination of the lane mileage of each system and the money needs of each county shall be made by the commissioner.

Sec. 8. Minnesota Statutes 1992, section 162.07, subdivision 6, is amended to read:

Subd. 6. [ESTIMATES TO BE MADE IF INFORMATION NOT PROVIDED.] In the event that any county shall fail to submit the information provided for herein, the commissioner shall estimate the lane mileage and the money needs of the county. The estimate shall be used in determining the apportionment formula. The commissioner may withhold payment of the amount apportioned to the county until the information is submitted.

Sec. 9. Minnesota Statutes 1992, section 165.03, is amended to read:

165.03 [STRENGTH OF BRIDGES; INSPECTIONS.]

Subdivision 1. [STANDARDS GENERALLY.] Each bridge, including a privately owned bridge, must conform to the strength, width, clearance, and safety standards imposed by the commissioner for the connecting highway or street. This subdivision applies to a bridge that is constructed after August 1, 1989, on any public highway or street. The bridge must have sufficient strength to support with safety the maximum vehicle weights allowed under section 169.825 and must have the minimum width specified in section 165.04, subdivision 3.

Subd. 2. [INSPECTION AND INVENTORY RESPONSIBILITIES; RULES; FORMS.] The commissioner of transportation shall adopt official inventory and bridge inspection report forms for use in making bridge inspections by the highway authorities specified by this subdivision. Bridge inspections shall be made at regular intervals, not to exceed two years, by the following officials:

(a) The commissioner of transportation for all bridges located wholly or partially within or over the right-of-way of a state trunk highway.

(b) The county highway engineer for all bridges located wholly or partially within or over the right-of-way of any county or township road, or any street within a municipality which does not have a city engineer regularly employed.

(c) The city engineer for all bridges located wholly or partially within or over the right-of-way of any street located within or along municipal limits.

(d) The commissioner of transportation in case of a toll bridge used by the general public; provided, that the commissioner of transportation may assess the owner for the costs of such inspection.

The commissioner of transportation shall prescribe the standards for bridge inspection and inventory by rules. The specified highway authorities shall inspect and inventory in accordance with these standards and furnish the commissioner with such data as may be necessary to maintain a central inventory.

Subd. 3. [COUNTY INVENTORY AND INSPECTION RECORDS AND REPORTS.] The county engineer shall maintain a complete inventory record of all bridges as set forth in subdivision 2(b) with the inspection reports thereof, and shall certify annually, to the commissioner ~~of transportation,~~ as prescribed by the commissioner, that inspections have been made at regular intervals not to exceed two years. A report of the inspections shall be filed annually, on or before February 15 of each year, with the county auditor or township clerk, or the governing body of the municipality. The report shall contain recommendations for the correction of, or legal posting of load limits on any bridge or structure that is found to be understrength or unsafe.

Subd. 4. [MUNICIPAL INVENTORY AND INSPECTION RECORDS AND REPORTS.] The city engineer shall maintain a complete inventory record of all bridges as set forth in subdivision 2(c) with the inspection reports thereof, and shall certify annually, to the commissioner ~~of transportation,~~ as prescribed by the commissioner, that inspections have been made at regular intervals not to exceed two years. A report of the inspections shall be filed annually, on or before February 15 of each year, with the governing body of the municipality. The report shall contain recommendations for the correction of, or legal posting of load limits on any bridge or structure that is found to be understrength or unsafe.

Subd. 5. [AGREEMENTS.] Agreements may be made among the various units of governments, or between governmental units and qualified engineering personnel to carry out the responsibilities for the bridge inspections and reports, as established by subdivision 2.

Subd. 6. [TOLL BRIDGES.] The owner of a toll bridge shall certify ~~annually~~ to the commissioner ~~of transportation,~~ as prescribed by the commissioner, that inspections of the bridge have been made at regular intervals not to exceed two years. The certification shall be accompanied by a report of the inspection. The report shall contain recommendations for the correction of or legal posting of load limitations if the bridge is found to be understrength or unsafe.

Sec. 10. Minnesota Statutes 1992, section 174.03, subdivision 1a, is amended to read:

Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan by ~~July 1, 1993~~ January 1, 1996, and by ~~July~~ January 1 of each odd-numbered year thereafter. Before final adoption of a revised plan, the commissioner shall hold a hearing to receive public comment on the plan. The revised state transportation plan must:

(1) incorporate the goals of the state transportation system in section 174.01; and

(2) establish objectives, policies, and strategies for achieving those goals.

Sec. 11. Minnesota Statutes 1992, section 222.50, subdivision 7, is amended to read:

Subd. 7. [EXPENDITURES.] The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To pay interest adjustments on loans guaranteed under the state rail user loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the inplace track;

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A; and

(f) ~~To pay for the maintenance of rail lines and rights-of-way acquired for the state rail bank under section 222.63, subdivision 2c; and~~

~~(g)~~ To pay the state matching portion of federal grants for rail-highway grade crossing improvement projects.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 12. Minnesota Statutes 1992, section 222.63, subdivision 8, is amended to read:

Subd. 8. [RAIL BANK MAINTENANCE AND IMPROVEMENT ACCOUNTS.] A special account shall be maintained in the state treasury, designated as the rail bank maintenance account, to record the receipts and expenditures of the commissioner of transportation for the maintenance of rail bank property. Funds received by the commissioner of transportation from interest earnings or administrative payments received from rail line rehabilitation contracts, or from rentals, fees, or charges for the use of rail bank property shall be credited to the maintenance account and used for the maintenance of that property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and amounts received in the maintenance account in excess of the reserve requirements shall be transferred to the rail service improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the rail service improvement account. All money to be deposited in this rail service improvement account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished.

Sec. 13. [BRIDGE INSPECTIONS.]

The commissioner of transportation shall ensure that bridge inspections must be made at regular intervals not to exceed two years.

Sec. 14. [LAND SALE AND EXCHANGE; WASHINGTON COUNTY.]

Subdivision 1. [SALE OF TAX-FORFEITED LAND; WASHINGTON COUNTY.] (a) Notwithstanding Minnesota Statutes, section 282.018, Washington county may convey the tax-forfeited land bordering public water described in paragraph (b), to the state of Minnesota acting through its commissioner of transportation, for the county's appraised market value.

(b) The land to be conveyed to the state of Minnesota is located in New Scandia township (T32N, R19W) in Washington county and is described as:

Government Lot 7, Section 7, Township 32 North, Range 19 West, Washington County, Minnesota;

containing 63.95 acres, more or less.

Subd. 2. [LAND EXCHANGE BETWEEN MINNESOTA AND UNITED STATES.] (a) Notwithstanding Minnesota Statutes, sections 94.342 to 94.344, the commissioner of transportation, with the unanimous approval of the Minnesota land exchange board may thereafter convey the land described in subdivision 1, paragraph (b), to the United States Department of Interior, National Park Service, in exchange for land described in paragraph (b).

(b) The land that is to be conveyed to the state of Minnesota by the United States is located in Stillwater township in Washington county and is described as follows:

That part of Government Lot 2 of Section 15, Township 30 North, Range 20 West, Washington County, Minnesota, lying northwesterly of the northwesterly right-of-way line of Trunk Highway No. 95 as now located and established and southwesterly of the following described line: Commencing at the northeast corner of Government Lot 3 of Section 15, Township 30 North, Range 20 West, also being a point on the west line of said Government Lot 2; thence North 00 degrees 02 minutes 22 seconds West, assumed bearing along said west line of Government Lot 2 a distance of 142.51 feet to the point of beginning of the line to be described; thence South 50 degrees 10 minutes 16 seconds East, 151.14 feet to an inplace half-inch iron pipe monument; thence South 44 degrees 08 minutes 51 seconds East, 171.86 feet to an inplace 3/8 inch iron pipe monument; thence North 87 degrees 40 minutes 47 seconds East, 124.77 feet to an inplace iron bolt monument; thence South 47 degrees 38 minutes 00 seconds East, 94.53 feet to said Northwesterly right-of-way line of Trunk Highway No. 95 and there terminating;

containing 2.48 acres, more or less.

(c) The land on three sides of the parcel described in subdivision 1, paragraph (b), is owned by the United States. Most of the parcel is part of an island between two channels of the St. Croix River and is within the preliminary boundary of the Lower St. Croix National Scenic Riverway. The parcel has little potential for use other than for said public purpose.

(d) The parcel of land described in paragraph (b) is west of Trunk Highway No. 95 and across the road from the Boom Site area located approximately one-half mile northeast of the city of Stillwater. This parcel is to be used for construction of a sanitary drain field for the Boom Site Rest Area. The present drain field is undersized, causes unsanitary seepage, and does not conform to modern-day health standards. This parcel is within the Lower St. Croix National Scenic Riverway boundary and has little potential for use other than public purpose and/or supplementing adjacent public facilities.

(e) The two above-described parcels of land have been appraised and are of substantially equal value.

(f) The United States has agreed to a land exchange subject to terms of its existing scenic easement on the land described in paragraph (b). The United States has agreed to the proposed construction of a sanitary drain field by the Minnesota department of transportation on the land described in paragraph (b).

(g) The conveyances transferring the land described in subdivision 1, paragraph (b), to the United States and the land described in paragraph (b) to the state of Minnesota must be in a form approved by the attorney general.

Sec. 15. [REPEALER.]

Minnesota Statutes 1992, section 173.14, is repealed. Minnesota Rules, part 8810.1300, subpart 6, is repealed. Minnesota Statutes 1992, section 162.07, subdivision 4, is repealed.

Sec. 16. [EFFECTIVE DATE.]

Sections 1 to 4 and 9 to 15 are effective the day following final enactment. Sections 5 to 8 are effective for county state-aid fund apportionment payment in 1995 and thereafter."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Morrison and Wolf were excused between the hours of 1:30 p.m. and 3:30 p.m.

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.

SPECIAL ORDERS, Continued

CALL OF THE HOUSE LIFTED

Johnson, R., moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

Hausman moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [TRUNK HIGHWAY NO. 280; NOISE BARRIERS.]

Subdivision 1. [DEFINITION.] For purposes of this section "trunk highway No. 280 project" means a department of transportation highway improvement project on marked trunk highway No. 280 that would improve, expand, or reconstruct the highway.

Subd. 2. [REQUIREMENT.] If the commissioner of transportation takes any action between the effective date of this act and June 30, 1996, that would have the effect of delaying the start of the trunk highway No. 280 project beyond June 30, 1997, the commissioner shall, within 12 months after taking that action, erect noise barriers on the highway between marked interstate highways Nos. 94 and 35-W as provided in the noise barrier component of the project."

Renumber the remaining section

Page 1, line 24, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Asch and Krinkie moved to amend H. F. No. 3011, as amended, as follows:

Page 1, line 23, insert:

"Sec. 2. [TRAFFIC SIGNAL.]

The commissioner of transportation shall, not later than June 1, 1994, install traffic signals on marked trunk highway no. 49 at its intersection with Hodgson Road Connection, at or near the entrance to the Chippewa middle school in the city of North Oaks."

Page 1, line 25, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Weaver moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [471.346] [PUBLICLY OWNED AND LEASED VEHICLES IDENTIFIED.]

All motor vehicles owned or leased by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision, except for unmarked vehicles used in general police and fire work and arson investigations, shall have the name of the political subdivision plainly displayed on both sides of the vehicle in letters not less than 2-1/2 inches high and one-half inch wide. The identification must be in a color that contrasts with the color of the part of the vehicle on which it is placed and must remain on and be clean and visible throughout the period of which the vehicle is owned or leased by the political subdivision. The identification must not be on a removable plate or placard except on leased vehicles but the plate or placard must not be removed from a leased vehicle at any time during the term of the lease."

Page 1, line 24, delete "2" and insert "3"

Amend the title as follows:

Page 1, line 2, delete "highways" and insert "local government"

Page 1, line 3, after the semicolon, insert "requiring publicly owned or leased motor vehicles to be identified;"

Page 1, line 4, after "1" insert "; proposing coding for new law in Minnesota Statutes, chapter 471"

The motion prevailed and the amendment was adopted.

Steensma and Osthoff moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 222.50, subdivision 7, is amended to read:

Subd. 7. [EXPENDITURES.] The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To make transfers as provided under section 222.57 or to pay interest adjustments on loans guaranteed under the state rail user and rail carrier loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the inplace track;

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A;

(f) To pay for the maintenance of rail lines and rights-of-way acquired for the state rail bank under section 222.63, subdivision 2c; and

(g) To pay the state matching portion of federal grants for rail-highway grade crossing improvement projects.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 3. Minnesota Statutes 1992, section 222.55, is amended to read:

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

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

Sec. 4. Minnesota Statutes 1992, section 222.56, subdivision 5, is amended to read:

Subd. 5. [LOAN.] "Loan" means a loan or advance of credit provided by a financial institution to (1) either a rail user or rail carrier for participation in contracts for rail line or rolling stock rehabilitation, acquisition, or installation, or for paying the costs of capital improvements necessary to improve rail service or reduce the impact of discontinuance of rail service, or (2) a rail carrier for rehabilitation of locomotives.

Sec. 5. Minnesota Statutes 1992, section 222.56, subdivision 6, is amended to read:

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

Sec. 6. Minnesota Statutes 1992, section 222.56, is amended by adding a subdivision to read:

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

Sec. 7. Minnesota Statutes 1992, section 222.56, is amended by adding a subdivision to read:

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

Sec. 8. Minnesota Statutes 1992, section 222.57, is amended to read:

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

There is created a rail user and rail carrier loan guarantee account as a separate account in the rail service improvement account, which shall be used by the commissioner for carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under section 222.58. The commissioner may transfer to the rail user and rail carrier loan guarantee account from money otherwise available in the rail service improvement account whatever amount is necessary to implement the rail user and rail carrier loan guarantee program ~~and~~, except that bond proceeds may not be transferred to the account for insurance of loans made for the purposes specified in section 222.58, subdivision 2, paragraph (b), clauses (3) to (5). The commissioner may withdraw any amount from the rail user and rail carrier loan guarantee account that is not required to insure outstanding loans as provided in section 222.60, subdivision 1.

Sec. 9. Minnesota Statutes 1992, section 222.58, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 10. Minnesota Statutes 1992, section 222.63, subdivision 8, is amended to read:

Subd. 8. [RAIL BANK ACCOUNTS.] A special account shall be maintained in the state treasury, designated as the rail bank maintenance account, to record the receipts and expenditures of the commissioner of transportation for the maintenance of rail bank property. Funds received by the commissioner of transportation from interest earnings, administrative payments, rentals, fees, or charges for the use of rail bank property, or received from rail line rehabilitation contracts shall be credited to the maintenance account and used for the maintenance of that property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and amounts received in the maintenance account in excess of the reserve requirements shall be transferred to the rail service improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the rail service improvement account. All money to be deposited in this rail service improvement account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished.

Sec. 11. [REPEALER.]

Minnesota Statutes 1992, section 222.58, subdivision 6, is repealed."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

McCollum and Frerichs moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [ADVISORY COUNCIL 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. 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."

Page 1, line 25, after the period, insert "Section 2 is effective the day following final enactment and is repealed June 30, 1995."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Trimble, Dawkins, Farrell, Mariani, Osthoff, McCollum and Orenstein moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [METRO STATE DIRECTIONAL SIGNS.]

The commissioner of the department of transportation shall place directional signs for Metropolitan State University on marked interstate highways I-94 and 35E."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Hasskamp moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1992, section 160.81, is amended to read:

160.81 [HIGHWAYS IN RECREATION AREAS.]

Subdivision 1. [JOINT STANDARDS.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall establish standards for trunk highway segments located in areas of unusual scenic interest. The standards shall:

(1) establish and ensure that the safety of the traveling public is maintained or enhanced;

(2) define "areas of unusual scenic interest," which must include major recreational areas, historic areas, and major publicly and privately owned tourist attractions;

~~(2)~~ (3) prescribe standards for right-of-way, shoulders, and parking areas for trunk highway segments in such areas; and

~~(3)~~ (4) prescribe standards for scenic overlooks, parking piers and other parking areas, tourist information facilities, public water access points and other facilities intended to expand the recreational use of trunk highway segments in such areas.

Subd. 2. [PLAN.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall prepare a plan for the recreational uses of trunk highway right-of-way and adjacent public land in areas of unusual scenic interest. The plan must ensure that the safety of the traveling public is maintained or enhanced. The plan must provide for the enhancement of such recreational uses by the construction of new recreational facilities or the improvement or rehabilitation of existing recreational facilities, as enumerated in subdivision 1, clause ~~(3)~~ (4). The plan must provide for joint development of these facilities by the departments of transportation and natural resources, where feasible, and must contain provisions permitting local units of government and regional development commissions to participate in the planning and development of recreational facilities.

Subd. 3. [RECREATIONAL FACILITIES.] The commissioner of transportation may, in areas of unusual scenic interest:

(1) construct, improve, and maintain recreational facilities, including parking areas, scenic overlooks, and tourist information facilities, on trunk highway right-of-way and adjacent areas; and

(2) construct, improve, and maintain access ramps and turnoffs to connect trunk highways with recreational land owned by the department of natural resources.

Sec. 2. Minnesota Statutes 1992, section 160.82, subdivision 2, is amended to read:

Subd. 2. [RESTRICTIONS.] A road authority may not make a change in the width, grade, or alignment of a park road that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, unless:

(1) the change is required to permit the safe travel of vehicles at the speed lawfully designated for the park road, in which case the change must be made; or

(2) if the road is a county state-aid highway or municipal state-aid street, the change is required by the minimum state-aid standard applicable to the road."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Bettermann and Brown, K., moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1992, section 160.262, is amended by adding a subdivision to read:

Subd. 4. [DESIGN-BUILD BRIDGES FOR NONMOTORIZED VEHICLES.] For streets and highways, the commissioner shall allow for the acceptance of performance-specification bids, made by the lowest responsible bidder, for constructing design-build bridges for bicycle paths, bicycle trails, and pedestrian facilities that are:

(1) designed and used primarily for nonmotorized transportation, but may allow for motorized wheelchairs, golf carts, necessary maintenance vehicles and, when otherwise permitted by law, rule, or ordinance, snowmobiles; and

(2) located apart from any road or highway or protected by barriers, provided that a design-built bridge may cross over and above a road or highway."

Renumber the sections in sequence

Page 1, line 25, delete "Section 1 is" and insert "Sections 1 and 2 are"

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

McCollum; Johnson, V.; Stanius; Bettermann; Mariani and Neary moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1993 Supplement, section 169.685, subdivision 5, is amended to read:

Subd. 5. [VIOLATION; PENALTY.] (a) Every motor vehicle operator, when transporting a child under the age of four on the streets and highways of this state in a motor vehicle equipped with factory-installed seat belts, shall equip and install for use in the motor vehicle, according to the manufacturer's instructions, a child passenger restraint system meeting federal motor vehicle safety standards.

(b) No motor vehicle operator who is operating a motor vehicle on the streets and highways of this state may transport a child under the age of four in a seat of a motor vehicle equipped with a factory-installed seat belt, unless the child is properly fastened in the child passenger restraint system. Any motor vehicle operator who violates this subdivision is guilty of a petty misdemeanor and may be sentenced to pay a fine of not more than $50. The fine may be waived or the amount reduced if the motor vehicle operator produces evidence that within 14 days after the date of the violation a child passenger restraint system meeting federal motor vehicle safety standards was purchased or obtained for the exclusive use of the operator.

(c) The fines collected for violations of this subdivision must be deposited in the state treasury and credited to a special account to be known as the Minnesota child passenger restraint and education account.

Sec. 3. Minnesota Statutes 1992, section 169.685, is amended by adding a subdivision to read:

Subd. 7. [APPROPRIATION; SPECIAL ACCOUNT.] The Minnesota child passenger restraint and education account is created in the state treasury, consisting of fines collected under subdivision 5 and other money appropriated or donated. The money in the account is annually appropriated to the commissioner of public safety, to be used to provide child passenger restraint systems to families in financial need and to provide an educational program on the need for and proper use of child passenger restraint systems. The commissioner shall report to the legislature by February 1 of each odd-numbered year on the commissioner's activities and expenditure of funds under this section."

Page 1, after line 25, insert:

"Section 2 is effective August 1, 1994, for violations committed on and after that date."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the McCollum et al amendment and the roll was called. There were 122 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Brown, C.	Commers	Dawkins	Dorn
Anderson, R.	Bauerly	Bertram	Brown, K.	Cooper	Dehler	Erhardt
Asch	Beard	Bettermann	Carlson	Dauner	Delmont	Evans

Farrell	Jefferson	Lasley	Morrison	Ostrom	Seagren	Vellenga
Finseth	Jennings	Leppik	Mosel	Ozment	Sekhon	Vickerman
Frerichs	Johnson, A.	Lieder	Munger	Pauly	Simoneau	Wagenius
Garcia	Johnson, R.	Limmer	Murphy	Pawlenty	Skoglund	Weaver
Goodno	Johnson, V.	Lindner	Neary	Pelowski	Smith	Wejcman
Greenfield	Kahn	Long	Nelson	Perlt	Solberg	Wenzel
Greiling	Kalis	Lourey	Ness	Peterson	Stanius	Winter
Gruenes	Kelley	Luther	Olson, E.	Pugh	Steensma	Wolf
Hasskamp	Kelso	Lynch	Olson, K.	Reding	Swenson	Worke
Haukoos	Kinkel	Macklin	Olson, M.	Rest	Tomassoni	Workman
Hausman	Klinzing	Mahon	Onnen	Rhodes	Tompkins	Spk. Anderson, I.
Holsten	Knickerbocker	Mariani	Opatz	Rice	Trimble	
Huntley	Koppendrayer	McCollum	Orenstein	Rodosovich	Tunheim	
Jacobs	Krinkie	McGuire	Orfield	Rukavina	Van Dellen	
Jaros	Krueger	Milbert	Osthoff	Sarna	Van Engen	

Those who voted in the negative were:

Davids	Girard	Hugoson	Molnau	Waltman
Dempsey	Gutknecht	Knight	Sviggum	

The motion prevailed and the amendment was adopted.

Dehler moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 221.121, subdivision 6b, is amended to read:

Subd. 6b. [SPECIAL PASSENGER SERVICE, CHARTER CARRIERS.] A person who has been granted a charter carrier permit by the board may provide special passenger service within the territory or on the routes granted in the order granting the charter carrier permit. When providing a special passenger service which originates within the carrier's permitted service territory, the charter carrier may pick up and discharge no more than eight people per vehicle or no more than 20 percent of the vehicle's rider capacity, whichever is less, outside of the carrier permitted service territory providing that the pick up and discharge point is not within an area being provided transit service by any metropolitan transit authority. A charter carrier that provides special passenger service must file a tariff that shows the rates and charges that apply to the special passenger service.

Sec. 3. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment."

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 Dehler amendment and the roll was called. There were 36 yeas and 95 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Girard	Gutknecht	Hugoson	Knight	Lindner
Bertram	Dempsey	Goodno	Haukoos	Johnson, V.	Krinkie	Molnau
Commers	Erhardt	Gruenes	Holsten	Knickerbocker	Limmer	Ness

Olson, M.	Pauly	Stanius	Tompkins	Wenzel
Onnen	Pawlenty	Sviggum	Vickerman	Worke
Opatz	Smith	Swenson	Waltman	Workman

Those who voted in the negative were:

Anderson, R.	Davids	Jacobs	Lasley	Murphy	Reding	Trimble
Asch	Dawkins	Jaros	Leppik	Neary	Rest	Tunheim
Battaglia	Delmont	Jefferson	Lieder	Nelson	Rhodes	Van Dellen
Bauerly	Dorn	Jennings	Long	Olson, E.	Rice	Van Engen
Beard	Evans	Johnson, A.	Lourey	Olson, K.	Rodosovich	Vellenga
Bergson	Farrell	Johnson, R.	Luther	Orenstein	Rukavina	Wagenius
Bettermann	Finseth	Kahn	Lynch	Orfield	Sarna	Weaver
Brown, C.	Frerichs	Kalis	Mahon	Osthoff	Seagren	Wejcman
Brown, K.	Garcia	Kelley	Mariani	Ostrom	Sekhon	Winter
Carlson	Greenfield	Kelso	McCollum	Ozment	Simoneau	Wolf
Carruthers	Greiling	Kinkel	McGuire	Pelowski	Skoglund	Spk. Anderson, I.
Clark	Hasskamp	Klinzing	Milbert	Perlt	Solberg	
Cooper	Hausman	Koppendrayer	Mosel	Peterson	Steensma	
Dauner	Huntley	Krueger	Munger	Pugh	Tomassoni	

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

Evans; Garcia; Johnson, V.; Delmont; Steensma; Osthoff and Greiling moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 169.01, is amended by adding a subdivision to read:

Subd. 77. [RESIDENTIAL ROADWAY.] Residential roadway means a street or portion of a street that is less than one-quarter mile in length and is functionally classified by the commissioner of transportation as a local street.

Sec. 3. Minnesota Statutes 1992, section 169.14, subdivision 2, is amended to read:

Subd. 2. [SPEED LIMITS.] (a) Where no special hazard exists the following speeds shall be lawful, but any speeds in excess of such limits shall be prima facie evidence that the speed is not reasonable or prudent and that it is unlawful; except that the speed limit within any municipality shall be a maximum limit and any speed in excess thereof shall be unlawful:

(1) 30 miles per hour in an urban district;

(2) 65 miles per hour in other locations during the daytime;

(3) 55 miles per hour in such other locations during the nighttime;

(4) ten miles per hour in alleys; and

(5) 25 miles per hour in residential roadways if adopted by the road authority having jurisdiction over the residential roadway.

(b) A speed limit adopted under paragraph (a), clause (5) is not effective unless the road authority has erected signs designating the speed limit and indicating the beginning and end of the residential roadway on which the speed limit applies.

(c) "Daytime" means from a half hour before sunrise to a half hour after sunset, except at any time when due to weather or other conditions there is not sufficient light to render clearly discernible persons and vehicles at a distance of 500 feet. "Nighttime" means at any other hour or at any time when due to weather or other conditions there is not sufficient light to render clearly discernible persons and vehicles at a distance of 500 feet."

Renumber the remaining sections in sequence

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Kahn to the Chair.

Neary moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"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 including 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."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Lieder and Rice moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. 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. 3. [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. 4. [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 2 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."

Renumber the remaining section

Page 1, line 25, delete "Section 1 is" and insert "Sections 1 to 4 are"

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Peterson and Johnson, V., moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1993 Supplement, section 169.18, subdivision 5, is amended to read:

Subd. 5. [DRIVING LEFT OF ROADWAY CENTER; EXCEPTION.] (a) No vehicle shall be driven to the left side of the center of the roadway in overtaking and passing another vehicle proceeding in the same direction unless such left side is clearly visible and is free of oncoming traffic for a sufficient distance ahead to permit such overtaking and passing to be completely made without interfering with the safe operation of any vehicle approaching from the opposite direction or any vehicle overtaken. In every event the overtaking vehicle must return to the right-hand side of the roadway before coming within 100 feet of any vehicle approaching from the opposite direction;

(b) Except on a one-way roadway or as provided in paragraph (c), no vehicle shall, in overtaking and passing another vehicle or at any other time, be driven to the left half of the roadway under the following conditions:

(1) When approaching the crest of a grade or upon a curve in the highway where the driver's view along the highway is obstructed within a distance of 700 feet;

(2) When approaching within 100 feet of any underpass or tunnel, railroad grade crossing, intersection within a city, or intersection outside of a city if the presence of the intersection is marked by warning signs; or

(3) Where official signs are in place prohibiting passing, or a distinctive center line is marked, which distinctive line also so prohibits passing, as declared in the manual of traffic-control devices adopted by the commissioner.

(c) Paragraph (b) does not apply to a self-propelled or towed implement of husbandry that (1) is escorted at the front by a registered motor vehicle that is displaying vehicular hazard warning lights visible to the front and rear in normal sunlight, and (2) does not extend into the left half of the roadway to any greater extent than made necessary by the total width of the right half of the roadway together with any adjacent shoulder that is suitable for travel. Between sunrise and sunset a self-propelled implement of husbandry may display a flashing amber lamp authorized under section 169.64, subdivision 6, paragraph (c), in lieu of the requirement of clause (1)."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Dehler moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1993 Supplement, section 169.01, subdivision 78, is amended to read:

Subd. 78. [RECREATIONAL VEHICLE COMBINATION.] "Recreational vehicle combination" means a combination of vehicles consisting of a pickup truck as defined in section 168.011, subdivision 29, attached by means of a fifth-wheel coupling to a camper-semitrailer which has hitched to it a horse trailer or a trailer carrying a watercraft as defined in section 86B.005, subdivision 18. For purposes of this subdivision:

(a) A "fifth-wheel coupling" is a coupling between a camper-semitrailer and a towing pickup truck in which a portion of the weight of the camper-semitrailer is carried over or forward of the rear axle of the towing pickup.

(b) A "camper-semitrailer" is a trailer, other than a manufactured home as defined in section 327B.01, subdivision 13, designed for human habitation and used for vacation or recreational purposes for limited periods.

Sec. 3. Minnesota Statutes 1993 Supplement, section 169.81, subdivision 3c, is amended to read:

Subd. 3c. [RECREATIONAL VEHICLE COMBINATIONS.] Notwithstanding subdivision 3, a recreational vehicle combination may be operated without a permit if:

(1) the combination does not consist of more than three vehicles, and the towing rating of the pickup truck is equal to or greater than the total weight of all vehicles being towed;

(2) the combination does not exceed 60 feet in length;

(3) the camper-semitrailer in the combination does not exceed 26 feet in length;

(4) the operator of the combination is at least 18 years of age;

(5) the trailer carrying horses or a watercraft meets all requirements of law;

(6) the trailers in the combination are connected to the pickup truck and each other in conformity with section 169.82; and

(7) the combination is not operated within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, during the hours of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m. on Mondays through Fridays."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Perlt, Pugh, Reding, Weaver, Sarna and Beard moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 3. [LEAVE DONATION PROGRAM.]

Subdivision 1. [DONATION OF VACATION TIME.] A state employee may donate up to 12 hours of accrued vacation leave for the benefit of a state department of military affairs employee whose efforts to aid victims of an automobile accident resulted in his total disability in January 1994. The vacation hours donated must be credited to the sick leave account of the receiving state employee. If the receiving state employee uses all donated time, additional hours, up to 50 hours per employee, accrued vacation leave time may be donated.

Subd. 2. [PROCESS FOR CREDITING.] The donating employee must notify the employee's agency head of the accrued vacation time the employee wishes to donate. The agency head shall transfer that amount to the sick leave account of the recipient. A donation of accrued vacation leave time is irrevocable once it has been transferred to the recipient's account."

Page 1, after line 25, insert:

"Section 3 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.

Peterson moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [LAC QUI PARLE COUNTY HISTORICAL MUSEUM.]

The commissioner of the department of transportation shall place directional signs for the Lac qui Parle county historical museum on marked trunk highway 40 and at the intersection of marked trunk highways 212 and 75."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sarna was excused for the remainder of today's session.

Long moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [INTERSTATE HIGHWAY NO. 394; NOISE BARRIERS.]

The commissioner of transportation shall complete the noise barrier project on the north side of interstate highway no. 394 in Minneapolis adjacent to the property owned by US West, Inc. as a high priority construction project."

Renumber the remaining section

Page 1, line 24, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title accordingly

Leppik moved to amend the Long amendment to H. F. No. 3011, as amended, as follows:

Page 1, after line 7, insert:

"Sec. 3. [I-394 HIGHWAY LANE.]

Notwithstanding Minnesota Statutes, section 161.123, or other law to the contrary, and following completion of the phase III evaluation, the commissioner of transportation may make changes necessary to maximize the use of existing paved road surface of that portion of interstate highway marked No. I-394 in the vicinity of Penn avenue in the city of Minneapolis.

The commissioner shall notify any neighborhood associations in the areas adjacent to the affected right-of-way at least 90 days before changes are made pursuant to this section."

Page 1, line 10, delete "and 2" and insert "to 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 49 yeas and 80 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Holsten	Krinkie	Ness	Rhodes	Van Engen
Carlson	Girard	Hugoson	Leppik	Olson, M.	Seagren	Vickerman
Davids	Goodno	Jennings	Limmer	Onnen	Smith	Waltman
Dehler	Greiling	Johnson, V.	Lindner	Ozment	Sviggum	Weaver
Dempsey	Gruenes	Kelley	Macklin	Pauly	Swenson	Wolf
Erhardt	Gutknecht	Knickerbocker	Molnau	Pawlenty	Tompkins	Worke
Finseth	Haukoos	Koppendrayer	Morrison	Rest	Van Dellen	Workman

Those who voted in the negative were:

Anderson, R.	Cooper	Jacobs	Lasley	Munger	Perlt	Trimble
Asch	Dauner	Jaros	Lieder	Murphy	Peterson	Tunheim
Battaglia	Dawkins	Jefferson	Long	Neary	Pugh	Vellenga
Bauerly	Delmont	Johnson, A.	Lourey	Nelson	Reding	Wagenius
Beard	Dorn	Johnson, R.	Luther	Olson, E.	Rodosovich	Wejcman
Bergson	Evans	Kahn	Lynch	Olson, K.	Rukavina	Wenzel
Bertram	Farrell	Kalis	Mahon	Opatz	Sekhon	Winter
Bettermann	Garcia	Kelso	Mariani	Orenstein	Skoglund	Spk. Anderson, I.
Brown, C.	Greenfield	Kinkel	McCollum	Orfield	Solberg	
Brown, K.	Hasskamp	Klinzing	McGuire	Osthoff	Stanius	
Carruthers	Hausman	Knight	Milbert	Ostrom	Steensma	
Clark	Huntley	Krueger	Mosel	Pelowski	Tomassoni	

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

The question recurred on the Long amendment to H. F. No. 3011, as amended. The motion prevailed and the amendment was adopted.

Bergson and Carruthers moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [NOISE ABATEMENT BARRIER.]

The commissioner of transportation, in accordance with the plan required under Minnesota Statutes, section 161.125, shall construct a noise abatement barrier on the eastern most side of the right-of-way of marked trunk highway No. 252 from its intersection with 73rd Avenue North to a point where 74th Avenue North would, if extended, intersect marked highway No. 252."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Stanius moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 169.64, subdivision 4, is amended to read:

Subd. 4. [BLUE LIGHTS.] (a) Except as provided in paragraph (b), blue lights are prohibited on all vehicles except road maintenance equipment and snow removal equipment operated by or under contract to the state or a political subdivision thereof.

(b) Authorized emergency vehicles may display flashing blue lights to the rear of the vehicle as a warning signal in combination with other lights permitted or required by this chapter."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Van Engen and Tompkins moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 297B.09, subdivision 1, is amended to read:

297B.09 [ALLOCATION OF REVENUE.]

Subdivision 1. [GENERAL FUND SHARE.] (a) Money collected and received under this chapter must be deposited in the state treasury and credited ~~to the general fund. The amounts collected and received shall be credited as provided in this subdivision, and transferred from the general fund on July 15 and February 15 of each fiscal year. The commissioner of finance must make each transfer based upon the actual receipts of the preceding six calendar months and include the interest earned during that six-month period. The commissioner of finance may establish a quarterly or other schedule providing for more frequent payments to the transit assistance fund if the commissioner determines it is necessary or desirable to provide for the cash flow needs of the recipients of money from the transit assistance fund.~~

~~(b) Twenty-five percent of the money collected and received under this chapter after June 30, 1990, and before July 1, 1991, must be transferred to the highway user tax distribution fund and the transit assistance fund for apportionment as follows: 75 percent must be transferred to the highway user tax distribution fund for apportionment in the same manner and for the same purposes as other money in that fund, and the remaining 25 percent of the money must be transferred to the transit assistance fund to be appropriated to the commissioner of transportation for transit assistance within the state and to the regional transit board.~~

~~(c) The distributions under this subdivision to the highway user tax distribution fund until June 30, 1991, and to the trunk highway fund thereafter, must be reduced by the amount necessary to fund the appropriation under section 41A.09, subdivision 1. For the fiscal years ending June 30, 1988, and June 30, 1989, the commissioner of finance, before making the transfers required on July 15 and January 15 of each year, shall estimate the amount required to fund the appropriation under section 41A.09, subdivision 1, for the six-month period for which the transfer is being made. The commissioner shall then reduce the amount transferred to the highway user tax distribution fund by the amount of that estimate. The commissioner shall reduce the estimate for any six-month period by the amount by which the estimate for the previous six-month period exceeded the amount needed to fund the appropriation under section 41A.09, subdivision 1, for that previous six-month period. If at any time during a six-month period in those fiscal years the amount of reduction in the transfer to the highway user tax distribution fund is insufficient to fund the appropriation under section 41A.09, subdivision 1 for that period, the commissioner shall transfer to the general fund from the highway user tax distribution fund an additional amount sufficient to fund the appropriation for that period, but the additional amount so transferred to the general fund in a six-month period may not exceed the amount transferred to the highway user tax distribution fund for that six-month period.~~ as follows:

(a) In fiscal years 1997 and 1998, 75 percent to the general fund, 18.75 percent to the highway user tax distribution fund, and 6.25 percent to the transit assistance fund.

(b) In fiscal years 1999 and 2000, 50 percent to the general fund, 37.5 percent to the highway user tax distribution fund, and 12.5 percent to the transit assistance fund.

(c) In fiscal years 2001 and 2002, 25 percent to the general fund, 56.25 percent to the highway user tax distribution fund, and 18.75 percent to the transit assistance fund.

(d) In fiscal years 2003 and thereafter, 75 percent to the highway user tax distribution fund and 25 percent to the transit assistance fund."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Workman and Osthoff moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [TRAFFIC SIGNAL.]

The commissioner of transportation shall, not later than June 1, 1995, install traffic signals on marked trunk highway no. 5 at its intersection with Galpin Boulevard, at or near the entrance to the Chanhassen Elementary School No. 2, in the city of Chanhassen."

Page 1, line 25, delete "Section 1 is" and insert "Sections 1 and 2 are"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Olson, M., moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [STUDY OF INSURANCE-BASED SEAT BELT USE.]

The commissioners of commerce and public safety shall jointly study the desirability of enacting legislation requiring auto insurers to offer insureds the option of purchasing auto insurance based upon seat belt usage. The report must address the following issues:

(1) imposition of a substantial deductible for claims for injuries incurred when a seat belt is not used;

(2) actuarially appropriate premium reductions by insurers for providing this coverage; and

(3) imposition of penalties for failure to wear seat belts after such an option is purchased.

The commissioners shall report their written findings and recommendations to the legislature no later than January 1, 1996."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Asch moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [INTERSTATE HIGHWAY NO. 694; NOISE BARRIERS.]

The commissioner of transportation shall complete the noise barrier project on the south side of interstate highway no. 694 in Shoreview west from the end of the existing noise barrier to the Soo Line Railroad overpass near Cardigan road, as a high priority construction project."

Renumber the remaining section

Page 1, line 24, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Osthoff moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 168.1281, is amended by adding a subdivision to read:

Subd. 5. [PICKUP OF PASSENGERS RESTRICTED.] (a) A vehicle bearing personal transportation service license plates may not pick up passengers for hire within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county.

(b) The registrar shall include a notice of the restriction in paragraph (a), with its effective date, with each set of personal transportation service license plates issued.

Sec. 3. Minnesota Statutes 1992, section 221.85, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED; RULES.] No person may provide personal transportation service for hire without having obtained a personal transportation service permit from the commissioner. The commissioner shall adopt rules governing the issuance of permits and furnishing of personal transportation service. The rules must provide for:

(1) annual inspections of vehicles;

(2) driver qualifications including requiring a criminal history check of drivers;

(3) insurance requirements;

(4) advertising regulations, including requiring a copy of the permit to be carried in the personal transportation service vehicle and the use of the words "licensed and insured";

(5) agreements with political subdivisions for sharing enforcement costs with the state;

(6) issuance of temporary permits and fees therefor; and

(7) other requirements the commissioner deems necessary to carry out the purposes of this section.

The rules must provide that the holder of a personal transportation service permit may not pick up passengers for hire within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county.

Sec. 4. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; and Laws 1993, chapter 323, sections 3 and 4; are repealed."

Renumber the remaining section

Page 1, line 25, after the period insert "Sections 2 to 4 are effective July 1, 1994."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Osthoff moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. [DEPARTMENT OF TRANSPORTATION; STUDY.]

The commissioner of transportation shall take all necessary steps to establish a direct highway connection between marked interstate highway 35-E and Ayd Mill Road in the city of St. Paul. The city of St. Paul shall cooperate with the commissioner to the extent necessary to carry out the purposes of this section. The commissioner shall permit use of the direct connection by motor vehicles only during the period from June 1, 1994, to November 30, 1994. The commissioner shall study (1) the effects of the direct connection on the flow of traffic within the city of St. Paul and within the metropolitan area, (2) the effects of the direct connection on affected neighborhoods within the city of St. Paul. The commissioner shall report to the legislature by February 1, 1995, on the results of this study."

Renumber the remaining section

Page 1, line 25, delete "Section 1 is" and insert "Sections 1 and 2 are"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker resumed the Chair.

Ness moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1992, section 161.172, is amended to read:

161.172 [MUNICIPALITIES TO CONSENT.]

In any municipality of less than 10,000 population which is the county seat of that county and which is located outside of the metropolitan area, no existing trunk highway which passes within the corporate limits may be relocated outside of those corporate limits without the consent of the governing body of that municipality.

For all projects where relocation outside of the corporate limits is not proposed or for projects where consent of the governing body to relocate the trunk highway has been given and, except for routes on the interstate system, no state trunk highway or any part thereof, located within the corporate limits of any municipality, shall be constructed or improved in the manner specified in this section without the consent of the governing body of such municipality, unless the procedures prescribed by sections 161.172 to 161.177 shall have been followed by the commissioner of transportation. The highway improvements requiring consent are limited to those improvements which alter access, increase or reduce highway traffic capacity or require acquisition of permanent rights-of-way. This section shall not limit the power of the commissioner to regulate traffic or install traffic control devices or other safety measures on trunk highways located within municipalities.

Nothing contained in this section shall be construed as in any way limiting the commissioner's discretion to determine the priority and programming of trunk highway construction."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Haukoos moved to amend H. F. No. 3011, as amended, as follows:

Page 1, after line 23, insert:

"Sec. 2. Minnesota Statutes 1993 Supplement, section 169.81, subdivision 3c, is amended to read:

Subd. 3c. [RECREATIONAL VEHICLE COMBINATIONS.] Notwithstanding subdivision 3, a recreational vehicle combination may be operated without a permit if:

(1) the combination does not consist of more than three vehicles, and the towing rating of the pickup truck is equal to or greater than the total weight of all vehicles being towed;

(2) the combination does not exceed ~~60~~ 65 feet in length;

(3) the camper-semitrailer in the combination does not exceed ~~26~~ 30 feet in length;

(4) the operator of the combination is at least 18 years of age;

(5) the trailer carrying a watercraft meets all requirements of law;

(6) the trailers in the combination are connected to the pickup truck and each other in conformity with section 169.82; and

(7) the combination is not operated within the seven-county metropolitan area, as defined in section 473.121, subdivision 2, during the hours of 6:00 a.m. to 9:00 a.m. and 4:00 p.m. to 7:00 p.m. on Mondays through Fridays."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Frerichs, Vickerman and Sviggum offered an amendment to H. F. No. 3011, as amended.

POINT OF ORDER

Peterson raised a point of order pursuant to rule 3.10 that the Frerichs 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

Rice raised a point of order pursuant to rule 3.09 that the Frerichs et al amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

MOTION FOR RECONSIDERATION

Osthoff moved that the vote whereby the third Osthoff amendment to H. F. No. 3011, as amended, which was adopted earlier today, be now reconsidered. The motion prevailed.

Osthoff withdrew his third amendment to H. F. No. 3011, as amended.

H. F. No. 3011, as amended, was read for the third time.

Osthoff moved that H. F. No. 3011, as amended, be continued on Special Orders. The motion prevailed.

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 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. 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.

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. 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 repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Greiling moved that the House refuse to concur in the Senate amendments to H. F. No. 1899, 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. 2365, A bill for an act relating to traffic regulations; making technical changes; removing requirement for auxiliary low beam lights to be removed or covered when snowplow blade removed; requiring seat belts for commercial motor vehicles; allowing transportation within state of raw farm and forest products exceeding maximum weight limitation by not more than ten percent; amending Minnesota Statutes 1992, sections 169.743; and 169.851, subdivision 5; Minnesota Statutes 1993 Supplement, sections 169.122, subdivision 5; 169.47, subdivision 1; 169.522, subdivision 1; 169.56, subdivision 5; and 169.686, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Morrison moved that the House refuse to concur in the Senate amendments to H. F. No. 2365, 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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Wagenius moved that the House refuse to concur in the Senate amendments to H. F. No. 3086, 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 has rejected the recommendations and Conference Committee Report on H. F. No. 2411 and requests that the Conference Committee be discharged and a new Conference Committee be appointed.

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.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

MOTIONS FOR RECONSIDERATION

Solberg moved that the vote whereby H. F. No. 2411 was repassed, as amended by Conference, on Friday, April 22, 1994, be now reconsidered. The motion prevailed.

Solberg moved that the vote whereby the House adopted the Conference Committee Report on H. F. No. 2411 be now reconsidered. The motion prevailed.

Solberg moved that the House accede to the request of the Senate, that the Speaker appoint a new Conference Committee of 3 members on the part of the House, and that H. F. No. 2411 be transmitted to the Senate with the request that new conferees also be appointed by the Senate. The motion prevailed.

MOTIONS AND RESOLUTIONS

Olson, M., moved that his name be stricken as an author on H. F. No. 2135. The motion prevailed.

Wejcman moved that the name of Swenson be added as an author on H. F. No. 2380. The motion prevailed.

Pugh moved that the names of Reding and Gutknecht be stricken and the names of Mahon and Seagren be added as authors on H. F. No. 2839. The motion prevailed.

Brown, C., 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 26, 1994, when the vote was taken on the Knight amendment to S. F. No. 2192, as amended." The motion prevailed.

Brown, K., 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 26, 1994, when the vote was taken on the Gutknecht amendment to S. F. No. 2192, as amended." The motion prevailed.

Garcia 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 26, 1994, when the vote was taken on the Van Engen et al amendment to S. F. No. 2192, as amended." The motion prevailed.

Molnau 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 26, 1994, when the vote was taken on the Klinzing et al amendment to S. F. No. 2192, as amended." The motion prevailed.

Smith 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 26, 1994, when the vote was taken on the Knight amendment to S. F. No. 2192, as amended." 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 Tuesday, April 26, 1994, when the vote was taken on the repassage of H. F. No. 2478, as amended by the Senate." 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 Tuesday, April 26, 1994, when the vote was taken on the repassage of H. F. No. 2839, as amended by the Senate." The motion prevailed.

Tomassoni moved that H. F. No. 2443 be recalled from the Committee on Education and be re-referred to the Committee on Capital Investment. The motion prevailed.

Olson, K., moved that H. F. No. 2089 be returned to its author. The motion prevailed.

Rodosovich moved that H. F. No. 2741 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. 2365:

Morrison, Osthoff and Lieder.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2411:

Solberg; Johnson, R., and Bishop.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 9:30 a.m., Thursday, April 28, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:30 a.m., Thursday, April 28, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

ONE-HUNDREDTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, APRIL 28, 1994

The House of Representatives convened at 9:30 a.m. and was called to order by Speaker pro tempore Bauerly.

Prayer was offered by the Reverend Michael M. Rico, Evangelical Covenant Church, Warren, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Bettermann was excused.

Pauly was excused until 9:50 a.m. Garcia and Leppik were excused until 9:55 a.m. Sviggum was excused until 10:00 a.m. Anderson, I., and Morrison were excused until 10:05 a.m. Vellenga was excused until 10:15 a.m. Wolf was excused until 10:20 a.m. Limmer was excused until 10:50 a.m. Stanius was excused until 12:00 noon.

The Chief Clerk proceeded to read the Journal of the preceding day. Finseth 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. 2090 and H. F. No. 2055, which had been referred to the Chief Clerk for comparison, were examined and found to be identical with certain exceptions.

SUSPENSION OF RULES

Farrell moved that the rules be so far suspended that S. F. No. 2090 be substituted for H. F. No. 2055 and that the House File be indefinitely postponed. The motion prevailed.

SECOND READING OF SENATE BILLS

S. F. No. 2090 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Morrison, Wolf, Carlson, Solberg and Vellenga introduced:

H. F. No. 3239, A bill for an act relating to education; providing assistance to school districts by permitting the waiver of certain rules and statutes in response to a catastrophe; appropriating money for payment to independent school district No. 191, Burnsville; amending Minnesota Statutes 1992, section 121.11, by adding a subdivision.

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

HOUSE ADVISORIES

The following House Advisory was introduced:

Clark, Greenfield, Jefferson and Long introduced:

H. A. No. 38, A proposal to study installation and funding of fire sprinklers in residential public high-rise buildings.

The advisory was referred to the Committee on Housing.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 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 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. 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 repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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 Senate has appointed as such committee:

Mr. Riveness, Ms. Anderson and Mr. Larson.

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. 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 Senate has appointed as such committee:

Ms. Ranum, Mr. Laidig and Ms. Anderson.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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 Senate has appointed as such committee:

Messrs. Sams, Bertram 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. 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 Senate has appointed as such committee:

Mr. Pogemiller; Ms. Reichgott Junge and Mr. Belanger.

Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2104.

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. 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.

April 25, 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. 2104, 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. 2104 be further amended 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"

Amend the title as follows:

Page 1, line 7, delete "241" and insert "611A"

We request adoption of this report and repassage of the bill.

Senate Conferees: LINDA RUNBECK, DEANNA WIENER AND SHEILA M. KISCADEN.

House Conferees: LINDA WEJCMAN, MARY MURPHY AND DARLENE LUTHER.

Wejcman moved that the report of the Conference Committee on S. F. No. 2104 be adopted and that the bill be repassed as amended by the Conference Committee. 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 third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 2709.

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. 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.

April 25, 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. 2709, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment.

We request adoption of this report and repassage of the bill.

Senate Conferees: CHARLES A. BERG, CAL LARSON AND DALLAS C. SAMS.

House Conferees: GENE HUGOSON, STEPHEN G. WENZEL AND SYDNEY G. NELSON.

Hugoson moved that the report of the Conference Committee on S. F. No. 2709 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 114 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Onnen

The bill was repassed, as amended by Conference, 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. 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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mr. Merriam, Ms. Wiener and Mr. 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

Weaver 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. 2289. 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. 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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Ms. Berglin; Mr. Benson, D. D.; Ms. Piper; Mr. Sams and Ms. 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

Greenfield 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. 2192. 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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Evans moved that the House refuse to concur in the Senate amendments to H. F. No. 1919, 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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pugh moved that the House concur in the Senate amendments to H. F. No. 3032 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 3032, A bill for an act relating to game and fish; regulating certain uses of fish manure; 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; regulating various wildlife management accounts and

authorizing annual appropriations to commissioner of natural resources for various purposes; regulating use of revenues from various game stamps; authorizing certain permits to be designated as available for persons with disabilities or over age 70; increasing fishing license fees; modifying regulations on cooperative farming agreements; modifying source of payments made to certain Indian tribes; abolishing the angling license refund for senior citizens; requiring the commissioner of natural resources to negotiate with bargaining units prior to involuntary layoffs; 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.135, subdivision 3; 97A.165; 97A.475, subdivisions 6, 7, 8, and 13; 97A.485, subdivision 7; and 97B.055, subdivision 3; Minnesota Statutes 1993 Supplement, sections 97A.055, subdivision 4; 97A.061, subdivision 3; 97A.071, subdivision 2; 97A.091, subdivision 2; 97A.475, subdivision 12; and 97A.485, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 17; repealing Minnesota Statutes 1992, sections 97A.065, subdivision 3; 97A.071, subdivision 4; 97A.475, subdivision 9; and 103E.615, 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 114 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Hasskamp	Knight	Steensma
Brown, C.	Jaros	Rukavina	Waltman

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

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lieder moved that the House concur in the Senate amendments to H. F. No. 2034 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2034, A bill for an act relating to transportation; changing eligibility requirements for distribution of funds from the town road account; amending Minnesota Statutes 1993 Supplement, sections 161.082, subdivision 2a; and 162.081, 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 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

Mr. Speaker:

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

H. F. No. 2226, A bill for an act relating to state government; permitting employees of Minnesota Project Innovation, Inc. to participate in certain state employee benefit programs; amending Minnesota Statutes 1992, section 116O.04, subdivision 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Krueger moved that the House concur in the Senate amendments to H. F. No. 2226 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2226, A bill for an act relating to state government; permitting employees of Minnesota Project Innovation, Inc. to participate in certain state employee benefit programs; amending Minnesota Statutes 1992, section 116O.04, 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 125 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Brown, K.	Clark	Dauner	Dehler
Anderson, R.	Bauerly	Bertram	Carlson	Commers	Davids	Delmont
Asch	Beard	Brown, C.	Carruthers	Cooper	Dawkins	Dempsey

Dorn	Hausman	Kinkel	Mahon	Onnen	Rhodes	Tompkins
Erhardt	Holsten	Klinzing	Mariani	Opatz	Rice	Trimble
Evans	Hugoson	Knickerbocker	McCollum	Orenstein	Rodosovich	Tunheim
Farrell	Huntley	Knight	McGuire	Orfield	Rukavina	Van Dellen
Finseth	Jacobs	Koppendrayer	Milbert	Osthoff	Sarna	Van Engen
Frerichs	Jaros	Krinkie	Molnau	Ostrom	Seagren	Vickerman
Garcia	Jefferson	Krueger	Mosel	Ozment	Sekhon	Wagenius
Girard	Jennings	Lasley	Munger	Pauly	Simoneau	Waltman
Goodno	Johnson, A.	Leppik	Murphy	Pawlenty	Skoglund	Weaver
Greenfield	Johnson, R.	Lieder	Neary	Pelowski	Smith	Wejcman
Greiling	Johnson, V.	Lindner	Nelson	Perlt	Solberg	Wenzel
Gruenes	Kahn	Long	Ness	Peterson	Steensma	Winter
Gutknecht	Kalis	Luther	Olson, E.	Pugh	Sviggum	Worke
Hasskamp	Kelley	Lynch	Olson, K.	Reding	Swenson	Workman
Haukoos	Kelso	Macklin	Olson, M.	Rest	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. 2925, A bill for an act relating to state lands; requiring that certain leased lakeshore lots in Cook county be reoffered for public sale.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Battaglia moved that the House concur in the Senate amendments to H. F. No. 2925 and that the bill be repassed as amended by the Senate. The motion prevailed.

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; correcting the description of certain state land to be conveyed to Kandiyohi county.

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

The question was taken on the repassage of the bill and the roll was called. There were 123 yeas and 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Lindner Molnau

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kelley moved that the House concur in the Senate amendments to H. F. No. 2120 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, 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 14 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Koppendrayer	Munger	Perlt	Steensma
Anderson, R.	Delmont	Huntley	Krueger	Murphy	Peterson	Sviggum
Asch	Dempsey	Jacobs	Lasley	Neary	Pugh	Swenson
Battaglia	Dorn	Jaros	Leppik	Nelson	Reding	Tomassoni
Bauerly	Erhardt	Jefferson	Lieder	Ness	Rest	Tompkins
Beard	Evans	Jennings	Lindner	Olson, E.	Rhodes	Trimble
Bergson	Farrell	Johnson, A.	Long	Olson, K.	Rice	Tunheim
Bertram	Finseth	Johnson, R.	Lourey	Opatz	Rodosovich	Van Dellen
Brown, C.	Garcia	Johnson, V.	Luther	Orenstein	Rukavina	Van Engen
Brown, K.	Girard	Kahn	Macklin	Orfield	Sarna	Vickerman
Carlson	Goodno	Kalis	Mahon	Osthoff	Seagren	Wagenius
Carruthers	Greenfield	Kelley	Mariani	Ostrom	Sekhon	Weaver
Clark	Greiling	Kelso	McCollum	Ozment	Simoneau	Wejcman
Commers	Gruenes	Kinkel	McGuire	Pauly	Skoglund	Wenzel
Cooper	Hasskamp	Klinzing	Milbert	Pawlenty	Smith	Winter
Dauner	Hausman	Knickerbocker	Mosel	Pelowski	Solberg	Worke

Those who voted in the negative were:

Davids	Frerichs	Haukoos	Knight	Lynch	Olson, M.	Waltman
Dehler	Gutknecht	Hugoson	Krinkie	Molnau	Onnen	Workman

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

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

April 27, 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. 2710, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2710 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [3.197] [REQUIRED REPORTS.]

A report to the legislature must contain, at the beginning of the report, the cost of preparing the report, including any costs incurred by another agency or another level of government.

Sec. 2. [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.

Sec. 3. [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. 4. [INSTRUCTIONS TO REVISOR.]

It is the intent of the legislature to repeal or otherwise remove from Minnesota Statutes all standing requirements for unnecessary periodic reports from state agencies to the legislature. By October 1, 1994, the revisor of statutes shall submit to the chairs of the house and senate governmental operations committees a list of required periodic reports in Minnesota Statutes, including a statutory citation to each report."

Delete the title and insert:

"A bill for an act relating to state government; modifying requirements for reports to the legislature; requiring creation of a system for electronic applications for licenses; requiring a study; proposing coding for new law in Minnesota Statutes, chapters 3; and 16B."

We request adoption of this report and repassage of the bill.

House Conferees: PHYLLIS KAHN, RICHARD "RICK" KRUEGER AND PHIL KRINKIE.

Senate Conferees: PHIL J. RIVENESS, JAMES P. METZEN AND ROY W. TERWILLIGER.

Kahn moved that the report of the Conference Committee on H. F. No. 2710 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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

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

CONFERENCE COMMITTEE REPORT ON 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.

April 26, 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. 2485, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2485 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 3.887, subdivision 5, is amended to read:

Subd. 5. [POWERS AND DUTIES.] (a) The legislative water commission shall review water policy reports and recommendations of the environmental quality board, the biennial report of the board of water and soil resources, and other water-related reports as may be required by law or the legislature.

(b) The commission shall oversee the activities of the pollution control agency under sections 116.16 to 116.181 relating to water pollution control.

(c) The commission may conduct public hearings and otherwise secure data and comments.

(d) The commission shall hold annual hearings on issues relating to groundwater including, in every even-numbered year, a hearing on the groundwater policy report required by section 103A.204.

(e) The commission shall make recommendations as it deems proper to assist the legislature in formulating legislation.

~~(e)~~ (f) Data or information compiled by the legislative water commission or its subcommittees shall be made available to the legislative commission on Minnesota resources and standing and interim committees of the legislature on request of the chair of the respective commission or committee.

Sec. 2. Minnesota Statutes 1992, section 3.887, subdivision 6, is amended to read:

Subd. 6. [~~STUDY~~ REVIEW OF POLICY REPORT.] The legislative water commission shall study the recommendations of the environmental quality board for the management and protection of water resources in the state, and ~~shall report its findings to the legislative commission on Minnesota resources and the legislature by November 15, 1991, on the state's water management needs for the year 2000~~ hold a hearing on the groundwater policy report submitted every even-numbered year by the environmental quality board under section 103A.204.

Sec. 3. Minnesota Statutes 1992, section 3.887, subdivision 8, is amended to read:

Subd. 8. [REPEALER.] This section is repealed effective June 30, ~~1995~~ 1999.

Sec. 4. Minnesota Statutes 1992, section 17.114, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] To assure the viability of agriculture in this state, the commissioner shall investigate, demonstrate, report on, and make recommendations on the current and future sustainability of agriculture in this state. The department of agriculture is the lead state agency on sustainable agriculture ~~has the meaning given to it in Laws 1987, chapter 396, article 12, section 6~~ and integrated pest management.

Sec. 5. Minnesota Statutes 1992, section 17.114, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] (a) The commissioner shall:

(1) establish a clearinghouse and provide information, appropriate educational opportunities and other assistance to individuals, producers, and groups about sustainable agricultural techniques, practices, and opportunities;

(2) survey producers and support services and organizations to determine information and research needs in the area of sustainable agricultural practices;

(3) demonstrate the on-farm applicability of sustainable agriculture practices to conditions in this state;

(4) coordinate the efforts of state agencies regarding activities relating to sustainable agriculture;

(5) direct the programs of the department so as to work toward the sustainability of agriculture in this state;

(6) inform agencies of how state or federal programs could utilize and support sustainable agriculture practices;

(7) work closely with farmers, the University of Minnesota, and other appropriate organizations to identify opportunities and needs as well as assure coordination and avoid duplication of state agency efforts regarding research, teaching, and extension work relating to sustainable agriculture; and

(8) report to the ~~legislature~~ environmental quality board for review and then to the legislative water commission every ~~odd-numbered~~ even-numbered year.

(b) The report under paragraph (a), clause (8), must include:

(1) the presentation and analysis of findings regarding the current status and trends regarding the economic condition of producers; the status of soil and water resources utilized by production agriculture; the magnitude of off-farm inputs used; and the amount of nonrenewable resources used by Minnesota farmers;

(2) a description of current state or federal programs directed toward sustainable agriculture including significant results and experiences of those programs;

(3) a description of specific actions the department of agriculture is taking in the area of sustainable agriculture;

(4) a description of current and future research needs at all levels in the area of sustainable agriculture; and

(5) suggestions for changes in existing programs or policies or enactment of new programs or policies that will affect farm profitability, maintain soil and water quality, reduce input costs, or lessen dependence upon nonrenewable resources.

Sec. 6. Minnesota Statutes 1992, section 17.114, is amended by adding a subdivision to read:

Subd. 3a. [SUSTAINABLE AGRICULTURE ADVISORY COMMITTEE.] (a) The commissioner shall establish a sustainable agriculture advisory committee to assist in carrying out the duties in subdivision 3. The committee must include farmers, higher education representatives with expertise in sustainable agriculture, officials from other state agencies, representatives from the agricultural utilization research institute, private sector agricultural professionals, and representatives from environmental and agricultural interest groups. Terms, compensation, and removal of members are governed by section 15.059.

(b) This subdivision is repealed effective December 31, 1999.

Sec. 7. Minnesota Statutes 1992, section 17.114, subdivision 4, is amended to read:

Subd. 4. [INTEGRATED PEST MANAGEMENT.] (a) The state shall promote and facilitate the use of integrated pest management through education, technical or financial assistance, information and research.

(b) The commissioner shall coordinate the development of a state approach to the promotion and use of integrated pest management, which shall include delineation of the responsibilities of the state, public post-secondary institutions, Minnesota extension service, local units of government, and the private sector; establishment of information exchange and integration; procedures for identifying research needs and reviewing and preparing informational materials; procedures for factoring integrated pest management into state laws, rules, and uses of pesticides; and identification of barriers to adoption.

(c) The commissioner shall report to the ~~governor and legislature by November 15, 1990, and on a biennial basis thereafter~~ environmental quality board for review and then to the legislative water commission every even-numbered year. The report shall be combined with the report required in subdivision 3.

Sec. 8. Minnesota Statutes 1992, section 18B.045, subdivision 1, is amended to read:

Subdivision 1. [DEVELOPMENT.] The commissioner shall develop a pesticide management plan for the prevention, evaluation, and mitigation of occurrences of pesticides or pesticide breakdown products in groundwaters and surface waters of the state. The pesticide management plan must include components promoting prevention, developing appropriate responses to the detection of pesticides or pesticide breakdown products in groundwater and

surface waters, and providing responses to reduce or eliminate continued pesticide movement to groundwater and surface water. Beginning September 1, 1994, and biennially thereafter, the commissioner must submit a status report on the plan to the environmental quality board for review and then to the legislative water commission.

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.

Sec. 10. Minnesota Statutes 1993 Supplement, section 18E.06, is amended to read:

18E.06 [REPORT TO WATER COMMISSION.]

By ~~November~~ September 1, ~~1990~~ 1994, and each year thereafter, the agricultural chemical response compensation board and the commissioner shall submit to the house of representatives committee on ways and means, the senate committee on finance, the environmental quality board, and the legislative water commission a report detailing the activities and reimbursements for which money from the account has been spent during the previous year.

Sec. 11. [103A.204] [GROUNDWATER POLICY.]

(a) The responsibility for the protection of groundwater in Minnesota is vested in a multi-agency approach to management. The following is a list of agencies and the groundwater protection areas for which the agencies are primarily responsible; the list is not intended to restrict the areas of responsibility to only those specified:

(1) environmental quality board: creation of a water resources committee to coordinate state groundwater protection programs and a biennial groundwater policy report beginning in 1994 that includes, for the 1994 report, the findings in the groundwater protection report coordinated by the pollution control agency for the Environmental Protection Agency;

(2) pollution control agency: water quality monitoring and reporting and the development of best management practices and regulatory mechanisms for protection of groundwater from nonagricultural chemical contaminants;

(3) department of agriculture: sustainable agriculture, integrated pest management, water quality monitoring, and the development of best management practices and regulatory mechanisms for protection of groundwater from agricultural chemical contaminants;

(4) board of water and soil resources: reporting on groundwater education and outreach with local government officials, local water planning and management, and local cost share programs;

(5) department of natural resources: water quantity monitoring and regulation, sensitivity mapping, and development of a plan for the use of integrated pest management and sustainable agriculture on state-owned lands; and

(6) department of health: regulation of wells and borings, and the development of health risk limits under section 103H.201.

(b) The environmental quality board shall through its water resources committee coordinate with representatives of all agencies listed in paragraph (a), citizens, and other interested groups to prepare a biennial report every even-numbered year as part of its duties described in sections 103A.43 and 103B.151.

Sec. 12. Minnesota Statutes 1992, section 103A.43, is amended to read:

103A.43 [WATER ~~RESEARCH NEEDS EVALUATION~~ ASSESSMENTS AND REPORTS.]

(a) The environmental quality board shall evaluate and report to the legislative water commission and the legislative commission on Minnesota resources on statewide water research needs and recommended priorities for addressing these needs. Local water research needs may also be included.

(b) The environmental quality board shall ~~conduct~~ coordinate a biennial assessment of water quality, groundwater degradation trends, and efforts to reduce, prevent, minimize, and eliminate degradation of water.

(c) The environmental quality board shall ~~assess~~ coordinate an assessment of the quantity of surface and ground water in the state and the availability of water to meet the state's needs.

(d) The environmental quality board shall ~~prepare~~ coordinate and submit a report on water policy to the legislative water commission and the legislative commission on Minnesota resources by September 15 of each ~~odd-numbered~~ even-numbered year. The report may include the groundwater policy report in section 103A.204.

Sec. 13. Minnesota Statutes 1992, section 103B.151, subdivision 1, is amended to read:

Subdivision 1. [WATER PLANNING.] The environmental quality board shall:

(1) coordinate public water resource management and regulation activities among the state agencies having jurisdiction in the area;

(2) initiate, coordinate, and continue to develop comprehensive long-range water resources planning in furtherance of the plan ~~adopted~~ prepared by the ~~water planning~~ environmental quality ~~board~~ board's water resources committee entitled ~~"A Framework for a Water and Related Land Resources Strategy for Minnesota, 1979" including a new plan and strategy~~ "Minnesota Water Plan," published in January 1991, by ~~November~~ September 15, ~~1990~~ 2000, and each ~~five year~~ ten-year interval afterwards;

(3) coordinate water planning activities of local, regional, and federal bodies with state water planning and integrate these plans with state strategies;

(4) coordinate development of state water policy recommendations and priorities, and a recommended program for funding identified needs, including priorities for implementing the state water resources monitoring plan;

(5) ~~in cooperation with state agencies participating in the monitoring of water resources, develop a plan for monitoring the state's water resources;~~

~~(6)~~ administer federal water resources planning with multiagency interests;

~~(7)~~ (6) ensure that groundwater quality monitoring and related data is provided and integrated into the Minnesota land management information system according to published data compatibility guidelines. Costs of integrating the data in accordance with data compatibility standards must be borne by the agency generating the data;

~~(8) identify water resources information and education needs, priorities, and goals and prepare an implementation plan to guide state activities relating to water resources information and education;~~

~~(9)~~ (7) coordinate the development and evaluation of water information and education materials and resources; and

~~(10)~~ (8) coordinate the dissemination of water information and education through existing delivery systems.

Sec. 14. [103F.461] [GROUNDWATER EDUCATION.]

(a) In each even-numbered year, the board of water and soil resources must review groundwater education activities with local units of government and develop recommendations for improvement in a report to the environmental quality board for review and then to the legislative water commission as part of the groundwater policy report in section 103A.204. The board must work with agencies and interested groups with responsibility for groundwater education in preparing the report.

(b) The board must ensure that the biennial review of groundwater education with local units of government is coordinated with the Minnesota environmental education advisory board and the nonpoint source education and information strategy of the pollution control agency.

(c) Grants for innovative groundwater education strategies to local units of government identified in this section may be awarded by the board of water and soil resources.

Sec. 15. Minnesota Statutes 1992, section 103G.271, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION ON ONCE-THROUGH WATER USE PERMITS.] (a) The commissioner may not, after December 31, 1990, issue a water use permit to increase the volume of appropriation from a groundwater source for a once-through cooling system using in excess of 5,000,000 gallons annually.

(b) Except as provided in paragraph (c), once-through system water use permits using in excess of 5,000,000 gallons annually, must be terminated by the commissioner by the end of their design life but not later than December 31, 2010. Existing once-through systems are required to convert to water efficient alternatives within the design life of existing equipment. ~~The commissioner shall, by August 1, 1990, submit to the legislative water commission for review the approach by which the commissioner will achieve appropriate conversion of the systems after considering the age of the system, the condition of the system, recent investments in the system, and feasibility and costs of alternatives available to replace usage of a once-through system.~~

(c) Paragraph (b) does not apply where groundwater appropriated for use in a once-through system is subsequently discharged into a wetland or public waters wetland owned or leased by a nonprofit corporation if:

(1) the membership of the corporation includes a local government unit;

(2) the deed or lease requires that the area containing the wetland or public waters wetland be maintained as a nature preserve;

(3) public access is allowed consistent with the area's status as a nature preserve; and

(4) by January 1, 2003, the permittee incurs costs of developing the nature preserve and associated facilities that, when discounted to 1992 dollars, exceed twice the projected cost, as determined by the commissioner, of the conversion required in paragraph (b), discounted to 1992 dollars.

The costs incurred under clause (4) may include preparation of plans and designs; site preparation; construction of wildlife habitat structures; planting of trees and other vegetation; installation of signs and markers; design and construction of trails, docks, and access structures; and design and construction of interpretative facilities. The permittee shall submit an estimate of the cost of the conversion required in paragraph (b) to the commissioner by January 1, 1993, and shall annually report to the commissioner on the progress of the project and the level of expenditures.

Sec. 16. Minnesota Statutes 1992, section 103H.175, is amended by adding a subdivision to read:

Subd. 3. [REPORT.] In each even-numbered year, the pollution control agency, in cooperation with other agencies participating in the monitoring of water resources, shall provide a draft report on the status of groundwater monitoring to the environmental quality board for review and then to the legislative water commission as part of the report in section 103A.204.

Sec. 17. Minnesota Statutes 1992, section 103H.201, subdivision 1, is amended to read:

Subdivision 1. [PROCEDURE.] (a) If groundwater quality monitoring results show that there is a degradation of groundwater, the commissioner of health may promulgate health risk limits under subdivision 2 for substances degrading the groundwater.

(b) Health risk limits shall be determined by two methods depending on their toxicological end point.

(c) For systemic toxicants that are not carcinogens, the adopted health risk limits shall be derived using United States Environmental Protection Agency risk assessment methods using a reference dose, a drinking water equivalent, ~~an uncertainty factor,~~ and a ~~factor for~~ relative source ~~contamination, which in general will measure an estimate of daily exposure to the human population, including sensitive subgroups, that is unlikely to result in deleterious effects during long term exposure~~ contribution factor.

(d) For toxicants that are known or probable carcinogens, the adopted health risk limits shall be derived from a quantitative estimate of the chemical's carcinogenic potency published by the United States Environmental Protection ~~Agency's carcinogen assessment group~~ Agency and determined by the commissioner to have undergone thorough scientific review.

Sec. 18. Minnesota Statutes 1992, section 103H.201, subdivision 4, is amended to read:

Subd. 4. [ADOPTION OF EXISTING RECOMMENDED ALLOWABLE LIMITS.] (a) Notwithstanding and in lieu of subdivision 2, until November 1, 1994, the commissioner may adopt recommended allowable limits, and related toxicological end points, established by the commissioner on or before ~~May 1, 1989~~ February 15, 1994, as health risk limits under this subdivision. Before a recommended allowable limit is adopted as an adopted health risk limit under this subdivision, the commissioner shall:

(1) publish in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts notice of intent to adopt a recommended allowable limit as an adopted health risk limit for specific substances and shall solicit information on the health impacts of the substance;

(2) publish the recommended allowable limit in the State Register and disseminate through the Minnesota extension service and through soil and water conservation districts allowing 60 days for public comment; and

(3) publish the adopted recommended allowable limit in the State Register and, at the same time, make available a summary of the public comments received and the commissioner's responses to the comments.

(b) A recommended allowable limit adopted by the commissioner as an adopted health risk limit under this subdivision may be challenged in the manner provided in sections 14.44 and 14.45.

(c) ~~After July 1, 1991, and before September 1, 1991~~ During the comment period under paragraph (a), clause (2), 25 or more persons may submit a written request for a public hearing as provided under section 14.25 for any health risk limits as adopted under this subdivision.

Sec. 19. Minnesota Statutes 1992, section 103I.101, subdivision 5, is amended to read:

Subd. 5. [COMMISSIONER TO ADOPT RULES.] The commissioner shall adopt rules including:

(1) issuance of licenses for:

(i) qualified well contractors, persons modifying or repairing well casings, well screens, or well diameters;

(ii) persons constructing, repairing, and sealing unconventional wells such as drive points or dug wells;

(iii) persons constructing, repairing, and sealing dewatering wells;

(iv) persons sealing wells; and

(v) persons installing well pumps or pumping equipment and excavating holes for installing elevator shafts or hydraulic cylinders;

(2) issuance of registration for monitoring well contractors;

(3) establishment of conditions for examination and review of applications for license and registration;

(4) establishment of conditions for revocation and suspension of license and registration;

(5) establishment of minimum standards for design, location, construction, repair, and sealing of wells to implement the purpose and intent of this chapter;

(6) establishment of a system for reporting on wells and borings drilled and sealed;

~~(7) modification of fees prescribed in this chapter, according to the procedures for setting fees in section 16A.128;~~

~~(8)~~ establishment of standards for the construction, maintenance, sealing, and water quality monitoring of wells in areas of known or suspected contamination, for which the commissioner may adopt emergency rules;

~~(9)~~ (8) establishment of wellhead protection measures for wells serving public water supplies;

~~(10)~~ (9) establishment of procedures to coordinate collection of well data with other state and local governmental agencies;

~~(11)~~ (10) establishment of criteria and procedures for submission of well logs, formation samples or well cuttings, water samples, or other special information required for and water resource mapping; and

~~(12)~~ (11) establishment of minimum standards for design, location, construction, maintenance, repair, sealing, safety, and resource conservation related to borings, including exploratory borings as defined in section 103I.005, subdivision 9.

Until the commissioner adopts rules under this chapter to replace rules relating to wells and borings that were adopted under chapter 156A, the rules adopted under chapter 156A shall remain in effect.

Sec. 20. Minnesota Statutes 1992, section 103I.205, subdivision 1, is amended to read:

Subdivision 1. [NOTIFICATION REQUIRED.] (a) Except as provided in paragraphs (d) and (e), a person may not construct a well until a notification of the proposed well on a form prescribed by the commissioner is filed with the commissioner with the filing fee in section 103I.208. If after filing the well notification an attempt to construct a well is unsuccessful, a new notification is not required unless the information relating to the successful well has substantially changed.

(b) The property owner, the property owner's agent, or the well contractor where a well is to be located must file the well notification with the commissioner.

(c) The well notification under this subdivision preempts local permits and notifications, and counties or home rule charter or statutory cities may not require a permit or notification for wells unless the commissioner has delegated the permitting or notification authority under section 103I.111.

(d) A person who is an individual that constructs a drive point well on property owned or leased by the individual for farming or agricultural purposes or as the individual's place of abode must notify the commissioner of the installation and location of the well. The person must complete the notification form prescribed by the commissioner and mail it to the commissioner by ten days after the well is completed. A fee may not be charged for the notification. A person who sells drive point wells at retail must provide buyers with notification forms and informational materials including requirements regarding wells, their location, construction, and disclosure. The commissioner must provide the notification forms and informational materials to the sellers.

(e) A person may not construct a monitoring well ~~or dewatering well~~ until a permit is issued by the commissioner for the construction. If after obtaining a permit an attempt to construct a well is unsuccessful, a new permit is not required as long as the initial permit is modified to indicate the location of the successful well.

Sec. 21. Minnesota Statutes 1992, section 103I.208, is amended to read:

103I.208 [WELL NOTIFICATION FILING FEES AND PERMIT FEES.]

Subdivision 1. [WELL NOTIFICATION FEE.] The well notification fee to be paid by a property owner is:

(1) for a new well ~~drilled that produces less than 50 gallons a minute based on the actual capacity of the pump installed, $50; and~~

~~(2) for a new well that produces 50 gallons a minute or more based on the actual capacity of the pump installed~~, $100~~.~~; and

(2) for construction of a dewatering well, $100 for each well except a dewatering project comprising five or more wells shall be assessed a single fee of $500 for the wells recorded on the notification.

Subd. 2. [PERMIT FEE.] The permit fee to be paid by a property owner is:

(1) for a well that is not in use under a maintenance permit, ~~$50~~ $100 annually;

(2) for construction of a monitoring well, ~~$50~~ $100;

(3) for a monitoring well that is unsealed under a maintenance permit, ~~$50~~ $100 annually;

(4) for monitoring wells used as a leak detection device at a single motor fuel retail outlet or petroleum bulk storage site excluding tank farms, the construction permit fee is ~~$50~~ $100 per site regardless of the number of wells constructed on the site, and the annual fee for a maintenance permit for unsealed monitoring wells is ~~$50~~ $100 per site regardless of the number of monitoring wells located on site;

(5) for a groundwater thermal exchange device, in addition to the notification fee for wells, ~~$50~~ $100;

(6) for a vertical heat exchanger, ~~$50~~ $100;

~~(7) for construction of the dewatering well, $50 for each well except a dewatering project comprising more than ten wells shall be issued a single permit for the wells recorded on the permit for $500;~~ and

~~(8)~~ (7) for a dewatering well that is unsealed under a maintenance permit, ~~$25~~ $100 annually for each well, except a dewatering project comprising more than ~~ten~~ five wells shall be issued a single permit for ~~$250~~ $500 annually for wells recorded on the permit.

Sec. 22. Minnesota Statutes 1992, section 103I.235, subdivision 1, is amended to read:

Subdivision 1. [DISCLOSURE OF WELLS TO BUYER.] (a) Before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of all known wells on the property, by delivering to the buyer either a statement by the seller that the seller does not know of any wells on the property, or a disclosure statement indicating the legal description and county, and a map drawn from available information showing the location of each well to the extent practicable. In the disclosure statement, the seller must indicate, for each well, whether the well is in use, not in use, or sealed.

(b) At the time of closing of the sale, the disclosure statement information, name and mailing address of the buyer, and the quartile, section, township, and range in which each well is located must be provided on a well disclosure certificate signed by the seller or a person authorized to act on behalf of the seller.

(c) A well disclosure certificate need not be provided if the seller does not know of any wells on the property and the deed or other instrument of conveyance contains the statement: "The Seller certifies that the Seller does not know of any wells on the described real property."

(d) If a deed is given pursuant to a contract for deed, the well disclosure certificate required by this subdivision shall be signed by the buyer or a person authorized to act on behalf of the buyer. If the buyer knows of no wells on the property, a well disclosure certificate is not required if the following statement appears on the deed followed by the signature of the grantee or, if there is more than one grantee, the signature of at least one of the grantees: "The Grantee certifies that the Grantee does not know of any wells on the described real property." The statement and signature of the grantee may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement by the grantee is not required for the deed to be recordable.

(e) This subdivision does not apply to the sale, exchange, or transfer of real property:

(1) that consists solely of a sale or transfer of severed mineral interests; or

(2) that consists of an individual condominium unit as described in chapters 515 and 515A.

(f) For an area owned in common under chapter 515 or 515A the association or other responsible person must report to the commissioner by July 1, 1992, the location and status of all wells in the common area. The association or other responsible person must notify the commissioner within 30 days of any change in the reported status of wells.

(g) For real property sold by the state under section 92.67, the lessee at the time of the sale is responsible for compliance with this subdivision.

(h) If the seller fails to provide a required well disclosure certificate, the buyer, or a person authorized to act on behalf of the buyer, may sign a well disclosure certificate based on the information provided on the disclosure statement required by this section or based on other available information.

(i) A county recorder or registrar of titles may not record a deed or other instrument of conveyance dated after October 31, 1990, for which a certificate of value is required under section 272.115, or any deed or other instrument of conveyance dated after October 31, 1990, from a governmental body exempt from the payment of state deed tax, unless the deed or other instrument of conveyance contains the statement made in accordance with paragraph (c) or (d) or is accompanied by the well disclosure certificate containing all the information required by paragraph (b) or (d). The county recorder or registrar of titles must not accept a certificate unless it contains all the required information. The county recorder or registrar of titles shall note on each deed or other instrument of conveyance accompanied by a well disclosure certificate that the well disclosure certificate was received. The notation must include the statement "No wells on property" if the disclosure certificate states there are no wells on the property. The well disclosure certificate shall not be filed or recorded in the records maintained by the county recorder or registrar of titles. After noting "No wells on property" on the deed or other instrument of conveyance, the county recorder or registrar of titles shall destroy or return to the buyer the well disclosure certificate. The county recorder or registrar of titles shall collect from the buyer or the person seeking to record a deed or other instrument of conveyance, a fee of ~~$10~~ $20 for receipt of a completed well disclosure certificate. By the tenth day of each month, the county recorder or registrar of titles shall transmit the well disclosure certificates to the commissioner of health. By the tenth day after the end of each calendar quarter, the county recorder or registrar of titles shall transmit to the commissioner of health ~~$7.50~~ $17.50 of the fee for each well disclosure certificate received during the quarter. The commissioner shall maintain the well disclosure certificate for at least six years. The commissioner may store the certificate as an electronic image. A copy of that image shall be as valid as the original.

(j) No new well disclosure certificate is required under this subdivision if the buyer or seller, or a person authorized to act on behalf of the buyer or seller, certifies on the deed or other instrument of conveyance that the status and number of wells on the property have not changed since the last previously filed well disclosure certificate. The following statement, if followed by the signature of the person making the statement, is sufficient to comply with the certification requirement of this paragraph: "I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate." The certification and signature may be on the front or back of the deed or on an attached sheet and an acknowledgment of the statement is not required for the deed or other instrument of conveyance to be recordable.

(k) The commissioner in consultation with county recorders shall prescribe the form for a well disclosure certificate and provide well disclosure certificate forms to county recorders and registrars of titles and other interested persons.

(l) Failure to comply with a requirement of this subdivision does not impair:

(1) the validity of a deed or other instrument of conveyance as between the parties to the deed or instrument or as to any other person who otherwise would be bound by the deed or instrument; or

(2) the record, as notice, of any deed or other instrument of conveyance accepted for filing or recording contrary to the provisions of this subdivision.

Sec. 23. Minnesota Statutes 1992, section 103I.331, subdivision 6, is amended to read:

Subd. 6. [REPEALER.] This section is repealed effective June 30, ~~1995~~ 1996.

Sec. 24. Minnesota Statutes 1992, section 103I.401, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED.] (a) A person may not construct an elevator shaft until a permit for the hole or excavation is issued by the commissioner.

(b) The fee for excavating holes for the purpose of installing elevator shafts is ~~$50~~ $100 for each hole.

(c) The elevator shaft permit preempts local permits except local building permits, and counties and home rule charter or statutory cities may not require a permit for elevator shaft holes or excavations.

Sec. 25. Minnesota Statutes 1993 Supplement, section 115B.20, subdivision 6, is amended to read:

Subd. 6. [REPORT TO LEGISLATURE.] Each year, the commissioner of agriculture and the agency shall submit to the senate finance committee, the house ways and means committee, the environmental quality board, the legislative water commission, and the legislative commission on waste management a report detailing the activities for which money from the account has been spent during the previous fiscal year.

Sec. 26. [APPLICATION OF TECHNIQUES ON STATE LAND.]

(a) The commissioner of natural resources must, by September 1, 1995, prepare a plan on the optimum use of sustainable agriculture and integrated pest management techniques to be applied on lands owned by the state.

(b) The commissioner of natural resources shall appoint a task force of interagency staff and interested citizens to develop the plan including a review of the requirements of Minnesota Statutes, sections 17.114, subdivision 4, paragraph (b) and 18B.063. The task force is subject to Minnesota Statutes, section 15.059.

(c) At a minimum, the plan must address specific practices for sustainable agriculture and integrated pest management to be applied on state-owned lands, including any funding recommendations.

(d) The commissioner of natural resources must present the plan to the environmental quality board for review and then to the legislative water commission in 1995.

Sec. 27. [REPEALER.]

Minnesota Statutes 1992, section 103F.460, is repealed.

Sec. 28. [EFFECTIVE DATE.]

Sections 17 and 18 are effective the day following final enactment."

Delete the title and insert:

"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; 103I.235, subdivision 1; 103I.331, subdivision 6; and 103I.401, subdivision 1; 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."

We request adoption of this report and repassage of the bill.

House Conferees: WILLARD MUNGER, STEVE TRIMBLE AND VIRGIL J. JOHNSON.

Senate Conferees: LEONARD R. PRICE, STEVEN MORSE AND STEVE DILLE.

Munger moved that the report of the Conference Committee on H. F. No. 2485 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Huntley	Leppik	Ness	Rhodes	Van Engen
Anderson, R.	Dempsey	Jacobs	Lieder	Olson, E.	Rice	Vellenga
Asch	Dorn	Jaros	Lindner	Olson, K.	Rodosovich	Vickerman
Battaglia	Erhardt	Jefferson	Long	Olson, M.	Rukavina	Wagenius
Bauerly	Evans	Jennings	Lourey	Onnen	Sarna	Waltman
Beard	Farrell	Johnson, A.	Luther	Opatz	Seagren	Weaver
Bergson	Finseth	Johnson, R.	Lynch	Orenstein	Sekhon	Wejcman
Bertram	Frerichs	Johnson, V.	Macklin	Orfield	Simoneau	Wenzel
Brown, C.	Garcia	Kahn	Mahon	Osthoff	Skoglund	Winter
Brown, K.	Girard	Kalis	Mariani	Ostrom	Smith	Wolf
Carlson	Goodno	Kelley	McCollum	Ozment	Solberg	Worke
Carruthers	Greiling	Kelso	McGuire	Pauly	Steensma	Workman
Clark	Gruenes	Klinzing	Milbert	Pawlenty	Sviggum	Spk. Anderson, I.
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	
Dehler	Hugoson	Lasley	Nelson	Rest	Van Dellen	

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

SPECIAL ORDERS

H. F. No. 3011, A bill for an act relating to transportation; defining terms; making technical changes; ensuring safety is factor in standards for scenic highways and park roads; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; allowing horse trailer to be component of a recreational vehicle combination; increasing length limitations for recreational vehicle combinations; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing self-propelled implement of husbandry to display flashing amber light; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; requiring use of mileage-recording equipment on motor vehicles after 1999; establishing youth charter carrier permit system; allowing rail carriers to participate in rail user loan guarantee program; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; modifying highway fund apportionment to counties and changing composition of screening board; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.07, subdivisions 1, 3, 5, and 6; 162.09, subdivision 1; 165.05; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, by adding a subdivision; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63, subdivision 8; Minnesota Statutes 1993 Supplement, sections 169.01, subdivision 78; 169.18, subdivision 5; 169.685, subdivision 5; 169.81, subdivision 3c; and 221.111; proposing coding for new law in Minnesota Statutes, chapters 161; 169; and 471; repealing Minnesota Statutes 1992, sections 162.07, subdivision 4; 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3; and 4; Minnesota Rules, part 8810.1300, subpart 6.

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 116 yeas and 14 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Girard	Hugoson	Knight	Ness	Rest	Sviggum	Vickerman
Haukoos	Kalis	Koppendrayer	Ostrom	Skoglund	Vellenga	Waltman

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 printed Special Orders for today:

S. F. No. 2277; H. F. No. 2625; and S. F. Nos. 2015 and 1740.

SPECIAL ORDERS, Continued

S. F. No. 2277 was reported to the House.

Sekhon moved to amend S. F. No. 2277 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [473.505] [TOTAL WATERSHED MANAGEMENT.]

The commission with the approval of the metropolitan council may enter into agreements with other governmental bodies and agencies and spend funds to implement total watershed management. "Total watershed management" means identifying and quantifying at a watershed level the (1) sources of pollution, both point and nonpoint, (2) causes of conditions that may or may not be a result of pollution, and (3) means of reducing pollution or alleviating adverse conditions. The purpose of total watershed management is to achieve the best water quality for waters of the state receiving the effluent of the metropolitan disposal system for the lowest total costs, without regard to who will incur those costs.

Sec. 2. [APPLICATION.]

Section 1 applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

The motion prevailed and the amendment was adopted.

Pauly moved to amend S. F. No. 2277, as amended, as follows:

Page 1, after line 19, insert:

"Sec. 2. Minnesota Statutes 1992, section 473.517, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE METHODS OF ALLOCATING COSTS.] When it shall appear that the costs established pursuant to the provisions of subdivisions 1 to 7 shall result in an increased cost to a municipality or service area which is now being serviced by the facilities of the Minneapolis-St. Paul Sanitary District or by the facilities of any other municipality or sewer district is unreasonable or inequitable, the commission is hereby authorized and directed to adopt such other means and methods of allocating costs, as to each of them, as may be fair, reasonable and equitable. Local governmental units may appeal a commission allocation under this section to an administrative law judge under chapter 14."

Page 1, line 20, delete "Section 1 applies" and insert "Sections 1 and 2 apply"

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 Pauly amendment and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the Pauly amendment to S. F. No. 2277, as amended. The request was granted.

There were 52 yeas and 76 nays as follows:

Those who voted in the affirmative were:

Abrams	Goodno	Kelso	Macklin	Olson, M.	Seagren	Waltman
Commers	Gruenes	Knickerbocker	Milbert	Onnen	Smith	Wolf
Davids	Haukoos	Koppendrayer	Molnau	Orenstein	Sviggum	Worke
Dehler	Holsten	Krinkie	Morrison	Osthoff	Swenson	Workman
Dempsey	Hugoson	Leppik	Neary	Ozment	Tompkins	
Erhardt	Jennings	Limmer	Ness	Pauly	Van Dellen	
Finseth	Johnson, V.	Lindner	Olson, E.	Pugh	Van Engen	
Girard	Kelley	Lynch	Olson, K.	Rhodes	Vickerman	

Those who voted in the negative were:

Anderson, R.	Clark	Greiling	Kinkel	McCollum	Peterson	Tomassoni
Asch	Cooper	Hasskamp	Klinzing	McGuire	Reding	Trimble
Battaglia	Dauner	Hausman	Knight	Mosel	Rest	Tunheim
Bauerly	Dawkins	Huntley	Krueger	Munger	Rodosovich	Vellenga
Beard	Delmont	Jacobs	Lasley	Murphy	Rukavina	Wagenius
Bergson	Dorn	Jaros	Lieder	Nelson	Sama	Weaver
Bertram	Evans	Jefferson	Long	Opatz	Sekhon	Wejcman
Brown, C.	Farrell	Johnson, A.	Lourey	Orfield	Simoneau	Wenzel
Brown, K.	Frerichs	Johnson, R.	Luther	Ostrom	Skoglund	Winter
Carlson	Garcia	Kahn	Mahon	Pelowski	Solberg	Spk. Anderson, I.
Carruthers	Greenfield	Kalis	Mariani	Perlt	Steensma	

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

McGuire was excused between the hours of 10:55 a.m. and 12:15 p.m.

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 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, Pawlenty requested that he be excused from voting on the final passage of S. F. No. 2277, as amended. The request was granted.

There were 97 yeas and 31 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Jacobs	Lasley	Munger	Perlt	Solberg
Anderson, R.	Dawkins	Jaros	Leppik	Murphy	Peterson	Steensma
Asch	Delmont	Jefferson	Lieder	Neary	Pugh	Swenson
Battaglia	Dorn	Johnson, A.	Long	Nelson	Reding	Tomassoni
Bauerly	Erhardt	Johnson, R.	Lourey	Olson, E.	Rest	Trimble
Beard	Evans	Johnson, V.	Luther	Olson, K.	Rhodes	Tunheim
Bergson	Farrell	Kahn	Lynch	Opatz	Rice	Vellenga
Bertram	Frerichs	Kalis	Macklin	Orenstein	Rodosovich	Wagenius
Brown, C.	Garcia	Kelley	Mahon	Orfield	Rukavina	Weaver
Brown, K.	Greenfield	Kelso	Mariani	Osthoff	Sarna	Wejcman
Carlson	Greiling	Kinkel	McCollum	Ostrom	Seagren	Wenzel
Carruthers	Hasskamp	Klinzing	Milbert	Ozment	Sekhon	Winter
Clark	Hausman	Knickerbocker	Morrison	Pauly	Simoneau	Spk. Anderson, I.
Commers	Huntley	Krueger	Mosel	Pelowski	Skoglund	

Those who voted in the negative were:

Dauner	Girard	Holsten	Limmer	Onnen	Van Engen	Workman
Davids	Goodno	Hugoson	Lindner	Smith	Vickerman	
Dehler	Gruenes	Knight	Molnau	Sviggum	Waltman	
Dempsey	Gutknecht	Koppendrayer	Ness	Tompkins	Wolf	
Finseth	Haukoos	Krinkie	Olson, M.	Van Dellen	Worke	

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

H. F. No. 2625 was reported to the House.

Mahon moved to amend H. F. No. 2625, the first engrossment, as follows:

Page 2, after line 8, insert:

"Sec. 3. Minnesota Statutes 1992, section 473.523, subdivision 1, is amended to read:

Subdivision 1. ~~No contract~~ All contracts for ~~any~~ construction work, or for the purchase of materials, supplies, or equipment, ~~costing more than $15,000~~ relating to the metropolitan disposal system shall be made as provided in section 471.345, subdivisions 3 to 6. Contracts subject to section 471.345, subdivision 3, shall be made by the commission ~~without~~ by publishing once in a legal newspaper or trade paper published in a city of the first class not less than two weeks before the last day for submission of bids, notice that bids or proposals will be received. Such notice shall state the nature of the work or purchase and the terms and conditions upon which the contract is to be awarded, and a time and place where such bids will be received, opened, and read publicly. After such bids have been duly received, opened, read publicly, and recorded, the commission shall award such contract to the lowest responsible bidder or it may reject all bids and readvertise. Each contract shall be duly executed in writing and the party to whom the contract is awarded shall give sufficient bond or security to the board for the faithful performance of the contract as required by law. The commission shall have the right to set qualifications and specifications and to require bids to meet all such qualifications and specifications before being accepted. If the commission by an affirmative vote of two-thirds of its members declares that an emergency exists requiring the immediate purchase of materials or supplies at a cost in excess of ~~$15,000~~ the amount specified in section 471.345, subdivision 3, or in making emergency repairs, it shall not be necessary to advertise for bids.

Sec. 4. Minnesota Statutes 1992, section 473.523, subdivision 2, is amended to read:

Subd. 2. The administrator may, without prior approval of the commission and without advertising for bids, enter into any contract of the type referred to in subdivision 1 which is not in excess of ~~$15,000~~ the amount specified in section 471.345, subdivision 3."

Renumber the sections in sequence and correct the internal references

Amend the title as follows:

Page 1, line 4, after the semicolon, insert "applying the uniform municipal contracting law to the metropolitan waste control commission;"

Page 1, line 5, delete "and" and before the period, insert "; and 473.523, subdivisions 1 and 2"

The motion prevailed and the amendment was adopted.

H. F. No. 2625, A bill for an act relating to the metropolitan waste control commission; reducing the salary range of the chair; providing for a part-time chair; applying the uniform municipal contracting law to the metropolitan waste control commission; amending Minnesota Statutes 1992, sections 15A.081, subdivision 7; 473.503; and 473.523, subdivisions 1 and 2.

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

The question was taken on the passage of the bill and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the final passage of H. F. No. 2625, the first engrossment, as amended. The request was granted.

There were 128 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

S. F. No. 2015 was reported to the House.

Orfield moved to amend S. F. No. 2015, the second unofficial engrossment, as follows:

Page 12, line 16, delete everything after "committee"

Page 12, line 17, delete everything before the period

Page 12, line 21, delete the commas

Page 12, line 22, delete everything before the period

Page 17, line 26, after the semicolon, insert "and"

Page 17, line 28, delete "; and" and insert a period

Page 17, delete lines 29 and 30

Page 18, line 3, delete "(a)"

Page 18, line 3, after "expenditures" insert "expressly advocating the election or defeat of a clearly identified candidate"

Page 18, delete lines 12 to 14

Page 19, line 15, after "for" insert ", or member of,"

Page 19, delete the sentence beginning on line 19

Page 19, line 24, delete "elected official" and insert "member of the metropolitan council"

Page 19, delete the sentence beginning on line 24, and insert "A statement filed under this section satisfies the requirements of section 10A.09 for a candidate for, or member of, the metropolitan council."

Page 22, line 21, delete "who" and insert "is eligible for $20,000 public campaign financing if the candidate"

Page 22, line 24, after "(2)" insert "registered a principal campaign committee under section 473.1245;

(3)"

Page 22, line 26, delete "(3)" and insert "(4)"

Page 22, line 29, delete the comma

Page 22, line 30, delete everything before the period

Page 22, line 35, delete "filing" and insert "registering a principal campaign committee under section 473.1245"

Page 23, line 1, after the period, insert "The candidate may sign an agreement and submit it to the board on the day of filing an affidavit of candidacy. In the alternative, a candidate may submit the agreement directly to the board not later than August 31 preceding the general election. An agreement once filed may not be rescinded."

Page 23, after line 7, insert:

"Subd. 4. [PAYMENT OF PUBLIC CAMPAIGN FINANCING.] When the board determines that a candidate is eligible for public campaign financing, it shall so certify to the metropolitan council. Within two weeks after certification by the canvassing board of the results of the general election, the council shall pay the full amount of public campaign financing provided under subdivision 2 to any candidate, certified by the board under this subdivision, who received at least ten percent of the vote cast at the general election for the office sought by the candidate."

Page 23, line 8, delete "4" and insert "5"

Page 23, after line 13, insert:

"Subd. 6. [EFFECT OF OPPONENT'S AGREEMENT.] (a) The expenditure limits imposed by this section apply only to candidates whose opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving public campaign financing.

(b) A candidate who agrees to be bound by the limits and receives public campaign financing, who has an opponent who does not agree to be bound by the limits but is otherwise eligible to receive public campaign financing:

(i) is no longer bound by the limits;

(ii) is eligible to receive public campaign financing; and

(iii) also receives, or shares equally with any other eligible candidate who agrees to be bound by limits, the opponent's share of public campaign financing.

For purposes of this subdivision, "otherwise eligible to receive public campaign financing" means that a candidate meets the requirements of subdivision 1 except that the candidate has not filed an agreement as required by subdivision 2."

Pages 24 to 25, delete section 31

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

CALL OF THE HOUSE

On the motion of Orfield and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

MOTION FOR RECONSIDERATION

Huntley moved that the vote whereby the Orfield amendment to S. F. No. 2015, the second unofficial engrossment, which was not adopted earlier today be now reconsidered.

A roll call was requested and properly seconded.

The question was taken on the Huntley motion and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the Huntley motion. The request was granted.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 68 yeas and 60 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clark	Greiling	Kinkel	McCollum	Pelowski	Tomassoni
Asch	Cooper	Hausman	Klinzing	Milbert	Peterson	Trimble
Battaglia	Dauner	Huntley	Krueger	Mosel	Pugh	Tunheim
Bauerly	Dawkins	Jacobs	Lasley	Murphy	Reding	Vellenga
Bergson	Delmont	Jaros	Lieder	Neary	Rest	Wagenius
Bertram	Dorn	Jefferson	Long	Olson, K.	Rice	Wejcman
Brown, C.	Evans	Johnson, A.	Lourey	Opatz	Rukavina	Wenzel
Brown, K.	Farrell	Kahn	Luther	Orenstein	Sarna	Spk. Anderson, I.
Carlson	Garcia	Kelley	Mahon	Orfield	Sekhon	
Carruthers	Greenfield	Kelso	Mariani	Ostrom	Skoglund	

Those who voted in the negative were:

Abrams	Frerichs	Jennings	Limmer	Olson, M.	Simoneau	Waltman
Beard	Girard	Johnson, R.	Lindner	Onnen	Smith	Weaver
Bishop	Goodno	Johnson, V.	Lynch	Osthoff	Solberg	Winter
Commers	Gruenes	Kalis	Macklin	Ozment	Steensma	Wolf
Davids	Gutknecht	Knickerbocker	Molnau	Pauly	Sviggum	Worke
Dehler	Hasskamp	Knight	Morrison	Perlt	Swenson	Workman
Dempsey	Haukoos	Koppendrayer	Nelson	Rhodes	Tompkins	
Erhardt	Holsten	Krinkie	Ness	Rodosovich	Van Engen	
Finseth	Hugoson	Leppik	Olson, E.	Seagren	Vickerman	

The motion prevailed.

The Orfield amendment to S. F. No. 2015, the second unofficial engrossment, was again reported to the House, as follows:

Page 12, line 16, delete everything after "committee"

Page 12, line 17, delete everything before the period

Page 12, line 21, delete the commas

Page 12, line 22, delete everything before the period

Page 17, line 26, after the semicolon, insert "and"

Page 17, line 28, delete "; and" and insert a period

Page 17, delete lines 29 and 30

Page 18, line 3, delete "(a)"

Page 18, line 3, after "expenditures" insert "expressly advocating the election or defeat of a clearly identified candidate"

Page 18, delete lines 12 to 14

Page 19, line 15, after "for" insert ", or member of,"

Page 19, delete the sentence beginning on line 19

Page 19, line 24, delete "elected official" and insert "member of the metropolitan council"

Page 19, delete the sentence beginning on line 24, and insert "A statement filed under this section satisfies the requirements of section 10A.09 for a candidate for, or member of, the metropolitan council."

Page 22, line 21, delete "who" and insert "is eligible for $20,000 public campaign financing if the candidate"

Page 22, line 24, after "(2)" insert "registered a principal campaign committee under section 473.1245;

(3)"

Page 22, line 26, delete "(3)" and insert "(4)"

Page 22, line 29, delete the comma

Page 22, line 30, delete everything before the period

Page 22, line 35, delete "filing" and insert "registering a principal campaign committee under section 473.1245"

Page 23, line 1, after the period, insert "The candidate may sign an agreement and submit it to the board on the day of filing an affidavit of candidacy. In the alternative, a candidate may submit the agreement directly to the board not later than August 31 preceding the general election. An agreement once filed may not be rescinded."

Page 23, after line 7, insert:

"Subd. 4. [PAYMENT OF PUBLIC CAMPAIGN FINANCING.] When the board determines that a candidate is eligible for public campaign financing, it shall so certify to the metropolitan council. Within two weeks after certification by the canvassing board of the results of the general election, the council shall pay the full amount of public campaign financing provided under subdivision 2 to any candidate, certified by the board under this subdivision, who received at least ten percent of the vote cast at the general election for the office sought by the candidate."

Page 23, line 8, delete "4" and insert "5"

Page 23, after line 13, insert:

"Subd. 6. [EFFECT OF OPPONENT'S AGREEMENT.] (a) The expenditure limits imposed by this section apply only to candidates whose opponents agree to be bound by the limits and who themselves agree to be bound by the limits as a condition of receiving public campaign financing.

(b) A candidate who agrees to be bound by the limits and receives public campaign financing, who has an opponent who does not agree to be bound by the limits but is otherwise eligible to receive public campaign financing:

(i) is no longer bound by the limits;

(ii) is eligible to receive public campaign financing; and

(iii) also receives, or shares equally with any other eligible candidate who agrees to be bound by limits, the opponent's share of public campaign financing.

For purposes of this subdivision, "otherwise eligible to receive public campaign financing" means that a candidate meets the requirements of subdivision 1 except that the candidate has not filed an agreement as required by subdivision 2."

Pages 24 to 25, delete section 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 Orfield amendment and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the Orfield amendment to S. F. No. 2015, the second unofficial engrossment. The request was granted.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 65 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clark	Huntley	Lasley	Neary	Reding	Vellenga
Asch	Cooper	Jaros	Lieder	Olson, E.	Rest	Wagenius
Battaglia	Dawkins	Jefferson	Long	Olson, K.	Rice	Wejcman
Bauerly	Delmont	Johnson, A.	Lourey	Opatz	Rukavina	Wenzel
Bergson	Dorn	Kahn	Luther	Orenstein	Sarna	Spk. Anderson, I.
Bertram	Evans	Kelley	Mahon	Orfield	Sekhon	
Brown, C.	Farrell	Kelso	Mariani	Ostrom	Skoglund	
Brown, K.	Garcia	Kinkel	McCollum	Pelowski	Tomassoni	
Carlson	Greenfield	Klinzing	Milbert	Peterson	Trimble	
Carruthers	Greiling	Krueger	Mosel	Pugh	Tunheim	

Those who voted in the negative were:

Abrams	Finseth	Hugoson	Krinkie	Ness	Seagren	Van Engen
Beard	Frerichs	Jacobs	Leppik	Olson, M.	Simoneau	Vickerman
Bishop	Girard	Jennings	Limmer	Onnen	Smith	Waltman
Commers	Goodno	Johnson, R.	Lindner	Osthoff	Solberg	Weaver
Dauner	Gruenes	Johnson, V.	Lynch	Ozment	Steensma	Winter
Davids	Gutknecht	Kalis	Macklin	Pauly	Sviggum	Wolf
Dehler	Hasskamp	Knickerbocker	Molnau	Perlt	Swenson	Worke
Dempsey	Haukoos	Knight	Morrison	Rhodes	Tompkins	Workman
Erhardt	Holsten	Koppendrayer	Nelson	Rodosovich	Van Dellen	

The motion prevailed and the amendment was adopted.

Orfield moved to amend S. F. No. 2015, the second unofficial engrossment, as amended, as follows:

Page 25, line 31, delete "1995" and insert "1997"

Page 26, line 4, delete "1995" and insert "1997"

Page 26, line 18, delete "1995" and insert "1997"

Page 26, line 19, delete "1994" and insert "1996"

Page 29, line 14, delete "1995" and insert "1997"

Page 80, line 5, delete "1995" and insert "1997"

A roll call was requested and properly seconded.

The question was taken on the Orfield amendment and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the Orfield amendment to S. F. No. 2015, the second unofficial engrossment, as amended. The request was granted.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 113 yeas and 11 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davids	Dempsey	Gutknecht	Krinkie	Rodosovich	Waltman
Dehler	Frerichs	Knight	Molnau	Tompkins	

The motion prevailed and the amendment was adopted.

Osthoff moved to amend S. F. No. 2015, the second unofficial engrossment, as amended, as follows:

Page 25, line 31, delete "1995" and insert "1997"

Page 26, line 4, delete "1995" and insert "1997"

Page 26, after line 12, insert:

"Sec. 36. [LOCAL APPROVAL.]

Notwithstanding section 645.023, subdivision 1, at the 1994 general election in the metropolitan area, the following question shall be submitted to the voters:

"Shall the metropolitan council be elected instead of appointed by the governor?

Yes .....
No ....." "

Page 26, after line 16, insert:

"Subdivision 1. Sections 1 to 35 are effective as provided in subdivision 2 if the local approval question required under section 36 is approved by a majority of the voters voting at the election. If the voters do not approve the question as required under section 36, article 1 shall not become effective."

Page 26, line 17, before "Sections" insert "Subd. 2."

Page 26, line 18, delete "1995" and insert "1997"

Page 26, line 19, delete "1994" and insert "1996"

Page 29, line 14, delete "1995" and insert "1997"

Page 80, line 5, delete "1995" and insert "1997"

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 Osthoff amendment and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the Osthoff amendment to S. F. No. 2015, the second unofficial engrossment, as amended. The request was granted.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 79 yeas and 51 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Krinkie	Ness	Rhodes	Vickerman
Anderson, R.	Dempsey	Jacobs	Lasley	Olson, E.	Rodosovich	Waltman
Asch	Erhardt	Jennings	Leppik	Olson, M.	Simoneau	Weaver
Beard	Finseth	Johnson, A.	Lieder	Onnen	Smith	Winter
Bishop	Frerichs	Johnson, R.	Limmer	Osthoff	Solberg	Wolf
Brown, C.	Girard	Johnson, V.	Lindner	Ozment	Stanius	Worke
Brown, K.	Goodno	Kalis	Lynch	Pauly	Sviggum	Workman
Carlson	Gruenes	Kelso	Macklin	Pelowski	Swenson	
Commers	Gutknecht	Klinzing	Milbert	Perlt	Tomassoni	
Cooper	Hasskamp	Knickerbocker	Molnau	Peterson	Tompkins	
Dauner	Haukoos	Knight	Morrison	Pugh	Van Dellen	
Davids	Holsten	Koppendrayer	Mosel	Rest	Van Engen	

Those who voted in the negative were:

Battaglia	Evans	Jefferson	Mahon	Olson, K.	Sarna	Wejcman
Bauerly	Farrell	Kahn	Mariani	Opatz	Sekhon	Wenzel
Bertram	Garcia	Kelley	McCollum	Orenstein	Skoglund	Spk. Anderson, I.
Carruthers	Greenfield	Kinkel	McGuire	Orfield	Steensma	
Clark	Greiling	Krueger	Munger	Ostrom	Trimble	
Dawkins	Hausman	Long	Murphy	Reding	Tunheim	
Delmont	Huntley	Lourey	Neary	Rice	Vellenga	
Dorn	Jaros	Luther	Nelson	Rukavina	Wagenius	

The motion prevailed and the amendment was adopted.

Koppendrayer was excused for the remainder of today's session.

The Speaker assumed the Chair.

Kelso moved to amend S. F. No. 2015, the second unofficial engrossment, as amended, as follows:

Pages 2 to 26, delete article 1, and insert:

"ARTICLE 1

METROPOLITAN COUNCIL ORGANIZATION

Section 1. Minnesota Statutes 1993 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

$57,500-$78,500

Commissioner of finance;

Commissioner of education;

Commissioner of transportation;

Commissioner of human services;

Commissioner of revenue;

Commissioner of public safety;

Executive director, state board of investment;

$50,000-$67,500

Commissioner of administration;

Commissioner of agriculture;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of jobs and training;

Commissioner of employee relations;

Commissioner of health;

Commissioner of labor and industry;

Commissioner of natural resources;

Commissioner of trade and economic development;

Chief administrative law judge; office of administrative hearings;

Commissioner, pollution control agency;

Director, office of waste management;

Commissioner, housing finance agency;

Executive director, public employees retirement association;

Executive director, teacher's retirement association;

Executive director, state retirement system;

~~Chair, metropolitan council;~~

Chair, regional transit board;

$42,500-$60,000

Commissioner of human rights;

Commissioner, department of public service;

Commissioner of veterans affairs;

Commissioner, bureau of mediation services;

Commissioner, public utilities commission;

Member, transportation regulation board;

Ombudsman for corrections;

Ombudsman for mental health and retardation.

Sec. 2. Minnesota Statutes 1992, section 15A.082, subdivision 3, is amended to read:

Subd. 3. [SUBMISSION OF RECOMMENDATIONS.] (a) By May 1 in each odd-numbered year, the compensation council shall submit to the speaker of the house of representatives and the president of the senate salary recommendations for constitutional officers, legislators, justices of the supreme court, and judges of the court of appeals, district court, county court, and county municipal court. The recommended salary for each office must take effect on July 1 of the next odd-numbered year, with no more than one adjustment, to take effect on July 1 of the year after that. The salary recommendations for legislators, judges, and constitutional officers take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected. The salary recommendations for legislators are subject to additional terms that may be adopted according to section 3.099, subdivisions 1 and 3.

(b) The council shall also submit to the speaker of the house of representatives and the president of the senate recommendations for the salaries of members of the metropolitan council. The recommended salary takes effect July 1 of that year, with no more than one adjustment, to take effect on July 1 of the year after that, unless modified or rejected by law before its effective date.

Sec. 3. Minnesota Statutes 1993 Supplement, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [COVERAGE.] (a) Employees enumerated in paragraph (b), if they are in the unclassified service of the state or metropolitan council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified program under this chapter unless the employee gives notice to the executive director of the Minnesota state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Enumerated employees are:

(1) an employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, or an employee of the state board of investment;

(2) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.081, subdivision 1 or 15A.083, subdivision 4;

(3) a permanent, full-time unclassified employee of the legislature or a commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system;

(4) a person other than an employee of the state board of technical colleges who is employed in a position established under section 43A.08, subdivision 1, clause (3), or subdivision 1a, or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(5) the chair, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission; the chair, executive director, and not to exceed three positions at the division director or assistant to the chair level of the regional transit board; a chief administrator who is an employee of the metropolitan transit commission; ~~and the chair,~~ executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations may be made without approval of the board of directors of the Minnesota state retirement system;

(6) the executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota state retirement system, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(7) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota;

(8) the chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of human services;

(9) an employee whose principal employment is at the state ceremonial house;

(10) an employee of the Minnesota educational computing corporation;

(11) an employee of the world trade center board;

(12) an employee of the state lottery board who is covered by the managerial plan established under section 43A.18, subdivision 3;

(13) an employee of the state board of technical colleges employed in a position established under section 43A.08, subdivision 1, clause (3), or 1a, unless the person has elected coverage by the individual retirement account plan under chapter 354B; and

(14) an employee of the higher education board in a position established under section 136E.04, subdivision 2, unless the person has elected coverage by the individual retirement account plan under chapter 354B.

Sec. 4. Minnesota Statutes 1992, section 473.123, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A metropolitan council with jurisdiction in the metropolitan area is ~~created~~ established as a public corporation and political subdivision of the state. It shall be under the supervision and control of ~~17~~ 16 members, all of whom shall be residents of the metropolitan area.

Sec. 5. Minnesota Statutes 1992, section 473.123, subdivision 2a, is amended to read:

Subd. 2a. [TERMS.] Following each apportionment of council districts, as provided under subdivision 3a, council members must be appointed from newly drawn districts as provided in subdivision 3a. Each council member must reside in the council district represented. Each council district must be represented by one member of the council. The terms of members ~~are as follows: members representing even-numbered districts for terms ending the first Monday in January of the year ending in the numeral "7"; members representing odd-numbered districts for terms ending the first Monday in January of the year ending in the numeral "5." Thereafter the term of each member is four years, with terms ending the first Monday in January~~ end with the term of the governor, except that all terms expire on the effective date of the next apportionment. A member serves at the pleasure of the governor. A member shall continue to serve the member's district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the governor appoints 16 council members, one from each of the newly drawn council districts as provided under subdivision 3a, to serve terms as provided under this section. The appointment to the council must be made by the first Monday in March of the year in which the term ends.

Sec. 6. Minnesota Statutes 1992, section 473.123, subdivision 4, is amended to read:

Subd. 4. [~~CHAIR; APPOINTMENT,~~ OFFICERS, SELECTION; DUTIES AND COMPENSATION.] (a) The chair of the metropolitan council shall be ~~appointed by the governor as the 17th voting member thereof by and with the advice and consent of the senate to serve at the pleasure of the governor. Senate confirmation shall be as provided by section 15.066. The chair shall be a person experienced in the field of municipal and urban affairs with administrative training and executive ability~~ elected by and from among the members of the council at the first meeting of the council after the first Monday of January each year and serves for a term of one year.

~~(b)~~ The chair of the metropolitan council shall preside at the meetings of the metropolitan council ~~and shall act as principal executive officer,~~ if present, and shall perform all other duties assigned by the council or by law. ~~The chair shall organize the work of the metropolitan council, appoint all officers and employees thereof, subject to the approval of the metropolitan council, and be responsible for carrying out all policy decisions of the metropolitan council. The chair's salary shall be as provided in section 15A.081. The chair shall be eligible for expenses in the same manner and amount as state employees.~~

(b) The metropolitan council shall elect such officers, in addition to the chair, as it deems necessary for the conduct of its affairs. The additional officers are elected for the same one-year term as the chair. A secretary and treasurer need not be members of the metropolitan council. Meeting times and places shall be fixed by the metropolitan council and special meetings may be called by a majority of the members of the metropolitan council or by the chair. Each metropolitan council member shall be paid a salary as set by the compensation council under section 15A.082 and shall be reimbursed for actual and necessary expenses. The annual budget of the council shall provide as a separate account anticipated expenditures for compensation, travel, and associated expenses for members, and compensation or reimbursement shall be made to the members only when budgeted.

(c) In the performance of its duties the metropolitan council may adopt policies and procedures governing its operations, establish committees, and, when specifically authorized by law, make appointments to other governmental agencies and districts.

Sec. 7. [TRANSITIONAL SALARIES OF MEMBERS.]

The members of the metropolitan council appointed to serve terms beginning the first Monday in January 1995 shall receive salaries of $35,000 per year until otherwise set by the compensation council as provided in Minnesota Statutes, section 15A.082.

Sec. 8. [METROPOLITAN COUNCIL EXECUTIVE DIRECTOR.]

The executive director of the metropolitan council, appointed as provided in Minnesota Statutes 1992, section 473.123, subdivision 6, and serving in that position on December 31, 1994, shall become the regional administrator serving at the pleasure of the council.

Sec. 9. [REPEALER.]

Minnesota Statutes 1992, section 473.123, subdivisions 3, 5, and 6, are repealed.

Sec. 10. [APPLICATION.]

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

Sec. 11. [EFFECTIVE DATES.]

This article is effective the first Monday in January 1995."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

A roll call was requested and properly seconded.

Rhodes moved to amend the Kelso amendment to S. F. No. 2015, the second unofficial engrossment, as amended, as follows:

Page 8, line 3, delete "$35,000" and insert "$7,000"

A roll call was requested and properly seconded.

The question was taken on the amendment to the amendment and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the Rhodes amendment to the Kelso amendment to S. F. No. 2015, the second unofficial engrossment, as amended. The request was granted.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 77 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Hasskamp	Lieder	Nelson	Rest	Tompkins
Asch	Dorn	Haukoos	Limmer	Ness	Rhodes	Tunheim
Bergson	Erhardt	Holsten	Lindner	Olson, K.	Rice	Van Dellen
Brown, K.	Evans	Hugoson	Lynch	Olson, M.	Rodosovich	Van Engen
Carlson	Finseth	Jennings	Macklin	Onnen	Sarna	Vickerman
Carruthers	Frerichs	Johnson, V.	Mahon	Opatz	Seagren	Waltman
Clark	Garcia	Kinkel	McCollum	Ostrom	Smith	Weaver
Commers	Girard	Knight	Molnau	Ozment	Stanius	Winter
Dauner	Goodno	Krinkie	Morrison	Pelowski	Steensma	Wolf
Davids	Gruenes	Lasley	Mosel	Peterson	Sviggum	Worke
Dehler	Gutknecht	Leppik	Neary	Reding	Swenson	Workman

Those who voted in the negative were:

Anderson, R.	Dawkins	Jaros	Knickerbocker	Munger	Pugh	Vellenga
Battaglia	Delmont	Jefferson	Krueger	Murphy	Rukavina	Wagenius
Bauerly	Farrell	Johnson, A.	Long	Olson, E.	Sekhon	Wejcman
Beard	Greenfield	Johnson, R.	Lourey	Orenstein	Simoneau	Wenzel
Bertram	Greiling	Kalis	Luther	Orfield	Skoglund	Spk. Anderson, I.
Bishop	Hausman	Kelley	Mariani	Osthoff	Solberg	
Brown, C.	Huntley	Kelso	McGuire	Pauly	Tomassoni	
Cooper	Jacobs	Klinzing	Milbert	Perlt	Trimble	

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Kelso amendment, as amended, and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the Kelso amendment, as amended, to S. F. No. 2015, the second unofficial engrossment, as amended. The request was granted.

Sviggum moved that those not voting be excused from voting. The motion prevailed.

There were 65 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Jennings	Lieder	Onnen	Simoneau	Waltman
Beard	Garcia	Johnson, R.	Limmer	Osthoff	Smith	Weaver
Bishop	Girard	Johnson, V.	Lindner	Ozment	Solberg	Wolf
Commers	Goodno	Kalis	Lynch	Pauly	Stanius	Worke
Dauner	Gruenes	Kelso	Macklin	Perlt	Sviggum	Workman
Davids	Gutknecht	Knickerbocker	Molnau	Rest	Swenson	
Dehler	Hasskamp	Knight	Morrison	Rhodes	Tompkins	
Dempsey	Haukoos	Krinkie	Nelson	Rodosovich	Van Dellen	
Erhardt	Holsten	Lasley	Ness	Seagren	Van Engen	
Finseth	Hugoson	Leppik	Olson, M.	Sekhon	Vickerman	

Those who voted in the negative were:

Anderson, R.	Clark	Huntley	Long	Murphy	Pugh	Vellenga
Asch	Cooper	Jacobs	Lourey	Neary	Reding	Wagenius
Battaglia	Dawkins	Jaros	Luther	Olson, E.	Rice	Wejcman
Bauerly	Delmont	Jefferson	Mahon	Olson, K.	Rukavina	Wenzel
Bergson	Dorn	Johnson, A.	Mariani	Opatz	Sarna	Winter
Bertram	Evans	Kahn	McCollum	Orenstein	Skoglund	Spk. Anderson, I.
Brown, C.	Farrell	Kelley	McGuire	Orfield	Steensma	
Brown, K.	Greenfield	Kinkel	Milbert	Ostrom	Tomassoni	
Carlson	Greiling	Klinzing	Mosel	Pelowski	Trimble	
Carruthers	Hausman	Krueger	Munger	Peterson	Tunheim	

The motion did not prevail and the amendment, as amended, was not adopted.

Pauly was excused for the remainder of today's session.

Krinkie, Workman, Stanius and Tompkins moved to amend S. F. No. 2015, the second unofficial engrossment, as amended, as follows:

Pages 2 to 26, delete Article 1 and insert:

"ARTICLE 1

METROPOLITAN PLANNING

Section 1. [3.9228] [LEGISLATIVE COMMISSION ON METROPOLITAN PLANNING.]

Subdivision 1. [MEMBERSHIP.] The legislative commission on metropolitan planning consists of 12 members, as follows:

(1) four members of the house of representatives appointed by the speaker;

(2) two members of the house of representatives appointed by the house minority leader;

(3) four members of the senate appointed by the committee on rules and administration;

(4) two members of the senate appointed by the senate minority leader.

All of the members of the commission must represent some or all of the metropolitan area, as defined in section 473.121, subdivision 2.

Subd. 2. [DUTIES.] The commission shall prepare and adopt a comprehensive development guide for the metropolitan area. It shall consist of a compilation of policy statements, goals, standards, programs, and maps prescribing guides for the orderly and economical development, public and private, of the metropolitan area. The comprehensive development guide shall recognize and encompass physical, social, or economic needs of the metropolitan area, and those future developments which will have an impact on the entire area including but not limited to such matters as land use, parks and open space land needs, the necessity for a location of airports, highways, transit facilities, public hospitals, libraries, schools, and other public buildings.

Subd. 3. [STAFF; CONTRACTS.] The commission may hire an executive director and other staff, and may enter into contracts, as necessary to perform its duties.

Sec. 2. Minnesota Statutes 1992, section 473.121, is amended by adding a subdivision to read:

Subd. 37. [LEGISLATIVE COMMISSION.] "Legislative commission" means the legislative commission on metropolitan planning, created in section 3.9228.

Sec. 3. [REVISOR INSTRUCTION.]

In the next and subsequent editions of Minnesota Statutes, the revisor shall substitute the term "legislative commission" for "metropolitan council" wherever the latter term appears in the following sections: 473.146; 473.147; 473.149; 473.151; 473.155; 473.1551; 473.156; 473.157; 473.164; 473.165; and 473.171.

Sec. 4. [TRANSITION.]

The legislative commission on metropolitan planning shall report to the legislature by January 15, 1995 on further statutory changes that are needed to effectuate the policies of this act, and to reassign powers and duties previously assigned to the metropolitan council.

Sec. 5. [REPEALER.]

Minnesota Statutes 1992, sections 473.121, subdivision 3; 473.122, 473.123; 473.127; 473.129; 473.13; 473.132; 473.145 are repealed.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 4 are effective July 1, 1994. Section 5 is effective January 1, 1996."

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 Krinkie et al amendment and the roll was called.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the Krinkie et al amendment to S. F. No. 2015, the second unofficial engrossment, as amended. The request was granted.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 46 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Abrams	Frerichs	Hugoson	Lindner	Onnen	Stanius	Waltman
Commers	Girard	Johnson, V.	Lynch	Osthoff	Sviggum	Wolf
Davids	Goodno	Knickerbocker	Macklin	Ozment	Swenson	Worke
Dehler	Gruenes	Knight	Molnau	Rhodes	Tompkins	Workman
Dempsey	Gutknecht	Krinkie	Morrison	Rodosovich	Van Dellen	
Erhardt	Haukoos	Leppik	Ness	Seagren	Van Engen	
Finseth	Holsten	Limmer	Olson, M.	Smith	Vickerman	

Those who voted in the negative were:

Anderson, R.	Cooper	Huntley	Klinzing	Mosel	Pugh	Trimble
Asch	Dauner	Jacobs	Krueger	Murphy	Reding	Tunheim
Battaglia	Dawkins	Jaros	Lasley	Neary	Rest	Vellenga
Bauerly	Delmont	Jefferson	Lieder	Nelson	Rice	Wagenius
Beard	Dorn	Jennings	Long	Olson, K.	Rukavina	Weaver
Bergson	Evans	Johnson, A.	Lourey	Opatz	Sarna	Wejcman
Bertram	Farrell	Johnson, R.	Luther	Orenstein	Sekhon	Wenzel
Brown, C.	Garcia	Kahn	Mahon	Orfield	Simoneau	Winter
Brown, K.	Greenfield	Kalis	Mariani	Ostrom	Skoglund	Spk. Anderson, I.
Carlson	Greiling	Kelley	McCollum	Pelowski	Solberg	
Carruthers	Hasskamp	Kelso	McGuire	Perlt	Steensma	
Clark	Hausman	Kinkel	Milbert	Peterson	Tomassoni	

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

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.

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, Pawlenty requested that he be excused from voting on the final passage of S. F. No. 2015, as amended. The request was granted.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 63 yeas and 66 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Clark	Huntley	Krueger	Mosel	Ostrom	Tomassoni
Asch	Dawkins	Jacobs	Long	Munger	Pelowski	Trimble
Battaglia	Delmont	Jaros	Lourey	Murphy	Peterson	Tunheim
Bauerly	Dorn	Jefferson	Luther	Neary	Pugh	Vellenga
Bertram	Evans	Johnson, A.	Mahon	Olson, E.	Reding	Wagenius
Brown, C.	Farrell	Kahn	Mariani	Olson, K.	Rice	Wejcman
Brown, K.	Greenfield	Kelley	McCollum	Opatz	Rukavina	Wenzel
Carlson	Greiling	Kinkel	McGuire	Orenstein	Sarna	Winter
Carruthers	Hasskamp	Klinzing	Milbert	Orfield	Skoglund	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Erhardt	Hugoson	Leppik	Olson, M.	Simoneau	Vickerman
Beard	Finseth	Jennings	Lieder	Onnen	Smith	Waltman
Bergson	Frerichs	Johnson, R.	Limmer	Osthoff	Solberg	Weaver
Bishop	Garcia	Johnson, V.	Lindner	Ozment	Stanius	Wolf
Commers	Girard	Kalis	Lynch	Perlt	Steensma	Worke
Cooper	Goodno	Kelso	Macklin	Rest	Sviggum	Workman
Dauner	Gruenes	Knickerbocker	Molnau	Rhodes	Swenson	
Davids	Gutknecht	Knight	Morrison	Rodosovich	Tompkins	
Dehler	Haukoos	Krinkie	Nelson	Seagren	Van Dellen	
Dempsey	Holsten	Lasley	Ness	Sekhon	Van Engen	

The bill was not passed, as amended.

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. 2742, A bill for an act relating to public administration; state general obligation bond authorizations; allowing the commissioner of finance to cancel miscellaneous bond authorizations when projects are completed or abandoned; proposing coding for new law in Minnesota Statutes, chapter 16A.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. [CAPITAL IMPROVEMENTS APPROPRIATIONS.]

Except as otherwise specifically provided for reduced appropriations and project authorizations, the sums in the column under "APPROPRIATIONS" are appropriated from the bond proceeds fund, or another named fund, to the state agencies or officials indicated, to be spent to acquire and to better public land and buildings and other public improvements of a capital nature, as specified in this act.

SUMMARY

ADMINISTRATION	$ 33,300,000
AMATEUR SPORTS COMMISSION	669,000
CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD	5,555,000
MILITARY AFFAIRS	366,000
CORRECTIONS	56,820,000
VETERANS HOME BOARD	10,000,000
JOBS AND TRAINING	5,000,000
HOUSING FINANCE AGENCY	2,000,000
HUMAN SERVICES	41,050,000
TECHNICAL COLLEGES	30,962,000
COMMUNITY COLLEGES	22,885,000
STATE UNIVERSITIES	45,150,000
UNIVERSITY OF MINNESOTA	42,973,000
TRANSPORTATION	43,580,000
MINNESOTA HISTORICAL SOCIETY	4,625,000
TRADE AND ECONOMIC DEVELOPMENT	18,350,000
MINNESOTA TECHNOLOGIES, INC.	400,000
EDUCATION	21,000,000
ENVIRONMENT AND NATURAL RESOURCES	17,290,000
POLLUTION CONTROL AGENCY	23,200,000
BOARD OF WATER AND SOIL RESOURCES	6,100,000
MINNESOTA ZOOLOGICAL GARDEN	20,211,000
BOND SALE EXPENSES	438,000
TOTAL	$451,923,000
Bond Proceeds Fund	406,163,000
Trunk Highway Fund	11,941,000
Transportation Fund	31,639,000
General Fund	2,180,000

APPROPRIATIONS

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STATE GOVERNMENT

Sec. 2. ADMINISTRATION

Subdivision 1. To the commissioner of administration for the purposes specified in this section 31,800,000

Subd. 2. Capital Asset Preservation and Replacement (CAPRA) 13,000,000

For unanticipated emergencies of a capital nature, projects to remove life safety hazards, elimination or containment of hazardous substances, and replacement and repair of roofs, windows, and other capital assets in accordance with Minnesota Statutes, section 16A.632. This appropriation is available for use at state facilities throughout the state.

The commissioner shall give all state agencies, other than higher education systems, higher education board, and University of Minnesota, an opportunity to apply for money for urgently needed projects under this appropriation. The commissioner shall determine project priorities as appropriate based upon need.

Subd. 3. Noncommercial Television Tower 1,200,000

For a grant to Murray county for the construction of a noncommercial television tower and acquisition and installation of a satellite dish to enable Pioneer Public Television to provide broadcast services to southwestern Minnesota, and to enable the southwest education cooperative service unit to provide educational broadcast interactive television services. This appropriation is contingent on Murray county obtaining matching funds. The tower must be owned by a public entity.

Subd. 4. Statewide Building Access 11,500,000

For improvements of a capital nature to remove barriers and make state-owned buildings, programs, and services accessible to individuals with disabilities, including compliance with federal ADA guidelines. The commissioner shall determine project priorities as appropriate based upon need. In determining project priorities, the commissioner must give lower priority to projects in facilities which the state intends to demolish, sell, or abandon within five years.

Subd. 5. Security Lighting/Surveillance Equipment 400,000

To proceed with the installation of capitol area security and surveillance equipment.

Subd. 6. Aurora Avenue Parking

The department of administration must not allow the use of Aurora Avenue in front of the capitol building for parking for senators during the legislative session, but instead shall use this space for parking for the public.

APPROPRIATIONS

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Subd. 7. Electric Utility Infrastructure 500,000

To improve and upgrade the utility infrastructure in the capitol complex area through installation of a third switchgear.

Subd. 8. Gillette Renovation For Humanities Commission 1,200,000

To the commissioner of administration for a grant to the city of St. Paul for renovation of the Gillette Hospital west wing for use by the Minnesota Humanities Commission to operate its educational programs. The humanities commission must pay one-third of the debt service costs on bonds issued to fund the project, under Minnesota Statutes, section 16A.643.

Subd. 9. Lake Superior Center Authority 4,000,000

To the commissioner of administration for a grant to the Lake Superior center authority for costs to design, construct, furnish, and equip the center.

Use of this appropriation is contingent upon the authority obtaining matching funds of $12,000,000 from federal and other nonstate sources.

Sec. 3. AMATEUR SPORTS COMMISSION

Subdivision 1. To the Amateur Sports Commission for the purposes specified in this section 669,000

Subd. 2. John Rose Memorial Oval Speedskating Facility 500,000

To the city of Roseville to complete construction of the John Rose memorial oval speedskating facility in consultation with the amateur sports commission, contingent on the receipt of $500,000 in matching funds from other sources.

Subd. 3. National Sports Center Parking Expansion 119,000

To the amateur sports commission to construct 500 additional parking spaces at the national sports center in Blaine. All of the debt service costs on the bonds sold to finance this project must be paid by the national sports center to the commissioner of finance as required by Minnesota Statutes, section 16A.643.

Subd. 4. Indoor National Shooting Sports Center

The appropriation in Laws 1990, chapter 610, article 1, section 25, paragraph (b), for a grant to construct an indoor national shooting sports center at Giant's Ridge in Biwabik may be used to construct an indoor national shooting sports center at any site in the taconite tax relief area as defined in Minnesota Statutes, section 273.134.

APPROPRIATIONS

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Subd. 5. Inner-city Sports Centers 50,000

For grants of $25,000 each to Minneapolis and St. Paul for inner-city sports centers. This appropriation is to seek federal funding for construction of the facilities. This appropriation is from the general fund. Each grant is contingent upon a local commitment of an equal amount.

Sec. 4. CAPITOL AREA ARCHITECTURAL AND PLANNING BOARD

Subdivision 1. Capitol Improvement 5,000,000

To the commissioner of administration to renovate and improve the capitol including reroofing, repair of the roof balustrade, and Quadriga restoration. $35,000 of this appropriation is to the capitol area architectural and planning board for design review fees.

$65,000 of the unencumbered balance of the appropriation in Laws 1988, chapter 686, article 1, section 6, paragraph (j), is reappropriated to the capitol area architectural and planning board for the capitol building exterior maintenance manual.

Subd. 2. Report

The capitol area architectural and planning board, when appropriate, must study and report to the legislature recommendations for location of proposed new buildings for the health department, education department, military affairs department, public safety department, and support services.

Subd. 3. Cafeteria Restoration and Renovation 500,000

To the commissioner of administration to renovate and restore the capitol cafeteria. $10,000 of this appropriation is to the capitol area architectural and planning board for planning and design review.

The renovation must include a plan to enhance the quality of food served in the capitol cafeteria.

Subd. 4. Capitol Area Parking Strategy 55,000

To the capitol area architectural and planning board to study public parking availability in the capitol area and develop strategies and plans to increase public parking in the area. The study should develop strategies to decrease the demand for employee parking and make available existing parking for the public, in consultation with the Department of Administration. If additional sites are needed the study shall assess sites for new parking facilities in or near the Capitol Area, and opportunities for facilities shared with other user groups. The study should also assess the impact of current technology as a means of increasing the area's public accessibility. This appropriation is from the general fund.

	APPROPRIATIONS $
Sec. 5. MILITARY AFFAIRS	366,000
To the adjutant general to renovate kitchen facilities at national guard training and community centers in Anoka, Camp Ripley, Chisholm, Cloquet, Detroit Lakes, Grand Rapids, Hibbing, Litchfield, Marshall, and St. James.	
Sec. 6. CORRECTIONS	
Subdivision 1. To the commissioner of administration for the purposes specified in this section	37,820,000
Subd. 2. Minnesota Correctional Facility - Moose Lake	16,200,000
To complete the conversion of the Moose Lake regional treatment center into a medium security prison housing up to 620 inmates.	
This appropriation is added to the appropriation in Laws 1993, chapter 373, section 8, subdivision 2.	
Subd. 3. Minnesota Correctional Facility - Red Wing	2,700,000
To construct, furnish, and equip a new 30-bed residential facility for the secure detention of violent juvenile offenders.	
This appropriation is added to the appropriation in Laws 1993, chapter 373, section 8, subdivision 3.	
Subd. 4. Emergency Generators and Loop Wiring System	315,000
To replace emergency generators at MCF-Red Wing.	
Subd. 5. Inmate Bed Expansion	14,705,000
To design, renovate, expand, construct, furnish, or equip correctional facilities at various locations throughout the state for the purposes specified in this subdivision. The spending must be for capital improvements.	
(a) expand MCF-Lino Lakes by remodeling B building from an industries building to living units, design two new living units, and upgrading of a capital nature to security and support service areas. This project will add 485 adult male beds	2,700,000
(b) expand MCF-Faribault on the campus of the Faribault regional treatment center to add 300 medium security beds. This includes renovation of a capital nature of the hospital, Poppy, Alpine, Wylie, Sierra, and recreation buildings, and related security improvements of a capital nature. This also includes money to renovate Rogers building to meet fire codes and remove hazardous materials, erect a section of security fence by the hospital building, replace inadequate heating systems in Maple and Cedar living units, and renovate the Oak building	10,000,000
(c) predesign and design of a new 60-bed housing unit for inmates at MCF-Oak Park Heights	405,000

APPROPRIATIONS

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(d) predesign and design of a new 800-bed close custody facility in the Twin Cities metropolitan area to be constructed in two phases 1,500,000

(e) predesign of a new 60-bed living unit and support areas at MCF-Shakopee 100,000

Subd. 6. Minnesota Correctional Facility - Stillwater Security Upgrades 1,000,000

To demolish and reconstruct the existing turnkey and communications areas into a maximum security master control center with an inmate holding area and a security bubble. This includes replacement of the current perimeter security system with a modern technology system, renovation of towers, and installation of razor ribbon on the wall.

Subd. 7. Minnesota Correctional Facility - Stillwater Industry Buildings 1,700,000

To renovate, construct, furnish, and equip industry buildings at MCF-Stillwater. This includes renovation of a capital nature of the farm machinery building, cordage warehouse, and foundry building.

Subd. 8. Thistledew Education Building 1,200,000

To construct, furnish, and equip an education building at Thistledew Camp to serve 48 students.

Subd. 9. Lino Lakes Education Building

The amount appropriated in Laws 1992, chapter 558, section 9, subdivision 4, to infill the area between buildings G and F1 at the MCF-Lino Lakes may be used instead to improve and expand the school building at that facility.

Sec. 7. JUVENILE DETENTION FACILITIES CONSTRUCTION GRANTS 17,000,000

To the commissioner of corrections for grants to counties for construction of secure juvenile detention and treatment facilities, as provided in section 46. It is the intent of the legislature that additional appropriations for this purpose will not be made after 1994.

Sec. 8. NORTHWEST MINNESOTA JUVENILE TRAINING CENTER SUPPLEMENTAL GRANT 2,000,000

To the commissioner of corrections for a grant to Beltrami county as fiscal agent for the northwest Minnesota juvenile training center, to design, acquire, construct, equip, and furnish a 48-bed secure juvenile detention and treatment facility. This amount shall be added to the grant that counties in the judicial district receive under sections 7 and 46.

APPROPRIATIONS

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Sec. 9. MINNEAPOLIS VETERANS HOME

(a) To the commissioner of administration for the 35 percent state share of total campus renovation of the Minneapolis veterans home 10,000,000

(b) This campus renovation project includes money for:

(1) renovation of building 6 to skilled nursing care standards;

(2) renovation of building 9 to board and care standards;

(3) renovation of buildings 1, 2, and 4 to current health care standards;

(4) renovation of the Minnehaha Creek bridge;

(5) creation of a new campus entrance and adaption of the building 17 entrance;

(6) demolition of building 7 and improvements to the road system for circulation and access to all buildings;

(7) renovation of building 16 to board and care standards; and

(8) campuswide asbestos removal, road upgrading, installation and integration of fire alarms, improved exterior lighting, power plant upgrades, and federal Americans with Disabilities Act improvements.

(c) The Minnesota veterans homes board must apply for the federal money needed to complete these projects. The commissioner of administration shall receive the federal money and make the money available to the veterans homes board to spend for completion of the projects. Any part of the total appropriation in this section may be spent for any of the projects authorized, provided that the project must not be started until enough federal or other money has been committed to complete it.

CRIME PREVENTION BONDING

Sec. 10. JOBS AND TRAINING, HEAD START PROGRAM REIMBURSEMENT 2,000,000

This appropriation is from the general fund to the commissioner of jobs and training to be used to reimburse the bond proceeds fund for any expenditures made under Laws 1992, chapter 558, section 10, that the attorney general has determined are ineligible for bond proceeds funding under that appropriation. The money that is reimbursed is reappropriated for additional expenditures under the terms of that appropriation.

Sec. 11. HOUSING FINANCE AGENCY, TRANSITIONAL HOUSING LOANS 1,500,000

To the commissioner of the housing finance agency for the purpose of making transitional housing loans to local government units authorized under Minnesota Statutes, section 462A.202, subdivision 2.

APPROPRIATIONS

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Sec. 12. JOBS AND TRAINING; EARLY CHILDHOOD CENTERS 3,500,000

(a) Of this appropriation, $2,000,000 is to the commissioner of jobs and training for grants through the department's community based services division, youth programs to political subdivisions of the state to construct or for capital rehabilitation of (1) early childhood and family education facilities, (2) Head Start facilities, or (3) other early education intervention programs. The facilities must be owned by the state or a political subdivision, but may be leased to nonprofit organizations that operate the programs. The lease is subject to the approval of the commissioner of finance under new Minnesota Statutes, section 16A.695. The grants must also be geographically distributed throughout the state consistent with the demonstrated need for facilities. No grant for any individual facility shall exceed $200,000.

(b) Of this appropriation, $1,000,000 is to the commissioner of jobs and training, for five battered women's residences, two in the seven-county metropolitan area and three in greater Minnesota. Grants may be up to $200,000 for each facility.

(c) Of this appropriation, $500,000 is to the commissioner of jobs and training, for grants through the department's community based services division, youth programs, for two truancy and curfew centers, one in Hennepin and one in Ramsey county.

(d) At least 25 percent of the total appropriation under subdivisions 1 to 4 must utilize youthbuild, Minnesota Statutes, sections 268.361 to 268.367, or other youth employment and training programs to do the construction. Eligible programs must consult with appropriate labor organizations to deliver education and training. In making grants under these subdivisions, the commissioner shall use a request for proposal process.

Sec. 13. HUMAN SERVICES

Subdivision 1. To the commissioner of administration for purposes specified in this section 41,050,000

Subd. 2. Homes for State Operated Waiver Services (SOCS) 8,835,000

$6,135,000 of this appropriation is to acquire and better up to 43 four-bed homes for purposes of state operated waiver services programs for developmentally disabled individuals at various locations throughout the state.

$2,700,000 of this appropriation is for a contingency to acquire and better additional four-bed homes for purposes of state-operated waiver services programs for developmentally disabled individuals under the terms of future negotiated downsizing of regional treatment centers under the ten-year plan.

Debt service costs on the bonds sold to finance this project must be paid to the commissioner of finance in accordance with Minnesota Statutes, section 16A.643, from waivered service fees charged and collected by the commissioner of human services.

APPROPRIATIONS

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Subd. 3. Anoka Metro Regional Treatment Center Consolidation and Restructuring 32,000,000

To construct, remodel, furnish, and equip new residential, program, and ancillary service facilities for the Anoka metro regional treatment center. This includes construction for 150 psychiatric hospital beds, ancillary service facilities, and site improvements.

Subd. 4. Air Conditioning at Tomlinson Hall at St. Peter Regional Treatment Center 215,000

To upgrade the ventilation and air conditioning of Tomlinson Hall so it can be utilized year round.

Subd. 5. Cambridge Regional Human Services Center

$2,280,000 of the unencumbered balance of the appropriation in Laws 1990, chapter 610, article 1, section 12, subdivision 8, may be used to design, acquire, and construct independent heating systems in the following buildings at the Cambridge regional human services center: Ridgewood, McBrown, Boswell, Oakview, medical services, and laundry/carpentry.

Sec. 14. TECHNICAL COLLEGES

Subdivision 1. To the state board of technical colleges for the purposes specified in this section 30,962,000

Notwithstanding Minnesota Statutes, section 475.61, subdivision 4, the state board of technical colleges may approve a request by a local school board to use any unobligated balance in the technical college debt redemption fund to pay the district's share of construction projects authorized in this section.

Notwithstanding Minnesota Statutes, section 136C.44, during the biennium the state board of technical colleges must not make grants to school districts but shall directly supervise and control the preparation of plans and specifications to construct, alter, or enlarge the technical college buildings, structures, and improvements provided for in this section.

During the biennium, the state board may delegate the authority provided in this section to the campus president for repair and replacement projects with a total cost of less than $50,000, if the state board determines that the projects can be efficiently managed at the campus level.

Subd. 2. Higher Education Asset Preservation and Restoration 9,000,000

State appropriations for parking repairs under this subdivision must not be used for more than one-half of the construction or repair cost at any campus. The campus must provide the remaining costs through parking fees. The state board must report on parking fees to the capital investment committee by February 1, 1995.

APPROPRIATIONS

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Appropriations in this subdivision are for the following campus projects:

(1) Albert Lea

$250,000 for life safety and code compliance.

(2) Alexandria

$640,000 for life safety, code compliance, and tank removal.

(3) Anoka Hennepin

$290,000 for roof repair.

(4) Austin

$470,000 for life safety and code compliance.

(5) Bemidji

$75,000 for roof repair and tank removal.

(6) Canby

$55,000 for tank removal.

(7) Dakota County

$1,660,000 for life safety, code compliance, tank removal, and roof and parking repair.

(8) Detroit Lakes

$30,000 for roof repair.

(9) Duluth

$410,000 for life safety, asbestos abatement, tank removal, and roof repair.

(10) Eveleth

$245,000 for roof repair.

(11) Faribault

$30,000 for life safety.

(12) Granite Falls

$110,000 for tank removal and parking repair.

(13) Hennepin

$300,000 for tank removal and parking repair.

APPROPRIATIONS

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(14) Jackson

$170,000 for tank removal and parking repair.

(15) Mankato

$160,000 for parking repair.

(16) Minneapolis

$10,000 for roof repair.

(17) Moorhead

$110,000 for tank removal and roof repair.

(18) Northeast Metro

$75,000 for tank removal.

(19) Pine

$110,000 for tank removal, and roof and parking repair.

(20) Pipestone

$65,000 for parking repair.

(21) Red Wing

$390,000 for life safety, tank removal, and parking repair.

(22) St. Cloud

$1,110,000 for life safety, tank removal, and roof and parking repair.

(23) St. Paul

$700,000 for asbestos abatement, tank removal, and parking repair.

(24) Thief River Falls

$30,000 for tank removal.

(25) Wadena

$220,000 for life safety improvements at the utility field buildings and tank removal.

(26) Willmar

$480,000 for tank removal and parking repair.

(27) Winona

$390,000 for life safety, and roof and parking repair.

(28) Systemwide

$365,000 for life safety and tank removal.

APPROPRIATIONS

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Subd. 3. Brainerd 20,000,000

To construct and equip a new technical college campus colocated with Brainerd Community College. This appropriation is contingent upon the approval of the independent school district No. 181 bond referendum to purchase the technical college campus.

Subd. 4. Dakota County 600,000

To complete construction of the decision driving course. Intermediate district No. 917 must use local money for any costs beyond this appropriation. The total cost of the project must not exceed $1,200,000.

Subd. 5. Northeast Metro 162,000

To construct a truck driving classroom support facility.

Subd. 6. Rochester 1,200,000

This appropriation is to prepare design development plans and working drawings for an integrated campus in accordance with this subdivision.

(1) Rochester independent school district No. 535 and the state board of technical colleges may enter into an agreement for the sale of the Rochester technical college. The sale is contingent on state board of technical colleges' approval and passage of a referendum by the voters in Rochester school district No. 535. The sale price shall equal the appraised value.

(2) The sale shall not cause the technical college to lease space or to move to any temporary site.

(3) The state board of technical colleges may sell the current Rochester campus site to independent school district No. 535 for no less than the appraised value of the property. The proceeds from the sale must be used toward the costs of design and construction of a technical college addition to the Rochester center.

Prior to the preparation of design documents, the public post-secondary systems shall jointly prepare an academic plan for an integrated polytechnic university for the Rochester center facility. The plan shall be submitted to the post-secondary governing boards for approval by December 1, 1994. If approved, the plan shall be submitted to the higher education finance divisions by February 15, 1995.

(4) The proceeds from the sale of the technical college to Rochester independent school district No. 535, are appropriated for the construction necessary to integrate technical college programs into the university center and to add or modify space where necessary. The new technical college program space must be attached to and must maximize the current services, space, and programs of the community college, state university, and University of Minnesota cooperative campus.

APPROPRIATIONS

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The state board of technical colleges shall develop a plan to relocate to the Austin and Faribault campuses all Rochester campus programs that are not essential to the integrated mission of the polytechnical university planned for the Rochester center facility. This plan must be completed prior to preparing design documents for the technical college addition to the Rochester center. The state board shall report its plan to the house capital investment committee and the house and senate higher education finance divisions by January 15, 1995.

The state board of technical colleges shall relocate the horticulture technology program from the Rochester campus to the Austin campus of Riverland Technical College before the start of the 1995-1996 academic year.

Sec. 15. COMMUNITY COLLEGES

Subdivision 1. To the commissioner of administration for the purposes specified in this section 22,885,000

During the biennium, the state board for community colleges shall supervise and control the making of necessary repairs to all community college buildings and structures.

During the biennium, the state board may delegate the authority provided in this section to the campus president for repair and replacement projects with a total cost of less than $50,000, if the state board determines that the projects can be efficiently managed at the campus level.

Subd. 2. Higher Education Asset Preservation and Restoration 4,000,000

Appropriations in this subdivision are for the following campus projects:

(1) Anoka

$370,000 for roof replacement.

(2) Austin

$110,000 for roof replacement.

(3) Fergus Falls

$1,950,000 for renovating the science building, emergency lighting, replacing a roof, windows, and precast trim.

(4) Hibbing

$220,000 for roof and window replacement, venting, air conditioning, steamline revisions, and replacing theatre curtains.

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(5) Inver Hills

$130,000 for roof and window replacement, tunnel repair, tuckpointing, venting, and lighting.

(6) Lakewood

$150,000 for roof replacement, parking and gym lighting replacement, floor replacement, and generator replacement.

(7) Minneapolis

$370,000 for life safety, security, roof replacement, and modifying the entrance.

(8) North Hennepin

$270,000 for roof replacement, tuckpointing, insulation, and bleacher repair.

(9) Rainy River

$120,000 for roof replacement and air conditioning

(10) Worthington

$310,000 for roof and light replacement, tuckpointing, and security.

Subd. 3. Normandale 10,000,000

To remodel and expand the campus for code compliance and improvement of classrooms, learning resource center, campus center, teaching labs, offices, and institutional services.

Subd. 4. Cambridge Center 7,000,000

To construct classrooms, ITV facilities, teaching laboratories, learning resource center, campus center, offices, and institutional services.

Subd. 5. Inver Hills 400,000

To acquire land and relocate the campus entry road.

Subd. 6. Rainy River Community College Student Housing 1,030,000

To the state board for community colleges to acquire existing facilities for use as a dormitory or other student residence at International Falls for the use and benefit of Rainy River Community College. The state board for community colleges or its successor shall establish, maintain, revise when necessary, and

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collect rates and charges for the use of the student housing facilities. The rates and charges must be sufficient, as estimated by the board, to pay one-third of the debt service on bonds issued to fund this appropriation under the provisions of Minnesota Statutes, section 16A.643, to pay all expenses of operation and maintenance of the facilities, and to establish and maintain the reserve funds that the board considers necessary for repair, replacement, and maintenance of the facilities. The rates and charges collected are appropriated for these purposes. Funds and accounts established in furtherance of these purposes are not subject to Minnesota Statutes, section 136.67, subdivision 2, or its successor provision and are not subject to the budgetary control of the commissioner of finance, except as provided in Minnesota Statutes, section 16A.643.

Subd. 7. North Hennepin 455,000

To design campus expansion and remodeling for code compliance and improvement of classrooms, learning resource center, campus center, teaching labs, and offices.

Sec. 16. STATE UNIVERSITIES

Subdivision 1. To the state university board for the purposes specified in this section 45,150,000

The state university board shall supervise and control the making of necessary repairs to all state university buildings and structures.

Subd. 2. Higher Education Assets Preservation and Restoration 11,000,000

Appropriations in this subdivision are for the following campus projects:

(1) Bemidji State

$1,380,000 for roof replacement, asbestos abatement, and tuckpointing.

(2) Mankato State

$2,770,000 for asbestos abatement, installation of water mains, fire hydrants and fire alarm systems, and electrical, mechanical, and access improvements.

(3) Metro State

$200,000 for asbestos abatement.

(4) Moorhead State

$470,000 for roof replacement and asbestos abatement.

(5) St. Cloud State

$3,240,000 for roof replacement, asbestos abatement, electrical and utility tunnel upgrade design, and new boiler construction.

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(6) Southwest State

$1,790,000 for asbestos abatement, tuckpointing, and air quality improvement.

(7) Winona State

$750,000 for roof replacement and asbestos abatement.

(8) Systemwide

$400,000 for asbestos abatement.

Subd. 3. Winona State 20,000,000

To construct a new library and chiller plant.

Subd. 4. Metro State 12,000,000

To design, rehabilitate, and remodel buildings A and C and plan to rehabilitate the attached power plant upper level. Metro state must not lease additional space during the remodeling to accommodate programs and personnel currently housed in building C.

Subd. 5. Moorhead State 600,000

To acquire land in the five-block area adjacent to the campus.

Subd. 6. St. Cloud State 400,000

To acquire land in the six-block area adjacent to the campus.

Subd. 7. St. Cloud State 1,150,000

To prepare contract documents for constructing a new library and chiller plant.

Sec. 17. UNIVERSITY OF MINNESOTA

Subdivision 1. To the board of regents of the University of Minnesota for the purposes specified in this section 42,973,000

Before issuing bonds for a steam plant, the board of regents must review the findings of the Environmental Impact Statement and the operating and capital costs of the project and alternative approaches, and report its recommendations to the higher education finance divisions.

Subd. 2. Higher Education Asset Preservation and Restoration 12,000,000

Appropriations in this subdivision are for the following campus projects:

(1) Crookston

$1,100,000 for health and life safety and handicapped access.

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(2) Duluth

$2,626,000 for fire protection, emergency lighting, and pipe replacement.

(3) Morris

$350,000 for health and life safety and upgrading conductors and switch gear.

(4) Twin Cities

$5,740,000 for health and life safety, fire protection, emergency lighting, and construction of exits.

(5) Agricultural Experiment Stations

$184,000 for fire protection, well construction, and emergency lighting.

(6) Systemwide

$2,000,000 for handicapped access and hazardous substance abatement.

The board of regents shall determine project priorities. In determining priorities, the board of regents must give lower priority to projects in facilities which the university intends to demolish, sell, or abandon within five years.

Subd. 3. Archival Research Library 2,700,000

To design the archival research library to house all collections, and university manuscripts, special collections, and Immigration History Research Center documents and collections, and accommodate collections overflow for university, state university, private college, city, county, and regional libraries, and to house Minitex services. The facility must include a public viewing area for display of materials to educate visitors on the importance of the archives and their historical context.

Subd. 4. Carlson School of Management 12,000,000

To construct a new facility to house the Carlson School of Management to provide space for all teaching, research, and service activities associated with the school's academic and community service programs. This appropriation is contingent upon the commitment of at least $20,000,000 in nonstate funds, and is intended to complete the project.

Subd. 5. Assessments 1,273,000

To pay special assessments levied for the construction of roads and storm drains around the Minneapolis and St. Paul campuses.

Subd. 6. Mechanical Engineering 11,000,000

To renovate and reconstruct labs, classrooms, and offices in the electrical engineering building. This appropriation is contingent upon the commitment of $6,700,000 in nonstate funds. This appropriation is intended to complete the project.

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Subd. 7. Duluth Medical School 4,000,000

To construct an addition to the medical school to house laboratories and support functions.

Sec. 18. TRANSPORTATION

Subdivision 1. To the commissioner of transportation for the purposes specified in this section 43,580,000

Subd. 2. Bloomington Ferry Bridge 5,000,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal funds to complete construction of the Bloomington ferry bridge and approaches. Any money not encumbered by December 31, 1997, is canceled to the state bond fund.

This appropriation is added to the appropriation in Laws 1993, chapter 373, section 14, subdivision 2.

Subd. 3. 494 and 61 Interchange; Wakota Bridge; E.I.S. 1,000,000

This appropriation is from the state transportation fund for the environmental impact statement and preliminary engineering to upgrade the highways 494 and 61 interchange including the Wakota Bridge.

Subd. 4. Local Bridge Replacement and Rehabilitation 10,000,000

This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to match federal funds and to replace or rehabilitate local deficient bridges.

Political subdivisions may use grants made under this section to construct or reconstruct bridges, including:

(1) matching federal-aid grants to construct or reconstruct key bridges;

(2) paying the costs to abandon an existing bridge that is deficient and in need of replacement, but where no replacement will be made;

(3) paying the costs to construct a road or street to facilitate the abandonment of an existing bridge determined by the commissioner to be deficient, if the commissioner determines that construction of the road or street is more cost-efficient than the replacement of the existing bridge; and

(4) paying the costs of preliminary engineering and environmental studies authorized under Minnesota Statutes, section 174.50, subdivision 6a.

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Subd. 5. Federal Aid Demonstration Projects	3,639,000
This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to fund the nonfederal matching requirement for demonstration projects of Forest Highway 11 in St. Louis and Lake counties, and County State-Aid Highway 41 in Nicollet county.	
Subd. 6. Light Rail Transit	10,000,000
This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to construct light rail transit in the central corridor. The appropriation must be used to match a $10,000,000 federal grant for preliminary engineering and final design of light rail transit in the central corridor. The project must be managed by the commissioner of transportation.	
Subd. 7. Harbor Improvement Program	2,000,000
This appropriation is from the state transportation fund as provided in Minnesota Statutes, section 174.50, to the port development revolving fund for the purposes of the port development assistance program under Minnesota Statutes, chapter 457A.	
Subd. 8. Trunk Highway Facility Projects	11,941,000
To the commissioner of transportation for the purposes specified in this subdivision. The appropriations in this subdivision are from the trunk highway fund.	
(a) Installation of automatic fire sprinkler systems at maintenance headquarters in Virginia, Owatonna, and Windom	365,000
(b) Repair, replace, or construct chemical and salt storage buildings at 36 department of transportation locations statewide	1,030,000
(c) Construct, furnish, and equip a truck enforcement site and weigh scale in the Albert Lea area to replace the Lakeville site	886,000
(d) Construct, furnish, and equip a truck station and maintenance facility in Hutchinson on a new site to replace the current facility	897,000
(e) Construct, furnish, and equip a new truck station on Maryland Avenue in St. Paul to replace the current facility	5,440,000
(f) Construct an addition to the Detroit Lakes welding shop	355,000
(g) Remodel facilities and construct additions to truck stations in Ely, Montgomery, and Forest Lake	302,000
(h) Purchase, remodel, and expand the Minnesota National Guard truck maintenance facility in Tracy to fit the needs of a department of transportation truck station	359,000
(i) Construct, furnish, and equip a truck station in Wadena on a new site to replace the current facility	527,000

	APPROPRIATIONS $
(j) Construct, furnish, and equip class II safety rest areas in Darwin Winter park, Preston/Fountain vicinity, Pioneer monument, Camp Release historic monument, and Lake Shetek	200,000
(k) Land acquisition for new replacement truck station sites at Illgen City, Rushford, Gaylord, Madelia, Sherburne, and Litchfield	250,000
(l) Design fees to complete construction drawings for projects at Windom, Maplewood, Hastings, central services building, Arden Hills training center, and Albert Lea weigh scale	371,000
(m) Construct pole type storage buildings at department of transportation locations throughout the state	400,000
(n) Remove asbestos from various department of transportation buildings statewide	150,000
(o) Remodel facility and construct an addition to the Carlton truck station	259,000
(p) Remodel the old Burlington Northern train depot in Floodwood into a safety information center and rest area and phase out the wayside rest at Trunk Highways 2 and 73	150,000
The commissioner may use the balance of funds appropriated by Laws 1985, first special session chapter 15, section 9, subdivision 6, paragraph (c), for land acquisition for a weigh station on interstate highway 94 at Moorhead to supplement funds appropriated by Laws of 1989, chapter 269, section 2, subdivision 11, paragraph (d), for construction of the Moorhead weigh station.	
Sec. 19. MINNESOTA HISTORICAL SOCIETY	
Subdivision 1. To the Minnesota historical society for the purposes specified in this section	4,625,000
Subd. 2. Historic Site Preservation and Repair	1,525,000
For capital repair, reconstruction, or replacement at the Jeffers Petroglyphs, Forest History Center, Lower Sioux Agency, James J. Hill House, and of the state's other historic sites and markers. $25,000 of this appropriation is from the general fund for fencing at Stumne mounds. The society shall determine project priorities as appropriate based on need.	
Subd. 3. Historic Site Permanent Exhibit Repair and Replacement	350,000
For capital repair or replacement of exhibits at historic sites throughout the state. The society shall determine project priorities as appropriate based on need. This appropriation is not available for exhibits at the history center.	
Subd. 4. County and Local Preservation Projects	500,000
To be allocated to county and local jurisdictions as matching money for historic preservation projects. Grant recipients must be public entities and must match state funds on at least an equal basis.	

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Subd. 5. ISTEA Preservation Grants 1,000,000

To be allocated to county and local jurisdictions or the Minnesota Historical Society as matching money for federal Intermodal Surface Transportation Efficiency Act grants.

The society shall determine project priorities as appropriate based on historic preservation purposes and need.

$50,000 of this amount is from the general fund and is for state matching money to restore the Sibley House site in Mendota.

Use of the appropriation for the projects specified is contingent upon award of federal matching money.

Subd. 6. Battle Point Historic Site 250,000

For construction of the Battle Point historic site, preliminary plans for which were authorized in Laws 1990, chapter 610, article 1, section 17, and Laws 1992, chapter 558, section 24, subdivision 5. This appropriation is contingent upon the commitment of an equal amount from nonstate sources.

Subd. 7. St. Anthony Falls Heritage Zone 1,000,000

For grant-in-aid purposes of the St. Anthony Falls Heritage Board in accordance with Minnesota Statutes, section 138.763. Grants may be made for public improvements of a capital nature according to the St. Anthony Falls Heritage Board.

Sec. 20. TRADE AND ECONOMIC DEVELOPMENT

Subdivision 1. To the commissioner of trade and economic development for the purposes specified in this section 18,350,000

Subd. 2. Water Pollution Control Matching Funds 13,400,000

For the public facilities authority for state matching money to federal grants to capitalize the state water pollution control revolving fund under Minnesota Statutes, section 446A.07. This includes funding for nonpoint source projects.

Expenditure of this appropriation is limited to the minimum amount necessary to match the allotment of federal funds to Minnesota.

Subd. 3. Eagle Lake Sewer Connection

Of the amounts transferred to the public facilities authority under Minnesota Statutes, section 446A.071, subdivision 8, $149,000 shall be transferred and is appropriated to the commissioner of the pollution control agency for a grant to the city of Eagle Lake to pay for an interceptor connection to the wastewater treatment plant in the city of Mankato. This grant is for payment in the last quarter of fiscal year 1995.

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Subd. 4. Minnesota Children's Museum	1,250,000
For a grant to the city of St. Paul for site preparation and construction of the Minnesota Children's Museum.	
Subd. 5. Tourism and Exposition Centers	2,200,000
For two grants to political subdivisions for exhibition space for tourism and exposition centers. One grant must be for $1,000,000 to the southwest regional development commission for the Prairieland Expo facility to develop construction planning documents sufficient to secure a grant from the department of transportation's intermodal surface transportation efficiency act funds. The other grant must be for a project selected by the commissioner and located in northeastern Minnesota.	
Subd. 6. Contamination Cleanup Grants	1,500,000
This appropriation is for contamination cleanup grants under Minnesota Statutes, sections 116J.551 to 116J.557.	
Sec. 21. MINNESOTA TECHNOLOGIES, INC.	400,000
To Minnesota Technologies, Inc., for capital improvements at the natural resources research institute, Coleraine laboratory facility, to match federal grants.	
Sec. 22. RESIDENTIAL ACADEMIES	1,500,000
To the commissioner of administration for projects at the Minnesota state residential academies in Faribault as specified in this section.	
$1,465,000 of this appropriation is to renovate, furnish, and equip the east wing of Noyes hall to provide additional classrooms, library media center, and office space for support services. Maintenance employees of the academies may do the demolition work necessary to complete this project.	
$35,000 of this appropriation is for renovation of the science classroom.	
Sec. 23. COOPERATIVE SECONDARY FACILITIES GRANT	6,000,000
To the commissioner of education for cooperative secondary facilities grants under Minnesota Statutes, sections 124.491 to 124.494.	
Notwithstanding Minnesota Statutes, sections 124.491 to 124.494 to the contrary, the commissioner of education shall award a grant of $5,000,000 according to Minnesota Statutes, section 124.494, subdivision 1, and a grant of $1,000,000 according to Minnesota Statutes, section 124.494, subdivision 4a, to a group of independent school district Nos. 341, Atwater; 461, Cosmos; and 464, Grove City. The group of districts must enter into a joint powers agreement and must comply with Minnesota Statutes, section 124.494, subdivision 6.	

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Notwithstanding the 180-day requirement of Minnesota Statutes, section 124.494, subdivision 5, the joint powers board must submit the question to the voters as required in that subdivision between the effective date of this section and November 15, 1994.

Sec. 24. SCHOOL BUILDING ACCESSIBILITY GRANTS 4,000,000

To the commissioner of education for grants according to Minnesota Statutes, sections 124C.71 to 124C.73. Up to $25,000 of this appropriation is available to the department of education for administrative expenses specifically related to the disbursement of the grants after grants from the 1993 appropriation are distributed to school districts.

Sec. 25. METROPOLITAN MAGNET SCHOOLS 10,000,000

To the commissioner of education for a metropolitan magnet school grant. The commissioner of education, in consultation with a voluntary interdistrict coordinating council, if established, shall award the grant to a group of qualified metropolitan school districts under Minnesota Statutes, section 124C.498. Up to $250,000 of the appropriation may be used by the grant recipients for facilities planning purposes.

Sec. 26. LIBRARY ACCESSIBILITY 1,000,000

To the commissioner of education to make grants for library accessibility capital projects.

ENVIRONMENT AND NATURAL RESOURCES

Sec. 27. NATURAL RESOURCES

Subdivision 1. To the commissioner of natural resources for the purposes specified in this section 17,290,000

Subd. 2. Underground Storage Tank Removal and Replacement 1,000,000

To remove and replace state-owned underground fuel storage tanks that are subject to related federal regulations.

Subd. 3. Flood Hazard Mitigation Grants 400,000

For the flood hazard mitigation grant assistance program to local government units to prevent or alleviate flood damages to public lands, facilities, or capital improvements, as provided in Minnesota Statutes, section 103F.161.

$350,000 of this appropriation is for the Red Lake Watershed-Goode Lake project. $50,000 is for preliminary engineering for water retention projects in Renville county.

Subd. 4. Dam Improvements 1,000,000

To repair, reconstruct, or remove publicly owned dams throughout the state, as provided in Minnesota Statutes, section 103G.511.

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Funded projects and the amounts of this appropriation for each are:

Mud-Goose Lake	450,000
Kettle River	250,000
emergency repairs	300,000

$100,000 of the appropriation in Laws 1992, chapter 558, section 18, subdivision 2, for dam repair and replacement, and the $100,000 appropriated in Laws 1993, chapter 373, section 12, subdivision 3, for the repair of the Stewartville dam, may be used for the removal of the Stewartville dam and restoration of the natural river channel under Minnesota Statutes, section 103G.511, except that no local match is required for removal.

Subd. 5. State Park Betterment and Rehabilitation 1,000,000

To upgrade, repair, or rehabilitate improvements of a capital nature at state park facilities throughout the state including, but not limited to, campsite improvements, trail resurfacing, parking area improvements, and erosion control. This appropriation must not be used for wetlands mitigation or resource management.

Subd. 6. Trail Rehabilitation 1,600,000

To upgrade, repair, or rehabilitate improvements of a capital nature at Willard Munger trail, Paul Bunyan trail, Luce Line trail, Sakatah Singing Hills trail, and Northshore trail. Of this amount, $500,000 is for the completion of the Sakatah Singing Hills trail.

The commissioner shall use $100,000 of the unencumbered balances from the appropriations for acquisition or betterment of state trails in Laws 1981, chapter 304, section 4, paragraph (4); Laws 1985, First Special Session chapter 15, section 4, subdivision 3, paragraph (b); Laws 1987, chapter 400, section 5, subdivision 2, paragraph (i); and Laws 1989, chapter 300, article 1, section 16, subdivision 3, paragraph (a), for the development of a nonmotorized trail between the entrance to Lake Louise State Park and the city of Le Roy.

Subd. 7. State Park Building Rehabilitation 1,500,000

For improvements of a capital nature to repair, rehabilitate, construct, or add to state park buildings throughout the state, according to the management plan required in Minnesota Statutes, chapter 86A. This appropriation must not be used for wetland mitigation or repairs to utility systems.

Subd. 8. Forestry Recreation Facilities 500,000

For improvements of a capital nature to rehabilitate, improve, or develop forestry recreation campgrounds, day-use areas, and horse staging areas throughout the state.

Subd. 9. Forestry Roads and Bridges 300,000

For reconstruction, resurfacing, replacement, or construction of improvements of a capital nature to state forest roads and bridges throughout the state.

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Subd. 10. RIM Prairie Bank Improvements 250,000

For development, protection, or improvements of a capital nature to prairie bank areas throughout the state.

Subd. 11. Metropolitan Council Regional Parks 5,000,000

This appropriation is for payment by the commissioner of natural resources to the metropolitan council. The commissioner shall transfer the amount to the metropolitan council upon receipt of a certified copy of a council resolution requesting payment. The appropriation must be used to pay the cost of acquisition and betterment by the metropolitan council and local government units of regional recreational open space lands in accordance with the council's policy plan as provided in Minnesota Statutes, section 473.315. This appropriation includes $2,400,000 for the Lake Minnetonka Regional Park.

Subd. 12. State Park Building Development 1,000,000

To construct, furnish, and equip new facilities in the state park system, according to the management plan required in Minnesota Statutes, chapter 86A.

Subd. 13. Forestry Air Tanker Facilities 500,000

To replace temporary buildings, upgrade equipment, and construct fuel and fire retardant spill containment systems at air tanker bases at Bemidji, Hibbing, and Brainerd.

$183,000 of this appropriation is for state funding of the Bemidji site and is contingent upon commitment of $200,000 in matching funds from the United States Bureau of Indian Affairs.

Subd. 14. Lake Superior Safe Harbors 1,500,000

To develop a new small craft harbor in Silver Bay contingent on receipt of the federal matching grant.

Subd. 15. Hibbing Drill Core Library and Reclamation Demonstration Facility 650,000

To expand the division of minerals drill core library facility and relocate its reclamation demonstration facility from Babbit to Hibbing.

The minerals and drill core library shall include space that will serve as a public viewing area that will educate visitors on the geology of Minnesota.

Subd. 16. Forestry Land Acquisition 250,000

To acquire private lands within established boundaries of state forests throughout the state.

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Subd. 17. Lac qui Parle Improvements 500,000

To construct, furnish, and equip offices and a hunter contact and education center at the Lac qui Parle wildlife management area.

$120,000 of this appropriation must be used to: (1) build a migratory waterfowl observation deck and trail; and (2) build a pole storage building.

The location of the improvement must be chosen by an ad hoc committee of eleven local residents. The committee shall include one member of each of the county boards of Big Stone, Chippewa, Lac qui Parle, and Swift counties chosen by the respective county boards; one member of the Lac qui Parle lake association, chosen by the association; one member of the Lac qui Parle goose advisory committee, chosen by the committee; and one local Department of Natural Resources employee chosen by the department. Four members of the ad hoc committee shall be owners of land adjacent to the Lac qui Parle wildlife management area. The county boards of Big Stone, Chippewa, Lac qui Parle, and Swift counties shall each choose a resident adjacent landowner to serve on the ad hoc committee. The commissioner of natural resources shall notify the above groups of their participation in the site selection process, and shall convene, at a convenient time and place, the first meeting of the ad hoc committee. The unencumbered balance of the appropriation in Laws 1990, chapter 610, article 1, section 20, subdivision 9, clause (d), shall be used for the purposes described in this subdivision, notwithstanding the site restrictions specified in that appropriation.

Subd. 18. White Oak Fur Post 340,000

To the commissioner of natural resources for a grant to the city of Deer River for site improvements and construction of a campground service building and education center for the White Oak Fur Post tourism and education facility. The facility shall be owned by the city. The city may enter into a lease or management contract with a nonprofit entity under Minnesota Statutes, section 16A.695, for operation of the facilities. The rental amount need not require the lessee to pay rentals sufficient to pay debt service on the state bonds issued to acquire and better the facilities.

Subd. 19. Work Program

The commissioner of natural resources must submit a work program and semi-annual progress reports in the form determined by the legislative commission on Minnesota resources and request its recommendation before spending any money appropriated by subdivisions 2, 5, 6, 7, 8, 9, 10, 12, 14, 16, and 17. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

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Sec. 28. POLLUTION CONTROL AGENCY

Subdivision 1. To the commissioner of the pollution control agency for the purposes specified in this section 23,200,000

Subd. 2. Combined Sewer Overflow (CSO) 20,000,000

For the state share of combined sewer overflow grants under Minnesota Statutes, section 116.162, to complete the combined sewer overflow program.

This appropriation includes $5,850,000 for the city of Minneapolis, $13,950,000 for the city of St. Paul, and $210,000 for the city of South Saint Paul. This is the final appropriation for these projects.

The city of St. Paul shall use all revenues derived from its clawback funding of sewer financing only for sewer separation projects that directly result in the elimination of combined sewer overflow.

Subd. 3. Solid Waste Capital Assistance Program 3,000,000

For state grants to cities, counties, and solid waste management districts to finance capital costs related to construction of solid waste processing facilities, including resource recovery facilities.

Subd. 4. Water Quality Monitoring System 200,000

To purchase and install ten water quality monitoring systems to be located throughout the state at sites selected by the commissioner.

Sec. 29. BOARD OF WATER AND SOIL RESOURCES

Subdivision 1. To the board of water and soil resources for the purposes in this section 6,100,000

Subd. 2. Redwood 22 Reservoir Project 800,000

For land acquisition and permanent easements for the Redwood 22 reservoir project, contingent upon local matching money of $266,666. These funds are not intended to be used for construction.

Subd. 3. Minnesota River Basin Grants 300,000

For matching grants to local units of government as provided in Minnesota Statutes, section 103F.173, for floodwater control projects in the Minnesota river basin area II.

Subd. 4. Reinvest in Minnesota Reserve Program (RIM) 4,000,000

To acquire conservation easements from landowners on marginal lands to protect soil and water quality and to support fish and wildlife habitat as provided in Minnesota Statutes, section 103F.505.

Notwithstanding the provisions of Minnesota Statutes, section 103F.515, up to $100,000 of the appropriation for RIM Reserve easements may be used as a matching grant to St. Paul to study the feasibility and design options for the wetland restoration in the Phalen Lake area.

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Subd. 5. Permanent Wetlands Preserves 1,000,000

To acquire perpetual conservation easements on existing type 1, 2, and 3 wetlands, adjacent lands, and for the establishment of permanent cover on adjacent lands, in accordance with Minnesota Statutes, section 103F.516. No more than ten percent of this appropriation shall be used for professional service costs associated with acquiring easements.

Subd. 6. Work Program

The board of soil and water resources must submit a work program and semiannual progress reports in the form determined by the legislative water commission and request its recommendation before spending any money appropriated by subdivisions 4 and 5. The commission's recommendation is advisory only. Failure to respond to a request within 60 days after receipt is a negative recommendation. Work programs involving land acquisition must include a land acquisition plan.

Sec. 30. MINNESOTA ZOOLOGICAL GARDEN

Subdivision 1. To the board of the Minnesota zoological garden for purposes specified in this section 20,211,000

Subd. 2. Marine Education Center 20,000,000

To design, construct, furnish, and equip a marine education center and related visitor improvements at the zoo. This appropriation is intended to complete the project.

All of the debt service costs on the bonds sold to finance this project must be paid from dedicated receipts of the Minnesota zoological garden to the commissioner of finance as required by Minnesota Statutes, section 16A.643.

Subd. 3. Animal Management 211,000

For improvements of a capital nature to repair and renovate animal management facilities in the small and large animal holding areas, isolation barn, and horse exhibit.

Sec. 31. BOND SALE EXPENSES 438,000

To the commissioner of finance for bond sale expenses under Minnesota Statutes, section 16A.641, subdivision 8.

Sec. 32. Laws 1993, chapter 373, section 18, is amended to read:

Sec. 18. BOND SALE SCHEDULE

The commissioner of finance shall schedule the sale of state general obligation bonds so that, during the biennium ending June 30, 1995, no more than $457,455,000 will need to be transferred from the general fund to the state bond fund to pay principal and interest due and to become due on outstanding state general obligation

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bonds. This figure includes the amount deposited in the general obligation special tax bond debt service account under Minnesota Statutes, section 16A.661, subdivisions 3 and 4. During the biennium, before each sale of state general obligation bonds, the commissioner of finance shall calculate the amount of debt service payments needed on bonds previously issued and shall estimate the amount of debt service payments that will be needed on the bonds scheduled to be sold, the commissioner shall adjust the amount of bonds scheduled to be sold so as to remain within the limit set by this section. The amount needed to make the debt service payments is appropriated from the general fund as provided in Minnesota Statutes, section 16A.641.

Sec. 33. [REDUCED PROJECT AUTHORIZATIONS, BOND EXPENSE APPROPRIATIONS.]

Subdivision 1. [PROJECTS.] The project authorizations are reduced, for the projects cited and described in column A, by the dollar amounts shown in column B.

COLUMN A	COLUMN B includes cents
(a) Laws 1980, chapter 564, article 12, section 1, subdivision 3, clause (b) Acquisition of Sites and Buffer Areas for Hazardous Waste Facilities	($2,500,000.00)
(b) Laws 1987, chapter 400	
Section 3, subdivision 1, clause (a)	
Handicap Access Historical Society	(1,915.84)
Section 3, subdivision 1, clause (c)	
Capitol Building Restoration	(8,618.30)
Section 3, subdivision 1, clause (d)	
House of Representatives Building Project	(3,497.72)
Section 3, subdivision 1, clause (j)	
State Office Building Ramp	(9,700.00)
Section 3, subdivision 1, clause (k)	
Mechanic Arts High School Demolition	(3,211.61)
Section 3, subdivision 1, clause (l)	
Remodel Capitol Square Building	(15,291.43)
Section 5, subdivision 2, clause (a)	
Acquisition of State Parks	(47.37)
Section 5, subdivision 2, clause (h)	
Betterment of State Parks	(449.80)
Maplewood	(.37)
St. Croix	(1.93)
St. Croix	(21.15)
Frontenac	(107.97)
Frontenac	(808.39)
Afton	(26.88)
Afton	(5.16)
Section 8, subdivision 3, clause (a)	
City of Blaine Athletic Center	(215.00)
Section 17, subdivision 3, clause (a)	
Roof Repairs	(.39)

Section 18, subdivision 3	
Hibbing Community College	(697.12)
Section 18, subdivision 12	
Willmar Community College	(2.28)
Section 19, subdivision 1	
Winona State University Land Purchase	(5,328.61)
Section 19, subdivision 2	
Bemidji State University-Fitness Recreation Equipment	(17.24)
Section 20, subdivision 8, clause (a)	
Waseca Campus-Renovate Ag Labs	(7,439.00)
Section 21, subdivision 5	
MCF-Sauk Centre-Sullivan Cottage Remodeling	(986.52)
Section 21, subdivision 6	
MCF-Stillwater-Window Screens	(2,685.67)
Section 22, subdivision 8	
Cambridge RTC-Improve Cottage 5	(14,061.00)
Section 61	
Plan and Prepare Center for Arts	(4,610.79)

(c) Laws 1989, chapter 300, article 1

Section 2, subdivision 3, clause (b)	
Master Facility Plans	(14,790.68)
Section 3, subdivision 5	
Hibbing Community College	(.75)
Section 3, subdivision 6	
Lakewood Community College	(202.15)
Section 3, subdivision 7	
Normandale Community College	(186.97)
Section 5, subdivision 3	
University of Minnesota, Waseca	(221,952.00)
Section 7, clause (a)	
State Owned Community Service (SOCS) Facilities	(17,017.69)
Section 7, clause (c)	
Anoka RTC	(7.47)
Fergus Falls RTC	(4,050.00)
RTC Renovation	(303.00)
Section 7, clause (d)	
RTC Cambridge SNF	(92.11)
Fergus Falls SNF	(9.05)
Section 8, subdivision 4	
MCF-Shakopee-Demolish Old Facility	(5,684.51)
Section 10, subdivision 2	
Minneapolis Veterans Home-Demolish Building 5	(1,095.28)
Section 14, clause (f)	
Renovate House Space in Capitol	(100.00)
Section 14, clause (h)	
Site and Plan for New Agriculture Building	(391,599.34)

Section 16, subdivision 3, clause (d)	
Chemical Storage Buildings	(20.00)
Hibbing Airport	(9,261.11)
Section 19, clause (b)	
National Shooting Sports Center	(209,235.03)

(d) Laws 1990, chapter 610, article 1

Section 2, subdivision 4	
Alexandria Technical College	(0.10)
Section 2, subdivision 5	
Anoka Technical College	(6.97)
Section 2, subdivision 13	
Thief River Falls Technical College	(0.49)
Section 2, subdivision 14	
Willmar Technical College	(0.05)
Section 2, subdivision 15	
Winona Technical College	(400.00)

Subd. 2. [BOND EXPENSES.] The appropriations for bond expenses cited in this subdivision are reduced by the dollar amounts shown:

	Appropriations (Reductions)
(1) Laws 1987, chapter 400, section 23, reduced by	($160,252.46)
(2) Laws 1989, chapter 300, article 1, section 21, reduced by	(19,392.86)
(3) Laws 1990, chapter 610, article 1, section 28, reduced by	(114,592.39)
(4) Laws 1992, chapter 558, section 26, reduced by	(65,000.00)
(5) Laws 1993, chapter 373, section 17, reduced by	(15,000.00)

Sec. 34. [BOND SALE.]

Subdivision 1. [BOND PROCEEDS FUND.] To provide the money appropriated in this act from the bond proceeds fund the commissioner of finance, on request of the governor, shall sell and issue general obligation bonds of the state in an amount up to $406,163,000 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.

Subd. 2. [TRANSPORTATION FUND.] To provide the money appropriated in this act from the state transportation fund, the commissioner of finance, on request of the governor, shall sell and issue general obligation bonds of the state in an amount up to $31,639,000 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. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the state transportation fund.

Sec. 35. [16A.115] [RELOCATION REQUESTS.]

An agency request for an appropriation to fund relocation of all or part of the agency must include a statement of the cost per square foot of space currently occupied by the affected part of the agency, and the anticipated cost per square foot of the space the affected part of the agency will occupy after the proposed relocation.

Sec. 36. [16A.501] [REPORT ON MATCHING MONEY.]

The commissioner of finance must report annually to the legislature on the degree to which entities receiving appropriations of bond proceeds contingent upon obtaining matching money have been successful in raising that money. The report must be submitted to the chairs of the house ways and means committee and the senate finance committee by February 1 of each year.

Sec. 37. [16A.642] [CANCELLATION OF BOND AUTHORIZATIONS BY COMMISSIONER OF FINANCE.]

If the commissioner determines that the purposes for which general obligation bonds of the state have been issued are accomplished or abandoned, after consultation with the affected agencies, and there is a remaining authorization for a specific project of $100 or less, the commissioner may cancel the remaining authorization for that project. The commissioner must notify the chairs of the senate finance committee and the house capital investment committee of any bond authorizations canceled under this section.

Sec. 38. [16A.695] [PROPERTY PURCHASED WITH STATE BOND PROCEEDS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "State bond financed property" means property acquired or bettered in whole or in part with the proceeds of state general obligation bonds authorized to be issued under article XI, section 5, clause (a), of the Minnesota Constitution.

(c) "Public officer or agency" means a state officer or agency, the University of Minnesota, the Minnesota historical society, and any county, home rule charter or statutory city, school district, special purpose district, or other public entity, or any officer or employee thereof.

(d) "Fair market value" means, with respect to the sale of state bond financed property, the price that would be paid by a willing and qualified buyer to a willing and qualified seller as determined by an appraisal of the property, or the price bid by a purchaser under a public bid procedure after reasonable public notice.

Subd. 2. [LEASES AND MANAGEMENT CONTRACTS.] (a) A public officer or agency that is authorized by law to lease or enter into a management contract with respect to state bond financed property shall comply with this subdivision.

(b) The lease or management contract may be entered into for the express purpose of carrying out a governmental program established or authorized by law and established by official action of the contracting public officer or agency, in accordance with orders of the commissioner intended to ensure the legality and tax-exempt status of bonds issued to finance the property, and with the approval of the commissioner. A lease or management contract, including any renewals that are solely at the option of the lessee, must be for a term substantially less than the useful life of the property, but may allow renewal beyond that term upon a determination by the lessor that the use continues to carry out the governmental program. A lease or management contract must be terminable by the contracting public officer or agency if the other contracting party defaults under the contract or if the governmental program is terminated or changed, and must provide for program oversight by the contracting public officer or agency. Money received by the public officer or agency under the lease or management contract that is not needed to pay and not authorized to be used to pay operating costs of the property must be paid to the commissioner in the same proportion as the state bond financing is to the total public financing for the property, deposited in the state bond fund, and used to pay or redeem or defease bonds issued to finance the property in accordance with the commissioner's order authorizing their issuance; the money paid to the commissioner is appropriated for this purpose.

(c) With the approval of the commissioner, a lease or management contract between a city and a nonprofit corporation under section 471.191, subdivision 1, need not require the lessee to pay rentals sufficient to pay the principal, interest, redemption premiums, and other expenses when due with respect to state bonds issued to acquire and better the facilities.

Subd. 3. [SALE OF PROPERTY.] A public officer or agency shall not sell any state bond financed property unless the public officer or agency determines by official action that the property is no longer usable or needed by the public officer or agency to carry out the governmental program for which it was acquired or constructed, the sale is made as authorized by law, the sale is made for fair market value, and the sale is approved by the commissioner. If any state bonds issued to purchase the state bond financed property that is sold remain outstanding on the date of sale, the net proceeds of sale must be applied as follows:

(1) if the state bond financed property was acquired and bettered solely with state bond proceeds, an amount equal to the principal amount of the outstanding state bonds must be paid to the commissioner, deposited in the state bond fund, and used to pay or redeem or defease the outstanding bonds in accordance with the commissioner's order authorizing their issuance, and the proceeds are appropriated for this purpose;

(2) if the state bond financed property was acquired or bettered partly with state bond proceeds and partly with other money, the net proceeds of sale must first be used to pay or redeem or defease the state bonds as provided in clause (1), and any excess over the amount needed for that purpose must be divided in proportion to the shares contributed to its acquisition or betterment and paid to the interested public and private entities, and the proceeds are appropriated for this purpose.

Subd. 4. [RELATION TO OTHER LAWS.] This section applies to all state bond financed property unless otherwise provided by law.

Sec. 39. Minnesota Statutes 1992, section 16A.85, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] The commissioner of administration may determine, in conjunction with the commissioner of finance, the personal property needs of the various state departments, agencies, boards, ~~and~~ commissions and the legislature of the kinds of property identified in this subdivision that may be economically funded through a master lease program and request the commissioner of finance to execute a master lease. The master lease may be used only to finance the following kinds of purchases:

(a) The master lease may be used to finance purchases by the commissioner of administration with money from an internal services fund.

(b) The master lease may be used to refinance a purchase of equipment already purchased under a lease-purchase agreement.

(c) The master lease may be used to finance purchases of large equipment with a capital value of more than $100,000 and a useful life of more than ten years.

(d) The legislature may specifically authorize a particular purchase to be financed using the master lease. The legislature anticipates that this authorization will be given only to finance the purchase of major pieces of equipment with a capital value of more than $10,000.

(e) The legislature may finance the purchase of computer and telecommunications equipment for official business of legislators and legislative staff using the master lease.

The commissioner of finance may authorize the sale and issuance of certificates of participation relative to a master lease in an amount sufficient to fund these personal property needs. The term of the certificates must be less than the expected useful life of the equipment whose purchase is financed by the certificates. The commissioner of administration may use the proceeds from the master lease or the sale of the certificates of participation to acquire the personal property through the appropriate procurement procedure in chapter 16B. Money appropriated for the lease or acquisition of this personal property is appropriated to the commissioner of finance to make master lease payments.

Sec. 40. [16B.331] [PLANNING FOR NEW BUILDINGS.]

No state agency may develop plans for a new state building in the capitol area, as defined in section 15.50, subdivision 2, unless a law specifically grants planning authority for that building.

Sec. 41. Minnesota Statutes 1993 Supplement, section 16B.335, is amended by adding a subdivision to read:

Subd. 3. [PREDESIGN REQUIREMENT.] An agency to whom an appropriation is made for a construction or major remodeling project subject to review or notice under this section, shall prepare a predesign package and submit it to the commissioner of administration for review and approval, and to the chairs of the house capital investment committee and the senate finance committee for review and recommendation. The predesign package shall include evidence of architectural or engineering programming, cost planning, scheduling, impact on operating costs, and similar components as defined by the department of administration and must be submitted and approved before proceeding with design activities.

The predesign package must include a preliminary plan and a cost benefit analysis of how the agency will use information technology to reduce the need for office space, enable it to provide more of its services electronically, and enable greater decentralization of operations. The information policy office must approve the information technology portion of the predesign package before an agency may proceed with design activities.

Sec. 42. Minnesota Statutes 1993 Supplement, section 16B.335, is amended by adding a subdivision to read:

Subd. 4. [INFORMATION TECHNOLOGY.] Agency requests for construction and remodeling funds shall include money for cost-effective information technology investments that would enable an agency to reduce its need for office space, provide more of its services electronically, and decentralize its operations. The information policy office must review and approve the information technology portion of construction and major remodeling program plans before the plans are submitted to the chairs of the senate finance committee and the house ways and means committee for their recommendations as required by subdivision 1.

Sec. 43. Minnesota Statutes 1992, section 85.015, subdivision 4, is amended to read:

Subd. 4. [DOUGLAS TRAIL, OLMSTED, WABASHA, AND GOODHUE COUNTIES.] (a) The trail shall originate at Rochester in Olmsted county and shall follow the route of the Chicago Great Western Railroad to Pine Island in Goodhue county and there terminate.

(b) Additional trails may be established that extend the Douglas Trail System to include Pine Island, Mazeppa in Wabasha county to Zumbrota, Goodhue, and Red Wing in Goodhue county. In addition to the criteria in section 86A.05, subdivision 4, these trails must utilize abandoned railroad rights-of-way where possible.

(c) The trail shall be developed primarily for riding and hiking.

~~(c)~~ (d) Under no circumstances shall the commissioner acquire any of the right-of-way of the Chicago Great Western Railroad until the abandonment of the line of railway described in this subdivision has been approved by the Interstate Commerce Commission.

Sec. 44. [124C.498] [METROPOLITAN MAGNET SCHOOL GRANTS.]

Subdivision 1. [POLICY AND PURPOSE.] A metropolitan magnet school grant program is established for the purpose of ensuring equal educational opportunities for all school age children residing in the seven-county metropolitan area, regardless of race or socioeconomic status. The program is intended to promote integrated education for students in prekindergarten through grade 12, increase mutual understanding among all students, and address the inability of local school districts to provide required construction funds through local property taxes. The program seeks to encourage school districts located in whole or in part within the seven-county metropolitan area to make available to school age children residing in the metropolitan area those educational programs, services, and facilities that are essential to meeting all children's needs and abilities. The program anticipates using the credit of the state, to a limited degree, to provide grants to metropolitan area school districts to improve the educational opportunities and academic achievement of disadvantaged children and the facilities that are available to those children.

Subd. 2. [APPROVAL AUTHORITY; PROJECT APPLICATIONS.] To the extent money is available, the commissioner of education, in consultation with a voluntary interdistrict coordinating council, if established, may approve projects from applications submitted under this section. The grant money must be used only to acquire, construct, remodel, or improve the building or site of a magnet school facility according to contracts entered into within 15 months after the date on which a grant is awarded.

Subd. 3. [GRANT APPLICATION PROCESS.] (a) Any group of school districts that meets the criteria required under paragraph (b) may apply for a magnet school grant in an amount not to exceed the lesser of $10,000,000 or 75 percent of the approved construction costs of a magnet school facility.

(b) Any group of districts that submits an application for a grant shall submit a proposal to the commissioner for review and comment under section 121.15, and the commissioner shall prepare a review and comment on the proposed magnet school facility, regardless of the amount of the capital expenditure required to acquire, construct, remodel, or improve the facility. The commissioner must not approve an application for a magnet school grant for any facility unless the facility receives a favorable review and comment under section 121.15 and the participating districts:

(1) establish a joint powers board under section 471.59 to represent all participating districts and govern the magnet school facility;

(2) design the planned magnet school facility to meet the applicable requirements contained in Minnesota Rules, chapter 3535;

(3) submit a statement of need, including reasons why the magnet school will facilitate desegregation/integration and improve learning;

(4) prepare an educational plan, that includes input from both community and professional staff; and

(5) develop an education program that will improve learning opportunities for students attending the magnet school.

(c) The districts may develop a plan that permits social service, health, and other programs serving students and community residents to be located within the magnet school facility. The commissioner shall consider this plan when preparing a review and comment on the proposed facility.

(d) When two or more districts enter into an agreement establishing a joint powers board to govern the magnet school facility, all member districts shall have the same powers.

(e) A joint powers board of participating school districts established under paragraphs (b) and (d) that intends to apply for a grant shall adopt a resolution stating the costs of the proposed project, the purpose for which the debt is to be incurred, and an estimate of the dates when the contracts for the proposed project will be completed. A copy of the resolution must accompany any application for a state grant under this section.

(f) The commissioner, in consultation with a voluntary interdistrict coordinating council, if established, shall examine and consider all grant applications. If the commissioner finds that any joint powers district is not a qualified grant applicant, the commissioner shall promptly notify that joint powers board. The commissioner shall make awards to no more than two qualified applicants whose applications have been on file with the commissioner more than 30 days.

(g) A grant award is subject to verification by the joint powers board under paragraph (h). A grant award must not be made until the participating districts determine the site of the magnet school facility. If the total amount of the approved applications exceeds the amount of grant funding that is or can be made available, the commissioner shall allot the available amount equally between the approved applicant districts. The commissioner shall promptly certify to each qualified joint powers board the amount, if any, of the grant awarded to it.

(h) Each grant must be evidenced by a contract between the joint powers board and the state acting through the commissioner. The contract obligates the state to pay to the joint powers board an amount computed according to paragraph (g) and a schedule, and terms and conditions acceptable to the commissioner of finance.

Sec. 45. [134.45] [LIBRARY ACCESSIBILITY GRANTS.]

Subdivision 1. [APPLICATION; DEFINITION.] Public library jurisdictions may apply to the commissioner of education for grants to improve accessibility to their library facilities. For the purposes of this section, "public library jurisdictions" means regional public library systems, regional library districts, cities, and counties operating libraries under chapter 134.

Subd. 2. [APPROVAL BY COMMISSIONER.] The commissioner of education, in consultation with the state council on disability, may approve or disapprove applications under this section. The grant money must be used only to remove architectural barriers from a building or site.

Subd. 3. [APPLICATION FORMS.] The commissioner of education shall prepare application forms and establish application dates.

Subd. 4. [MATCH.] A public library jurisdiction applying for a grant under this section must match the grant with local funds.

Subd. 5. [QUALIFICATION.] A public library jurisdiction may apply for a grant in an amount up to 50 percent of the approved costs of removing architectural barriers from a building or site.

Subd. 6. [AWARD OF GRANTS.] The commissioner, in consultation with the state council on disability, shall examine and consider all applications for grants. If a public library jurisdiction is found not qualified, the commissioner shall promptly notify it. The commissioner shall prioritize grants on the following bases: the public library jurisdiction's tax burden, the long-term feasibility of the project, the suitability of the project, and the need for the project. If the total amount of the applications exceeds the amount that is or can be made available, the commissioner shall award grants according to the commissioner's judgment and discretion and based upon a ranking of the projects according to the factors listed in this subdivision. The commissioner shall promptly certify to each public library jurisdiction the amount, if any, of the grant awarded to it.

Subd. 7. [PROJECT BUDGET.] A public library jurisdiction that receives a grant must provide the commissioner with the project budget and any other information the commissioner requests.

Sec. 46. [135A.045] [POST-SECONDARY SYSTEMS]

Each post-secondary governing board shall report on any petroleum tank release cleanup account reimbursements as part of each biennial budget request. The board shall specify its costs in relation to any tank removal, replacement, and cleanup and shall identify all petroleum tank release cleanup account reimbursements it received or assigned and the specific activity for which the reimbursement or assignment was made. The board must place all reimbursements it receives into its capital repair and betterment account.

Sec. 47. [135A.046] [HIGHER EDUCATION ASSET PRESERVATION AND RENEWAL.]

Subdivision 1. [PURPOSE.] The legislature recognizes that post-secondary governing boards operate campus physical plants that in number, size, and programmatic use differ significantly from the physical plants operated by state departments and agencies. However, the legislature recognizes the need for standards to aid in categorizing and funding capital projects. The purpose of this section is to provide standards for those higher education projects that are intended to preserve and replace existing campus facilities.

Subd. 2. [STANDARDS.] Capital budget expenditures for Higher Education Asset Preservation and Renewal (HEAPR) projects must be for one or more of the following: code compliance including health and safety, hazardous material abatement, access improvement, or air quality improvement; and building or infrastructure repairs necessary to preserve the interior and exterior of existing buildings.

Subd. 3. [REPORTING PRIORITIES.] Each post-secondary governing board shall establish priorities within its HEAPR projects. By December 31 of each year, it shall submit a list of those priorities for which capital bonding appropriations will be sought in the next legislative session, as well as a list of the projects that have received bond proceeds during that calendar year to the chairs of the higher education finance divisions, the senate finance committee, and the house capital investment committee.

Sec. 48. Minnesota Statutes 1992, section 136.651, is amended to read:

136.651 [SURPLUS COMMUNITY COLLEGE LAND.]

At the request of the state board for community colleges, the commissioner of administration shall transfer and convey, or lease for a term of years, state land under the control of but no longer needed by a community college to the city where the community college is located. The land must be used by the city for student housing. The conveyance must be made for no monetary consideration, and by quitclaim deed in a form approved by the attorney general. The deed must provide that the land reverts to the state if it is no longer used for student housing unless the owner of improvements on the land agrees before the reversion to pay the state the value of the unimproved land as determined by the commissioner prior to the improvements. For purposes of determining the value, the commissioner shall designate two or more of the regularly appointed and qualified state appraisers to determine the value of the land.

Sec. 49. [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. 50. Minnesota Statutes 1992, section 471.191, subdivision 1, is amended to read:

Subdivision 1. Any city operating a program of public recreation and playgrounds pursuant to sections 471.15 to 471.19 may acquire or lease, equip, and maintain land, buildings, and other recreational facilities, including, but without limitation, outdoor or indoor swimming pools, skating rinks and arenas, athletic fields, golf courses, marinas, concert halls, museums, and facilities for other kinds of athletic or cultural participation, contests, and exhibitions, together with related automobile parking facilities as defined in section 459.14, and may expend funds for the operation of such program and borrow and expend funds for capital costs thereof pursuant to the provisions of this section. Any facilities to be operated by a nonprofit corporation, as contemplated in section 471.16, may be leased to the corporation upon such rentals and for such term, not exceeding 30 years, and subject to such other provisions as may be agreed; including but not limited to provisions (a) permitting the lessee, subject to whatever conditions are stated, to provide for the construction and equipment of the facilities by any means available to it and in the manner determined by it, without advertisement for bids as required for other municipal facilities, and (b) granting the lessee the option to renew the lease upon such conditions and rentals, or to purchase the facilities at such price, as may be agreed; provided that (c) any such lease shall require the lessee to pay net rentals sufficient to pay the principal, interest, redemption premiums, and other expenses when due with respect to all bonds issued for the acquisition or betterment of the facilities, less such amount of taxes and special assessments, if any, as may become payable in any year of the term of the lease, on the land, building, or other facilities leased, and (d) no option shall be granted to purchase the facilities at any time at a price less than the amount required to pay all principal and interest to become due on such bonds to the earliest date or dates on which they may be paid and redeemed, and all redemption premiums and other expenses of such payment and redemption.

Sec. 51. Laws 1993, chapter 373, section 25, subdivision 5, is amended to read:

Subd. 5. [DULUTH PORT DREDGING AND DEVELOPMENT.] With the mutual consent by July 1, 1993, of the commissioner of trade and economic development, the seaway port authority of Duluth, the U.S. Army Corps of Engineers, and any private parties who have pledged private investment to match the $6,100,000 appropriated in Laws 1989, chapter 300, article 1, section 19, item (a), to dredge the upper harbor area of Duluth harbor, the commissioner of finance shall reduce the appropriation to $2,000,000. The appropriation is available to the extent it is matched, dollar for dollar, by federal money. No private match is required. If the appropriation is reduced to $2,000,000, then $1,550,000 is reappropriated as provided in sections 12 and 13. The bond sale authorization in Laws 1989, chapter 300, article 1, section 23, subdivision 1, is reduced by $2,550,000.

Upon the seaway port authority of Duluth and the U.S. Army Corps of Engineers advising the commissioner of trade and economic development that no further state of Minnesota funds will be required for the upper harbor cross-channel dredging project, and the consent of the seaway port authority of Duluth that upper river deepening will terminate at the Erie Pier site, the commissioner is authorized to disburse the balance of the funds remaining, up to $1,200,000, as a grant to the seaway port authority of Duluth for development of a down-river bulk cargo handling alternative to succeed and replace the upper river deepening project for bulk cargo whereby the seaway port authority of Duluth will demolish an existing abandoned grain elevator facility owned by the seaway port authority of Duluth and prepare the site for the handling, storage, care, and shipment of bulk cargo or other waterborne freight.

Sec. 52. [PROGRAM FUNDING.]

Recipients of grants from money appropriated in this act must demonstrate to the commissioner of the agency making the grant that the recipient has the ability and a plan to fund the program intended for the facility.

Sec. 53. [INFORMATION TECHNOLOGY; SPACE UTILIZATION.]

(a) This section applies to all appropriations in this act for new construction of state agency office space. The commissioner of administration must reduce the proposed square feet of office space in each project by 20 percent, and the appropriation for each project is reduced 20 percent.

(b) An amount equal to half of the 20 percent appropriation reduction under paragraph (a) is appropriated to the commissioner of administration. This amount may be spent, as directed by the commissioner on:

(1) information technology expenditures, such as expenditures necessary to facilitate increased telecommuting, that will reduce the need for office space while providing efficient and effective services to the public; and

(2) improving citizen access to agencies in a manner such that citizens will not need to come to the agency office buildings.

(c) Before approving an expenditure under paragraph (b), the commissioner must obtain a recommendation from the information policy office on the proposed expenditure.

Sec. 54. [WINDOWS.]

The state offices in any state building constructed with funds appropriated by this act must have windows that can be opened.

Sec. 55. [RENT STUDY.]

The commissioner of administration must report on rent billing to state agencies for the use of state facilities. The report must include:

(1) the amount of rent billed;

(2) a description of the way rent amounts are determined;

(3) an explanation of the disposition of rent proceeds;

(4) recommendations on ways that state agency rent billings can be used to fund capital asset preservation and repair needs in state facilities, replacing the program established in Minnesota Statutes, section 16A.632; and

(5) other information which the commissioner deems relevant.

The report must be submitted to the legislature by January 31, 1995.

Sec. 56. [DEBT SERVICE.]

The commissioner of finance must not assess post-secondary governing boards any portion of the debt service for general obligation bonds sold to finance capital improvement projects authorized in this act.

Sec. 57. [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 an addition to the taxes authorized to be levied under Minnesota Statutes, chapter 124A or 275, or other law.

Sec. 58. [REPORTS.]

Subdivision 1. [LEASES OR MANAGEMENT CONTRACTS.] A public officer or agency that has entered into a lease or management contract with respect to state bond financed property on or after January 1, 1989, and before the effective date of this act shall file a report with the commissioner stating the purpose of the lease or contract, the name and nature of the lessee or contracting party, the terms of the lease or contract, and the use or disposition of any money received by the public officer or agency under the lease or contract.

Subd. 2. [SALES.] A public officer or agency that has sold state bond financed property on or after January 1, 1989, and before the effective date of this act shall file a report with the commissioner stating the reason for sale, the method of sale, the purchaser, the sale price, and the use or disposition of the net sale proceeds.

Sec. 59. [AGENCY LOCATION STUDY.]

To enable the legislature to assess the administration's assertion that public agencies need to be located in close proximity to the state capitol, the commissioner of administration shall study the feasibility of developing a public agency corridor in St. Paul. The study shall include the area that runs from I94 south to east 7th place between Cedar and Jackson streets. The study shall include a comparison of the building costs and building restrictions in the designated area as compared to the immediate capitol area. In addition the study shall evaluate the issues of public and employee locational preferences, access to locations by the public using various forms of transportation, parking availability, interagency convenience in communications and the general overall impact the development would have on the city of St. Paul. The study shall be completed and a report made to the legislature by December 15, 1994.

Sec. 60. [MUSEUMS IN ST. PAUL.]

The city of St. Paul may establish and maintain one or more museums for purposes of public education and enlightenment, including but not limited to a museum of natural science and technology and a museum for children. The city may exercise the powers granted in Minnesota Statutes, section 471.191, to acquire and better facilities for a museum. Museum facilities that have been acquired or bettered in whole or in part with the proceeds of state bonds must be owned by the city but may be leased to or managed by a nonprofit organization to carry out the purposes of the museum program established by the city. The lease or management agreement must comply with the requirements of Minnesota Statutes, section 16A.695.

Sec. 61. [EFFECTIVE DATE.]

This act is effective the day after its final enactment."

Delete the title and insert:

"A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; authorizing assessments for debt service; reducing certain earlier project authorizations and appropriations; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.85, subdivision 1; 85.015, subdivision 4; 136.651; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; Laws 1993, chapter 373, sections 18; and 25, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 124C; 134; 135A; and 241."

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.

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

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.

Reported the same back with the following amendments:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 296.02, is amended by adding a subdivision to read:

Subd. 1c. [ANNUAL GASOLINE TAX RATE ADJUSTMENT.] Beginning in 1995 and annually thereafter, before April 1, 1995, and before April 1 of each following year, the commissioner of revenue shall adjust the rate of the gasoline excise tax. The new rate per gallon must be calculated as follows:

(a) The new rate must be calculated by multiplying the rate in effect at the time of the calculation by an amount obtained under paragraph (b). The new rate must be rounded to the nearest 0.1 cent and is effective on April 1, 1995, and April 1 of each following year, and applies to gasoline and special fuel in distributor storage on the effective date.

(b) For purposes of calculating the rate:

(1) to be effective April 1, 1995, divide the annual average United States Consumer Price Index for all urban consumers, United States city average, as determined by the United States Department of Labor for the year 1994 by that annual average for the year 1989; or

(2) to be effective April 1, 1996, and each following year, divide the annual average United States Consumer Price Index for all urban consumers, United States city average, as determined by the United States Department of Labor for the previous year by that annual average for the year before the previous year.

(c) Beginning in 1996, and annually thereafter, the new rate proposed by this subdivision must not exceed the rate in effect the previous year by more than one cent. If the increase calculated in any year is greater than one cent, the amount in excess of one cent shall be added to the rate calculated in the following year.

Sec. 2. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted, a new article XI, section 15, will read:

Sec. 15. Not less than 40 percent of the net proceeds of a tax levied on the purchase price of motor vehicles must be credited to a transit assistance fund to be used solely for assistance for public transit as defined by law.

And article XIV, section 5, will read as follows:

Sec. 5. There is hereby created a highway user tax distribution fund to be used solely for highway purposes, except as otherwise specified in this article. The fund consists of the proceeds of any taxes authorized by sections 9 and 10 of this article. The net proceeds of the taxes shall be apportioned: 62 percent to the trunk highway fund; 29 percent to the county state-aid highway fund; nine percent to the municipal state-aid street fund. Five percent of the net proceeds of the highway user tax distribution fund may be set aside and apportioned by law to one or more of the three foregoing funds. The balance of the highway user tax distribution fund shall be transferred to the trunk highway fund, the county state-aid highway fund, and the municipal state-aid street fund in accordance with the percentages set forth in this section. No change in the apportionment of the five percent may be made within six years of the last previous change. Notwithstanding sections 6, 7, and 8, highway user tax distribution fund moneys spent within the area included in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington as they exist at the time this provision is adopted, or any other metropolitan area as provided by law, may be used for any transportation purpose.

Sec. 3. [SCHEDULE AND QUESTION.]

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

If the amendment is adopted, its provision shall apply to taxes collected on motor vehicle purchases after June 30, 1995, and to highway user tax distribution fund moneys spent after June 30, 1995.

The question submitted must be:

"Shall the Minnesota Constitution be amended to dedicate to public transit needs not less than 40 percent of the revenues from the motor vehicle excise tax; and shall the portion of net proceeds of motor vehicle registration and fuel excise taxes spent in the seven-county Twin Cities metropolitan area, or any other metropolitan area as provided by law, be available for any transportation purpose?

Yes .....
No ....."

Sec. 4. [REPEALER.]

Minnesota Statutes 1992, section 297B.09, subdivision 1, is repealed.

Sec. 5. [EFFECTIVE DATE.]

Section 1 is effective April 1, 1995. However if the constitutional amendment proposed in section 2 is not ratified at the 1994 general election, section 1 shall not take effect."

Amend the title as follows:

Page 1, line 13, before the period, insert ", subdivision 1"

With the recommendation that when so amended the bill pass.

The report was adopted.

SECOND READING OF HOUSE BILLS

H. F. No. 3230 was read for the second time.

Weaver and Wolf were excused for the remainder of today's session.

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.

SPECIAL ORDERS

S. F. No. 1740 was reported to the House.

MOTION TO LAY ON THE TABLE

Kelley moved that S. F. No. 1740 be laid on the table.

A roll call was requested and properly seconded.

The question was taken on the Kelley motion and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 8 yeas and 104 nays as follows:

Those who voted in the affirmative were:

Brown, K.	Greenfield	Kelley	Olson, K.
Clark	Greiling	Neary	Sekhon

Those who voted in the negative were:

Abrams	Dehler	Holsten	Leppik	Mosel	Peterson	Tompkins
Anderson, R.	Delmont	Huntley	Lieder	Murphy	Pugh	Trimble
Asch	Dempsey	Jacobs	Limmer	Nelson	Reding	Tunheim
Battaglia	Dorn	Jefferson	Lindner	Ness	Rest	Van Dellen
Bauerly	Erhardt	Johnson, A.	Lourey	Olson, E.	Rhodes	Van Engen
Beard	Evans	Johnson, R.	Luther	Olson, M.	Rodosovich	Vellenga
Bergson	Finseth	Kahn	Lynch	Onnen	Sarna	Vickerman
Bertram	Frerichs	Kelso	Macklin	Opatz	Seagren	Wagenius
Bishop	Garcia	Kinkel	Mahon	Orfield	Simoneau	Waltman
Brown, C.	Girard	Klinzing	Mariani	Osthoff	Skoglund	Wejcman
Carlson	Goodno	Knickerbocker	McCollum	Ostrom	Smith	Wenzel
Commers	Gruenes	Knight	McGuire	Ozment	Stanius	Worke
Cooper	Gutknecht	Krinkie	Milbert	Pawlenty	Steensma	Workman
Dauner	Hasskamp	Krueger	Molnau	Pelowski	Sviggum	Spk. Anderson, I.
Davids	Haukoos	Lasley	Morrison	Perlt	Tomassoni	

The motion did not prevail.

CALL OF THE HOUSE LIFTED

Peterson moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

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 third 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 20 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, C.	Delmont	Girard	Jacobs	Kelso	Leppik
Anderson, R.	Brown, K.	Dempsey	Goodno	Jaros	Kinkel	Lieder
Asch	Carlson	Dorn	Gruenes	Jefferson	Klinzing	Limmer
Battaglia	Commers	Erhardt	Gutknecht	Jennings	Knickerbocker	Lindner
Bauerly	Cooper	Farrell	Hasskamp	Johnson, A.	Knight	Lourey
Beard	Dauner	Finseth	Haukoos	Johnson, R.	Krinkie	Luther
Bertram	Davids	Frerichs	Holsten	Johnson, V.	Krueger	Lynch
Bishop	Dehler	Garcia	Huntley	Kalis	Lasley	Macklin

Mahon	Nelson	Ostrom	Rest	Sekhon	Tomassoni	Vickerman
McCollum	Ness	Ozment	Rhodes	Simoneau	Tompkins	Waltman
Molnau	Olson, E.	Pawlenty	Rice	Smith	Trimble	Wenzel
Morrison	Olson, M.	Pelowski	Rodosovich	Stanius	Tunheim	Winter
Mosel	Onnen	Perlt	Rukavina	Steensma	Van Dellen	Worke
Munger	Opatz	Peterson	Sarna	Sviggum	Van Engen	Workman
Murphy	Osthoff	Reding	Seagren	Swenson	Vellenga	Spk. Anderson, I.

Those who voted in the negative were:

Bergson	Evans	Hausman	Long	Neary	Orfield	Wagenius
Carruthers	Greenfield	Kahn	McGuire	Olson, K.	Pugh	Wejcman
Clark	Greiling	Kelley	Milbert	Orenstein	Skoglund	

The bill was passed and its title agreed to.

S. F. No. 2309 was reported to the House.

Pugh moved that S. F. No. 2309 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.

S. F. No. 609 was reported to the House.

Orfield moved that S. F. No. 609 be continued on Special Orders. The motion prevailed.

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 third 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 8 nays as follows:

Those who voted in the affirmative were:

Abrams	Commers	Girard	Johnson, A.	Long	Murphy	Pelowski
Anderson, R.	Cooper	Greenfield	Johnson, R.	Lourey	Neary	Perlt
Asch	Dauner	Greiling	Johnson, V.	Luther	Nelson	Peterson
Battaglia	Davids	Gutknecht	Kahn	Lynch	Ness	Pugh
Bauerly	Dawkins	Hasskamp	Kalis	Macklin	Olson, E.	Reding
Beard	Delmont	Haukoos	Kelley	Mahon	Olson, K.	Rest
Bergson	Dempsey	Hausman	Kelso	Mariani	Onnen	Rhodes
Bertram	Dorn	Holsten	Kinkel	McCollum	Opatz	Rice
Bishop	Erhardt	Hugoson	Klinzing	McGuire	Orenstein	Rodosovich
Brown, C.	Evans	Huntley	Krueger	Milbert	Orfield	Rukavina
Brown, K.	Farrell	Jacobs	Lasley	Molnau	Osthoff	Sarna
Carlson	Finseth	Jaros	Leppik	Morrison	Ostrom	Seagren
Carruthers	Frerichs	Jefferson	Lieder	Mosel	Ozment	Sekhon
Clark	Garcia	Jennings	Limmer	Munger	Pawlenty	Simoneau

Skoglund	Steensma	Tomassoni	Tunheim	Vickerman	Wejcman	Worke
Smith	Sviggum	Tompkins	Van Dellen	Wagenius	Wenzel	Workman
Stanius	Swenson	Trimble	Van Engen	Waltman	Winter	Spk. Anderson, I.

Those who voted in the negative were:

Dehler	Gruenes	Knight	Lindner
Goodno	Knickerbocker	Krinkie	Olson, M.

The bill was passed and its title agreed to.

H. F. No. 3100, A resolution memorializing the President and Congress to maintain funding for the low-income home energy assistance program and to continue its operation in Minnesota.

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

The question was taken on the passage of the bill and the roll was called. There were 123 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

The bill was passed and its title agreed to.

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.

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

The question was taken on the passage of the bill and the roll was called. There were 67 yeas and 55 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Carruthers	Erhardt	Greiling	Holsten	Jaros
Asch	Bergson	Dauner	Evans	Hasskamp	Huntley	Jefferson
Battaglia	Bertram	Davids	Finseth	Hausman	Jacobs	Johnson, R.

Johnson, V.	Krueger	Lynch	Munger	Pugh	Smith	Wagenius
Kahn	Leppik	Mahon	Neary	Rhodes	Steensma	Wejcman
Kalis	Limmer	Mariani	Nelson	Rice	Swenson	Worke
Kelley	Lindner	McCollum	Olson, K.	Rukavina	Tomassoni	Workman
Kinkel	Long	McGuire	Orfield	Seagren	Tompkins	
Knickerbocker	Lourey	Milbert	Pawlenty	Sekhon	Trimble	
Krinkie	Luther	Morrison	Perlt	Simoneau	Van Dellen	

Those who voted in the negative were:

Anderson, R.	Dawkins	Girard	Knight	Olson, M.	Peterson	Tunheim
Beard	Dehler	Goodno	Lasley	Onnen	Reding	Van Engen
Brown, C.	Delmont	Gruenes	Lieder	Opatz	Rest	Vickerman
Brown, K.	Dempsey	Gutknecht	Molnau	Orenstein	Rodosovich	Waltman
Carlson	Dorn	Haukoos	Mosel	Osthoff	Sarna	Wenzel
Clark	Farrell	Hugoson	Murphy	Ostrom	Solberg	Winter
Commers	Frerichs	Johnson, A.	Ness	Ozment	Stanius	Spk. Anderson, I.
Cooper	Garcia	Klinzing	Olson, E.	Pelowski	Sviggum	

The bill was not passed.

S. F. No. 309 was reported to the House.

Trimble moved that S. F. No. 309 be continued on Special Orders. The motion prevailed.

S. F. No. 2540 was reported to the House.

Jacobs moved that S. F. No. 2540 be temporarily laid over on Special Orders. The motion prevailed.

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 third 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	Dauner	Greiling	Kahn	Lourey	Ness	Reding
Anderson, R.	Davids	Gruenes	Kalis	Luther	Olson, E.	Rest
Asch	Dawkins	Gutknecht	Kelley	Lynch	Olson, K.	Rhodes
Battaglia	Dehler	Hasskamp	Kelso	Macklin	Olson, M.	Rice
Bauerly	Delmont	Haukoos	Kinkel	Mahon	Onnen	Rodosovich
Beard	Dempsey	Hausman	Klinzing	Mariani	Opatz	Rukavina
Bergson	Dorn	Holsten	Knickerbocker	McCollum	Orenstein	Sarna
Bertram	Erhardt	Hugoson	Knight	McGuire	Orfield	Seagren
Bishop	Evans	Huntley	Krinkie	Milbert	Osthoff	Sekhon
Brown, C.	Farrell	Jacobs	Krueger	Molnau	Ostrom	Simoneau
Brown, K.	Finseth	Jaros	Lasley	Morrison	Ozment	Skoglund
Carlson	Frerichs	Jefferson	Leppik	Mosel	Pawlenty	Smith
Carruthers	Garcia	Jennings	Lieder	Munger	Pelowski	Solberg
Clark	Girard	Johnson, A.	Limmer	Murphy	Perlt	Stanius
Commers	Goodno	Johnson, R.	Lindner	Neary	Peterson	Steensma
Cooper	Greenfield	Johnson, V.	Long	Nelson	Pugh	Sviggum

Swenson	Trimble	Van Engen	Wagenius	Wenzel	Spk. Anderson, I.
Tomassoni	Tunheim	Vellenga	Waltman	Winter	
Tompkins	Van Dellen	Vickerman	Wejcman	Workman	

The bill was passed and its title agreed to.

S. F. No. 2540 which was temporarily laid over earlier today on Special Orders was again reported to the House.

Brown, C.; Cooper and Dauner moved to amend S. F. No. 2540 as follows:

Page 3, after line 17, insert:

"Sec. 6. 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. 7. 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.

(e) This subdivision does not apply to customers of a telecommunications carrier as defined in section 237.01, subdivision 6.

Sec. 8. 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. 9. [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. A county or city is not qualified to share in the distribution of money for enhanced 911 service if, in addition to the levy required under this paragraph, it has not implemented enhanced 911 service before December 31, 1998.

(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."

Page 3, line 18, delete "6" and insert "10"

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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 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 115 yeas and 12 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bergson	Greiling	Hausman	Knickerbocker	Milbert	Onnen
Dehler	Haukoos	Holsten	Krinkie	Neary	Osthoff

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

S. F. No. 2498 was reported to the House.

Johnson, R.; Reding; Knickerbocker and Holsten moved to amend S. F. No. 2498 as follows:

Page 15, after line 32, insert:

"Sec. 12. [STUDY OF IMPLICATIONS OF EMPLOYER MATCHING CONTRIBUTIONS TO SECTION 403(b) PLANS.]

The legislative commission on pensions and retirement shall study whether pension provisions of federal tax laws apply to employer matching contributions to tax sheltered annuity contracts qualified under section 403(b) of the

federal Internal Revenue Code, as permitted under Minnesota Statutes 1993 Supplement, section 356.24. The commission shall report the results of the study and any proposed legislation to the chairs of the committee on government operations and gaming and the committee on ways and means of the house of representatives and the committee on government operations and reform and the committee on finance of the senate by January 15, 1995."

Renumber the sections in sequence

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Morrison was excused for the remainder of today's session.

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 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 127 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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. 2168.

S. F. No. 2168 was reported to the House.

SUSPENSION OF RULES

Abrams moved that rule 5.10 be suspended during the debate on S. F. No. 2168. The motion prevailed.

Wenzel moved to amend S. F. No. 2168, the unofficial engrossment, as follows:

Page 15, line 8, delete "and rules of"

Page 16, line 9, delete "the department of agriculture"

The motion prevailed and the amendment was adopted.

Olson, K.; Frerichs; Winter; Olson, E.; Kalis; Mosel; Bertram and Steensma moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 16, after line 14, insert:

"Sec. 4. [APPROPRIATION.]

There is appropriated from the general fund $420,000 for fiscal year 1994 and $640,000 for fiscal year 1995 to the state board of technical colleges for the farm and small business management programs for tuition buy-down, emergency staff, equipment upgrades, and teleconferences for farmers and small business operators in the 53 Minnesota flood damage counties federally certified in 1993."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the Olson, K., et al amendment and the roll was called. There were 49 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Asch	Dehler	Girard	Milbert	Ostrom	Skoglund	Vellenga
Bertram	Dempsey	Gutknecht	Molnau	Ozment	Smith	Vickerman
Brown, C.	Dorn	Hugoson	Murphy	Pawlenty	Steensma	Wagenius
Brown, K.	Evans	Jefferson	Olson, E.	Peterson	Sviggum	Waltman
Commers	Finseth	Kalis	Olson, K.	Rice	Tunheim	Wejcman
Cooper	Frerichs	Kelso	Olson, M.	Rukavina	Van Dellen	Worke
Davids	Garcia	McCollum	Onnen	Simoneau	Van Engen	Workman

Those who voted in the negative were:

Abrams	Bauerly	Carlson	Delmont	Goodno	Gruenes	Holsten
Anderson, R.	Beard	Carruthers	Erhardt	Greenfield	Hasskamp	Huntley
Battaglia	Bergson	Dauner	Farrell	Greiling	Haukoos	Jacobs

Jaros	Klinzing	Lindner	Mosel	Pelowski	Seagren	Wenzel
Jennings	Knight	Long	Munger	Perlt	Sekhon	Winter
Johnson, A.	Krinkie	Lourey	Neary	Pugh	Solberg	Spk. Anderson, I.
Johnson, R.	Krueger	Luther	Nelson	Reding	Stanius	
Johnson, V.	Lasley	Lynch	Ness	Rest	Swenson	
Kahn	Leppik	Macklin	Opatz	Rhodes	Tomassoni	
Kelley	Lieder	Mahon	Orenstein	Rodosovich	Tompkins	
Kinkel	Limmer	McGuire	Orfield	Sarna	Trimble	

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

Tunheim moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 15, after line 23, insert:

"ARTICLE 9

SALE OF STOCK IN COOPERATIVES

Section 1. 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 under the laws of another state, 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~~ the cooperative, or when such securities are issued as patronage dividends. This paragraph applies to a cooperative organized under the laws of another state only if the cooperative has filed with the commissioner a consent to service of process under section 80A.27, subdivision 7, and has, not less than ten days prior to the issuance or delivery, furnished the commissioner with a written general description of the transaction and any other information that the commissioner requires by rule or otherwise.

(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. 2. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment."

Page 15, line 24, delete "9" and insert "10"

Correct internal cross references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Cooper moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 14, line 26, after the period, insert "The task force shall also examine the issue of responsibility for potential pollution damage."

The motion prevailed and the amendment was adopted.

Tomassoni moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 17, after line 17, insert:

"ARTICLE 10

AQUACULTURE

Section 1. [17.4999] [STORAGE, HANDLING, AND DISPOSAL OF FISH MANURE.]

Fish manure from aquatic farm operations is subject to the same requirements under state law and rules as other animal manures, including land application of manures.

Sec. 2. Minnesota Statutes 1992, section 180.03, is amended by adding a subdivision to read:

Subd. 5. Upon written notice to the county mine inspector, a person, firm, or corporation that is actively and exclusively engaged in the business of cold water aquaculture shall be exempt from the requirements of subdivision 3. The exemption shall only apply to those portions of idle or abandoned open pit mines that are actively being used for aquaculture operations and that are owned by the person, firm, or corporation. A landowner exempted assumes all responsibility for inspection and safety measures pertaining to the affected parcels of land and the county mine inspector is relieved of inspection requirements. The notice provided to the county mine inspector pursuant to this subdivision shall be annual and shall be filed with the county mine inspector's office by January 15 of each year. The notice shall describe the affected parcels of land and shall provide a sworn affidavit by the landowner that the subject property will be actively and exclusively used for aquaculture purposes during the calendar year. Failure to comply with the notice requirement of this subdivision makes the idle or abandoned open pit mines subject to the provisions of subdivision 3.

Sec. 3. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to licensed aquatic farms in operation on or after that date."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Goodno, Winter and Steensma moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 3, delete lines 32 to 34, and insert:

"(a) The small business suffered significant losses during 1993 from a natural disaster and the small business faces economic stress without the assistance of the small business 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."

The motion prevailed and the amendment was adopted.

Mosel and Peterson moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 17, after line 17, insert:

"ARTICLE 10

Section 1. Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2, is amended to read:

Subd. 2. [ETHANOL DEVELOPMENT FUND.] There is established in the state treasury an ethanol development fund. All repayments of financial assistance granted under subdivision 1, 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 ethanol production facility loan program, including costs incurred by the authority to establish and administer the program.

Sec. 2. Laws 1993, chapter 172, section 7, subdivision 3, is amended to read:

Subd. 3. Promotion and Marketing

	2,142,000	1,142,000
	Summary by Fund	
General	1,959,000	959,000
Special Revenue	183,000	183,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed $15,800,000 for the biennium ending June 30, 1995. In fiscal year 1994, the commissioner shall first reimburse producers up to $981,024 for eligible, unpaid claims accumulated through June 30, 1993.

$1,000,000 is appropriated to the ethanol development fund established in Minnesota Statutes, section 41B.044, subdision 2, in 1994 for use by the rural finance authority for purposes of assisting in the finance of ethanol production facilities in Minnesota. Any amount of this appropriation that remains unencumbered at the end of any biennium does not revert to the general fund but remains available as a revolving account.

$100,000 the first year and $100,000 the second year are for ethanol promotion and public education.

$100,000 the first year and $100,000 the second year must be spent for the WIC coupon program.

$45,000 is appropriated in each year for a project to expand agriculture opportunities for the Hmong and other Southeast Asian farmers by expansion of the existing market base and to target new wholesale and retail markets. The money may also be used to expand the wholesale and retail market for other groups involved in direct marketing efforts such as alternative meat and food products. The department must report on the project to the finance committees by January 15, 1995.

$71,000 the first year and $71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

$183,000 the first year and $183,000 the second year are from the commodities research and promotion account in the special revenue fund.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective retroactive to July 1, 1993."

The motion prevailed and the amendment was adopted.

Olson, K., moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 15, after line 23, insert:

"ARTICLE 9

INSPECTION OF AGRICULTURAL OPERATIONS

Section 1. [17.139] [MEMORANDUM OF AGREEMENT AMONG STATE AGENCIES ON INSPECTIONS OF AGRICULTURAL OPERATIONS.]

The commissioner shall develop memorandums of agreement among all state and federal agencies that have authority to inspect property in agricultural use, as defined in section 17.81, subdivision 4, to ensure that reasonable and effective protocols are followed when inspecting sites in agricultural use. The memorandum shall specify procedures that address, but are not limited to, the following:

(1) when appropriate, advance notice to the agricultural use landowner or operator;

(2) procedures for notification of the inspection results or conclusions to the owner or operator; and

(3) special procedures as might be necessary, such as to prevent the introduction of diseases."

Page 15, line 24, delete "9" and insert "10"

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Johnson, V., moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 15, after line 23, insert:

"ARTICLE 9

PROMOTION OF NONTRADITIONAL AGRICULTURE

Section 1. Minnesota Statutes 1992, section 17.03, is amended by adding a subdivision to read:

Subd. 7a. [NONTRADITIONAL AGRICULTURE; PROMOTION.] (a) The commissioner shall devise means of advancing the production and marketing of nontraditional agricultural products of the state. The commissioner shall also seek the cooperation and involvement of every department or agency of the state, and such public and nonpublic organizations as the commissioner deems appropriate, for the promotion of nontraditional agricultural products.

(b) The production and marketing of nontraditional agricultural products are considered agricultural pursuits.

(c) Except as otherwise provided in law, the commissioner may adopt appropriate rules concerning health standards for nontraditional agriculture.

(d) Except as otherwise provided in law, the slaughter of all meat producing animals, fowl, or fish that are nontraditional agriculture intended for sale in commercial outlets must occur at an inspected slaughterhouse.

(e) Except as otherwise provided in law, it is the responsibility of an owner to take all reasonable actions to maintain the nontraditional agriculture on property owned or leased by the owner, including the construction of fences, enclosures, or other barriers, and housing of a suitable design.

(f) For purposes of this subdivision "nontraditional agriculture" and "nontraditional agricultural products" includes but is not limited to aquaculture as defined in section 17.47, subdivision 2, and the production of animals domesticated from wild stock, either native or nonnative, that are kept in confinement by the owner."

Page 15, line 24, delete "9" and insert "10"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sviggum moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2, is amended to read:

Subd. 2. [ETHANOL DEVELOPMENT FUND.] There is established in the state treasury an ethanol development fund. All repayments of financial assistance granted under subdivision 1, 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 ethanol production facility loan program, including costs incurred by the authority to establish and administer the program.

Sec. 2. Minnesota Statutes 1992, section 297A.02, subdivision 2, is amended to read:

Subd. 2. [MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of special tooling is four percent and upon sales of new farm machinery and sales of aquaculture production equipment is two percent.

Sec. 3. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 53. [FARM MACHINERY.] The gross receipts from the sale of used farm machinery are exempt.

Sec. 4. Laws 1993, chapter 172, section 7, subdivision 3, is amended to read:

Subd. 3. Promotion and Marketing

	2,142,000	1,142,000
	Summary by Fund	
General	1,959,000	959,000
Special Revenue	183,000	183,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed $15,800,000 for the biennium ending June 30, 1995. In fiscal year 1994, the commissioner shall first reimburse producers up to $981,024 for eligible, unpaid claims accumulated through June 30, 1993.

$1,000,000 is appropriated to the ethanol development fund established in Minnesota Statutes, section 41B.044, subdivision 2, in 1994 for use by the rural finance authority for purposes of assisting in the finance of ethanol production facilities in Minnesota. Any amount of this appropriation that remains unencumbered at the end of any biennium does not revert to the general fund but remains available as a revolving account.

$100,000 the first year and $100,000 the second year are for ethanol promotion and public education.

$100,000 the first year and $100,000 the second year must be spent for the WIC coupon program.

$45,000 is appropriated in each year for a project to expand agriculture opportunities for the Hmong and other Southeast Asian farmers by expansion of the existing market base and to target new wholesale and retail markets. The money may also be used to expand the wholesale and retail market for other groups involved in direct marketing efforts such as alternative meat and food products. The department must report on the project to the finance committees by January 15, 1995.

$71,000 the first year and $71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

$183,000 the first year and $183,000 the second year are from the commodities research and promotion account in the special revenue fund.

Sec. 5. [FEDERAL EMERGENCY MANAGEMENT ASSISTANCE MATCH.]

$3,908,000 is appropriated from the general fund to the commissioner of public safety to provide matching funds for federal emergency management assistance funds received in flood damaged counties in 1993.

Sec. 6. [TRANSFER; GRAIN INSPECTION ACCOUNT.]

$200,000 is appropriated from the general fund for transfer to the grain inspection and weighing account established under Minnesota Statutes, section 17B.15, subdivision 1.

Sec. 7. [APPROPRIATION; WHEAT SCAB RESEARCH.]

$592,000 is appropriated from the general fund to the University of Minnesota for the fiscal biennium ending June 30, 1995, 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.

Sec. 8. [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. 9. [APPROPRIATION; AGRICULTURAL RESOURCE CENTERS.]

(a) $100,000 is appropriated from the general fund to the commissioner of agriculture for supplemental funding for grants to agricultural information centers. No match is needed for the release of these supplemental state dollars. This appropriation is available until June 30, 1995.

(b) For money appropriated in Laws 1993, chapter 172, section 7, subdivision 4, for agricultural information centers, a match is not required for fiscal year 1994 appropriations and a match of four state dollars for each $1 of matching nonstate money is required for fiscal year 1995 appropriations.

Sec. 10. [APPROPRIATION; LEGAL ASSISTANCE TO FARMERS.]

$200,000 is appropriated from the general fund to the supreme court as supplemental funding for legal assistance to farmers in accordance with Minnesota Statutes, section 480.242, subdivision 5. This appropriation is available until June 30, 1995. This appropriation shall be in addition to other appropriations received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received.

Sec. 11. [APPROPRIATION; FARM FINANCIAL ASSISTANCE; STATE BOARD OF TECHNICAL COLLEGES.]

(a) $285,000 is appropriated from the general fund to the state board of technical colleges for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by the weather conditions in 1993 to be used as follows:

(1) $20,000 for teleconferencing to provide information to farm and small business operators from federal and state agencies; and

(2) $265,000 for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by the weather conditions in 1993.

(b) The board must coordinate the delivery of services with Minnesota extension to ensure broad coverage of the state for areas affected by the weather conditions in 1993. This appropriation is available until June 30, 1995.

Sec. 12. [APPROPRIATION; FARM FINANCIAL ASSISTANCE; MINNESOTA EXTENSION.]

(a) $315,000 is appropriated from the general fund to the University of Minnesota for the Minnesota extension service for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by the weather conditions in 1993 to be used as follows:

(1) $50,000 to the center for farm financial management for computer software upgrades and support of educators providing financial information to farmers; and

(2) $265,000 for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by the weather conditions in 1993.

(b) Minnesota extension must coordinate the delivery of services with the state board of technical colleges to ensure broad coverage of the state for areas affected by the weather conditions in 1993. This appropriation is available until June 30, 1995.

Sec. 13. [SMALL BUSINESS DISASTER REVOLVING LOAN FUND.]

$900,000 is appropriated from the general fund to the commissioner of trade and economic development to supplement funding of programs through the federal Economic Development Administration. Use of these funds may include providing local matches to federal dollars through the regional development commissions or alternative groups. This appropriation is available until June 30, 1995.

Sec. 14. [ETHANOL PRODUCTION.]

$1,500,000 is appropriated from the general fund to the ethanol development fund.

Sec. 15. [AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.]

$1,050,000 is appropriated from the general fund to the agricultural utilization research institute for programs targeted to crops or regions that suffered losses in 1993. This appropriation is available until June 30, 1995.

Sec. 16. [DAIRY LITIGATION.]

(a) $59,000 is appropriated from the general fund to the supreme court as a one-time appropriation for family farm legal assistance for financially distressed dairy farmers under Minnesota Statutes, section 480.242, subdivision 5, clause (2). This appropriation shall be in addition to other appropriations received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received. This appropriation is available until June 30, 1995. The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

(b) The $20,000 balance on May 22, 1993, of amounts authorized under Laws 1992, chapter 513, article 2, section 6, subdivision 5, is transferred to the general fund and is appropriated to the supreme court for family farm legal assistance rendered from July 1, 1993, through June 30, 1995, for financially distressed dairy farmers under Minnesota Statutes, section 480.242, subdivision 5, clause (2). The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

Sec. 17. [APPROPRIATION; BEAVER CONTROL.]

$50,000 is appropriated to the commissioner of agriculture for a grant to the beaver damage control joint powers board formed by Beltrami, Clearwater, Marshall, Pennington, Polk, and Red Lake counties, for the purpose of beaver damage control. The grant must be matched by at least $30,000 from the joint powers board. This appropriation is available until June 30, 1995.

Sec. 18. [REPORT OF AGENCIES.]

Before January 1, 1996, the commissioner of public safety shall coordinate and present to the legislature a report from all departments, agencies, and organizations receiving funding under this act regarding the specific uses of such funding and the effects of assistance provided under this act to the agricultural economy and rural communities affected by natural disasters in 1993.

Sec. 19. [EFFECTIVE DATE.]

Sections 2 and 3 are effective July 1, 1994. The remaining sections are effective the day following final enactment."

Delete the title and insert:

"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."

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 82 nays as follows:

Those who voted in the affirmative were:

Abrams	Girard	Johnson, V.	Lynch	Ozment	Sviggum	Waltman
Asch	Gruenes	Knickerbocker	Macklin	Pawlenty	Swenson	Worke
Commers	Gutknecht	Krinkie	Molnau	Rhodes	Tompkins	Workman
Dempsey	Haukoos	Leppik	Olson, M.	Seagren	Van Dellen	
Erhardt	Holsten	Limmer	Onnen	Smith	Van Engen	
Frerichs	Hugoson	Lindner	Osthoff	Stanius	Vickerman	

Those who voted in the negative were:

Anderson, R.	Dauner	Hausman	Kinkel	Mosel	Perlt	Steensma
Battaglia	Davids	Huntley	Klinzing	Munger	Peterson	Tomassoni
Bauerly	Dehler	Jacobs	Knight	Murphy	Reding	Trimble
Beard	Delmont	Jaros	Krueger	Nelson	Rest	Tunheim
Bergson	Dorn	Jefferson	Lasley	Ness	Rice	Vellenga
Bertram	Evans	Jennings	Lieder	Olson, E.	Rodosovich	Wagenius
Brown, C.	Farrell	Johnson, A.	Long	Olson, K.	Rukavina	Wejcman
Brown, K.	Finseth	Johnson, R.	Lourey	Opatz	Sarna	Wenzel
Carlson	Garcia	Kahn	Luther	Orenstein	Sekhon	Winter
Carruthers	Goodno	Kalis	Mahon	Orfield	Simoneau	Spk. Anderson, I.
Clark	Greenfield	Kelley	McCollum	Ostrom	Skoglund	
Cooper	Hasskamp	Kelso	McGuire	Pelowski	Solberg	

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

Hugoson moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Delete page 2, line 3 to page 6, line 28

Page 17, after line 15, insert:

"Sec. 8. [FEDERAL EMERGENCY MANAGEMENT ASSISTANCE MATCH.]

$3,908,000 is appropriated from the general fund to the commissioner of public safety to provide matching funds for federal emergency management assistance funds received in flood damaged counties in 1993."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Girard moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Pages 16 and 17, delete section 5

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

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

Ness, Bettermann, Molnau, Girard, Hugoson, Mosel, Gutknecht and Johnson, V., moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 7, line 13, after the period, insert "Of this appropriation, $50,000 is appropriated to the commissioner of agriculture for expenses and activities of the dairy leaders round table, as approved by the commissioner."

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

Tompkins was excused for the remainder of today's session.

Sviggum offered an amendment to S. F. No. 2168, the unofficial engrossment, as amended.

POINT OF ORDER

Wenzel raised a point of order pursuant to rule 3.09 that the Sviggum amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Ness, Molnau, Koppendrayer, Girard, Cooper, Winter, Bertram and Mosel moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Page 6, delete lines 29 to 36

Page 7, delete lines 1 to 13

Page 17, after line 15, insert:

"Sec. 8. [FARM FINANCIAL ASSISTANCE; MINNESOTA EXTENSION.]

(a) $225,000 is appropriated from the general fund to the University of Minnesota for the Minnesota extension service for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by the weather conditions in 1993 to be used as follows:

(1) $50,000 to the center for farm financial management for computer software upgrades and support of educators providing financial information to farmers; and

(2) $175,000 for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by the weather conditions in 1993.

(b) Minnesota extension must coordinate the delivery of services with the state board of technical colleges to ensure broad coverage of the state for areas affected by the weather conditions in 1993. This appropriation is available until June 30, 1995."

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 Ness et al amendment and the roll was called. There were 44 yeas and 77 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Hugoson	Limmer	Olson, E.	Peterson	Waltman
Bertram	Erhardt	Johnson, V.	Lindner	Olson, K.	Smith	Worke
Bishop	Frerichs	Klinzing	Lynch	Olson, M.	Sviggum	
Commers	Girard	Knickerbocker	Macklin	Onnen	Swenson	
Cooper	Gruenes	Krinkie	Molnau	Osthoff	Van Dellen	
Davids	Haukoos	Lasley	Mosel	Ostrom	Van Engen	
Dehler	Holsten	Leppik	Ness	Pawlenty	Vickerman	

Those who voted in the negative were:

Anderson, R.	Delmont	Huntley	Knight	Murphy	Rest	Steensma
Asch	Dorn	Jacobs	Krueger	Neary	Rhodes	Tomassoni
Battaglia	Evans	Jaros	Lieder	Nelson	Rice	Trimble
Bauerly	Farrell	Jefferson	Long	Opatz	Rodosovich	Tunheim
Beard	Finseth	Johnson, A.	Lourey	Orenstein	Rukavina	Vellenga
Bergson	Garcia	Johnson, R.	Luther	Orfield	Sarna	Wagenius
Brown, C.	Goodno	Kahn	Mahon	Ozment	Seagren	Wejcman
Carlson	Greenfield	Kalis	McCollum	Pelowski	Sekhon	Wenzel
Carruthers	Greiling	Kelley	McGuire	Perlt	Simoneau	Winter
Clark	Hasskamp	Kelso	Milbert	Pugh	Skoglund	Workman
Dauner	Hausman	Kinkel	Munger	Reding	Solberg	Spk. Anderson, I.

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

Davids; Reding; Neary; Haukoos; Worke; Tomassoni; Tompkins; Johnson, R.; Krinkie; Limmer; Molnau; Dempsey; Erhardt; Lindner; Olson, M.; Waltman; Smith; Frerichs; Macklin; Girard; Ness; Gruenes; Stanius; Asch; Workman; Sviggum; Seagren; Ozment; Onnen; Lynch; Gutknecht; Holsten and Rhodes moved to amend S. F. No. 2168, the unofficial engrossment, as amended, as follows:

Pages 6 and 7 delete article 3

Renumber the articles in sequence

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Davids et al amendment and the roll was called. There were 73 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Hugoson	Leppik	Olson, M.	Rice	Tomassoni
Asch	Dorn	Jacobs	Limmer	Onnen	Rukavina	Van Dellen
Beard	Erhardt	Jaros	Lindner	Opatz	Sarna	Van Engen
Bergson	Frerichs	Jefferson	Lynch	Osthoff	Seagren	Vickerman
Bishop	Girard	Johnson, R.	Macklin	Ostrom	Sekhon	Waltman
Brown, C.	Goodno	Johnson, V.	Mahon	Ozment	Simoneau	Worke
Commers	Greiling	Kinkel	McCollum	Pawlenty	Smith	Workman
Cooper	Gruenes	Knickerbocker	Molnau	Pelowski	Solberg	
Dauner	Gutknecht	Knight	Neary	Pugh	Stanius	
Davids	Haukoos	Krinkie	Nelson	Reding	Sviggum	
Dehler	Holsten	Lasley	Ness	Rhodes	Swenson	

Those who voted in the negative were:

Anderson, R.	Dawkins	Huntley	Lieder	Munger	Rest	Wejcman
Battaglia	Delmont	Johnson, A.	Long	Murphy	Rodosovich	Wenzel
Bauerly	Evans	Kahn	Lourey	Olson, E.	Skoglund	Winter
Bertram	Farrell	Kalis	Luther	Olson, K.	Steensma	Spk. Anderson, I.
Brown, K.	Finseth	Kelley	Mariani	Orenstein	Trimble	
Carlson	Garcia	Kelso	McGuire	Orfield	Tunheim	
Carruthers	Greenfield	Klinzing	Milbert	Perlt	Vellenga	
Clark	Hasskamp	Krueger	Mosel	Peterson	Wagenius	

The motion prevailed and the amendment was adopted.

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 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 111 yeas and 15 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Goodno	Jennings	Lieder	Nelson	Pelowski
Battaglia	Davids	Greenfield	Johnson, A.	Long	Ness	Perlt
Bauerly	Dawkins	Greiling	Johnson, R.	Lourey	Olson, E.	Peterson
Beard	Dehler	Gruenes	Johnson, V.	Luther	Olson, K.	Pugh
Bergson	Delmont	Gutknecht	Kahn	Macklin	Olson, M.	Reding
Bertram	Dempsey	Hasskamp	Kalis	Mahon	Onnen	Rest
Bishop	Dorn	Haukoos	Kelley	Mariani	Opatz	Rhodes
Brown, C.	Evans	Hausman	Kelso	McGuire	Orenstein	Rice
Brown, K.	Farrell	Holsten	Kinkel	Milbert	Orfield	Rodosovich
Carlson	Finseth	Huntley	Klinzing	Mosel	Osthoff	Rukavina
Carruthers	Frerichs	Jacobs	Krueger	Munger	Ostrom	Sarna
Clark	Garcia	Jaros	Lasley	Murphy	Ozment	Sekhon
Cooper	Girard	Jefferson	Leppik	Neary	Pawlenty	Simoneau

Skoglund	Steensma	Tomassoni	Van Dellen	Wagenius	Wenzel	Workman
Smith	Sviggum	Trimble	Vellenga	Waltman	Winter	Spk. Anderson, I.
Solberg	Swenson	Tunheim	Vickerman	Wejcman	Worke	

Those who voted in the negative were:

Abrams	Erhardt	Knight	Lindner	Molnau
Asch	Hugoson	Krinkie	Lynch	Seagren
Commers	Knickerbocker	Limmer	McCollum	Van Engen

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

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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bishop moved that the House refuse to concur in the Senate amendments to H. F. No. 2158, 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. 2316 and 2929.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 2316, A bill for an act relating to the state board of investment; management of funds under the board's control; limiting the investment authority of various local pension plans to the pre-1994 investment authority of the state board of investment; 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; 354B.07, subdivision 2; 356A.06, subdivision 7; and 422A.05, subdivision 2c; Minnesota Statutes 1993 Supplement, sections 11A.24, subdivisions 1 and 4; 69.77, subdivision 2g; 69.775; 352D.04, subdivision 1; 352D.09, subdivision 8; and 354B.05, subdivision 3.

The bill was read for the first time.

Reding moved that S. F. No. 2316 and H. F. No. 2651, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

S. F. No. 2929, A bill for an act relating to education; providing assistance to school districts by permitting the waiver of certain rules and statutes in response to a catastrophe; appropriating money for payment to independent school district No. 191, Burnsville; amending Minnesota Statutes 1992, section 121.11, by adding a subdivision.

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

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.

MOTIONS AND RESOLUTIONS

Jennings moved that the name of Peterson be added as an author on H. A. No. 37. 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 affirmative on Wednesday, April 27, 1994, when the vote was taken on the Leppik amendment to the Long amendment to H. F. No. 3011, 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. 1899:

Greiling, Kahn and Leppik.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 1919:

Evans, Clark and Ozment.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2158:

Bishop, Sekhon and Kalis.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3086:

Wagenius; Kahn; Orenstein; Brown, C., and Lynch.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2192:

Greenfield, Cooper, Neary, Klinzing and Smith.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2289:

Weaver, Kahn and Abrams.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 9:00 a.m., Friday, April 29, 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., Friday, April 29, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

ONE HUNDRED-FIRST DAY

SAINT PAUL, MINNESOTA, FRIDAY, APRIL 29, 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 Monsignor James D. Habiger, House Chaplain.

The roll was called and the following members were present:

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

A quorum was present.

Van Engen was excused.

Rest was excused until 9:25 a.m. Asch and Pauly were excused until 9:35 a.m. Knickerbocker was excused until 10:30 a.m. Stanius was excused until 12:00 noon. Macklin was excused until 12:10 p.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Perlt 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. 2316 and H. F. No. 2651, 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. 2316 be substituted for H. F. No. 2651 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 22, 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. 1094, 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.

H. F. No. 2360, relating to transportation; authorizing commissioner of transportation to contract with state of Wisconsin to build and operate truck inspection station in Wisconsin.

H. F. No. 3053, relating to unemployment compensation; changing its name; modifying provisions relating to reporting requirements, eligibility conditions, and liability for benefits.

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

H. F. No. 1416, 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.

H. F. No. 1957, 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. 1859, relating to housing; establishing penalties for failure to provide a written lease.

H. F. No. 2670, relating to retirement; adding Hennepin county paramedics and emergency medical technicians to membership in the public employees police and fire fund.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 25, 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. 2893, relating to unemployment compensation; extending benefits for certain employees; providing for a shared work plan; requiring a study.

H. F. No. 2175, 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.

H. F. No. 2311, relating to taxation; abolishing certain local government levy limitations.

H. F. No. 2124, 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.

H. F. No. 2275, relating to taxes; making tax policy, collections, and administrative changes.

H. F. No. 228, relating to local government; providing procedures and criteria for municipal annexations; providing for the application of city development regulations.

H. F. No. 2159, relating to limited liability companies; providing for the application of workers' compensation and unemployment compensation laws.

H. F. No. 2148, relating to human services; providing monitoring and evaluation of emergency health services on a pilot project basis; authorizing advisory committees.

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
	1094	485	1:45 p.m. April 22	April 22
	2360	487	2:15 p.m. April 22	April 22
	3053	488	1:47 p.m. April 22	April 22
	2433	489	2:10 p.m. April 22	April 22
	1416	490	1:49 p.m. April 22	April 22
	1957	493	1:50 p.m. April 22	April 22
	1859	496	2:04 p.m. April 22	April 22
2171		498	1:56 p.m. April 22	April 22
	2670	499	1:52 p.m. April 22	April 22
862		500	1:59 p.m. April 22	April 22
2260		501	2:00 p.m. April 22	April 22
1732		502	12:00 p.m. April 25	April 25
	2893	503	1:02 p.m. April 25	April 25
	2175	504	1:04 p.m. April 25	April 25
	2311	505	1:06 p.m. April 25	April 25
1912		506	12:01 p.m. April 25	April 25
1744		507	12:05 p.m. April 25	April 25
	2124	508	1:11 p.m. April 25	April 25
760		509	11:58 a.m. April 25	April 25
	2275	510	1:12 p.m. April 25	April 25
	228	511	1:42 p.m. April 25	April 25
	2159	512	1:13 p.m. April 25	April 25
2329		513	1:17 p.m. April 25	April 25
1903		514	1:00 p.m. April 25	April 25
	2148	515	1:15 p.m. April 25	April 25

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. No. 2316 was read for the second time.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Wenzel; Anderson, I.; Lieder; Anderson, R., and Koppendrayer introduced:

H. F. No. 3240, A bill for an act relating to veterans; establishing a veterans' cemetery; providing for funding; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1992, section 197.235.

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:

Clark, Mariani, Jefferson, Garcia and Rhodes introduced:

H. A. No. 39, A proposal to study the hiring, promotion, and retention of House of Representatives minority staff.

The advisory was 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:

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 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. 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 repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 2365, A bill for an act relating to traffic regulations; making technical changes; removing requirement for auxiliary low beam lights to be removed or covered when snowplow blade removed; requiring seat belts for commercial motor vehicles; allowing transportation within state of raw farm and forest products exceeding maximum

weight limitation by not more than ten percent; amending Minnesota Statutes 1992, sections 169.743; and 169.851, subdivision 5; Minnesota Statutes 1993 Supplement, sections 169.122, subdivision 5; 169.47, subdivision 1; 169.522, subdivision 1; 169.56, subdivision 5; and 169.686, subdivision 1.

The Senate has appointed as such committee:

Mr. Langseth, Ms. Johnston and Mr. Bertram.

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. 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, Riveness and Frederickson.

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. 2080, A bill for an act relating to agriculture; providing for uniformity of certain food laws with federal regulations; amending Minnesota Statutes 1992, sections 31.101; 31.102, subdivision 1; 31.103, subdivision 1; and 31.104.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Dehler moved that the House concur in the Senate amendments to H. F. No. 2080 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2080, A bill for an act relating to agriculture; providing for uniformity of certain food laws with federal regulations; appropriating money; amending Minnesota Statutes 1992, sections 31.101; 31.102, subdivision 1; 31.103, subdivision 1; and 31.104; Laws 1993, chapter 172, section 7, 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 122 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Bishop	Carruthers	Dauner	Delmont	Evans
Anderson, R.	Bergson	Brown, C.	Clark	Davids	Dempsey	Farrell
Battaglia	Bertram	Brown, K.	Commers	Dawkins	Dorn	Finseth
Bauerly	Bettermann	Carlson	Cooper	Dehler	Erhardt	Frerichs

Garcia	Jefferson	Krueger	Morrison	Ozment	Simoneau	Wagenius
Girard	Jennings	Lasley	Mosel	Pawlenty	Skoglund	Waltman
Goodno	Johnson, A.	Leppik	Munger	Pelowski	Smith	Weaver
Greiling	Johnson, R.	Lieder	Murphy	Perlt	Solberg	Wejcman
Gruenes	Johnson, V.	Lindner	Neary	Peterson	Steensma	Wenzel
Gutknecht	Kahn	Long	Nelson	Pugh	Sviggum	Winter
Hasskamp	Kalis	Lourey	Ness	Reding	Swenson	Wolf
Haukoos	Kelley	Luther	Olson, E.	Rhodes	Tomassoni	Worke
Hausman	Kelso	Lynch	Olson, M.	Rice	Tompkins	Workman
Holsten	Kinkel	Mahon	Onnen	Rodosovich	Trimble	Spk. Anderson, I.
Hugoson	Klinzing	McCollum	Opatz	Rukavina	Tunheim	
Huntley	Knight	McGuire	Orenstein	Sarna	Van Dellen	
Jacobs	Koppendrayer	Milbert	Osthoff	Seagren	Vellenga	
Jaros	Krinkie	Molnau	Ostrom	Sekhon	Vickerman	

The bill was repassed, as amended by the Senate, 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. 2710.

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. 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.

April 26, 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. 2710, 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. 2710 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 16B.61, subdivision 3, is amended to read:

Subd. 3. [SPECIAL REQUIREMENTS.] (a) [SPACE FOR COMMUTER VANS.] The code must require that any parking ramp or other parking facility constructed in accordance with the code include an appropriate number of spaces suitable for the parking of motor vehicles having a capacity of seven to 16 persons and which are principally used to provide prearranged commuter transportation of employees to or from their place of employment or to or from a transit stop authorized by a local transit authority.

(b) [SMOKE DETECTION DEVICES.] The code must require that all dwellings, lodging houses, apartment houses, and hotels as defined in section 299F.362 comply with the provisions of section 299F.362.

(c) [DOORS IN NURSING HOMES AND HOSPITALS.] The state building code may not require that each door entering a sleeping or patient's room from a corridor in a nursing home or hospital with an approved complete standard automatic fire extinguishing system be constructed or maintained as self-closing or automatically closing.

(d) [CHILD CARE FACILITIES IN CHURCHES; GROUND LEVEL EXIT.] A licensed day care center serving fewer than 30 preschool age persons and which is located in a below ground space in a church building is exempt from the state building code requirement for a ground level exit when the center has more than two stairways to the ground level and its exit.

(e) [CHILD CARE FACILITIES IN CHURCHES; VERTICAL ACCESS.] Until August 1, 1996, an organization providing child care in an existing church building which is exempt from taxation under section 272.02, subdivision 1, clause (5), shall have five years from the date of initial licensure under chapter 245A to provide interior vertical access, such as an elevator, to persons with disabilities as required by the state building code. To obtain the extension, the organization providing child care must secure a $2,500 performance bond with the commissioner of human services to ensure that interior vertical access is achieved by the agreed upon date.

(f) [FAMILY AND GROUP FAMILY DAY CARE.] The commissioner of administration shall establish a task force to determine occupancy standards specific and appropriate to family and group family day care homes and to examine hindrances to establishing day care facilities in rural Minnesota. The task force must include representatives from rural and urban building code inspectors, rural and urban fire code inspectors, rural and urban county day care licensing units, rural and urban family and group family day care providers and consumers, child care advocacy groups, and the departments of administration, human services, and public safety.

By January 1, 1989, the commissioner of administration shall report the task force findings and recommendations to the appropriate legislative committees together with proposals for legislative action on the recommendations.

Until the legislature enacts legislation specifying appropriate standards, the definition of Group R-3 occupancies in the state building code applies to family and group family day care homes licensed by the department of human services under Minnesota Rules, chapter 9502.

(g) [MINED UNDERGROUND SPACE.] Nothing in the state building codes shall prevent cities from adopting rules governing the excavation, construction, reconstruction, alteration, and repair of mined underground space pursuant to sections 469.135 to 469.141, or of associated facilities in the space once the space has been created, provided the intent of the building code to establish reasonable safeguards for health, safety, welfare, comfort, and security is maintained.

(h) [ENCLOSED STAIRWAYS.] No provision of the code or any appendix chapter of the code may require stairways of existing multiple dwelling buildings of two stories or less to be enclosed.

(i) [DOUBLE CYLINDER DEAD BOLT LOCKS.] No provision of the code or appendix chapter of the code may prohibit double cylinder dead bolt locks in existing single-family homes, townhouses, and first floor duplexes used exclusively as a residential dwelling. Any recommendation or promotion of double cylinder dead bolt locks must include a warning about their potential fire danger and procedures to minimize the danger.

(j) [RELOCATED RESIDENTIAL BUILDINGS.] A residential building relocated within or into a political subdivision of the state need not comply with the state energy code or section 326.371 provided that, where available, an energy audit is conducted on the relocated building.

(k) [AUTOMATIC GARAGE DOOR OPENING SYSTEMS.] The code must require all residential buildings as defined in section 325F.82 to comply with the provisions of sections 325F.82 and 325F.83.

(l) [EXIT SIGN ILLUMINATION.] For a new building on which construction is begun on or after October 1, 1993, or an existing building on which remodeling affecting 50 percent or more of the enclosed space is begun on or after October 1, 1993, the code must prohibit the use of internally illuminated exit signs whose electrical consumption during nonemergency operation exceeds 20 watts of resistive power. All other requirements in the code for exit signs must be complied with.

(m) [RESIDENTIAL WORK.] By January 1, 1996, the commissioner of administration shall develop building code provisions in accordance with the directives and provisions developed under section 144.874, subdivision 11a.

Sec. 2. 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 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~~ any set of procedures designed to eliminate or reduce human exposure to lead hazards.

Sec. 3. 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.

Sec. 4. Minnesota Statutes 1992, section 144.871, subdivision 3, is amended to read:

Subd. 3. [ABATEMENT CONTRACTOR.] "Abatement contractor" means any person hired by a property owner or resident to perform abatement of a lead source in violation of standards under section 144.878 and who is licensed by the commissioner according to rules adopted under section 144.878, subdivision 5.

Sec. 5. 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. 6. Minnesota Statutes 1993 Supplement, section 144.872, subdivision 2, is amended to read:

Subd. 2. [~~HOME ASSESSMENTS~~ CONTRACTS.] ~~(a)~~ The commissioner shall, within available federal or state appropriations, contract with boards of health~~, who may determine priority for responding to cases of elevated blood lead levels,~~ to conduct assessments to determine sources of lead contamination ~~in the residences of pregnant women whose blood lead levels are at least ten micrograms per deciliter and of children whose blood lead levels are at least 20 micrograms per deciliter or whose blood lead levels persist in the range of 15 to 19 micrograms per deciliter for 90 days after initial identification to the board of health or the commissioner. Assessments must be conducted within five working days of the board of health receiving notice that the criteria in this subdivision have been met. The commissioner or boards of health must be notified of all violations of standards under section 144.878, subdivision 2, that are identified during a home assessment~~ in accordance with section 144.878.

~~(b) The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. The commissioner may also collect information on the race, sex, and family income of children and pregnant women with elevated blood lead levels.~~

~~(c) Within the limits of appropriations, a board of health shall conduct home assessments for children and pregnant women whose confirmed blood lead levels are in the range of ten to 19 micrograms per deciliter.~~

~~(d) The commissioner shall also provide educational materials on all sources of lead to boards of health to provide education on ways of reducing the danger of lead contamination. The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.~~

Sec. 7. 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. 8. 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. 9. 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~~ 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.~~ The commissioner or boards of health must identify the known addresses for the previous 12 months of the child or pregnant woman with elevated blood lead levels and notify the property owners at those addresses. This information shall be classified as private data on individuals as defined under section 13.02, subdivision 12.

(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.

(f) A lead inspector must notify the commissioner or the board of health of all violations under section 144.878, subdivision 2, that are identified in a residence assessment under this section.

(g) The commissioner may provide laboratory or field lead testing equipment to a board of health or may reimburse a board of health for direct costs associated with assessments.

(h) Sections 144.871 to 144.879 neither authorize nor prohibit a board of health from charging a property owner for the cost of assessment.

Sec. 10. 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. 11. 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~~ 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. 12. 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 develop in cooperation with the commissioner of administration 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. 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. This group shall also make recommendations for consumer and contractor education and training. Directives developed under this section are exempt from chapter 14. The commissioner of health shall report to the legislature by February 15, 1995, regarding development of the provisions required under this subdivision.

Sec. 13. 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. 14. 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 work cooperatively with the commissioner of administration to 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.

~~(c)~~ (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. 15. 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 ten 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 Houseside 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. 16. 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, 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. 17. 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. After 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. A person does not have to be licensed as a lead inspector to use sodium rhodizonate for this purpose. 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. 18. [144.8782] [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. Exemptions under this section also apply to purchasers of one or two unit residences. Nothing in this section affects any federal grant from the Department of Housing and Urban Development or state financed swab teams.

Sec. 19. 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, if linear feet or square feet cannot be measured, 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~~, roofing materials, siding, 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.

For purposes of this subdivision, the quantity of asbestos containing material applies separately for every project permit fee paid under section 326.75, subdivision 3.

Sec. 20. 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. 21. [REVIEW AND CODIFICATION; LEAD LAWS AND STATUTES.]

The commissioners of health, the pollution control agency, and the housing finance agency in collaboration with the revisor of statutes shall review current lead abatement standards, statutes, laws, and rules, and propose a reorganization and recodification to the legislature by January 10, 1995.

Sec. 22. [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 January 10, 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. 23. [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. 24. [REPEALER.]

(a) Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; and 157.09, are repealed.

(b) Laws 1993, First Special Session chapter 1, article 9, section 49, is repealed.

Sec. 25. [RULE DELAY.]

The requirement for testing of intact paint found in Minnesota Rules, part 4761.0100, "Applicability," paragraph C, shall not take effect until July 1, 1995.

Sec. 26. [EFFECTIVE DATE.]

Sections 1 to 25 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to health; modifying provisions relating to lead and asbestos abatement; amending Minnesota Statutes 1992, sections 144.871, subdivision 3, and by adding subdivisions; and 144.878, by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 16B.61, subdivision 3; 144.871, subdivision 2; 144.872, subdivisions 2 and 4; 144.873, subdivision 1; 144.874, subdivisions 1, 3, 3a, and 11a; 144.8771, subdivision 2; 144.878, subdivisions 2 and 5; 326.71, subdivision 4; and 326.75, subdivision 3; proposing coding for new law in Minnesota Statutes, chapter 144; repealing Minnesota Statutes 1993 Supplement, sections 144.8771, subdivision 5; 144.8781, subdivisions 1, 2, 3, and 5; 157.082; and 157.09; Laws 1993, First Special Session chapter 1, article 9, section 49."

We request adoption of this report and repassage of the bill.

Senate Conferees: SAM G. SOLON, JIM VICKERMAN AND DUANE D. BENSON.

House Conferees: KAREN CLARK, CARLOS MARIANI AND EILEEN TOMPKINS.

Clark moved that the report of the Conference Committee on S. F. No. 2710 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bertram	Clark	Dehler	Farrell	Greiling	Hugoson
Anderson, R.	Bettermann	Commers	Delmont	Finseth	Gruenes	Huntley
Battaglia	Bishop	Cooper	Dempsey	Frerichs	Gutknecht	Jacobs
Bauerly	Brown, K.	Dauner	Dorn	Garcia	Hasskamp	Jaros
Beard	Carlson	Davids	Erhardt	Girard	Hausman	Jefferson
Bergson	Carruthers	Dawkins	Evans	Goodno	Holsten	Jennings

Johnson, A.	Krueger	McGuire	Onnen	Reding	Steensma	Weaver
Johnson, R.	Lasley	Milbert	Opatz	Rhodes	Sviggum	Wejcman
Johnson, V.	Leppik	Molnau	Orenstein	Rice	Swenson	Wenzel
Kahn	Lieder	Morrison	Orfield	Rodosovich	Tomassoni	Winter
Kalis	Lindner	Mosel	Osthoff	Rukavina	Tompkins	Wolf
Kelley	Long	Munger	Ostrom	Sarna	Trimble	Worke
Kelso	Lourey	Murphy	Ozment	Seagren	Tunheim	Workman
Kinkel	Luther	Neary	Pawlenty	Sekhon	Van Dellen	Spk. Anderson, I.
Klinzing	Lynch	Nelson	Pelowski	Simoneau	Vellenga	
Knight	Mahon	Ness	Perlt	Skoglund	Vickerman	
Koppendrayer	Mariani	Olson, E.	Peterson	Smith	Wagenius	
Krinkie	McCollum	Olson, M.	Pugh	Solberg	Waltman	

Those who voted in the negative were:

Haukoos

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. 584.

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. 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.

April 26, 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. 584, 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. 584 be further amended as follows:

Page 2, line 24, delete "established by a preponderance of the" and insert "produced clear and convincing"

Page 3, line 24, before the period, insert "and apply to judicial claims commenced on or after that date"

We request adoption of this report and repassage of the bill.

Senate Conferees: JANE KRENTZ, EMBER D. REICHGOTT JUNGE AND MARTHA R. ROBERTSON.

House Conferees: THOMAS PUGH, KATHLEEN SEKHON AND JIM RHODES.

Pugh moved that the report of the Conference Committee on S. F. No. 584 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 102 yeas and 23 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Jennings	Lieder	Nelson	Rhodes	Trimble
Anderson, R.	Delmont	Johnson, A.	Long	Olson, E.	Rice	Tunheim
Battaglia	Dorn	Johnson, R.	Lourey	Onnen	Rodosovich	Vellenga
Bauerly	Erhardt	Johnson, V.	Luther	Opatz	Rukavina	Wagenius
Beard	Evans	Kahn	Mahon	Orenstein	Sarna	Waltman
Bergson	Farrell	Kalis	Mariani	Orfield	Seagren	Weaver
Bertram	Garcia	Kelley	McCollum	Osthoff	Sekhon	Wejcman
Bishop	Greenfield	Kelso	McGuire	Ostrom	Simoneau	Wenzel
Brown, C.	Greiling	Kinkel	Milbert	Ozment	Skoglund	Winter
Brown, K.	Hasskamp	Klinzing	Molnau	Pelowski	Solberg	Wolf
Carlson	Hausman	Koppendrayer	Morrison	Perlt	Steensma	Worke
Carruthers	Huntley	Krinkie	Mosel	Peterson	Sviggum	Spk. Anderson, I.
Clark	Jacobs	Krueger	Munger	Pugh	Swenson	
Cooper	Jaros	Lasley	Murphy	Reding	Tomassoni	
Dauner	Jefferson	Leppik	Neary	Rest	Tompkins	

Those who voted in the negative were:

Bettermann	Dempsey	Goodno	Hugoson	Ness	Van Dellen
Commers	Finseth	Gruenes	Knight	Olson, M.	Vickerman
Davids	Frerichs	Gutknecht	Lindner	Pawlenty	Workman
Dehler	Girard	Haukoos	Lynch	Smith	

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. 1766.

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. 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.

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. 1766, 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. 1766 be further amended as follows:

Page 1, after line 5, insert:

"Section 1. Minnesota Statutes 1992, section 325D.55, subdivision 2, is amended to read:

Subd. 2. (a) Nothing contained in sections 325D.49 to 325D.66, shall apply to actions or arrangements otherwise permitted, or regulated by any regulatory body or officer acting under statutory authority of this state or the United States.

(b) Paragraph (a) includes programs established and operated by nonprofit organizations under the supervision of the supreme court that provide legal services to low-income persons at reduced fees based on a fee structure approved by the supreme court. The nonprofit organization shall submit a proposed fee structure, including hourly rates, to the supreme court at least once each calendar year. The supreme court may approve the proposed fee structure or establish another fee structure."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "authorizing the operation of certain legal service programs for low-income persons;"

Page 1, line 4, delete "section" and insert "sections 325D.55, subdivision 2; and"

We request adoption of this report and repassage of the bill.

Senate Conferees: EMBER D. REICHGOTT JUNGE, DON BETZOLD AND DAVID L. KNUTSON.

House Conferees: DAVE BISHOP, THOMAS PUGH AND BILL MACKLIN.

Bishop moved that the report of the Conference Committee on S. F. No. 1766 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, 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	Bauerly	Bertram	Brown, C.	Carruthers	Cooper	Dawkins
Anderson, R.	Beard	Bettermann	Brown, K.	Clark	Dauner	Dehler
Battaglia	Bergson	Bishop	Carlson	Commers	Davids	Delmont

Dempsey	Haukoos	Kinkel	Mariani	Onnen	Rice	Trimble
Dorn	Hausman	Klinzing	McCollum	Opatz	Rodosovich	Tunheim
Erhardt	Holsten	Knight	McGuire	Orenstein	Rukavina	Van Dellen
Evans	Hugoson	Koppendrayer	Milbert	Orfield	Sarna	Vellenga
Farrell	Huntley	Krinkie	Molnau	Osthoff	Seagren	Vickerman
Finseth	Jacobs	Krueger	Morrison	Ostrom	Sekhon	Wagenius
Frerichs	Jaros	Lasley	Mosel	Ozment	Simoneau	Waltman
Garcia	Jefferson	Leppik	Munger	Pawlenty	Skoglund	Weaver
Girard	Jennings	Lieder	Murphy	Pelowski	Smith	Wejcman
Goodno	Johnson, A.	Lindner	Neary	Perlt	Solberg	Wenzel
Greenfield	Johnson, R.	Long	Nelson	Peterson	Steensma	Winter
Greiling	Johnson, V.	Lourey	Ness	Pugh	Sviggum	Wolf
Gruenes	Kahn	Luther	Olson, E.	Reding	Swenson	Worke
Gutknecht	Kelley	Lynch	Olson, K.	Rest	Tomassoni	Workman
Hasskamp	Kelso	Mahon	Olson, M.	Rhodes	Tompkins	Spk. Anderson, I.

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

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

April 28, 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. 2046, 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. 2046 be further amended as follows:

Amend the title as follows:

Page 1, line 3, delete "within"

Page 1, line 4, delete everything before the semicolon

We request adoption of this report and repassage of the bill.

House Conferees: JEAN WAGENIUS, STEVE TRIMBLE AND DENNIS OZMENT.

Senate Conferees: JANE B. RANUM, GARY W. LAIDIG AND ELLEN R. ANDERSON.

Wagenius moved that the report of the Conference Committee on H. F. No. 2046 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 109 yeas and 20 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Jaros	Leppik	Murphy	Reding	Trimble
Anderson, R.	Dawkins	Jefferson	Lieder	Neary	Rest	Tunheim
Asch	Delmont	Jennings	Limmer	Nelson	Rhodes	Van Dellen
Battaglia	Dorn	Johnson, A.	Long	Olson, E.	Rice	Vellenga
Bauerly	Erhardt	Johnson, R.	Lourey	Olson, K.	Rodosovich	Vickerman
Beard	Evans	Johnson, V.	Luther	Olson, M.	Sarna	Wagenius
Bertram	Farrell	Kahn	Lynch	Opatz	Seagren	Weaver
Bettermann	Finseth	Kalis	Mahon	Orenstein	Sekhon	Wejcman
Bishop	Garcia	Kelley	Mariani	Orfield	Simoneau	Wenzel
Brown, C.	Goodno	Kelso	McCollum	Osthoff	Skoglund	Winter
Brown, K.	Greenfield	Kinkel	McGuire	Ozment	Solberg	Wolf
Carlson	Greiling	Klinzing	Milbert	Pauly	Steensma	Worke
Carruthers	Hasskamp	Koppendrayer	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Clark	Hausman	Krinkie	Morrison	Pelowski	Swenson	
Commers	Huntley	Krueger	Mosel	Peterson	Tomassoni	
Cooper	Jacobs	Lasley	Munger	Pugh	Tompkins	

Those who voted in the negative were:

Bergson	Dempsey	Gruenes	Holsten	Lindner	Perlt	Waltman
Davids	Frerichs	Gutknecht	Hugoson	Ness	Rukavina	Workman
Dehler	Girard	Haukoos	Knight	Onnen	Smith	

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

CONFERENCE COMMITTEE REPORT ON 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.

April 28, 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. 2227, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2227 be further amended as follows:

Page 4, line 16, delete "$493,000" and insert "$548,000"

Page 4, line 30, delete "$245,000" and insert "$300,000"

Page 4, line 34, delete "$170,000" and insert "$225,000"

Page 4, line 36, delete "1995" and insert "1996"

Page 5, line 7, delete "1995" and insert "1996"

We request adoption of this report and repassage of the bill.

House Conferees: RICHARD "RICK" KRUEGER, JOEL JACOBS AND LEROY KOPPENDRAYER.

Senate Conferees: DALLAS C. SAMS, JOE BERTRAM, SR., AND STEVE DILLE.

Krueger moved that the report of the Conference Committee on H. F. No. 2227 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2074

A bill for an act relating to crime prevention; juvenile justice; providing for adult court jurisdiction over juveniles alleged to have committed first degree murder or first degree criminal sexual conduct after age 16; providing for presumptive certification to adult court for juveniles alleged to have committed other prison-level felonies; authorizing

the court or the prosecutor to designate a juvenile a serious youthful offender; authorizing adult felony sentences for serious youthful offenders; extending juvenile court jurisdiction to age 23; limiting certification to adult court to felony offenses; extending a right to jury trial to serious youthful offenders; requiring that a juvenile have an in-person consultation with counsel before waiving right to counsel; requiring appointment of counsel or standby counsel for juveniles charged with gross misdemeanors or felonies or when out-of-home delinquency placement is proposed; providing for adult court jurisdiction over juveniles alleged to have committed nonfelony-level traffic offenses after age 16; authorizing the juvenile court to require parents to attend delinquency hearings; providing for the sharing of certain data collected or maintained on juveniles; requiring county attorneys to establish juvenile diversion programs; providing mandatory minimum sentences for drive-by shooting crimes; expanding the crime relating to the possession of dangerous weapons on school property; increasing penalties for certain firearms offenses involving youth; establishing a task force on juvenile justice programming evaluation and planning; requiring that the department of corrections provide programming for serious and repeat juvenile offenders; appropriating money; amending Minnesota Statutes 1992, sections 13.99, subdivision 79; 242.31, subdivision 1; 242.32; 260.015, subdivision 5; 260.111, by adding a subdivision; 260.115, subdivision 1; 260.121, subdivision 3; 260.125; 260.131, by adding a subdivision; 260.132; 260.155, subdivision 2, and by adding a subdivision; 260.161, subdivisions 1a, 2, and by adding a subdivision; 260.181, subdivision 4; 260.185, subdivision 3; 260.193, subdivisions 1, 3, 4, 6, and by adding a subdivision; 260.211, subdivision 1; 260.215, subdivision 1; 260.291; 268.31; 609.055, subdivision 2; 611.15; 611.19; 611.25, subdivision 1; 611A.02, by adding a subdivision; and 611A.77, subdivision 1; Minnesota Statutes 1993 Supplement, sections 13.46, subdivision 2; 144.651, subdivisions 2, 21, and 26; 253B.03, subdivisions 3 and 4; 260.155, subdivision 1; 260.161, subdivisions 1 and 3; 299A.35, subdivisions 1 and 2; 299C.65, subdivision 1; 401.065, subdivision 1, and by adding a subdivision; 609.11, subdivision 9; 609.66, subdivision 1d; 624.713, subdivision 1; 624.7132, subdivision 15; and 624.7181, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 260; 299A; 388; and 609; repealing Minnesota Statutes 1992, section 260.125, subdivision 3.

April 26, 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. 2074, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2074 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [126.25] [COMMUNITY-BASED TRUANCY ACTION PROJECTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education 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 education by September 1 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. 2. Minnesota Statutes 1992, section 126.78, is amended by adding a subdivision to read:

Subd. 5. [REPORT.] A report detailing the costs and results of programs funded under this section must be submitted to the chairs of the committees in the senate and house of representatives with jurisdiction over crime prevention funding and criminal justice policy by February 15 each year.

Sec. 3. Minnesota Statutes 1992, section 242.31, is amended to read:

242.31 [RESTORATION OF CIVIL RIGHTS; POSSESSION OF FIREARMS.]

Subdivision 1. Whenever a person who has been committed to the custody of the commissioner of corrections upon conviction of a crime following ~~reference for prosecution~~ certification to district court under the provisions of section 260.125 is finally discharged by order of the commissioner, that discharge shall restore the person to all civil rights and, if so ordered by the commissioner of corrections, also shall have the effect of setting aside the conviction, nullifying it and purging the person of it. The commissioner shall file a copy of the order with the district court of the county in which the conviction occurred; upon receipt, the court shall order the conviction set aside. An order setting aside a conviction for a crime of violence as defined in section 624.712, subdivision 5, must provide that the person is not entitled to ship, transport, possess, or receive a firearm until ten years have elapsed since the order was entered and during that time the person was not convicted of any other crime of violence. A person whose conviction was set aside under this section and who thereafter has received a relief of disability under United States Code, title 18, section 925, shall not be subject to the restrictions of this subdivision.

Subd. 2. Whenever a person described in subdivision 1 has been placed on probation by the court pursuant to section 609.135 and, after satisfactory fulfillment of it, is discharged from probation, the court shall issue an order of discharge pursuant to subdivision 2a and section 609.165. On application of the defendant or on its own motion and after notice to the county attorney, the court in its discretion may also order that the defendant's conviction be set aside with the same effect as a court order under subdivision 1.

These orders restore the defendant to civil rights and purge and free the defendant from all penalties and disabilities arising from the defendant's conviction and the conviction shall not thereafter be used against the defendant, except in a criminal prosecution for a subsequent offense if otherwise admissible therein. In addition, the record of the defendant's conviction shall be sealed and may be opened only upon court order for purposes of a criminal investigation, prosecution, or sentencing. Upon request by law enforcement, prosecution, or corrections authorities, the court or the department of public safety shall notify the requesting party of the existence of the sealed record and the right to seek a court order to open it pursuant to this section.

Subd. 2a. [CRIMES OF VIOLENCE; INELIGIBILITY TO POSSESS FIREARMS.] The order of discharge must provide that a person who has been convicted of a crime of violence, as defined in section 624.712, subdivision 5, is not entitled to ship, transport, possess, or receive a firearm until ten years have elapsed since the person was restored to civil rights and during that time the person was not convicted of any other crime of violence. Any person who has received such a discharge and who thereafter has received a relief of disability under United States Code, title 18, section 925, shall not be subject to the restrictions of this subdivision.

Subd. 3. The commissioner of corrections shall file a copy of the order with the district court of the county in which the conviction occurred; upon receipt, the court shall order the conviction set aside and all records pertinent to the conviction sealed. These records shall only be reopened in the case of a judicial criminal proceeding instituted at a later date or upon court order, for purposes of a criminal investigation, prosecution, or sentencing, in the manner provided in subdivision 2.

The term "records" includes, but is not limited to, all matters, files, documents and papers incident to the arrest, indictment, information, complaint, trial, appeal, dismissal and discharge, which relate to the conviction for which the order was issued.

Sec. 4. Minnesota Statutes 1992, section 242.32, is amended to read:

242.32 [CONSTRUCTIVE PROGRAMS; COOPERATION, ~~OTHER AGENCIES~~ SECURE PLACEMENT.]

Subdivision 1. [COMMUNITY-BASED PROGRAMMING.] The commissioner of corrections shall be charged with the duty of developing constructive programs for the prevention and decrease of delinquency and crime among youth ~~and~~. To that end, the commissioner shall cooperate with counties and existing agencies ~~and~~ to encourage the establishment of new ~~agencies~~ programming, both local and statewide, ~~having as their object the prevention and decrease of delinquency and crime among youth; and~~ to provide a continuum of services for serious and repeat juvenile offenders who do not require secure placement. The commissioner shall ~~assist local authorities of any county or municipality when so requested by the governing body thereof, in planning, developing and coordinating their educational, welfare, recreational and health activities or other constructive community programs, which have as their object the conservation of youth~~ work jointly with the commissioner of human services and counties and municipalities to develop and provide community-based services for residential placement of juvenile offenders and community-based services for nonresidential programming for juvenile offenders and their families.

Subd. 2. [SECURE PLACEMENT OF JUVENILE OFFENDERS.] The commissioner shall license several small regional facilities providing secure capacity programming for juveniles who have been adjudicated delinquent or convicted as extended jurisdiction juveniles and require secure placement. The programming shall be tailored to the types of juveniles being served, including their offense history, age, gender, cultural and ethnic heritage, mental health and chemical dependency problems, and other characteristics. Services offered shall include but not be limited to:

(1) intensive general educational programs, with an individual educational plan for each juvenile;

(2) specific educational components in the management of anger and nonviolent conflict resolution;

(3) treatment for chemical dependency;

(4) mental health screening, assessment, and treatment; and

(5) programming to educate offenders about sexuality and address issues specific to victims and perpetrators of sexual abuse.

The facilities shall collaborate with facilities providing nonsecure residential programming and with community-based aftercare programs.

Subd. 3. [LICENSURE.] The commissioner shall adopt rules establishing licensing criteria for secure placement programming for juvenile offenders. The criteria must ensure that the programming is distributed throughout the state. The commissioner is authorized to license long-term residential secure programming up to a maximum of 100 beds statewide in addition to those licensed as of the date of enactment of this section.

Sec. 5. Minnesota Statutes 1992, section 257.3571, is amended by adding a subdivision to read:

Subd. 2a. [COMPLIANCE GRANTS.] The commissioner shall establish direct grants to an Indian child welfare defense corporation, as defined in section 611.216, subdivision 1a, to promote statewide compliance with the Indian family preservation act and the Indian Child Welfare Act, United States Code, title 25, section 1901 et seq. The commissioner shall give priority consideration to applicants with demonstrated capability of providing legal advocacy services statewide.

Sec. 6. Minnesota Statutes 1992, section 257.3571, subdivision 3, is amended to read:

Subd. 3. [REQUEST FOR PROPOSALS.] The commissioner shall request proposals for ~~primary support for Indian child welfare programs and special focus programs~~ grants under subdivisions 1 ~~and~~, 2, and 2a, and specify the information and criteria required.

Sec. 7. Minnesota Statutes 1992, section 257.3572, is amended to read:

257.3572 [GRANT APPLICATIONS.]

A tribe or Indian organization may apply for primary support grants under section 257.3571, subdivision 1. A local social service agency, tribe, Indian organization, or other social service organization may apply for special focus grants under section 257.3571, subdivision 2. Civil legal service organizations eligible for grants under section 257.3571, subdivision 2a, may apply for grants under that section. Application may be made alone or in combination with other tribes or Indian organizations.

Sec. 8. Minnesota Statutes 1992, section 257.3579, is amended to read:

257.3579 [AMERICAN INDIAN CHILD WELFARE ADVISORY COUNCIL.]

The commissioner shall appoint an American Indian advisory council to help formulate policies and procedures relating to Indian child welfare services and to make recommendations regarding approval of grants provided under section 257.3571, subdivisions 1 ~~and~~, 2, and 2a. The council shall consist of 17 members appointed by the commissioner and must include representatives of each of the 11 Minnesota reservations who are authorized by tribal resolution, one representative from the Duluth Urban Indian Community, three representatives from the Minneapolis Urban Indian Community, and two representatives from the St. Paul Urban Indian Community. Representatives from the urban Indian communities must be selected through an open appointments process under section 15.0597. The terms, compensation, and removal of American Indian child welfare advisory council members shall be as provided in section 15.059.

Sec. 9. Minnesota Statutes 1992, section 260.015, subdivision 5, is amended to read:

Subd. 5. [DELINQUENT CHILD.] (a) Except as otherwise provided in paragraph (b), "delinquent child" means a child:

~~(a)~~ (1) who has violated any state or local law, except as provided in section 260.193, subdivision 1, and except for juvenile offenders as described in subdivisions 19 to 23;

~~(b)~~ (2) who has violated a federal law or a law of another state and whose case has been referred to the juvenile court if the violation would be an act of delinquency if committed in this state or a crime or offense if committed by an adult;

~~(c)~~ (3) who has escaped from confinement to a state juvenile correctional facility after being committed to the custody of the commissioner of corrections; or

~~(d)~~ (4) who has escaped from confinement to a local juvenile correctional facility after being committed to the facility by the court.

(b) The term delinquent child does not include a child alleged to have committed murder in the first degree after becoming 16 years of age, but the term delinquent child does include a child alleged to have committed attempted murder in the first degree.

Sec. 10. Minnesota Statutes 1992, section 260.111, is amended by adding a subdivision to read:

Subd. 1a. [NO JUVENILE COURT JURISDICTION OVER CERTAIN OFFENDERS.] Notwithstanding any other law to the contrary, the juvenile court lacks jurisdiction over proceedings concerning a child excluded from the definition of delinquent child under section 260.015, subdivision 5, paragraph (b). The district court has original and exclusive jurisdiction in criminal proceedings concerning a child excluded from the definition of delinquent child under section 260.015, subdivision 5, paragraph (b).

Sec. 11. Minnesota Statutes 1992, section 260.115, subdivision 1, is amended to read:

Subdivision 1. Except where a juvenile court has ~~referred~~ certified an alleged violation to ~~a prosecuting authority~~ district court in accordance with the provisions of section 260.125 or a court has original jurisdiction of a child who has committed ~~a minor~~ an adult court traffic offense, as defined in section 260.193, subdivision 1, clause (c), a court other than a juvenile court shall immediately transfer to the juvenile court of the county the case of a minor who appears before the court on a charge of violating any state or local law or ordinance and who is under 18 years of age or who was under 18 years of age at the time of the commission of the alleged offense.

Sec. 12. Minnesota Statutes 1992, section 260.121, subdivision 3, is amended to read:

Subd. 3. Except when a child is alleged to have committed ~~a minor~~ an adult court traffic offense, as defined in section 260.193, subdivision 1, clause (c), if it appears at any stage of the proceeding that a child before the court is a resident of another state, the court may invoke the provisions of the interstate compact on juveniles or, if it is in the best interests of the child or the public to do so, the court may place the child in the custody of the child's parent, guardian, or custodian, if the parent, guardian, or custodian agrees to accept custody of the child and return the child to their state.

Sec. 13. Minnesota Statutes 1992, section 260.125, is amended to read:

260.125 [~~REFERENCE FOR PROSECUTION~~ CERTIFICATION TO DISTRICT COURT.]

Subdivision 1. When a child is alleged to have ~~violated a state or local law or ordinance~~ committed, after becoming 14 years of age, an offense that would be a felony if committed by an adult, the juvenile court may enter an order ~~referring~~ certifying the ~~alleged violation~~ proceeding to the ~~appropriate prosecuting authority~~ district court for action under the criminal laws ~~in force governing the commission of and punishment for violations of statutes or local laws or ordinances. The prosecuting authority to whom the matter is referred shall within the time specified in the order of reference, which time shall not exceed 90 days, file with the court making the order of reference notice of intent to prosecute or not to prosecute. If the prosecuting authority files notice of intent not to prosecute or fails to act within the time specified, the court shall proceed as if no order of reference had been made. If such prosecuting authority files with the court notice of intent to prosecute the jurisdiction of the juvenile court in the matter is terminated~~.

Subd. 2. [ORDER OF ~~REFERENCE~~ CERTIFICATION; REQUIREMENTS.] Except as provided in subdivision 3a or 3b, the juvenile court may order a ~~reference~~ certification to district court only if:

~~(a)~~ (1) a petition has been filed in accordance with the provisions of section 260.131;

~~(b)~~ (2) a motion for certification has been filed by the prosecuting authority;

(3) notice has been given in accordance with the provisions of sections 260.135 and 260.141;

~~(c)~~ (4) a hearing has been held in accordance with the provisions of section 260.155 within 30 days of the filing of the ~~reference~~ certification motion, unless good cause is shown by the prosecution or the child as to why the hearing should not be held within this period in which case the hearing shall be held within 90 days of the filing of the motion; ~~and~~

~~(d)~~ (5) the court finds that

~~(1)~~ there is probable cause, as defined by the rules of criminal procedure promulgated pursuant to section 480.059, to believe the child committed the offense alleged by delinquency petition; and

~~(2)~~ (6) the court finds either:

(i) that the presumption of certification created by subdivision 2a applies and the child has not rebutted the presumption by clear and convincing evidence demonstrating that retaining the proceeding in the juvenile court serves public safety; or

(ii) that the presumption of certification does not apply and the prosecuting authority has demonstrated by clear and convincing evidence that ~~the child is not suitable to treatment or that the~~ retaining the proceeding in the juvenile court does not serve public safety ~~is not served under the provisions of laws relating to juvenile courts~~. If the court finds that the prosecutor has not demonstrated by clear and convincing evidence that retaining the proceeding in juvenile court does not serve public safety, the court shall retain the proceeding in juvenile court.

Subd. 2a. [PRESUMPTION OF CERTIFICATION.] It is presumed that a proceeding involving an offense committed by a child will be certified to district court if:

(1) the child was 16 or 17 years old at the time of the offense; and

(2) the delinquency petition alleges that the child committed an offense that would result in a presumptive commitment to prison under the sentencing guidelines and applicable statutes, or that the child committed any felony offense while using, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm.

If the court determines that probable cause exists to believe the child committed the alleged offense, the burden is on the child to rebut this presumption by demonstrating by clear and convincing evidence that retaining the proceeding in the juvenile court serves public safety. If the court finds that the child has not rebutted the presumption by clear and convincing evidence, the court shall certify the child to district court.

Subd. 2b. [PUBLIC SAFETY.] In determining whether the public safety is served by certifying a child to district court, the court shall consider the following factors:

(1) the seriousness of the alleged offense in terms of community protection, including the existence of any aggravating factors recognized by the sentencing guidelines, the use of a firearm, and the impact on any victim;

(2) the culpability of the child in committing the alleged offense, including the level of the child's participation in planning and carrying out the offense and the existence of any mitigating factors recognized by the sentencing guidelines;

(3) the child's prior record of delinquency;

(4) the child's programming history, including the child's past willingness to participate meaningfully in available programming;

(5) the adequacy of the punishment or programming available in the juvenile justice system; and

(6) the dispositional options available for the child.

In considering these factors, the court shall give greater weight to the seriousness of the alleged offense and the child's prior record of delinquency than to the other factors listed in this subdivision.

~~Subd. 3. [PRIMA FACIE CASE.] A prima facie case that the public safety is not served or that the child is not suitable for treatment shall have been established if the child was at least 16 years of age at the time of the alleged offense and:~~

~~(1) is alleged by delinquency petition to have committed an aggravated felony against the person and (a) in committing the offense, the child acted with particular cruelty or disregard for the life or safety of another; or (b) the offense involved a high degree of sophistication or planning by the juvenile; or (c) the juvenile, at the time of the offense, used, whether by brandishing, displaying, threatening with, or otherwise employing, a firearm; or~~

~~(2) is alleged by delinquency petition to have committed murder in the first degree; or~~

~~(3) is alleged by delinquency petition (a) to have committed the delinquent act of escape from confinement to a state juvenile correctional facility or a local juvenile correctional facility and (b) to have committed an offense as part of, or subsequent to, escape from custody that would be a felony listed in section 609.11, subdivision 9, if committed by an adult; or~~

~~(4) has been found by the court, pursuant to an admission in court or after trial, to have committed an offense within the preceding 24 months which would be a felony if committed by an adult, and is alleged by delinquency petition to have committed murder in the second or third degree, manslaughter in the first degree, criminal sexual conduct in the first degree or assault in the first degree; or~~

~~(5) has been found by the court, pursuant to an admission in court or after trial, to have committed two offenses, not in the same behavioral incident, within the preceding 24 months which would be felonies if committed by an adult, and is alleged by delinquency petition to have committed manslaughter in the second degree, kidnapping, criminal sexual conduct in the second degree, arson in the first degree, aggravated robbery, or assault in the second degree; or~~

~~(6) has been found by the court, pursuant to an admission in court or after trial, to have committed two offenses, not in the same behavioral incident, within the preceding 24 months, one or both of which would be the felony of burglary of a dwelling if committed by an adult, and the child is alleged by the delinquency petition to have committed another burglary of a dwelling. For purposes of this subdivision, "dwelling" means a building which is, in whole or in part, usually occupied by one or more persons living there at night; or~~

~~(7) has previously been found by the court, pursuant to an admission in court or after trial, to have committed three offenses, none in the same behavioral incident, within the preceding 24 months which would be felonies if committed by an adult, and is alleged by delinquency petition to have committed any felony other than those described in clause (2), (4), or (5); or~~

~~(8) is alleged by delinquency petition to have committed an aggravated felony against the person, other than a violation of section 609.713, in furtherance of criminal activity by an organized gang; or~~

~~(9) has previously been found by the court, pursuant to an admission in court or after trial, to have committed an offense which would be a felony if committed by an adult, and is alleged by delinquency petition to have committed a felony level violation of chapter 152 involving the unlawful sale or possession of a schedule I or II controlled substance, while in a park zone or a school zone as defined in section 152.01, subdivisions 12a and 14a. This clause does not apply to a juvenile alleged to have unlawfully possessed a controlled substance in a private residence located within the school zone or park zone; or~~

~~(10) is alleged by delinquency petition to have committed a violation of section 624.713, subdivision 1, clause (a), and has been previously found by the court, pursuant to an admission in court or after trial, to have committed a violation of section 624.713, subdivision 1, clause (a).~~

~~For the purposes of this subdivision, "aggravated felony against the person" means a violation of any of the following provisions: section 609.185; 609.19; 609.195; 609.20, subdivision 1 or 2; 609.221; 609.222; 609.223; 609.245; 609.25; 609.342; 609.343; 609.344, subdivision 1, clause (c) or (d); 609.345, subdivision 1, clause (c) or (d); 609.561; 609.582, subdivision 1, clause (b) or (c); or 609.713.~~

~~For the purposes of this subdivision, an "organized gang" means an association of five or more persons, with an established hierarchy, formed to encourage members of the association to perpetrate crimes or to provide support to members of the association who do commit crimes.~~

Subd. 3a. [PRIOR ~~REFERENCE~~ CERTIFICATION; EXCEPTION.] Notwithstanding the provisions of subdivisions 2, ~~and 3~~ 2a, and 2b, the court shall order a ~~reference~~ certification in any felony case ~~where~~ if the prosecutor shows that the child has been previously ~~referred for prosecution~~ prosecuted on a felony charge by an order of ~~reference~~ certification issued pursuant to either a hearing held under subdivision 2 or pursuant to the waiver of the right to such a hearing, other than a prior ~~reference~~ certification in the same case.

This subdivision only applies if the child is convicted of the offense or offenses for which the child was prosecuted pursuant to the order of ~~reference~~ certification or of a ~~lesser included~~ lesser-included offense which is a felony.

This subdivision does not apply to juvenile offenders who are subject to criminal court jurisdiction under section 609.055.

Subd. 3b. [ADULT CHARGED WITH JUVENILE OFFENSE.] The juvenile court has jurisdiction to hold a certification hearing on motion of the prosecuting authority to certify the matter to district court if:

(1) an adult is alleged to have committed an offense before the adult's 18th birthday; and

(2) a petition is filed under section 260.131 before expiration of the time for filing under section 628.26.

The court may not certify the matter to district court under this subdivision if the adult demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

Subd. 4. [EFFECT OF ORDER.] When the juvenile court enters an order ~~referring~~ certifying an alleged violation to ~~a prosecuting authority~~ district court, the prosecuting authority shall proceed with the case as if the jurisdiction of the juvenile court had never attached.

Subd. 5. [WRITTEN FINDINGS; OPTIONS.] The court shall decide whether to order certification to district court within 15 days after the certification hearing was completed, unless additional time is needed, in which case the court may extend the period up to another 15 days. If the juvenile court orders ~~a reference for prosecution~~ certification, and the presumption described in subdivision 2a does not apply, the order shall contain in writing, findings of fact and conclusions of law as to why ~~the child is not suitable to treatment or the~~ public safety is not served ~~under~~ by retaining the ~~provisions of laws relating to~~ proceeding in the juvenile ~~courts~~ court. If the juvenile court, after a hearing conducted pursuant to subdivision 2, decides not to order ~~a reference for prosecution~~ certification to district court, the decision shall contain, in writing, findings of fact and conclusions of law as to why ~~a reference for prosecution~~ certification is not ordered. If the juvenile court decides not to order certification in a case in which the presumption described in subdivision 2a applies, the court shall designate the proceeding an extended jurisdiction juvenile prosecution and include in its decision written findings of fact and conclusions of law as to why the retention of the proceeding in juvenile court serves public safety, with specific reference to the factors listed in subdivision 2b. If the court decides not to order certification in a case in which the presumption described in subdivision 2a does not apply, the court may designate the proceeding an extended jurisdiction juvenile prosecution.

Subd. 6. [FIRST-DEGREE MURDER.] When a motion for certification has been filed in a case in which the petition alleges that the child committed murder in the first degree, the prosecuting authority shall present the case to the grand jury for consideration of indictment under chapter 628 within 14 days after the petition was filed.

Subd. 7. [INAPPLICABILITY TO CERTAIN OFFENDERS.] This section does not apply to a child excluded from the definition of delinquent child under section 260.015, subdivision 5, paragraph (b).

Sec. 14. [260.126] [EXTENDED JURISDICTION JUVENILE PROSECUTIONS.]

Subdivision 1. [DESIGNATION.] A proceeding involving a child alleged to have committed a felony offense is an extended jurisdiction juvenile prosecution if:

(1) the child was 14 to 17 years old at the time of the alleged offense, a certification hearing was held, and the court designated the proceeding an extended jurisdiction juvenile prosecution;

(2) the child was 16 or 17 years old at the time of the alleged offense; the child is alleged to have committed an offense for which the sentencing guidelines and applicable statutes presume a commitment to prison or to have committed any felony in which the child allegedly used a firearm; and the prosecutor designated in the delinquency petition that the proceeding is an extended jurisdiction juvenile prosecution; or

(3) the child was 14 to 17 years old at the time of the alleged offense, the prosecutor requested that the proceeding be designated an extended jurisdiction juvenile prosecution, a hearing was held on the issue of designation, and the court designated the proceeding an extended jurisdiction juvenile prosecution.

Subd. 2. [HEARING ON PROSECUTOR'S REQUEST.] When a prosecutor requests that a proceeding be designated an extended jurisdiction juvenile prosecution, the court shall hold a hearing under section 260.155 to consider the request. The hearing must be held within 30 days of the filing of the request for designation, unless good cause is shown by the prosecution or the child as to why the hearing should not be held within this period in which case the hearing shall be held within 90 days of the filing of the request. If the prosecutor shows by clear and convincing evidence that designating the proceeding an extended jurisdiction juvenile prosecution serves public safety, the court shall grant the request for designation. In determining whether public safety is served, the court shall consider the factors specified in section 260.125, subdivision 2b. The court shall decide whether to designate the proceeding an extended jurisdiction juvenile prosecution within 15 days after the designation hearing is completed, unless additional time is needed, in which case the court may extend the period up to another 15 days.

Subd. 3. [PROCEEDINGS.] A child who is the subject of an extended jurisdiction juvenile prosecution has the right to a trial by jury and to the effective assistance of counsel, as described in section 260.155, subdivision 2.

Subd. 4. [DISPOSITION.] (a) If an extended jurisdiction juvenile prosecution results in a guilty plea or finding of guilt, the court shall:

(1) impose one or more juvenile dispositions under section 260.185; and

(2) impose an adult criminal sentence, the execution of which shall be stayed on the condition that the offender not violate the provisions of the disposition order and not commit a new offense.

(b) If a child prosecuted as an extended jurisdiction juvenile after designation by the prosecutor in the delinquency petition is convicted of an offense after trial that is not an offense described in subdivision 1, clause (2), the court shall adjudicate the child delinquent and order a disposition under section 260.185. If the extended jurisdiction juvenile proceeding results in a guilty plea for an offense not described in subdivision 1, clause (2), the court may impose a disposition under paragraph (a) if the child consents.

Subd. 5. [EXECUTION OF ADULT SENTENCE.] When it appears that a person convicted as an extended jurisdiction juvenile has violated the conditions of the stayed sentence, or is alleged to have committed a new offense, the court may, without notice, revoke the stay and probation and direct that the offender be taken into immediate custody. The court shall notify the offender in writing of the reasons alleged to exist for revocation of the stay of execution of the adult sentence. If the offender challenges the reasons, the court shall hold a summary hearing on the issue at which the offender is entitled to be heard and represented by counsel. After the hearing, if the court finds that reasons exist to revoke the stay of execution of sentence, the court shall treat the offender as an adult and order any of the adult sanctions authorized by section 609.14, subdivision 3. If the offender was convicted of an offense described in subdivision 1, clause (2), and the court finds that reasons exist to revoke the stay, the court must order execution of the previously-imposed sentence unless the court makes written findings regarding the mitigating factors that justify continuing the stay.

Subd. 6. [INAPPLICABILITY TO CERTAIN OFFENDERS.] This section does not apply to a child excluded from the definition of delinquent child under section 260.015, subdivision 5, paragraph (b).

Sec. 15. Minnesota Statutes 1992, section 260.131, is amended by adding a subdivision to read:

Subd. 4. [DELINQUENCY PETITION; EXTENDED JURISDICTION JUVENILE.] When a prosecutor files a delinquency petition alleging that a child committed a felony offense after reaching the age of 16 years, the prosecutor shall indicate in the petition whether the prosecutor designates the proceeding an extended jurisdiction juvenile prosecution. When a prosecutor files a delinquency petition alleging that a child aged 14 to 17 years committed a felony offense, the prosecutor may request that the court designate the proceeding an extended jurisdiction juvenile prosecution.

Sec. 16. Minnesota Statutes 1992, section 260.132, is amended to read:

260.132 [PROCEDURE; HABITUAL TRUANTS, RUNAWAYS, JUVENILE PETTY AND MISDEMEANOR OFFENDERS.]

Subdivision 1. [NOTICE.] When a peace officer, or attendance officer in the case of a habitual truant, has probable cause to believe that a child:

(1) is in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12)~~, or~~;

(2) is a juvenile petty offender~~;~~ or

(3) has committed a delinquent act that would be a petty misdemeanor or misdemeanor if committed by an adult;

the officer may issue a notice to the child to appear in juvenile court in the county in which the child is found or in the county of the child's residence or, in the case of a juvenile petty offense, or a petty misdemeanor or misdemeanor delinquent act, the county in which the offense was committed. The officer shall file a copy of the notice to appear with the juvenile court of the appropriate county. If a child fails to appear in response to the notice, the court may issue a summons notifying the child of the nature of the offense alleged and the time and place set for the hearing. If the peace officer finds it necessary to take the child into custody, sections 260.165 and 260.171 shall apply.

Subd. 2. [EFFECT OF NOTICE.] Filing with the court a notice to appear containing the name and address of the child, specifying the offense alleged and the time and place it was committed, has the effect of a petition giving the juvenile court jurisdiction. In the case of running away, the place where the offense was committed may be stated in the notice as either the child's custodial parent's or guardian's residence or lawful placement or where the child was found by the officer. In the case of truancy, the place where the offense was committed may be stated as the school or the place where the child was found by the officer.

Subd. 3. [NOTICE TO PARENT.] Whenever a notice to appear or petition is filed alleging that a child is in need of protection or services under section 260.015, subdivision 2a, clause (11) or (12), ~~or~~ is a juvenile petty offender, or has committed a delinquent act that would be a petty misdemeanor or misdemeanor if committed by an adult, the court shall summon and notify the person or persons having custody or control of the child of the nature of the offense alleged and the time and place of hearing. This summons and notice shall be served in the time and manner provided in section 260.135, subdivision 1.

Sec. 17. Minnesota Statutes 1992, section 260.145, is amended to read:

260.145 [FAILURE TO OBEY SUMMONS OR SUBPOENA; CONTEMPT, ARREST.]

If any person personally served with summons or subpoena fails, without reasonable cause, to appear or bring the ~~minor~~ child, or if any custodial parent or guardian fails, without reasonable cause, to accompany the child to a hearing as required under section 260.155, subdivision 4b, the person may be proceeded against for contempt of court or the court may issue a warrant for the person's arrest, or both. In any case when it appears to the court that the service will be ineffectual, or that the welfare of the ~~minor~~ child requires that the ~~minor~~ child be brought forthwith into the custody of the court, the court may issue a warrant for the ~~minor~~ child.

Sec. 18. Minnesota Statutes 1992, section 260.152, is amended to read:

260.152 [MENTAL HEALTH SCREENING OF ~~JUVENILES IN DETENTION~~ CHILDREN.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of human services, in cooperation with the commissioner of corrections, shall establish pilot projects in counties to reduce the recidivism rates of juvenile offenders, by identifying and treating underlying mental health problems that contribute to delinquent behavior and can be addressed through nonresidential services. At least one of the pilot projects must be in the seven-county metropolitan area and at least one must be in greater Minnesota.

Subd. 2. [PROGRAM COMPONENTS.] (a) The commissioner of human services shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, provide grants to the counties for the pilot projects. The projects shall build upon the existing service capabilities in the community and must include:

~~(1)~~ availability of screening for mental health problems of ~~all juveniles admitted before adjudication to a secure detention facility as defined in section 260.015, subdivision 16, and any juvenile alleged to be delinquent as that term is defined in section 260.015, subdivision 5, who is admitted to a shelter care facility, as defined in section 260.015, subdivision 17;~~ children who are alleged or found to be delinquent and children who are reported as being or found to be in need of protection or services.

~~(2)~~ (b) The projects must include referral for mental health assessment of all ~~juveniles~~ children for whom the screening indicates a need. This assessment is to be provided by the appropriate mental health professional. If the ~~juvenile~~ child is of a minority race or minority ethnic heritage, the mental health professional must be skilled in and knowledgeable about the ~~juvenile's~~ child's racial and ethnic heritage, or must consult with a special mental health consultant who has such knowledge so that the assessment is relevant, culturally specific, and sensitive to the ~~juvenile's~~ child's cultural needs~~; and~~.

~~(3)~~ (c) Upon completion of the assessment, the project must provide or ensure access to ~~or provision of~~ nonresidential mental health services identified as needed in the assessment.

Subd. 3. [SCREENING TOOL.] The commissioner of human services and the commissioner of corrections, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, shall jointly develop a model screening tool to screen ~~juveniles held in juvenile detention~~ children to determine if a mental health assessment is needed. This tool must

contain specific questions to identify potential mental health problems. In implementing a pilot project, a county must either use this model tool or another screening tool approved by the commissioner of human services which meets the requirements of this section.

Subd. 4. [PROGRAM REQUIREMENTS.] To receive funds, the county program proposal shall be a joint proposal with all affected local agencies, resulting in part from consultation with the local coordinating council established under section 245.4873, subdivision 3, and the local mental health advisory council established under section 245.4875, subdivision 5, and shall contain the following:

(1) evidence of interagency collaboration by all publicly funded agencies serving ~~juveniles~~ children with emotional disturbances, including evidence of consultation with the agencies listed in this section;

(2) a signed agreement by the local court services and local mental health and county social service agencies to work together on the following: development of a program; development of written interagency agreements and protocols to ensure that the mental health needs of juvenile offenders and children in need of protection or services are identified, addressed, and treated; and development of a procedure for joint evaluation of the program;

(3) a description of existing services that will be used in this program;

(4) a description of additional services that will be developed with program funds, including estimated costs and numbers of ~~juveniles~~ children to be served; and

(5) assurances that funds received by a county under this section will not be used to supplant existing mental health funding for which the ~~juvenile~~ child is eligible.

The commissioner of human services and the commissioner of corrections shall jointly determine the application form, information needed, deadline for application, criteria for awards, and a process for providing technical assistance and training to counties. The technical assistance shall include information about programs that have been successful in reducing recidivism by juvenile offenders.

Subd. 5. [INTERAGENCY AGREEMENTS.] To receive funds, the county must agree to develop written interagency agreements between local court services agencies and local county mental health agencies within six months of receiving the initial program funds. These agreements shall include a description of each local agency's responsibilities, with a detailed assignment of the tasks necessary to implement the program. The agreement shall state how they will comply with the confidentiality requirements of the participating local agencies.

Subd. 6. [EVALUATION.] The commissioner of human services and the commissioner of corrections shall, in consultation with the Indian affairs council, the council on affairs of Spanish-speaking people, the council on Black Minnesotans, and the council on Asian-Pacific Minnesotans, develop systems and procedures for evaluating the pilot projects. The departments must develop an interagency management information system to track ~~juveniles~~ children who receive mental health ~~and chemical dependency~~ services. The system must be designed to meet the information needs of the agencies involved and to provide a basis for evaluating outcome data. The system must be designed to track the mental health treatment of ~~juveniles~~ children released from custody and to improve the planning, delivery, and evaluation of services and increase interagency collaboration. The evaluation protocol must be designed to measure the impact of the program on juvenile recidivism, school performance, and state and county budgets.

Subd. 7. [REPORT.] ~~On~~ By January 1~~, 1994, and annually after that,~~ each year, the commissioner of corrections and the commissioner of human services shall present a joint report to the legislature on the pilot projects funded under this section. The report shall include information on the following:

(1) the number of ~~juvenile offenders~~ children screened and assessed who are juvenile offenders and the number who were reported as children in need of protection or services;

(2) the number of ~~juveniles~~ children referred for mental health services, the types of services provided, and the costs;

(3) the number of subsequently adjudicated juveniles that received mental health services under this program; and

(4) the estimated cost savings of the program and the impact on crime and family reintegration.

Sec. 19. Minnesota Statutes 1993 Supplement, section 260.155, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] (a) Except for hearings arising under section 260.261, hearings on any matter shall be without a jury and may be conducted in an informal manner, except that a child who is prosecuted as an extended jurisdiction juvenile has the right to a jury trial on the issue of guilt. The rules of evidence promulgated pursuant to section 480.0591 and the law of evidence shall apply in adjudicatory proceedings involving a child alleged to be delinquent, an extended jurisdiction juvenile, or a juvenile petty offender, and hearings conducted pursuant to section 260.125 except to the extent that the rules themselves provide that they do not apply. In all adjudicatory proceedings involving a child alleged to be in need of protection or services, the court shall admit only evidence that would be admissible in a civil trial. To be proved at trial, allegations of a petition alleging a child to be in need of protection or services must be proved by clear and convincing evidence.

(b) Except for proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may be continued or adjourned from time to time. In proceedings involving a child alleged to be in need of protection or services and petitions for the termination of parental rights, hearings may not be continued or adjourned for more than one week unless the court makes specific findings that the continuance or adjournment is in the best interests of the child. If a hearing is held on a petition involving physical or sexual abuse of a child who is alleged to be in need of protection or services or neglected and in foster care, the court shall file the decision with the court administrator as soon as possible but no later than 15 days after the matter is submitted to the court. When a continuance or adjournment is ordered in any proceeding, the court may make any interim orders as it deems in the best interests of the minor in accordance with the provisions of sections 260.011 to 260.301.

(c) Except as otherwise provided in this paragraph, the court shall exclude the general public from ~~these~~ hearings under this chapter and shall admit only those persons who, in the discretion of the court, have a direct interest in the case or in the work of the court~~; except that;~~. The court shall open the hearings to the public in delinquency or extended jurisdiction juvenile proceedings where the child is alleged to have committed an offense or has been proven to have committed an offense that would be a felony if committed by an adult and the child was at least 16 years of age at the time of the offense, except that the court may exclude the public from portions of a certification hearing to discuss psychological material or other evidence that would not be accessible to the public in an adult proceeding.

(d) In all delinquency cases a person named in the charging clause of the petition as a person directly damaged in person or property shall be entitled, upon request, to be notified by the court administrator in writing, at the named person's last known address, of (1) the date of the ~~reference~~ certification or adjudicatory hearings, and (2) the disposition of the case.

(e) Adoption hearings shall be conducted in accordance with the provisions of laws relating to adoptions.

Sec. 20. Minnesota Statutes 1992, section 260.155, subdivision 2, is amended to read:

Subd. 2. [APPOINTMENT OF COUNSEL.] (a) The ~~minor~~ child, parent, guardian or custodian have the right to effective assistance of counsel in connection with a proceeding in juvenile court. Before a child who is charged by delinquency petition with a misdemeanor offense waives the right to counsel or enters a plea, the child shall consult in person with counsel who shall provide a full and intelligible explanation of the child's rights. The court shall appoint counsel, or stand-by counsel if the child waives the right to counsel, for a child who is:

(1) charged by delinquency petition with a gross misdemeanor or felony offense; or

(2) the subject of a delinquency proceeding in which out-of-home placement has been proposed.

(b) If they desire counsel but are unable to employ it, the court shall appoint counsel to represent the ~~minor~~ child or the parents or guardian in any other case in which it feels that such an appointment is desirable.

Sec. 21. Minnesota Statutes 1992, section 260.155, is amended by adding a subdivision to read:

Subd. 4b. [PARENT OR GUARDIAN MUST ACCOMPANY CHILD AT HEARING.] The custodial parent or guardian of a child who is alleged or found to be delinquent, or is prosecuted as an extended jurisdiction juvenile, must accompany the child at each hearing held during the delinquency or extended jurisdiction juvenile proceedings, unless the court excuses the parent or guardian from attendance for good cause shown. The failure of a parent or guardian to comply with this duty may be punished as provided in section 260.145.

Sec. 22. 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~~ 28 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 may provide copies of records concerning delinquency adjudications, on request, to law enforcement agencies, probation officers, and corrections agents if the court finds that providing these records serves public safety or is in the best interests of the child. The records have the same data classification in the hands of the agency receiving them as they had in the hands of the court.

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~~ 28. If the offender commits another violation of sections 609.342 to 609.345 as an adult, or the court convicts a child as an extended jurisdiction juvenile, 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~~ provided counsel as required by section 260.155, subdivision 2.

Sec. 23. Minnesota Statutes 1992, section 260.161, subdivision 1a, is amended to read:

Subd. 1a. [RECORD OF ADJUDICATIONS; NOTICE TO BUREAU OF CRIMINAL APPREHENSION.] (a) The juvenile court shall forward to the bureau of criminal apprehension the following data on juveniles adjudicated delinquent for having committed ~~an act described in subdivision 1, paragraph (b)~~ felony-level criminal sexual conduct:

(1) the name and birth date of the juvenile;

(2) the type of act for which the juvenile was adjudicated delinquent and date of the offense; and

(3) the date and county of the adjudication.

(b) The bureau shall retain data on a juvenile until the offender reaches the age of ~~25~~ 28. If the offender commits another violation of sections 609.342 to 609.345 as an adult, the bureau shall retain the data for as long as the data would have been retained if the offender had been an adult at the time of the juvenile offense.

(c) The juvenile court shall forward to the bureau the following data on individuals convicted as extended jurisdiction juveniles:

(1) the name and birthdate of the offender;

(2) the crime committed by the offender and the date of the crime; and

(3) the date and county of the conviction.

The court shall notify the bureau whenever it executes an extended jurisdiction juvenile's adult sentence under section 260.126, subdivision 5.

(d) The bureau shall retain the extended jurisdiction juvenile data for as long as the data would have been retained if the offender had been an adult at the time of the offense. Data retained on individuals under this subdivision are private data under section 13.02, except that extended jurisdiction juvenile data becomes public data under section 13.87, subdivision 2, when the juvenile court notifies the bureau that the individual's adult sentence has been executed under section 260.126, subdivision 5.

Sec. 24. Minnesota Statutes 1992, section 260.161, subdivision 2, is amended to read:

Subd. 2. Except as provided in this subdivision and in subdivision 1, and except for legal records arising from proceedings or portions of proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except (a) by order of a court or (b) as required by sections 245A.04, 611A.03, 611A.04, 611A.06, and 629.73. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84, subdivision 5a. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95.

Sec. 25. Minnesota Statutes 1992, section 260.181, subdivision 4, is amended to read:

Subd. 4. [TERMINATION OF JURISDICTION.] (a) The court may dismiss the petition or otherwise terminate its jurisdiction on its own motion or on the motion or petition of any interested party at any time. Unless terminated by the court, and except as otherwise provided in this subdivision, the jurisdiction of the court shall continue until the individual becomes 19 years of age if the court determines it is in the best interest of the individual to do so. Court jurisdiction under section 260.015, subdivision 2a, clause (12), may not continue past the child's 17th birthday.

(b) The jurisdiction of the court over an extended jurisdiction juvenile, with respect to the offense for which the individual was convicted as an extended jurisdiction juvenile, extends until the offender becomes 21 years of age, unless the court terminates jurisdiction before that date.

(c) The juvenile court has jurisdiction to designate the proceeding an extended jurisdiction juvenile prosecution, or to conduct a trial, receive a plea, or impose a disposition under section 14, subdivision 4, if:

(1) an adult is alleged to have committed an offense before the adult's 18th birthday; and

(2) a petition is filed under section 260.131 before expiration of the time for filing under section 628.26 and before the adult's 21st birthday.

The juvenile court lacks jurisdiction under this paragraph if the adult demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

(d) The district court has original and exclusive jurisdiction over a proceeding:

(1) that involves an adult who is alleged to have committed an offense before the adult's 18th birthday; and

(2) in which a criminal complaint is filed before expiration of the time for filing under section 628.26 and after the adult's 21st birthday.

The juvenile court retains jurisdiction if the adult demonstrates that the delay in filing a criminal complaint was purposefully caused by the state in order to gain an unfair advantage.

(e) The juvenile court has jurisdiction over a person who has been adjudicated delinquent until the person's 21st birthday if the person fails to appear at any juvenile court hearing or fails to appear at or absconds from any placement under a juvenile court order. The juvenile court has jurisdiction over a convicted extended jurisdiction juvenile who fails to appear at any juvenile court hearing or fails to appear at or absconds from any placement under section 14, subdivision 4. The juvenile court lacks jurisdiction under this paragraph if the adult demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

Sec. 26. Minnesota Statutes 1992, section 260.185, subdivision 3, is amended to read:

Subd. 3. [CONTINUANCE.] When it is in the best interests of the child to do so and when the child has admitted the allegations contained in the petition before the judge or referee, or when a hearing has been held as provided for in section 260.155 and the allegations contained in the petition have been duly proven but, in either case, before a finding of delinquency has been entered, the court may continue the case for a period not to exceed 90 days on any one order. Such a continuance may be extended for one additional successive period not to exceed 90 days and only after the court has reviewed the case and entered its order for an additional continuance without a finding of delinquency. During this continuance the court may enter an order in accordance with, the provisions of subdivision 1, clauses (a) or (b) or enter an order to hold the child in detention for a period not to exceed 15 days on any one order for the purpose of completing any consideration, or any investigation or examination ordered in accordance with the provisions of section 260.151. This subdivision does not apply to an extended jurisdiction juvenile proceeding.

Sec. 27. Minnesota Statutes 1992, section 260.185, is amended by adding a subdivision to read:

Subd. 6. [OUT-OF-STATE PLACEMENTS.] (a) A court may not place a preadjudicated delinquent, an adjudicated delinquent, or a convicted extended jurisdiction juvenile in a residential or detention facility outside Minnesota unless the commissioner of corrections has certified that the facility:

(1) meets or exceeds the standards for Minnesota residential treatment programs set forth in rules adopted by the commissioner of human services and the standards for juvenile residential facilities set forth in rules adopted by the commissioner of corrections or the standards for juvenile detention facilities set forth in rules adopted by the commissioner of corrections; and

(2) provides education, health, dental, and other necessary care equivalent to that which the child would receive if placed in a Minnesota facility licensed by the commissioner of corrections or commissioner of human services.

(b) The interagency licensing agreement between the commissioners of corrections and human services shall be used to determine which rule shall be used for certification purposes under this subdivision.

(c) The commissioner of corrections may charge each facility evaluated a reasonable amount. Money received is annually appropriated to the commissioner of corrections to defray the costs of the certification program.

Sec. 28. Minnesota Statutes 1992, section 260.185, is amended by adding a subdivision to read:

Subd. 7. [PLACEMENT IN JUVENILE FACILITY.] A person who has reached the age of 20 may not be kept in a residential facility licensed by the commissioner of corrections together with persons under the age of 20. The commissioner may adopt criteria for allowing exceptions to this prohibition.

Sec. 29. Minnesota Statutes 1992, section 260.193, subdivision 1, is amended to read:

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

(b) "Major traffic offense" includes any violation of a state or local traffic law, ordinance, or regulation, or a federal, state, or local water traffic law not included within the provisions of clause (c).

(c) "~~Minor~~ Adult court traffic offense" means:

(1) a petty misdemeanor violation of a state or local traffic law, ordinance, or regulation, or a petty misdemeanor violation of a federal, state, or local water traffic law ~~constituting an offense punishable only by fine of not more than $100;~~ or

(2) a violation of section 169.121, 169.129, or any other misdemeanor- or gross misdemeanor-level traffic violation committed as part of the same behavioral incident as a violation of section 169.121 or 169.129.

Sec. 30. Minnesota Statutes 1992, section 260.193, subdivision 3, is amended to read:

Subd. 3. Except as provided in subdivision 4, a child who commits ~~a minor~~ an adult court traffic offense and at the time of the offense was at least 16 years old shall be subject to the laws and court procedures controlling adult traffic violators and shall not be under the jurisdiction of the juvenile court. When a child is alleged to have committed ~~a minor~~ an adult court traffic offense and is at least 16 years old at the time of the offense, the peace officer making the charge shall follow the arrest procedures prescribed in section 169.91 and shall make reasonable effort to notify the child's parent or guardian of the nature of the charge.

Sec. 31. Minnesota Statutes 1992, section 260.193, subdivision 4, is amended to read:

Subd. 4. The juvenile court shall have original jurisdiction if the child is alleged to have committed both major and ~~minor~~ adult court traffic offenses in the same behavioral incident.

Sec. 32. Minnesota Statutes 1992, section 260.193, subdivision 6, is amended to read:

Subd. 6. Before making a disposition of any child found to be a juvenile major traffic offender or to have violated a misdemeanor- or gross misdemeanor-level traffic law, the court shall obtain from the department of public safety information of any previous traffic violation by this juvenile. In the case of a juvenile water traffic offender, the court shall obtain from the office where the information is now or hereafter may be kept information of any previous water traffic violation by the juvenile.

Sec. 33. Minnesota Statutes 1992, section 260.193, is amended by adding a subdivision to read:

Subd. 7a. [CRIMINAL COURT DISPOSITIONS; ADULT COURT TRAFFIC OFFENDERS.] (a) A juvenile who is charged with an adult court traffic offense in district court shall be treated as an adult before trial, except that the juvenile may be held in secure, pretrial custody only in a secure juvenile detention facility.

(b) A juvenile who is convicted of an adult court traffic offense in district court shall be treated as an adult for sentencing purposes, except that the court may order the juvenile placed out of the home only in a residential treatment facility or in a juvenile correctional facility.

(c) The disposition of an adult court traffic offender remains with the county in which the adjudication occurred.

Sec. 34. Minnesota Statutes 1992, section 260.211, subdivision 1, is amended to read:

Subdivision 1. (a) No adjudication upon the status of any child in the jurisdiction of the juvenile court shall operate to impose any of the civil disabilities imposed by conviction, nor shall any child be deemed a criminal by reason of this adjudication, nor shall this adjudication be deemed a conviction of crime, except as otherwise provided in this section or section 260.215. An extended jurisdiction juvenile conviction shall be treated in the same manner as an adult felony criminal conviction for purposes of the sentencing guidelines. The disposition of the child or any evidence given by the child in the juvenile court shall not be admissible as evidence against the child in any case or proceeding in any other court, except that an adjudication may later be used to determine a proper sentence, nor shall the disposition or evidence disqualify the child in any future civil service examination, appointment, or application.

(b) A person who was adjudicated delinquent for, or convicted as an extended jurisdiction juvenile of, a crime of violence as defined in section 624.712, subdivision 5, is not entitled to ship, transport, possess, or receive a firearm until ten years have elapsed since the person was discharged and during that time the person was not convicted of any other crime of violence. A person who has received a relief of disability under United States Code, title 18, section 925, is not subject to the restrictions of this subdivision.

Sec. 35. Minnesota Statutes 1992, section 260.215, subdivision 1, is amended to read:

Subdivision 1. A violation of a state or local law or ordinance by a child before becoming 18 years of age is not a crime unless the juvenile court:

(1) ~~refers~~ certifies the matter to the ~~appropriate prosecuting authority~~ district court in accordance with the provisions of section 260.125; ~~or~~

(2) transfers the matter to a court in accordance with the provisions of section 260.193; or

(3) convicts the child as an extended jurisdiction juvenile and subsequently executes the adult sentence under section 260.126, subdivision 5.

Sec. 36. Minnesota Statutes 1992, section 260.291, is amended to read:

260.291 [APPEAL.]

Subdivision 1. [PERSONS ENTITLED TO APPEAL; PROCEDURE.] (a) An appeal may be taken by the aggrieved person from a final order of the juvenile court affecting a substantial right of the aggrieved person, including but not limited to an order adjudging a child to be in need of protection or services, neglected and in foster care, delinquent, or a juvenile traffic offender. The appeal shall be taken within 30 days of the filing of the appealable order. The court administrator shall notify the person having legal custody of the minor of the appeal. Failure to notify the person having legal custody of the minor shall not affect the jurisdiction of the appellate court. The order of the juvenile court shall stand, pending the determination of the appeal, but the reviewing court may in its discretion and upon application stay the order.

(b) An appeal may be taken by an aggrieved person from an order of the juvenile court on the issue of certification of a child to district court. Certification appeals shall be expedited as provided by applicable rules.

Subd. 2. [APPEAL.] The appeal from a juvenile court is taken to the court of appeals as in ~~other~~ civil cases, except as provided in subdivision 1.

Sec. 37. Minnesota Statutes 1992, section 268.31, is amended to read:

268.31 [DEVELOPMENT OF YOUTH EMPLOYMENT OPPORTUNITIES.]

(a) To the extent of available funding, the commissioner of jobs and training shall establish a program to employ individuals from the ages of 14 years up to 22 years. Available money may be used to operate this program on a full calendar year basis, to provide transitional services, link basic skills training and remedial education to job training and school completion, and for support services. The commissioner shall ensure that all youth employment opportunities include components of work-related learning described in chapter 126B so that participating individuals learn necessary workplace skills. The amount spent on support services in any one fiscal year may not exceed 15 percent of the total annual appropriation for this program. Individuals employed in this program will be placed in service with departments, agencies, and instrumentalities of the state, county, local governments, school districts, with nonprofit organizations, and private sector employers. The maximum number of hours that an individual may be employed in a position supported under this program is 480 hours. Program funds may not be used for private sector placements. Program operators must use the targeted jobs tax credit, other federal, state, and local government resources, as well as private sector resources to fund private sector placements. The commissioner shall cooperate with the commissioner of human services in determining and implementing the most effective means of disregarding a youth's earnings from family income for purposes of the aid to families with dependent children program, to the extent permitted by the federal government.

(b) Upon request of the commissioner of the department of natural resources, the commissioner will contract for or provide available services for remedial skills, life skills, and career counseling activities to youth in the Minnesota conservation corps program.

(c) The commissioner shall evaluate the services provided under this section. The evaluation shall include information on the effectiveness of program services in promoting the employability of young people. In order to measure the long-term effectiveness of the program, the evaluation shall include follow-up information on each participant.

Sec. 38. Minnesota Statutes 1993 Supplement, section 299A.35, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS.] The commissioner shall, in consultation with the chemical abuse prevention resource council, administer a grant program to fund community-based programs that are designed to enhance the community's sense of personal security and to assist the community in its crime control efforts. Examples of qualifying programs include, but are not limited to, the following:

(1) programs to provide security systems for residential buildings serving low-income persons, elderly persons, and persons who have physical or mental disabilities;

(2) community-based programs designed to discourage young people from involvement in unlawful drug or street gang activities;

(3) neighborhood block clubs and innovative community-based crime watch programs;

(4) community-based programs designed to enrich the educational, cultural, or recreational opportunities of at-risk elementary or secondary school age youth, including programs designed to keep at-risk youth from dropping out of school and encourage school dropouts to return to school;

(5) support services for a municipal curfew enforcement program including, but not limited to, rent for drop-off centers, staff, supplies, equipment, and the referral of children who may be abused or neglected; ~~and~~

(6) community-based programs designed to intervene with juvenile offenders who are identified as likely to engage in repeated criminal activity in the future unless intervention is undertaken;

(7) community-based collaboratives that coordinate five or more programs designed to enrich the educational, cultural, or recreational opportunities of at-risk elementary or secondary school age youth, including programs designed to keep at-risk youth from dropping out of school and to encourage school dropouts to return to school;

(8) programs that are proven successful at increasing the rate of graduation from secondary school and the rate of post-secondary education attendance for high-risk students; and

(9) other community-based crime prevention programs that are innovative and encourage substantial involvement by members of the community served by the program.

Sec. 39. Minnesota Statutes 1993 Supplement, section 299A.35, subdivision 2, is amended to read:

Subd. 2. [GRANT PROCEDURE.] A local unit of government or a nonprofit community-based entity may apply for a grant by submitting an application with the commissioner. The applicant shall specify the following in its application:

(1) a description of each program for which funding is sought;

(2) the amount of funding to be provided to the program;

(3) the geographical area to be served by the program;

(4) statistical information as to the number of arrests in the geographical area for violent crimes and for crimes involving schedule I and II controlled substances. "Violent crime" includes a violation of or an attempt or conspiracy to violate any of the following laws: sections 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; 609.255; 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; 609.687; or any provision of chapter 152 that is punishable by a maximum sentence greater than ten years; and

(5) the number of economically disadvantaged youth in the geographical areas to be served by the program.

The commissioner shall give priority to funding programs that demonstrate substantial involvement by members of the community served by the program and either serve the geographical areas that have the highest crime rates, as measured by the data supplied under clause (4), or serve geographical areas that have the largest concentrations of economically disadvantaged youth. The maximum amount that may be awarded to an applicant is $50,000; except that if the applicant is a community-based collaborative under subdivision 1, clause (7), the maximum amount that can be awarded is $50,000 for each program participating in the collaborative.

Sec. 40. [299A.60] [SCHOOL-RELATED CRIME TELEPHONE LINE.]

The commissioner shall operate at least one statewide toll-free 24-hour telephone line for the purpose of receiving reports from students and school employees regarding suspected criminal activity occurring in school zones, as defined in section 152.01, subdivision 14a. The commissioner shall promptly forward reports received through the telephone line to the appropriate local law enforcement agency. The commissioner may pay a reward in an amount not to exceed $100 for information leading to the arrest or prosecution of an adult or juvenile offender for committing or attempting to commit an offense in a school zone.

Sec. 41. 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 gross misdemeanor-level and 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;

(12) the collection of data on race and ethnicity in criminal justice information systems;

(13) the development of a tracking system for domestic abuse orders for protection;

(14) processes for expungement, correction of inaccurate records, destruction of records, and other matters relating to the privacy interests of individuals; and

(15) the development of a data base for extended jurisdiction juvenile records and whether the records should be public or private and how long they should be retained.

Sec. 42. [388.24] [PRETRIAL DIVERSION PROGRAMS FOR JUVENILES.]

Subdivision 1. [DEFINITION.] As used in this section:

(1) a child under the jurisdiction of the juvenile court is an "offender" if:

(i) the child is petitioned for, or probable cause exists to petition or take the child into custody for, a felony, gross misdemeanor, or misdemeanor offense, other than an offense against the person, but has not yet entered a plea in the proceedings;

(ii) the child has not previously been adjudicated in Minnesota or any other state for any offense against the person; and

(iii) the child has not previously been petitioned for an offense in Minnesota and then had the petition dismissed as part of a diversion program, including a program that existed before July 1, 1995; and

(2) "pretrial diversion" means the decision of a prosecutor to refer an offender to a diversion program on condition that the delinquency petition against the offender will be dismissed or the petition will not be filed after a specified period of time if the offender successfully completes the program.

Subd. 2. [ESTABLISHMENT OF PROGRAM.] By July 1, 1995, every county attorney shall establish a pretrial diversion program for offenders. If the county attorney's county participates in the community corrections act as part of a group of counties under section 401.02, the county attorney may establish a pretrial diversion program in conjunction with other county attorneys in that group of counties. The program must be designed and operated to further the following goals:

(1) to provide eligible offenders with an alternative to adjudication that emphasizes restorative justice;

(2) to reduce the costs and caseload burdens on juvenile courts and the juvenile justice system;

(3) to minimize recidivism among diverted offenders;

(4) to promote the collection of restitution to the victim of the offender's crime;

(5) to develop responsible alternatives to the juvenile justice system for eligible offenders; and

(6) to develop collaborative use of demonstrated successful culturally specific programming, where appropriate.

Subd. 3. [PROGRAM COMPONENTS.] A diversion program established under this section may:

(1) provide screening services to the court and the prosecuting authorities to help identify likely candidates for pretrial diversion;

(2) establish goals for diverted offenders and monitor performance of these goals;

(3) perform chemical dependency assessments of diverted offenders where indicated, make appropriate referrals for treatment, and monitor treatment and aftercare;

(4) provide individual, group, and family counseling services;

(5) oversee the payment of victim restitution by diverted offenders;

(6) assist diverted offenders in identifying and contacting appropriate community resources;

(7) provide educational services to diverted offenders to enable them to earn a high school diploma or GED; and

(8) provide accurate information on how diverted offenders perform in the program to the court, prosecutors, defense attorneys, and probation officers.

Subd. 4. [REPORTING OF DATA TO CRIMINAL JUSTICE INFORMATION SYSTEM (CJIS).] Every county attorney who establishes a diversion program under this section shall report the following information to the bureau of criminal apprehension:

(1) the name and date of birth of each diversion program participant and any other identifying information the superintendent considers necessary;

(2) the date on which the individual began to participate in the diversion program;

(3) the date on which the individual is expected to complete the diversion program;

(4) the date on which the individual successfully completed the diversion program, where applicable; and

(5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file of the Minnesota criminal justice information system.

Subd. 5. [REPORTS.] By January 1, 1996, and biennially thereafter, each county attorney shall report to the department of corrections and the legislature on the operation of a pretrial diversion program required by this section. The report shall include a description of the program, the number of offenders participating in the program, the number and characteristics of the offenders who successfully complete the program, the number and characteristics of the offenders who fail to complete the program, and an evaluation of the program's effect on the operation of the juvenile justice system in the county.

Sec. 43. Minnesota Statutes 1993 Supplement, section 401.065, subdivision 1, is amended to read:

Subdivision 1. [DEFINITION.] As used in this section:

(1) a person is an "offender" ~~means a person who~~ if:

(i) the person is charged with, or probable cause exists to arrest or charge the person with, a felony, gross misdemeanor, or misdemeanor crime, other than a crime against the person, but ~~who~~ the person has not yet entered a plea in the proceedings;

(ii) the person has not previously been convicted as an adult in Minnesota or any other state of any crime against the person; and

(iii) the person has not previously ~~been charged with a crime~~ participated as an adult in Minnesota in a pretrial diversion program, including a program that existed before July 1, 1994, and ~~then~~ had charges dismissed or not filed as part of ~~a diversion~~ that program~~, including a program that existed before July 1, 1994~~; and

(2) "pretrial diversion" means the decision of a prosecutor to refer an offender to a diversion program on condition that the criminal charges against the offender will be dismissed after a specified period of time, or the case will not be charged, if the offender successfully completes the program.

Sec. 44. Minnesota Statutes 1993 Supplement, section 401.065, is amended by adding a subdivision to read:

Subd. 3a. [REPORTING OF DATA TO CRIMINAL JUSTICE INFORMATION SYSTEM (CJIS).] Every county attorney who establishes a diversion program under this section shall report the following information to the bureau of criminal apprehension:

(1) the name and date of birth of each diversion program participant and any other identifying information the superintendent considers necessary;

(2) the date on which the individual began to participate in the diversion program;

(3) the date on which the individual is expected to complete the diversion program;

(4) the date on which the individual successfully completed the diversion program, where applicable; and

(5) the date on which the individual was removed from the diversion program for failure to successfully complete the individual's goals, where applicable.

The superintendent shall cause the information described in this subdivision to be entered into and maintained in the criminal history file of the Minnesota criminal justice information system.

Sec. 45. Minnesota Statutes 1992, section 609.055, subdivision 2, is amended to read:

Subd. 2. [ADULT PROSECUTION.] (a) Except as otherwise provided in paragraph (b), children of the age of 14 years or over but under 18 years may be prosecuted for a ~~criminal~~ felony offense if the alleged violation is duly ~~referred~~ certified to the ~~appropriate prosecuting authority~~ district court or may be designated an extended jurisdiction juvenile in accordance with the provisions of chapter 260. A child who is 16 years of age or older but under 18 years of age is capable of committing a crime and may be prosecuted for a felony if:

(1) the child has been previously ~~referred for prosecution~~ certified to the district court on a felony charge ~~by an order of reference issued~~ pursuant to a hearing under section 260.125, subdivision 2, or pursuant to the waiver of the right to such a hearing, or prosecuted pursuant to this subdivision; and

(2) the child was convicted of the felony offense or offenses for which the child was prosecuted or of a lesser included felony offense.

(b) A child who is alleged to have committed murder in the first degree after becoming 16 years of age is capable of committing a crime and may be prosecuted for the felony. This paragraph does not apply to a child alleged to have committed attempted murder in the first degree after becoming 16 years of age.

Sec. 46. Minnesota Statutes 1993 Supplement, section 609.11, subdivision 9, is amended to read:

Subd. 9. [APPLICABLE OFFENSES.] The crimes for which mandatory minimum sentences shall be served as provided in this section are: murder in the first, second, or third degree; assault in the first, second, or third degree; burglary; kidnapping; false imprisonment; manslaughter in the first or second degree; aggravated robbery; simple robbery; criminal sexual conduct under the circumstances described in sections 609.342, subdivision 1, clauses (a) to (f); 609.343, subdivision 1, clauses (a) to (f); and 609.344, subdivision 1, clauses (a) to (e) and (h) to (j); escape from custody; arson in the first, second, or third degree; drive-by shooting under section 609.66, subdivision 1e; a felony violation of chapter 152; or any attempt to commit any of these offenses.

Sec. 47. Minnesota Statutes 1992, section 609.49, is amended by adding a subdivision to read:

Subd. 1a. [JUVENILE OFFENDERS.] (a) A person who intentionally fails to appear for a juvenile court disposition is guilty of a felony if:

(1) the person was prosecuted in juvenile court for an offense that would have been a felony if committed by an adult;

(2) the juvenile court made findings pursuant to an admission in court or after trial;

(3) the person was released from custody on condition that the person appear in the juvenile court for a disposition in connection with the offense; and

(4) the person was notified that failure to appear is a criminal offense.

(b) A person who violates the provisions of this subdivision 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. 48. Minnesota Statutes 1992, section 609.49, subdivision 3, is amended to read:

Subd. 3. [AFFIRMATIVE DEFENSE.] If proven by a preponderance of the evidence, it is an affirmative defense to a violation of subdivision 1, 1a, or 2 that the person's failure to appear in court as required was due to circumstances beyond the person's control.

Sec. 49. Minnesota Statutes 1993 Supplement, section 609.66, subdivision 1d, is amended to read:

Subd. 1d. [FELONY; POSSESSION ON SCHOOL PROPERTY.] (a) Whoever possesses, stores, or keeps a dangerous weapon ~~as defined in section 609.02, subdivision 6, on~~ or uses or brandishes a replica firearm or a BB gun on school property is guilty of a felony and 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.

(b) Whoever possesses, stores, or keeps a replica firearm or a BB gun on school property is guilty of a gross misdemeanor.

(c) As used in this subdivision:

(1) "BB gun" means a device that fires or ejects a shot measuring .18 of an inch or less in diameter;

(2) "dangerous weapon" has the meaning given it in section 609.02, subdivision 6;

(3) "replica firearm" has meaning given it in section 609.713; and

(4) "school property" means:

(1) a public or private elementary, middle, or secondary school building and its grounds, whether leased or owned by the school; and

(2) the area within a school bus when that bus is being used to transport one or more elementary, middle, or secondary school students.

~~(c)~~ (d) This subdivision does not apply to:

(1) licensed peace officers, military personnel, or students participating in military training, who are performing official duties;

(2) persons who carry pistols according to the terms of a permit;

(3) persons who keep or store in a motor vehicle pistols in accordance with sections 624.714 and 624.715 or other firearms in accordance with section 97B.045;

(4) firearm safety or marksmanship courses or activities conducted on school property;

(5) possession of dangerous weapons, BB guns, or replica firearms by a ceremonial color guard;

(6) a gun or knife show held on school property; or

(7) possession of dangerous weapons, BB guns, or replica firearms with written permission of the principal.

Sec. 50. Minnesota Statutes 1992, section 611.15, is amended to read:

611.15 [NOTIFICATION OF RIGHT TO REPRESENTATION.]

In every criminal case or proceeding, including a juvenile delinquency or extended jurisdiction juvenile proceeding, in which any person entitled by law to representation by counsel shall appear without counsel, the court shall advise such person of the right to be represented by counsel and that counsel will be appointed to represent the person if the person is financially unable to obtain counsel.

Sec. 51. Minnesota Statutes 1992, section 611.19, is amended to read:

611.19 [WAIVER OF APPOINTMENT OF COUNSEL.]

Where counsel is waived by a defendant, the waiver shall in all instances be made in writing, signed by the defendant, except that in such situation if the defendant refuses to sign the written waiver, then the court shall make a record evidencing such refusal of counsel. Waiver of counsel by a child who is the subject of a delinquency or extended jurisdiction juvenile proceeding is governed by section 260.155, subdivisions 2 and 8.

Sec. 52. Minnesota Statutes 1992, section 611.25, subdivision 1, is amended to read:

Subdivision 1. [REPRESENTATION.] (a) The state public defender shall represent, without charge:

(1) a defendant or other person appealing from a conviction of a felony or gross misdemeanor. ~~The state public defender shall represent, without charge,~~;

(2) a person convicted of a felony or gross misdemeanor who is pursuing a postconviction proceeding and who has not already had a direct appeal of the conviction; and

(3) a child who is appealing from a delinquency adjudication or from an extended jurisdiction juvenile conviction.

(b) The state public defender may represent, without charge, all other persons pursuing a postconviction remedy under section 590.01, who are financially unable to obtain counsel.

(c) The state public defender shall represent any other person, who is financially unable to obtain counsel, when directed to do so by the supreme court or the court of appeals, except that the state public defender shall not represent a person in any action or proceeding in which a party is seeking a monetary judgment, recovery or award. When requested by a district public defender or appointed counsel, the state public defender may assist the district public defender, appointed counsel, or an organization designated in section 611.216 in the performance of duties, including trial representation in matters involving legal conflicts of interest or other special circumstances, and assistance with legal research and brief preparation. When the state public defender is directed by a court to represent a defendant or other person, the state public defender may assign the representation to any district public defender.

Sec. 53. Minnesota Statutes 1992, section 611A.02, is amended by adding a subdivision to read:

Subd. 3. [NOTICE OF THE RIGHTS OF VICTIMS IN JUVENILE COURT.] (a) The crime victim and witness advisory council shall develop a notice of the rights of victims in juvenile court that explains:

(1) the rights of victims in the juvenile court;

(2) when a juvenile matter is public;

(3) the procedures to be followed in juvenile court proceedings; and

(4) other relevant matters.

(b) The juvenile court shall distribute a copy of the notice to each victim of juvenile crime who attends a juvenile court proceeding, along with a notice of services for victims available in that judicial district.

Sec. 54. Minnesota Statutes 1992, section 611A.77, subdivision 1, is amended to read:

Subdivision 1. [GRANTS.] The state court administrator shall award grants to nonprofit organizations to create or expand mediation programs for crime victims and offenders. For purposes of this section, "offender" means an adult charged with a nonviolent crime or a juvenile ~~with respect to whom~~ who has been referred to a mediation program before or after a petition for delinquency has been filed in connection with a nonviolent offense, and "nonviolent crime" and "nonviolent offense" exclude any offense in which the victim is a family or household member, as defined in section 518B.01, subdivision 2.

Sec. 55. 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:

(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 of, or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing, 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 or disposition has expired, whichever occurs first, and during that time the person has not been convicted of or adjudicated for 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, 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, including a person under the jurisdiction of the juvenile court, 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. 56. Minnesota Statutes 1993 Supplement, section 624.713, subdivision 3, is amended to read:

Subd. 3. [NOTICE.] (a) When a person is convicted of, or adjudicated delinquent or convicted as an extended jurisdiction juvenile for committing, a crime of violence as defined in section 624.712, subdivision 5, the court shall inform the defendant that the defendant is prohibited from possessing a pistol or semiautomatic military-style assault weapon for a period of ten years after the person was restored to civil rights or since the sentence or disposition has expired, whichever occurs first, and that it is a felony offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol or semiautomatic military-style assault weapon possession prohibition or the felony penalty to that defendant.

(b) When a person, including a person under the jurisdiction of the juvenile court, is charged with committing a crime of violence and is placed in a pretrial diversion program by the court before disposition, the court shall inform the defendant that: (1) the defendant is prohibited from possessing a pistol or semiautomatic military-style assault weapon until the person has completed the diversion program and the charge of committing a crime of violence has been dismissed; (2) it is a gross misdemeanor offense to violate this prohibition; and (3) if the defendant violates this condition of participation in the diversion program, the charge of committing a crime of violence may be prosecuted. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol or semiautomatic military-style assault weapon possession prohibition or the gross misdemeanor penalty to that defendant.

Sec. 57. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 15, is amended to read:

Subd. 15. [PENALTIES.] (a) Except as otherwise provided in paragraph (b), a person who does any of the following is guilty of a gross misdemeanor:

~~(a)~~ (1) transfers a pistol or semiautomatic military-style assault weapon in violation of subdivisions 1 to 13;

~~(b)~~ (2) transfers a pistol or semiautomatic military-style assault weapon to a person who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement;

~~(c)~~ (3) knowingly becomes a transferee in violation of subdivisions 1 to 13; or

~~(d)~~ (4) makes a false statement in order to become a transferee of a pistol or semiautomatic military-style assault weapon knowing or having reason to know the statement is false.

(b) A person who does either of the following is guilty of a felony:

(1) transfers a pistol or semiautomatic military-style assault weapon to a person under the age of 18 in violation of subdivisions 1 to 13; or

(2) transfers a pistol or semiautomatic military-style assault weapon to a person under the age of 18 who has made a false statement in order to become a transferee, if the transferor knows or has reason to know the transferee has made the false statement.

Sec. 58. Minnesota Statutes 1993 Supplement, section 624.7181, subdivision 2, is amended to read:

Subd. 2. [~~GROSS MISDEMEANOR~~ PENALTIES.] Whoever carries a rifle or shotgun on or about the person in a public place is guilty of a gross misdemeanor. A person under the age of 21 who carries a semiautomatic military style assault weapon, as defined in section 624.712, subdivision 7, on or about the person in a public place is guilty of a felony.

Sec. 59. [JUDICIAL DISTRICT DELINQUENCY DISPOSITION PRINCIPLES.]

By January 1, 1996, the chief judge in each judicial district shall publish the written criteria used by judges in the district in determining juvenile delinquency dispositions. The judges of the district shall develop the written criteria in consultation with local county attorneys, public defenders, local corrections personnel, victim advocates, and the public. Each chief judge shall submit a copy of the written criteria to the head of the conference of chief judges by September 1, 1995, who shall submit copies of the criteria to the chairs of the senate crime prevention committee and the house judiciary committee by November 1, 1995.

Sec. 60. [USE OF EXTENDED JURISDICTION JUVENILE ADJUDICATIONS AS ADULT CRIMINAL HISTORY POINTS.]

The sentencing guidelines commission shall modify the guidelines to take effect January 1, 1995, to provide that an extended jurisdiction juvenile conviction is treated under the guidelines in the same manner as a felony conviction of an adult.

Sec. 61. [SENTENCING GUIDELINES MODIFICATIONS.]

Subdivision 1. [MODIFICATIONS TO SENTENCING GUIDELINES REQUIRED.] The sentencing guidelines commission shall adopt the modifications described in subdivision 2 and shall apply them to persons whose crimes occur on or after January 1, 1995.

Subd. 2. [PRIOR JUVENILE OFFENSES; CRIMINAL HISTORY SCORE.] The commission shall modify sentencing guideline II.B.4 as follows:

(1) it shall change clause (c) to allow juvenile offenses occurring after the juvenile's 14th birthday to be included in the offender's criminal history score;

(2) it shall change clause (d) to permit juvenile offenses to be included in an offender's criminal history score if the offender was under 25 years of age at the time the current felony was committed; and

(3) it shall change clause (e) to exclude crimes for which the guidelines presume imprisonment from the maximum limit on the number of criminal history score points an offender may receive for prior juvenile offenses.

Subd. 3. [AGGRAVATING FACTOR.] The commission shall consider modifying sentencing guideline II.D. by adding to the list of aggravating factors the fact that the offender committed the crime as part of a group of three or more persons.

Sec. 62. [TASK FORCE ON JUVENILE PROGRAMMING EVALUATION AND PLANNING.]

Subdivision 1. [DUTIES; REPORT.] The task force on juvenile programming evaluation and planning shall report to the chairs of the senate committee on crime prevention and the house of representatives committee on judiciary and the legislative auditor by November 30, 1994, concerning the results of the tasks described in this section.

Subd. 2. [SURVEY OF PROGRAMMING.] (a) The commissioners of corrections and human services shall conduct a comprehensive survey of existing juvenile programming available across the state and report its findings to the task force. For purposes of the survey, juvenile programming includes all out-of-home placement and nonresidential programs in which juveniles are placed as part of a diversion from juvenile court or as the result of a juvenile court delinquency or extended jurisdiction juvenile proceeding or children in need of protection or services proceeding.

(b) The survey shall determine for each program: whether juveniles were placed there through a child protection proceeding, a juvenile delinquency or extended jurisdiction juvenile proceeding, or through diversion; whether payment is by the state, a local government entity, the child's family, or another source; the extent to which the program provides family and community reintegration services; the extent to which the program provides mental health screening or assessment of each child and develops a treatment plan to address the child's mental health needs; the extent to which the program provides a comprehensive educational assessment of each child and an educational plan to address the child's educational needs during the placement and after reentry into the community, including critical skill thinking and conflict resolution; and the extent to which aftercare is provided.

(c) The survey shall determine for each program: the race and sex of juveniles placed there; the race and sex of staff members; the number of juveniles requiring special services; and the cultural appropriateness of the programming.

(d) The survey shall determine for each program the availability of special services including but not limited to: programming for juvenile female offenders; resources for sex offenders; chemical dependency services; mental health assessments and services; suicide prevention services; services for abuse victims; and services for the developmentally disabled.

Subd. 3. [TASK FORCE DUTIES.] The task force shall make recommendations concerning:

(1) a full continuum of programming to fulfill the service needs identified by the survey conducted under subdivision 2 for extended jurisdiction juveniles and adjudicated juveniles and the cost of providing those services;

(2) rules establishing criteria for secure placement of juvenile offenders;

(3) existing programs that counties and the state should not continue to fund and a specific list of priorities to be used at the state and county level in evaluating programs for juvenile offenders;

(4) the appropriate financial responsibility for extended jurisdiction juveniles and adjudicated juveniles placed out of their homes, the need for additional programming, and the circumstances, if any, under which the state should be responsible for the costs of programming;

(5) a planning process and time line to implement a full range of programming and services for adjudicated juveniles and extended jurisdiction juveniles;

(6) necessary changes in state rules, statutes, and licensing requirements, including changes in statutes and rules relating to the dispositional and discharge authority of the commissioner of corrections that are needed to implement the extended jurisdiction juvenile category; and

(7) funding needs, including the short- and long-range costs to the following of implementing this act and the recommendations of the supreme court advisory task force on the juvenile justice system:

(i) the probation and correctional systems;

(ii) the public defender system;

(iii) the judiciary; and

(iv) other governmental entities.

Subd. 4. [MEMBERSHIP.] The commissioner of corrections or the commissioner's designee shall serve as chair of the task force. The commissioner shall invite individuals who have demonstrated experience in the juvenile justice field and who are representatives or designees of the following, to participate in and serve as members of the task force:

(1) the commissioner of corrections;

(2) the commissioner of human services;

(3) the commissioner of education;

(4) the office of drug policy and violence prevention;

(5) probation officers;

(6) community corrections officers;

(7) public defenders;

(8) prosecutors;

(9) juvenile corrections specialists;

(10) law enforcement officials;

(11) chemical dependency counselors;

(12) mental health experts;

(13) children's services providers;

(14) victim advocates;

(15) district court judges;

(16) the council on Black Minnesotans;

(17) the council on the affairs of Spanish-speaking people;

(18) the council on Asian-Pacific Minnesotans;

(19) the Indian affairs council;

(20) the association of counties;

(21) the council on disabilities; and

(22) parents of youthful offenders.

The commissioner may use an existing task force convened to study similar juvenile justice issues to perform the duties outlined in this section as long as the commissioner provides an opportunity for representatives of each of the designated groups to participate in and serve as members of the task force.

Sec. 63. [LEGISLATIVE AUDITOR.]

Subdivision 1. [EVALUATION OF CORRECTIONS PROGRAMMING.] The legislative audit commission is requested to direct the legislative auditor to conduct an evaluation of programming at existing state-run facilities serving youthful offenders, including those at Sauk Centre, St. Cloud, Thistledew, and Red Wing and report to the legislature by January 1, 1995, concerning its findings. The evaluation of the programming shall focus on the following factors:

(1) recidivism;

(2) participation by youthful offenders;

(3) subjective effectiveness among probation officials;

(4) subjective effectiveness among youthful offenders; and

(5) comparison with programming operating effectively in other states.

Subd. 2. [EVALUATION OF REPORT OF TASK FORCE ON JUVENILE PROGRAMMING EVALUATION AND PLANNING.] The legislative audit commission is requested to direct the legislative auditor to receive and analyze the report of the task force on juvenile programming evaluation and planning submitted under section 62. The evaluation of the task force recommendations shall include a comprehensive independent assessment of relevant factors, including but not limited to those enumerated in section 62, subdivision 3. If the commission undertakes this evaluation, the legislative auditor shall report to the chairs of the senate committee on crime prevention and the house judiciary committee by February 15, 1995.

Subd. 3. [EVALUATION OF FOUR EXISTING PROGRAMS.] The legislative audit commission is requested to direct the legislative auditor to evaluate four programs comprising the largest number of court-ordered out-of-home placements of children in Minnesota. The four programs shall be selected in consultation with the commissioner of corrections and the commissioner of human services. If undertaken by the legislative auditor, the auditor shall report the results of the evaluation to the chairs of the senate committee on crime prevention and the house of representatives committee on judiciary by January 1, 1995. The evaluation shall focus on the five factors listed in subdivision 1.

Sec. 64. [SUPREME COURT.]

Subdivision 1. [DATA COLLECTION.] The supreme court shall develop a sentencing form for use in extended jurisdiction juvenile proceedings and a procedure for data collection to ensure that extended jurisdiction juvenile data will be compatible with other criminal justice data. The supreme court shall consult with the criminal and juvenile information policy group in carrying out this duty.

Subd. 2. [TRAINING.] By October 1, 1994, the supreme court shall prepare and conduct a training course for judges and members of their staffs concerning the provisions of this act. In particular, the course shall inform judges of the juvenile disposition options available, the procedural requirements of extended jurisdiction juvenile proceedings, and the sentencing form to be used in those proceedings to ensure that extended jurisdiction juvenile data will be compatible with other criminal justice data.

Sec. 65. [COMMUNITY PROJECT IN JUVENILE CRIME PREVENTION.]

The commissioner of jobs and training shall fund a pilot project for a program of early intervention initiatives designed to serve juvenile offenders and probationers. The pilot project shall include the following initiatives:

(1) a peer tutoring project designed for juvenile offenders required to perform community services;

(2) specialized group home services for juvenile probationers who have been suspended from school;

(3) social services and counseling for female juvenile offenders and their mothers;

(4) training in cognitive skill-building and in creative arts;

(5) an entrepreneurship program designed to operate on a self-supporting basis; and

(6) a mentoring program designed to match juveniles with positive adult role models. The county community corrections department shall prepare a model training manual based on these initiatives for use by other governmental and nonprofit agencies in developing crime prevention programs in their communities. The manual shall be submitted to the commissioner as part of the final report and evaluation of the project for distribution to appropriate agencies.

The primary purpose of this project shall be to provide a network of community services for juvenile offenders and probationers. The project shall operate from January 1, 1995, to December 31, 1996. The funding provided by the commissioner must be matched at 20 percent by the local community, either through county funding, or in-kind services, such as volunteer time, space, or transportation. The commissioner, in consultation with the grantee, shall

develop evaluation protocols designed to assess the impact of project components on deterring juvenile crime in the communities where the project operates. The commissioner shall report to the legislature by January 15, 1997, on the effectiveness of the program initiatives, with recommendations regarding expansion of the pilot project.

Sec. 66. [OUT-OF-STATE PLACEMENT; TRANSITION.]

An out-of-state facility subject to certification under section 27 that has preadjudicated delinquents, adjudicated delinquents, or convicted extended jurisdiction juveniles in residence on July 1, 1994, shall be considered certified for purposes of that section until July 1, 1995, or until the facility is evaluated and certification is granted or denied, whichever is earlier.

Sec. 67. [APPROPRIATIONS.]

Subdivision 1. [APPROPRIATIONS.] The sums shown in the column marked "APPROPRIATIONS" are appropriated from the general fund to the agencies and for the purposes specified, to be available for the fiscal year ending June 30, 1995.

	APPROPRIATIONS
GENERAL FUND TOTAL	$ 13,864,000
Subd. 2. Corrections	
Total General Fund Appropriation	$ 1,322,000

Of this appropriation, $50,000 is for a plan for extended jurisdiction juveniles to provide programming that is culturally sensitive to the juveniles who are served and implements restorative justice principles. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

Of this appropriation, $50,000 is to conduct the survey of existing juvenile programming, jointly with the commissioner of human services. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

Of this appropriation, $12,000 is for rulemaking. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

Of this appropriation, $100,000 is to develop and implement a plan for extended jurisdiction juveniles. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

Of this appropriation, $50,000 is to ensure that the race and cultural heritage of juvenile programming staff reflect the characteristics of the juvenile offender population.

Of this appropriation, $1,000,000 is to be used to hire or fund the use of additional state and county probation officers and of community corrections officers under Minnesota Statutes, chapter 401. The funds shall be allocated by the commissioner for probation officers for offenders under age 21 based on weighted caseloads determined by the commissioner after consultation with those entities receiving the funds. The distributions shall be reported by the commissioner annually to the chairs of the senate crime prevention and house judiciary finance committees.

Of this appropriation, $60,000 is to expand the sentencing to service program to include work crews whose primary function is the removal of graffiti and other defacing signs or symbols from public property and from the property of requesting private property owners.

APPROPRIATIONS

Subd. 3. Board of Public Defense

Total General Fund Appropriation $ 2,650,000

(a) $2,650,000 is appropriated to the state board of public defense from the general fund for the provision of counsel for juveniles charged with delinquency, for the period January 1, 1995, to June 30, 1995. This appropriation shall be annualized for the 1996-1997 biennium.

(b) Of this amount, $1,000,000 is a six-month appropriation for the assumption of the cost of public defender services for juveniles in the first, fifth, seventh, ninth, and tenth judicial districts beginning January 1, 1995. This appropriation shall be annualized for the 1996-1997 biennium.

(c) Of this amount, $200,000 is a six-month appropriation for the provision of appellate services for juveniles beginning January 1, 1995. This appropriation shall be annualized for the 1996-1997 biennium.

(d) Of this amount, $1,450,000 is a six-month appropriation for the provision of counsel for juveniles in the second, third, fourth, sixth, and eighth judicial districts beginning January 1, 1995. This appropriation shall be annualized for the 1996-1997 biennium.

Subd. 4. Education

Total General Fund Appropriation $ 4,900,000

Of this appropriation, $1,000,000 is for violence prevention education grants under Minnesota Statutes, section 126.78. One hundred percent of this appropriation must be paid according to the process established in Minnesota Statutes, section 124.195, subdivision 9. Up to five percent of this appropriation may be used for auditing, monitoring, and administration of the programs funded by this appropriation.

Of this appropriation, $1,500,000 is for learning readiness programs under Minnesota Statutes, sections 121.831 and 124.2615. This amount is added to the appropriation for learning readiness in Laws 1991, chapter 224, article 4, section 44, subdivision 16. Notwithstanding Minnesota Statutes, section 124.195, subdivision 10, 100 percent of the appropriation in this paragraph must be paid in fiscal year 1995. This additional appropriation is available in fiscal year 1995 only.

Of this appropriation, $2,200,000 is for high risk youth violence prevention grants. Up to five percent of this appropriation may be used for administration and evaluation of the programs funded in this subdivision. These grants may be for periods of up to two years.

Of this appropriation, $100,000 is for grants to organizations representing communities of color, neighborhoods, or small nonprofits to assist in local, grassroots collaboration efforts. Up to 2.5 percent of this appropriation may be used for administration of the programs funded in this subdivision.

APPROPRIATIONS

Of this appropriation, $100,000 is for implementation of the community-based truancy action projects which shall be equitably distributed throughout the state. Of this amount, $50,000 is for the model school for chronic truants in Blue Earth county. Funds shall not be used to replace existing funding, but may be used to supplement it.

The money appropriated in this subdivision shall not be included in the budget base for the 1996-1997 biennium.

Subd. 5. Public Safety

Total General Fund Appropriation $ 2,495,000

Of this appropriation, $2,225,000 is for community crime reduction grants under Minnesota Statutes, section 299A.35. Up to five percent of this appropriation may be used for administration and evaluation of the programs funded by this appropriation. These grants may be for periods of up to two years. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

Of this appropriation, $250,000 is appropriated to the commissioner of public safety, bureau of criminal apprehension, from the general fund for the costs of performing initial analysis and design work for the juvenile criminal history system, including extended jurisdiction juvenile data, the statewide misdemeanor system, including violent and enhanceable crimes, and the domestic abuse orders for protection tracking system. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

Of this appropriation, $20,000 is to operate the statewide school-related crime telephone line and to pay rewards for information received over the statewide telephone line. Any unexpended funds in fiscal year 1995 do not cancel and carry forward to fiscal year 1996.

Subd. 6. Attorney General

Total General Fund Appropriation $ 10,000

This appropriation is to conduct training for county attorneys on juvenile laws and on the provisions of this act. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

Subd. 7. District Courts

Total General Fund Appropriation $ 372,000

Of this appropriation, $372,000 is to be used to fund four additional district court judgeships beginning March 1, 1995. The supreme court, in consultation with the state court administrator and the conference of chief judges, shall determine the districts in which these judgeships will be located, based on increased court caseloads resulting from the provisions of this act.

Subd. 8. Supreme Court

Total General Fund Appropriation $ 245,000

This appropriation is for the costs of performing initial analysis and design work for the juvenile criminal history system, including

extended jurisdiction juvenile data, the statewide misdemeanor system, and the tracking system for domestic abuse orders for protection. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

Subd. 9. Human Services

Total General Fund Appropriation $ 700,000

Of this appropriation, $50,000 is for the survey of existing juvenile programming jointly with the commissioner of corrections.

Of this appropriation, $50,000 is to provide grants to agencies that conduct interdisciplinary training of criminal justice officials who deal with victims and perpetrators of violence, including training in interviewing children who report being sexually abused or perpetrators of violence.

Of this appropriation, $50,000 is for a grant to an Indian child welfare defense corporation to promote compliance with the Indian family preservation act and the Indian Child Welfare Act under Minnesota Statutes, section 257.3571, subdivision 2a.

Of this appropriation, $500,000 is for the mental health screening of juveniles under Minnesota Statutes, section 260.152.

Of this appropriation, $50,000 is for a grant to a nonprofit, statewide child abuse prevention organization whose primary focus is parent self-help and support.

The appropriations in this subdivision shall not be included in the budget base for the 1996-1997 biennium.

Subd. 10. Jobs and Training

Total General Fund Appropriation $ 1,170,000

Of this appropriation, $20,000 is for the pilot project through a community corrections department for early intervention to serve juvenile offenders.

Of this appropriation, $1,150,000 is to be used to award grants to cities for creating and expanding curfew enforcement, truancy prevention, and after-school and summer recreational programs for children and youth.

Any after-school programs created under this paragraph shall ensure that program participants learn necessary workplace skills consistent with the provisions in Minnesota Statutes, section 268.31.

The appropriations in this subdivision shall not be included in the budget base for the 1996-1997 biennium.

Sec. 68. [EFFECTIVE DATE.]

Sections 62 to 64 are effective the day following final enactment. Sections 1, 2, 5 to 8, 18, 27, 37 to 44, 54, 59, 60, 61, 65, and 66 are effective July 1, 1994. Sections 46 to 49 and 57 are effective August 1, 1994, and apply to violations occurring on or after that date. Sections 3, 4, 9 to 17, 19 to 26, 28 to 36, 45, 50 to 53, 55 and 56 are effective January 1, 1995."

Delete the title and insert:

"A bill for an act relating to crime prevention; juvenile justice; providing for adult court jurisdiction over juveniles alleged to have committed first degree murder after age 16; providing for presumptive certification to adult court for juveniles over age 16 alleged to have committed other prison-level felonies or any felony while using a firearm; authorizing the court or the prosecutor to designate a juvenile an extended jurisdiction juvenile; authorizing adult felony sentences for extended jurisdiction juveniles; extending juvenile court jurisdiction to age 21 for extended jurisdiction juveniles; limiting certification to adult court to felony offenses; extending a right to jury trial to extended jurisdiction juveniles; requiring that a juvenile have an in-person consultation with counsel before waiving right to counsel; requiring appointment of counsel or standby counsel for juveniles charged with gross misdemeanors or felonies or when out-of-home delinquency placement is proposed; providing for adult court jurisdiction over juveniles alleged to have committed DWI-related traffic offenses after age 16; requiring parents to attend delinquency hearings; requiring county attorneys to establish juvenile diversion programs; providing mandatory minimum sentences for drive-by shooting crimes; expanding the crime relating to the possession of dangerous weapons on school property; increasing penalties for certain firearms offenses involving youth; establishing a task force on juvenile justice programming evaluation and planning; requiring that the department of corrections provide programming for serious and repeat juvenile offenders; appropriating money; amending Minnesota Statutes 1992, sections 126.78, by adding a subdivision; 242.31; 242.32; 257.3571, subdivision 3, and by adding a subdivision; 257.3572; 257.3579; 260.015, subdivision 5; 260.111, by adding a subdivision; 260.115, subdivision 1; 260.121, subdivision 3; 260.125; 260.131, by adding a subdivision; 260.132; 260.145; 260.152; 260.155, subdivision 2, and by adding a subdivision; 260.161, subdivisions 1a and 2; 260.181, subdivision 4; 260.185, subdivision 3, and by adding subdivisions; 260.193, subdivisions 1, 3, 4, 6, and by adding a subdivision; 260.211, subdivision 1; 260.215, subdivision 1; 260.291; 268.31; 609.055, subdivision 2; 609.49, subdivision 3, and by adding a subdivision; 611.15; 611.19; 611.25, subdivision 1; 611A.02, by adding a subdivision; and 611A.77, subdivision 1; Minnesota Statutes 1993 Supplement, sections 260.155, subdivision 1; 260.161, subdivision 1; 299A.35, subdivisions 1 and 2; 299C.65, subdivision 1; 401.065, subdivision 1, and by adding a subdivision; 609.11, subdivision 9; 609.66, subdivision 1d; 624.713, subdivisions 1 and 3; 624.7132, subdivision 15; and 624.7181, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 126; 260; 299A; and 388."

We request adoption of this report and repassage of the bill.

House Conferees: WESLEY J. "WES" SKOGLUND, MARY MURPHY, THOMAS PUGH, PHIL CARRUTHERS AND BILL MACKLIN.

Senate Conferees: JANE B. RANUM, ALLAN H. SPEAR, TRACY L. BECKMAN, PATRICK D. MCGOWAN AND GARY W. LAIDIG.

Skoglund moved that the report of the Conference Committee on H. F. No. 2074 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2074, A bill for an act relating to crime prevention; juvenile justice; providing for adult court jurisdiction over juveniles alleged to have committed first degree murder or first degree criminal sexual conduct after age 16; providing for presumptive certification to adult court for juveniles alleged to have committed other prison-level felonies; authorizing the court or the prosecutor to designate a juvenile a serious youthful offender; authorizing adult felony sentences for serious youthful offenders; extending juvenile court jurisdiction to age 23; limiting certification to adult court to felony offenses; extending a right to jury trial to serious youthful offenders; requiring that a juvenile have an in-person consultation with counsel before waiving right to counsel; requiring appointment of counsel or standby counsel for juveniles charged with gross misdemeanors or felonies or when out-of-home delinquency placement is proposed; providing for adult court jurisdiction over juveniles alleged to have committed nonfelony-level traffic offenses after age 16; authorizing the juvenile court to require parents to attend delinquency hearings; providing for the sharing of certain data collected or maintained on juveniles; requiring county attorneys to establish juvenile diversion programs; providing mandatory minimum sentences for drive-by shooting crimes; expanding the crime relating to the possession of dangerous weapons on school property; increasing penalties for certain firearms offenses involving youth; establishing a task force on juvenile justice programming evaluation and planning; requiring that the department of corrections provide programming for serious and repeat juvenile offenders; appropriating money; amending Minnesota Statutes 1992, sections 13.99, subdivision 79; 242.31, subdivision 1; 242.32; 260.015, subdivision 5; 260.111, by adding a subdivision; 260.115, subdivision 1; 260.121, subdivision 3; 260.125; 260.131, by adding a

subdivision; 260.132; 260.155, subdivision 2, and by adding a subdivision; 260.161, subdivisions 1a, 2, and by adding a subdivision; 260.181, subdivision 4; 260.185, subdivision 3; 260.193, subdivisions 1, 3, 4, 6, and by adding a subdivision; 260.211, subdivision 1; 260.215, subdivision 1; 260.291; 268.31; 609.055, subdivision 2; 611.15; 611.19; 611.25, subdivision 1; 611A.02, by adding a subdivision; and 611A.77, subdivision 1; Minnesota Statutes 1993 Supplement, sections 13.46, subdivision 2; 144.651, subdivisions 2, 21, and 26; 253B.03, subdivisions 3 and 4; 260.155, subdivision 1; 260.161, subdivisions 1 and 3; 299A.35, subdivisions 1 and 2; 299C.65, subdivision 1; 401.065, subdivision 1, and by adding a subdivision; 609.11, subdivision 9; 609.66, subdivision 1d; 624.713, subdivision 1; 624.7132, subdivision 15; and 624.7181, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 260; 299A; 388; and 609; repealing Minnesota Statutes 1992, section 260.125, subdivision 3.

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

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

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON 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.

April 28, 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. 1999, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment.

We request adoption of this report and repassage of the bill.

House Conferees: THOMAS PUGH, MARC ASCH AND DOUG SWENSON.

Senate Conferees: PHIL J. RIVENESS, ELLEN R. ANDERSON AND CAL LARSON.

Pugh moved that the report of the Conference Committee on H. F. No. 1999 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, 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 126 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Haukoos	Krinkie	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
Beard	Dorn	Jacobs	Lieder	Nelson	Rest	Tunheim
Bergson	Erhardt	Jaros	Limmer	Ness	Rhodes	Van Dellen
Bertram	Evans	Jefferson	Lindner	Olson, E.	Rice	Vellenga
Bettermann	Farrell	Jennings	Long	Olson, K.	Rodosovich	Vickerman
Bishop	Finseth	Johnson, A.	Lourey	Olson, M.	Rukavina	Wagenius
Brown, C.	Frerichs	Johnson, R.	Luther	Onnen	Sarna	Waltman
Brown, K.	Garcia	Johnson, V.	Lynch	Opatz	Seagren	Weaver
Carlson	Girard	Kahn	Mahon	Orenstein	Sekhon	Wejcman
Carruthers	Goodno	Kalis	Mariani	Orfield	Simoneau	Wenzel
Clark	Greenfield	Kelley	McCollum	Osthoff	Skoglund	Winter
Commers	Greiling	Kelso	McGuire	Ostrom	Smith	Wolf
Cooper	Gruenes	Kinkel	Milbert	Ozment	Solberg	Worke
Dauner	Gutknecht	Klinzing	Molnau	Pauly	Steensma	Workman
Davids	Hasskamp	Knight	Morrison	Pelowski	Sviggum	Spk. Anderson, I.

Those who voted in the negative were:

Pawlenty

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

SPECIAL ORDERS

S. F. No. 2309 was reported to the House.

Pugh moved that S. F. No. 2309 be temporarily laid over on Special Orders. The motion prevailed.

S. F. No. 1948 was reported to the House.

There being no objection, S. F. No. 1948 was temporarily laid over on Special Orders.

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 third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 124 yeas and 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Davids	Goodno	Knight	Lindner	Olson, M.

The bill was passed and its title agreed to.

S. F. No. 309 was reported to the House.

Trimble moved that S. F. No. 309 be temporarily laid over 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 preceding printed Special Orders for today:

S. F. Nos. 180 and 103; H. F. Nos. 1809 and 2651; and S. F. Nos. 2129 and 1735.

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. 2742, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; authorizing assessments for debt service; reducing certain earlier project authorizations and

appropriations; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.85, subdivision 1; 85.015, subdivision 4; 136.651; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; Laws 1993, chapter 373, sections 18; and 25, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 124C; 134; 135A; and 241.

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.

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.

Farrell was excused between the hours of 11:00 a.m. and 12:15 p.m.

SPECIAL ORDERS

S. F. No. 1948 which was temporarily laid over earlier today on Special Orders was again reported to the House.

Winter moved to amend S. F. No. 1948 as follows:

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 to 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."

Delete the title and insert:

"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."

The motion prevailed and the amendment was adopted.

Winter moved to amend S. F. No. 1948, as amended, as follows:

Page 1, after line 5, insert:

"Section 1. [17.4999] [STORAGE, HANDLING, AND DISPOSAL OF FISH MANURE.]

Fish manure from aquatic farm operations:

(1) is subject to the same requirements under state law and rules as other animal manures; and

(2) if managed in a pond system, may be applied as a manipulated manure under chapter 18C if certified by the commissioner.

Sec. 2. Minnesota Statutes 1992, section 97A.135, subdivision 3, is amended to read:

Subd. 3. [COOPERATIVE FARMING AGREEMENTS.] On any public hunting, game refuge, ~~or~~ wildlife management area, or scientific and natural area lands, the commissioner may enter into written cooperative farming agreements with nearby farmers on a sharecrop basis, without competitive bidding, for the purpose of ~~establishing or maintaining~~ wildlife ~~food or cover for habitat purposes~~ and plant management. Cooperative farming agreements may also be used to allow pasturing of livestock. The agreements may provide for the bartering of a share of any crop, ~~not exceeding $1,500 in value and~~ produced from these lands, for services ~~such as weed control, planting, cultivation, or other wildlife habitat practices~~ or products that will enhance or benefit the management of state lands for plant and animal species. Cooperative farming agreements pursuant to this section shall not be considered leases for tax purposes under section 272.01, subdivision 2, or 273.19.

Sec. 3. Minnesota Statutes 1992, section 180.03, is amended by adding a subdivision to read:

Subd. 5. Upon written notice to the county mine inspector, a person, firm, or corporation that is actively and exclusively engaged in the business of cold water aquaculture shall be exempt from the requirements of subdivision 3. The exemption shall only apply to those portions of idle or abandoned open pit mines that are actively being used for aquaculture operations and that are owned by the person, firm, or corporation. A landowner exempted assumes all responsibility for inspection and safety measures pertaining to the affected parcels of land and the county mine inspector is relieved of inspection requirements. The notice provided to the county mine inspector pursuant to this subdivision shall be annual and shall be filed with the county mine inspector's office by January 15 of each year. The notice shall describe the affected parcels of land and shall provide a sworn affidavit by the landowner that the subject property will be actively and exclusively used for aquaculture purposes during the calendar year. Failure to comply with the notice requirement of this subdivision makes the idle or abandoned open pit mines subject to the provisions of subdivision 3."

Page 10, after line 22, insert:

"Sec. 6. [EFFECTIVE DATE.]

Section 1 is effective the day following final enactment and applies to licensed aquatic farms in operation on or after that date."

Renumber the sections in sequence

Amend the title accordingly

Tomassoni moved to amend the Winter amendment to S. F. No. 1948, as amended, as follows:

Page 1, delete lines 4 to 11

Page 2, delete lines 6 to 32

The motion prevailed and the amendment to the amendment was adopted.

The question recurred on the Winter amendment, as amended, to S. F. No. 1948, as amended. The motion prevailed and the amendment, as amended, was adopted.

Winter, Steensma and Cooper moved to amend S. F. No. 1948, as amended, as follows:

Page 3, line 6, after "Minnesota" insert "and at least 51 percent of the farmers must be actively engaged in livestock production"

Page 4, after line 36, insert:

"(k) "actively engaged in livestock production" means that a person performs day-to-day physical labor or day-to-day operations management that significantly contributes to livestock production and the functioning of a livestock operation."

The motion prevailed and the amendment was adopted.

Cooper moved to amend S. F. No. 1948, as amended, as follows:

Page 10, after line 22, insert:

"Sec. 3. [STUDY; CORPORATE IMPACT ON RURAL ECONOMY, ENVIRONMENT.]

(a) Changes to Minnesota corporate farming law under sections 1 and 2 are expected to have significant impacts on the sociology, the economic structure, and the natural environment of rural Minnesota. Greatest changes during early months and years following passage will relate to business enterprises organized as authorized farm corporations for the production of swine. The impacts and effects of changes in corporate farming law must be monitored and evaluated to determine whether they are of overall benefit or detriment to the rural economy and to efforts to effectively control non-point source pollution from livestock operations. The advisory task force created under this section will examine actual and projected effects and report findings and recommendations to the legislature.

(b) An advisory task force is authorized, consisting of two members of the Minnesota Senate appointed by the senate committee on rules and administration, two members of the Minnesota house of representatives appointed by the speaker of the house, and eight citizen members appointed by the commissioner of agriculture. No fewer than two of the members appointed by the commissioner must be production agriculture farmers with investment and direct involvement in a swine production enterprise having multiple shareholders or partners. No fewer than two of the members appointed by the commissioner must be family farmer swine producers with no investment or involvement in a consolidated or shared facility for swine production. Other members appointed by the commissioner must include persons with training and experience in agricultural economics, rural sociology, feedlot pollution control, and business organization structures. Each of the appointing authorities must make the required appointments not later than June 15, 1994. The commissioner shall convene the first meeting of the advisory task force not later than July 15, 1994.

(c) The commissioner of agriculture shall provide necessary resources and staff support for the meetings, activities, and report of the advisory task force. To the extent the advisory task force deems it necessary, the commissioner shall serve as fiscal agent for the task force for the purchase of non-state research and analytical services.

(d) The advisory task force shall report its findings and recommendations to the legislature not later than March 1, 1995. Recommendations must include proposals (1) to minimize non-point source pollution from livestock operations under the ownership or management of an authorized farm corporation; (2) to authorize and encourage farm business structures that maximize opportunities for economic success by farm families with both large scale and small scale livestock operations; (3) to support the economic health of small business enterprises in farming areas of the state; and (4) to examine the issue of responsibility for potential pollution damage.

Sec. 4. [APPROPRIATION.]

$50,000 is appropriated from the general fund to the commissioner of agriculture to provide staff and research support for the advisory task force under section 3.

Sec. 5. [EFFECTIVE DATE.]

(a) If the conditions in paragraph (b) are not met, sections 3 and 4 are effective the day following final enactment.

(b) If a bill styled as Senate File number 2168 is enacted into law during the 1994 regular session of the Minnesota legislature, and if the law includes authorization for and an appropriation for a task force on corporate farming law, sections 3 and 4 are of no effect upon and after the effective date of that act."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Cooper moved to amend S. F. No. 1948, as amended, as follows:

Page 6, line 22, delete "after April 1, 1994,"

The motion prevailed and the amendment was adopted.

Bauerly moved to amend S. F. No. 1948, as amended, as follows:

Page 6, after line 27, insert:

"Sec. 2. Minnesota Statutes 1992, section 561.19, subdivision 1, is amended to read:

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

(a) "Agricultural operation" means a facility and its appurtenances for the production of crops, livestock, poultry, dairy products or poultry products, but not a facility primarily engaged in processing agricultural products.

(b) "Established date of operation" means the date on which the agricultural operation commenced. If the agricultural operation is subsequently expanded or significantly altered, the established date of operation for each expansion or alteration is deemed to be the date of commencement of the expanded or altered operation. As used in this paragraph, "expanded or significantly altered" means:

(1) an expansion by at least 15 percent in the amount of a particular crop grown or the number of a particular kind of animal or livestock located on an agricultural operation; or

(2) a distinct change in the kind of agricultural operation, as in changing from one kind of crop, livestock, animal, or product to another, but not merely a change from one generally accepted agricultural practice to another in producing the same crop or product.

~~(c) "Family farm" means an unincorporated farm unit owned by one or more persons or spouses of persons related to each other within the third degree of kindred according to the rules of the civil law at least one of whom is residing or actively engaged in farming on the farm unit, or a "family farm corporation," as that term is defined in section 500.24, subdivision 2.~~

Sec. 3. Minnesota Statutes 1992, section 561.19, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL OPERATION NOT A NUISANCE.] (a) An agricultural operation ~~which is a part of a family farm~~ is not and shall not become a private or public nuisance after ~~six years~~ one year from its established date of operation if the operation was not a nuisance at its established date of operation.

(b) An agricultural operation is operating according to generally accepted agricultural practices if it is located in an agriculturally zoned area and complies with the provisions of all applicable federal and state statutes and rules or any issued permits for the operation.

(c) The provisions of this subdivision do not apply:

~~(a)~~ (1) to a condition or injury which results from the negligent or improper operation of an agricultural operation or from operations contrary to commonly accepted agricultural practices or to applicable state or local laws, ordinances, rules, or permits;

~~(b)~~ (2) when an agricultural operation causes injury or direct threat of injury to the health or safety of any person;

~~(c)~~ (3) to the pollution of, or change in the condition of, the waters of the state or the overflow of waters on the lands of any person;

~~(d)~~ (4) to an animal feedlot facility with a swine capacity of 1,000 or more animal units as defined in the rules of the pollution control agency for control of pollution from animal feedlots, or a cattle capacity of 2,500 animals or more; or

~~(e)~~ (5) to any prosecution for the crime of public nuisance as provided in section 609.74 or to an action by a public authority to abate a particular condition which is a public nuisance."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Olson, M., offered an amendment to S. F. No. 1948, as amended.

POINT OF ORDER

Cooper 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.

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 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 5 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Asch	Kalis	Munger	Sekhon

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

S. F. No. 309 which was temporarily laid over earlier today on Special Orders was again reported to the House.

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 third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 78 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Johnson, A.	Mariani	Orfield	Sarna	Weaver
Battaglia	Delmont	Kahn	McGuire	Osthoff	Simoneau	Wejcman
Bauerly	Dorn	Kalis	Milbert	Ostrom	Skoglund	Wenzel
Beard	Farrell	Kelso	Morrison	Pauly	Solberg	Winter
Bergson	Garcia	Kinkel	Mosel	Pawlenty	Stanius	Wolf
Bertram	Goodno	Klinzing	Munger	Pelowski	Steensma	Spk. Anderson, I.
Bishop	Greenfield	Knight	Nelson	Perlt	Tomassoni	
Brown, C.	Gutknecht	Krinkie	Ness	Peterson	Tompkins	
Carlson	Hasskamp	Krueger	Olson, E.	Pugh	Trimble	
Clark	Hausman	Lieder	Olson, K.	Reding	Tunheim	
Cooper	Jaros	Long	Opatz	Rice	Van Dellen	
Dauner	Jefferson	Lourey	Orenstein	Rodosovich	Wagenius	

Those who voted in the negative were:

Abrams	Dempsey	Haukoos	Lasley	McCollum	Rhodes	Worke
Asch	Erhardt	Holsten	Leppik	Molnau	Sekhon	Workman
Bettermann	Evans	Hugoson	Limmer	Murphy	Smith	
Brown, K.	Finseth	Huntley	Lindner	Neary	Sviggum	
Carruthers	Frerichs	Jennings	Luther	Olson, M.	Swenson	
Commers	Girard	Johnson, V.	Lynch	Onnen	Vellenga	
Davids	Greiling	Kelley	Macklin	Ozment	Vickerman	
Dehler	Gruenes	Koppendrayer	Mahon	Rest	Waltman	

The bill was passed and its title agreed to.

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

Simoneau moved to amend S. F. No. 180 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [CONSTITUTIONAL AMENDMENT.]

An amendment to the Minnesota Constitution, article X, section 8, is proposed to the people. If the amendment is adopted, the section will read as follows:

Sec. 8. The legislature may authorize ~~on-track~~ pari-mutuel betting on horse racing in a manner prescribed by law.

Sec. 2. [SUBMISSION TO VOTERS.]

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

"Shall the Minnesota Constitution be amended to repeal the requirement that pari-mutuel betting on horse racing be limited to on-track betting only?

Yes .....
No ....."

Sec. 3. [REPORT TO LEGISLATURE.]

If the constitutional amendment proposed in section 1 is approved by the people at the 1994 general election, the director of pari-mutuel racing shall submit a report to the legislature containing the director's recommendations on legislation to authorize and regulate off-track pari-mutuel betting on horse racing. The report must contain draft legislation that embodies the director's recommendations. The draft legislation must provide that:

(1) off-track pari-mutuel betting be conducted primarily to support on-track horse racing and not supplant it;

(2) a separate license be required to operate each off-track betting location;

(3) off-track betting locations be limited to teletheatres with large-screen television displays of live horse racing, theatre seating and full dining and beverage service; and

(4) a limited number of off-track betting locations be licensed, with a reasonable geographic distribution of locations around the state.

The director shall submit the report to the legislature by February 1, 1995."

Delete the title and insert:

"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 motion prevailed and the amendment was adopted.

Sviggum offered an amendment to S. F. No. 180, as amended.

POINT OF ORDER

Carruthers raised a point of order pursuant to rule 3.09 that the Sviggum amendment was not in order. The Speaker 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 Carruthers and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

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 the Speaker stand as the judgment of the House?" and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 81 yeas and 50 nays as follows:

Those who voted in the affirmative were:

Asch	Dauner	Jefferson	Lieder	Neary	Pugh	Tomassoni
Battaglia	Dawkins	Jennings	Long	Nelson	Reding	Trimble
Bauerly	Delmont	Johnson, A.	Lourey	Olson, E.	Rest	Tunheim
Beard	Dorn	Johnson, R.	Luther	Olson, K.	Rice	Vellenga
Bergson	Evans	Kahn	Mahon	Opatz	Rodosovich	Wagenius
Bertram	Farrell	Kalis	Mariani	Orenstein	Rukavina	Wejcman
Brown, C.	Garcia	Kelley	McCollum	Orfield	Sarna	Wenzel
Brown, K.	Greenfield	Kelso	McGuire	Osthoff	Sekhon	Winter
Carlson	Greiling	Kinkel	Milbert	Ostrom	Simoneau	Spk. Anderson, I.
Carruthers	Hasskamp	Klinzing	Mosel	Pelowski	Skoglund	
Clark	Hausman	Krueger	Munger	Perlt	Solberg	
Cooper	Huntley	Lasley	Murphy	Peterson	Steensma	

Those who voted in the negative were:

Abrams	Finseth	Hugoson	Limmer	Onnen	Sviggum	Worke
Anderson, R.	Frerichs	Jacobs	Lindner	Ozment	Swenson	Workman
Bettermann	Girard	Johnson, V.	Lynch	Pauly	Tompkins	
Commers	Goodno	Knickerbocker	Macklin	Pawlenty	Van Dellen	
Davids	Gruenes	Knight	Molnau	Rhodes	Vickerman	
Dehler	Gutknecht	Koppendrayer	Morrison	Seagren	Waltman	
Dempsey	Haukoos	Krinkie	Ness	Smith	Weaver	
Erhardt	Holsten	Leppik	Olson, M.	Stanius	Wolf	

So it was the judgment of the House that the decision of the Speaker should stand.

Olson, M., offered an amendment to S. F. No. 180, as amended.

POINT OF ORDER

Carruthers 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.

The Speaker called Bauerly to the Chair.

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 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 79 yeas and 53 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Jacobs	Lasley	Ness	Rukavina	Van Dellen
Bauerly	Erhardt	Jaros	Limmer	Olson, K.	Sarna	Vickerman
Beard	Farrell	Jefferson	Lindner	Olson, M.	Sekhon	Winter
Bergson	Frerichs	Jennings	Lynch	Onnen	Simoneau	Wolf
Bertram	Garcia	Johnson, A.	Macklin	Opatz	Smith	Worke
Bishop	Girard	Johnson, V.	Mahon	Ozment	Solberg	Workman
Brown, C.	Gruenes	Kahn	Mariani	Pauly	Stanius	Spk. Anderson, I.
Cooper	Hasskamp	Kelso	McGuire	Pelowski	Sviggum	
Dauner	Haukoos	Klinzing	Milbert	Perlt	Swenson	
Dawkins	Holsten	Knickerbocker	Molnau	Pugh	Tomassoni	
Dehler	Hugoson	Koppendrayer	Morrison	Reding	Trimble	
Delmont	Huntley	Krinkie	Nelson	Rhodes	Tunheim	

Those who voted in the negative were:

Anderson, R.	Commers	Gutknecht	Lieder	Neary	Rest	Wagenius
Asch	Davids	Johnson, R.	Long	Olson, E.	Rice	Waltman
Battaglia	Dorn	Kalis	Lourey	Orenstein	Rodosovich	Weaver
Bettermann	Evans	Kelley	Luther	Orfield	Seagren	Wejcman
Brown, K.	Finseth	Kinkel	McCollum	Osthoff	Skoglund	Wenzel
Carlson	Goodno	Knight	Mosel	Ostrom	Steensma	
Carruthers	Greenfield	Krueger	Munger	Pawlenty	Tompkins	
Clark	Greiling	Leppik	Murphy	Peterson	Vellenga	

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.

Mahon was excused for the remainder of today's session.

S. F. No. 103 was reported to the House.

Dehler, Gruenes, Kahn and Bergson moved to amend S. F. No. 103, the second unofficial engrossment, as follows:

Page 133, lines 6 and 11, before the comma, insert "except bingo games excluded under section 349.166, subdivision 1, or exempted under section 349.166, subdivision 2"

The motion prevailed and the amendment was adopted.

Swenson moved to amend S. F. No. 103, the second unofficial engrossment, as amended, as follows:

Page 143, after line 6, insert:

"Sec. 7. Minnesota Statutes 1992, section 349A.09, subdivision 2, is amended to read:

Subd. 2. [CONTENT OF ADVERTISING.] (a) Advertising and promotional materials for the lottery adopted or published by the director must be consistent with the dignity of the state and may only:

(1) present information on how lottery games are played, prizes offered, where and how tickets may be purchased, when drawings are held, and odds on the games advertised;

(2) identify state programs supported by lottery net revenues; or

(3) ~~present the lottery as a form of entertainment; or~~

~~(4)~~ state ~~the~~ winning numbers ~~or identity of winners of lottery prizes~~.

(b) The director may not adopt or publish any advertising for the lottery which:

(1) presents directly or indirectly any lottery game as a potential means of relieving any person's financial difficulties;

(2) is specifically targeted with the intent to exploit a person, a specific group or economic class of people, or a religious holiday by use of a religious theme or symbol;

(3) presents the purchase of a lottery ticket as a financial investment or a way to achieve financial security;

(4) uses the name or picture of a current elected state official to promote a lottery game;

(5) exhorts the public to bet by directly or indirectly misrepresenting a person's chance of winning a prize; ~~or~~

(6) denigrates a person who does not buy a lottery ticket or unduly praises a person who does buy a ticket; or

(7) is intended to induce persons to participate in the lottery or buy a lottery ticket.

Sec. 8. Minnesota Statutes 1992, section 349A.10, subdivision 3, is amended to read:

Subd. 3. [LOTTERY OPERATIONS.] (a) The director shall establish a lottery operations account in the lottery fund. The director shall pay all costs of operating the lottery, including payroll costs or amounts transferred to the state treasury for payroll costs, but not including lottery prizes, from the lottery operating account. The director shall credit to the lottery operations account amounts sufficient to pay the operating costs of the lottery.

(b) The director may not credit in fiscal year 1993 amounts to the lottery operations account which when totaled exceed 14.5 percent of gross revenue to the lottery fund. The director may not credit in any fiscal year thereafter amounts to the lottery operations account which when totaled exceed 15 percent of gross revenue to the lottery fund in that fiscal year. In computing total amounts credited to the lottery operations account under this paragraph the director shall disregard amounts transferred to or retained by lottery retailers as sales commissions or other compensation.

(c) The director of the lottery may not expend ~~after July 1, 1991,~~ more than ~~2 3/4~~ 1.5 percent of gross revenues in a fiscal year for contracts for the preparation, publication, and placement of advertising.

(d) Except as the director determines, the board is not subject to chapter 16A relating to budgeting, payroll, and the purchase of goods and services."

Page 144, line 28, delete "11" and insert "13"

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 Swenson amendment and the roll was called. There were 94 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Jennings	Long	Olson, E.	Rice	Vellenga
Asch	Farrell	Johnson, V.	Lourey	Olson, K.	Rodosovich	Vickerman
Beard	Finseth	Kalis	Luther	Olson, M.	Seagren	Wagenius
Bergson	Frerichs	Kelley	Lynch	Onnen	Sekhon	Waltman
Bettermann	Garcia	Kelso	Macklin	Opatz	Skoglund	Weaver
Brown, K.	Girard	Klinzing	Mariani	Orenstein	Smith	Wejcman
Carlson	Goodno	Knight	McGuire	Orfield	Stanius	Wenzel
Clark	Greenfield	Koppendrayer	Molnau	Ostrom	Steensma	Winter
Commers	Greiling	Krinkie	Morrison	Ozment	Sviggum	Worke
Dauner	Gruenes	Lasley	Mosel	Pawlenty	Swenson	Workman
Dawkins	Hasskamp	Leppik	Munger	Perlt	Tompkins	
Dempsey	Hausman	Lieder	Neary	Peterson	Trimble	
Dorn	Holsten	Limmer	Nelson	Rest	Tunheim	
Erhardt	Hugoson	Lindner	Ness	Rhodes	Van Dellen	

Those who voted in the negative were:

Abrams	Carruthers	Haukoos	Johnson, R.	Murphy	Sarna
Battaglia	Cooper	Huntley	Kahn	Osthoff	Simoneau
Bauerly	Davids	Jacobs	Kinkel	Pauly	Solberg
Bertram	Dehler	Jaros	Knickerbocker	Pugh	Tomassoni
Bishop	Delmont	Jefferson	Krueger	Reding	Wolf
Brown, C.	Gutknecht	Johnson, A.	Milbert	Rukavina	Spk. Anderson, I.

The motion prevailed and the amendment was adopted.

Swenson and Seagren moved to amend S. F. No. 103, the second unofficial engrossment, as amended, as follows:

Page 147, after line 19, insert:

"Sec. 3. [325E.42] [DECEPTIVE TRADE PRACTICES; GAMBLING ADVERTISING AND MARKETING CLAIMS.]

Subdivision 1. [REGULATION.] All advertising or marketing materials relating to the conduct of any form of legal gambling in Minnesota, including informational or promotional materials, must:

(1) be sufficiently clear to prevent deception; and

(2) not overstate expressly, or by implication, the attributes or benefits of participating in legal gambling.

Subd. 2. [ENFORCEMENT.] A person who violates this section is subject to the penalties and remedies in section 8.31. Nothing in this section limits the rights or remedies otherwise available under other law.

Subd. 3. [ADVERTISING MEDIA EXCLUDED.] This section applies to actions of the owner, publisher, agent, or employee of newspapers, magazines, other printed matter, or radio or television stations or other advertising media used for the publication or dissemination of an advertisement or marketing materials, only if the owner, publisher, agent, or employee has been personally served with a certified copy of a court order or consent judgment or agreement prohibiting the publication of particular gambling advertising or marketing materials and thereafter publishes such materials."

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 Swenson and Seagren amendment and the roll was called. There were 78 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Evans	Hugoson	Lourey	Olson, E.	Seagren	Waltman
Asch	Farrell	Johnson, V.	Luther	Olson, M.	Sekhon	Weaver
Battaglia	Finseth	Kalis	Macklin	Onnen	Skoglund	Wejcman
Brown, K.	Frerichs	Kelso	Mariani	Opatz	Smith	Wenzel
Clark	Garcia	Knight	McGuire	Orfield	Stanius	Worke
Commers	Goodno	Koppendrayer	Molnau	Ostrom	Steensma	Workman
Cooper	Greiling	Krinkie	Mosel	Ozment	Sviggum	
Dauner	Gruenes	Leppik	Munger	Pawlenty	Swenson	
Davids	Gutknecht	Lieder	Murphy	Peterson	Tompkins	
Dawkins	Hasskamp	Limmer	Neary	Rest	Van Dellen	
Dempsey	Haukoos	Lindner	Nelson	Rhodes	Vickerman	
Erhardt	Holsten	Long	Ness	Rice	Wagenius	

Those who voted in the negative were:

Abrams	Carlson	Jacobs	Kinkel	Morrison	Pugh	Trimble
Bauerly	Carruthers	Jaros	Klinzing	Olson, K.	Reding	Tunheim
Beard	Dehler	Jefferson	Knickerbocker	Orenstein	Rukavina	Winter
Bergson	Delmont	Johnson, A.	Krueger	Osthoff	Sarna	Wolf
Bertram	Dorn	Johnson, R.	Lasley	Pauly	Simoneau	Spk. Anderson, I.
Bishop	Girard	Kahn	McCollum	Pelowski	Solberg	
Brown, C.	Huntley	Kelley	Milbert	Perlt	Tomassoni	

The motion prevailed and the amendment was adopted.

Seagren and Swenson moved to amend S. F. No. 103, the second unofficial engrossment, as amended, as follows:

Page 22, line 10, strike "18" and insert "21"

Page 27, after line 23, insert:

"Sec. 16. Minnesota Statutes 1992, section 240.26, is amended by adding a subdivision to read:

Subd. 5. [CERTAIN VIOLATIONS; DEFENSE.] In a prosecution under section 240.13, subdivision 8, it is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in section 340A.503, subdivision 6, paragraph (a)."

Page 29, line 28, delete "17 and 18 to 21" and insert "22"

Page 133, delete section 90, and insert:

"Sec. 90. Minnesota Statutes 1992, section 349.2127, is amended by adding a subdivision to read:

Subd. 8. [MINIMUM AGE.] (a) A person under the age of 21 years may not buy a pull-tab, tipboard ticket, or paddlewheel ticket. Violation of this paragraph is a misdemeanor.

(b) A licensed organization or employee may not allow a person under the age of 21 to buy a pull-tab, tipboard ticket, or paddlewheel ticket. Violation of this paragraph is a gross misdemeanor.

(c) In a prosecution under paragraph (b), it is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in section 340A.503, subdivision 6, paragraph (a)."

Page 144, after line 5, insert:

"Sec. 9. Minnesota Statutes 1992, section 349A.12, subdivision 1, is amended to read:

Subdivision 1. [PURCHASE BY MINORS.] A person under the age of ~~18~~ 21 years may not buy a ticket in the state lottery.

Sec. 10. Minnesota Statutes 1992, section 349A.12, subdivision 2, is amended to read:

Subd. 2. [SALE TO MINORS.] A lottery retailer may not sell a ticket in the state lottery to any person under the age of ~~18~~ 21 years. It is an affirmative defense to a charge under this subdivision for the lottery retailer to prove by a preponderance of the evidence that the lottery retailer reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, in making the sale."

Page 144, line 28, delete "11" and insert "13"

Page 146, after line 6, insert:

"Sec. 5. [GOVERNOR; RENEGOTIATION OF COMPACTS.]

The governor, pursuant to Minnesota Statutes, section 3.9221, shall take all feasible steps to renegotiate all compacts negotiated under that section for the purpose of establishing a minimum age of 21 years for participation in gambling authorized under the Indian gaming regulatory act, Public Law Number 100-497, and future amendments to it."

Page 146, line 9, after the period, insert "Section 5 is effective the day following final enactment."

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 Seagren and Swenson amendment and the roll was called. There were 67 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Abrams	Finseth	Knickerbocker	Mariani	Olson, M.	Rice	Vickerman
Anderson, R.	Garcia	Knight	McGuire	Onnen	Rodosovich	Wagenius
Asch	Greiling	Koppendrayer	Molnau	Opatz	Seagren	Waltman
Battaglia	Gutknecht	Krinkie	Morrison	Osthoff	Skoglund	Wejcman
Bettermann	Haukoos	Krueger	Mosel	Ostrom	Stanius	Wenzel
Clark	Hugoson	Leppik	Munger	Ozment	Steensma	Wolf
Commers	Johnson, V.	Lieder	Murphy	Pawlenty	Sviggum	Workman
Erhardt	Kalis	Lindner	Nelson	Pugh	Swenson	
Evans	Kelso	Luther	Ness	Rest	Tompkins	
Farrell	Klinzing	Lynch	Olson, E.	Rhodes	Vellenga	

Those who voted in the negative were:

Bauerly	Brown, C.	Dauner	Dempsey	Gruenes	Jaros	Kelley
Beard	Brown, K.	Davids	Dorn	Hasskamp	Jefferson	Kinkel
Bergson	Carlson	Dawkins	Frerichs	Holsten	Johnson, A.	Lasley
Bertram	Carruthers	Dehler	Girard	Huntley	Johnson, R.	Limmer
Bishop	Cooper	Delmont	Goodno	Jacobs	Kahn	Long

Lourey	Neary	Pauly	Reding	Simoneau	Trimble	Winter
Macklin	Olson, K.	Pelowski	Rukavina	Smith	Tunheim	Worke
McCollum	Orenstein	Perlt	Sarna	Solberg	Van Dellen	Spk. Anderson, I.
Milbert	Orfield	Peterson	Sekhon	Tomassoni	Weaver	

The motion prevailed and the amendment was adopted.

Dehler moved to amend S. F. No. 103, the second unofficial engrossment, as amended, as follows:

Page 147, after line 19, insert:

"Section 1. Minnesota Statutes 1992, section 340A.410, subdivision 5, is amended to read:

Subd. 5. [GAMBLING PROHIBITED.] (a) No retail establishment licensed to sell alcoholic beverages may keep, possess, or operate, or permit the keeping, possession, or operation on the licensed premises of dice or any gambling device as defined in section 349.30, or permit gambling therein except as provided in this subdivision.

(b) Gambling equipment may be kept or operated and raffles conducted on licensed premises and adjoining rooms when the use of the gambling equipment is authorized by (1) chapter 349, (2) a tribal ordinance in conformity with the Indian Gaming Regulatory Act, Public Law Number 100-497, or (3) a tribal-state compact authorized under section 3.9221.

(c) Lottery tickets may be purchased and sold within the licensed premises as authorized by the director of the lottery under chapter 349A.

(d) Dice and dice cups may be kept on the licensed premises, but only if: (1) the dice and dice cups are used exclusively by patrons of the licensed establishment for the purpose of determining responsibility for payment for alcoholic beverages, food, or other items lawfully sold on the licensed premises; and (2) authorized by the governing body of the home rule charter or statutory city or town board of the town in which the licensed establishment is located."

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 Dehler amendment and the roll was called. There were 7 yeas and 118 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bertram	Cooper	Dehler	Gruenes	Hasskamp	Pauly

Those who voted in the negative were:

Abrams	Brown, K.	Delmont	Garcia	Hugoson	Kalis	Krueger
Asch	Carlson	Dempsey	Girard	Huntley	Kelley	Lasley
Battaglia	Carruthers	Dorn	Goodno	Jacobs	Kinkel	Leppik
Bauerly	Clark	Erhardt	Greiling	Jaros	Klinzing	Lieder
Beard	Commers	Evans	Gutknecht	Jefferson	Knickerbocker	Limmer
Bergson	Dauner	Farrell	Haukoos	Johnson, A.	Knight	Lindner
Bettermann	Davids	Finseth	Hausman	Johnson, R.	Koppendrayer	Long
Brown, C.	Dawkins	Frerichs	Holsten	Kahn	Krinkie	Lourey

Luther	Mosel	Opatz	Peterson	Seagren	Tomassoni	Weaver
Lynch	Munger	Orenstein	Pugh	Sekhon	Tompkins	Wejcman
Macklin	Murphy	Orfield	Reding	Simoneau	Trimble	Wenzel
Mariani	Neary	Osthoff	Rest	Skoglund	Tunheim	Winter
McCollum	Nelson	Ostrom	Rhodes	Smith	Van Dellen	Wolf
McGuire	Ness	Ozment	Rice	Solberg	Vellenga	Worke
Milbert	Olson, E.	Pawlenty	Rodosovich	Stanius	Vickerman	Workman
Molnau	Olson, M.	Pelowski	Rukavina	Steensma	Wagenius	Spk. Anderson, I.
Morrison	Onnen	Perlt	Sarna	Sviggum	Waltman	

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

The Speaker resumed the Chair.

Koppendrayer, Gruenes and Haukoos moved to amend S. F. No. 103, the second unofficial engrossment, as amended, as follows:

Page 82, line 17, strike "or"

Page 82, line 18, after "(ii)" insert "50 percent of the real estate taxes and assessments or" and after "year" insert ", whichever is more,"

Page 82, line 19, after the semicolon, insert "or"

Page 82, after line 19, insert:

"(iii) 100 percent of the real estate taxes and assessments for premises constructed, acquired, or expanded, if the construction, acquisition, or expansion was started before August 1, 1990;"

A roll call was requested and properly seconded.

The question was taken on the Koppendrayer et al amendment and the roll was called. There were 55 yeas and 75 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Gruenes	Kelso	McCollum	Peterson	Waltman
Bauerly	Dauner	Hasskamp	Klinzing	Molnau	Rest	Weaver
Beard	Dehler	Haukoos	Koppendrayer	Munger	Smith	Wenzel
Bergson	Dempsey	Hugoson	Limmer	Nelson	Stanius	Winter
Bertram	Dorn	Jacobs	Lindner	Ness	Steensma	Wolf
Bettermann	Frerichs	Johnson, A.	Lourey	Opatz	Sviggum	Worke
Brown, C.	Girard	Johnson, R.	Lynch	Ozment	Swenson	Workman
Brown, K.	Goodno	Johnson, V.	Macklin	Perlt	Vickerman	

Those who voted in the negative were:

Abrams	Davids	Greenfield	Jennings	Krueger	Morrison	Orenstein
Asch	Dawkins	Greiling	Kahn	Lasley	Mosel	Orfield
Battaglia	Delmont	Gutknecht	Kalis	Leppik	Murphy	Osthoff
Bishop	Erhardt	Hausman	Kelley	Lieder	Neary	Ostrom
Carlson	Evans	Holsten	Kinkel	Long	Olson, E.	Pauly
Carruthers	Farrell	Huntley	Knickerbocker	Luther	Olson, K.	Pawlenty
Clark	Finseth	Jaros	Knight	Mariani	Olson, M.	Pelowski
Commers	Garcia	Jefferson	Krinkie	McGuire	Onnen	Reding

Rhodes	Sarna	Skoglund	Trimble	Wagenius
Rice	Seagren	Solberg	Tunheim	Wejcman
Rodosovich	Sekhon	Tomassoni	Van Dellen	Spk. Anderson, I.
Rukavina	Simoneau	Tompkins	Vellenga	

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

Knight moved to amend S. F. No. 103, the second unofficial engrossment, as amended, as follows:

Page 147, after line 19, insert:

"Sec. 3. [GAMBLING ADDICTION WARNING; POSTED NOTICE.]

The following written notice must be placed at every location where authorized gambling is conducted in this state: "WARNING: You may develop a compulsive gambling addiction by participating in the forms of gambling conducted here."

The notices required by this section must be placed so that they may be easily seen by participants.

This section applies to all forms of gambling conducted under Minnesota Statutes, chapters 240, 349, and 349A.

The appropriate state regulatory bodies shall ensure compliance with this section."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Sekhon was excused while in conference.

Olson, M.; Onnen and Waltman moved to amend S. F. No. 103, the second unofficial engrossment, as amended, as follows:

Page 149, line 16, after "MODEL" insert "AND STUDY"

Page 149, after line 16, insert:

"(a) The gambling control board and department of commerce shall conduct a joint study and poll of citizens of the state with a view to observing the history of gambling and studying its compulsive characteristics and socio-economic costs and benefits to determine the desirability of eliminating all forms of gambling in Minnesota through a constitutional amendment. For the purposes of this section, a sum sufficient is appropriated from those lottery proceeds allotted to the general fund under Minnesota Statutes, section 349A.10, subdivision 5. The study shall be submitted to each member of the legislature and the governor by February 1, 1995."

Page 149, line 17, before "The" insert "(b)" and delete "shall" and insert "may"

A roll call was requested and properly seconded.

The question was taken on the Olson, M., et al amendment and the roll was called. There were 23 yeas and 103 nays as follows:

Those who voted in the affirmative were:

Bettermann	Gutknecht	Lindner	Olson, M.	Perlt	Vickerman
Dehler	Holsten	Lynch	Onnen	Seagren	Waltman
Frerichs	Johnson, V.	McCollum	Ozment	Stanius	Workman
Gruenes	Koppendrayer	Molnau	Pawlenty	Swenson	

Those who voted in the negative were:

Abrams	Dauner	Haukoos	Knickerbocker	Mosel	Pugh	Tompkins
Anderson, R.	Davids	Hausman	Knight	Munger	Reding	Trimble
Asch	Dawkins	Hugoson	Krinkie	Murphy	Rest	Tunheim
Battaglia	Delmont	Huntley	Krueger	Nelson	Rhodes	Van Dellen
Bauerly	Dempsey	Jacobs	Lasley	Ness	Rice	Vellenga
Beard	Dorn	Jaros	Leppik	Olson, E.	Rodosovich	Wagenius
Bergson	Erhardt	Jefferson	Lieder	Olson, K.	Rukavina	Weaver
Bertram	Evans	Johnson, A.	Limmer	Opatz	Sarna	Wejcman
Brown, C.	Farrell	Johnson, R.	Long	Orenstein	Simoneau	Wenzel
Brown, K.	Finseth	Kahn	Lourey	Orfield	Skoglund	Winter
Carlson	Garcia	Kalis	Luther	Osthoff	Smith	Wolf
Carruthers	Girard	Kelley	Mariani	Ostrom	Solberg	Worke
Clark	Greenfield	Kelso	McGuire	Pauly	Steensma	Spk. Anderson, I.
Commers	Greiling	Kinkel	Milbert	Pelowski	Sviggum	
Cooper	Hasskamp	Klinzing	Morrison	Peterson	Tomassoni	

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

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.

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 16 nays as follows:

Those who voted in the affirmative were:

Abrams	Bettermann	Dawkins	Finseth	Haukoos	Johnson, R.	Knight
Anderson, R.	Bishop	Dehler	Frerichs	Holsten	Johnson, V.	Koppendrayer
Asch	Brown, C.	Delmont	Garcia	Hugoson	Kahn	Krinkie
Battaglia	Brown, K.	Dempsey	Girard	Huntley	Kelley	Krueger
Bauerly	Carlson	Dorn	Greiling	Jacobs	Kelso	Lasley
Beard	Carruthers	Erhardt	Gruenes	Jaros	Kinkel	Leppik
Bergson	Commers	Evans	Gutknecht	Jefferson	Klinzing	Lieder
Bertram	Cooper	Farrell	Hasskamp	Johnson, A.	Knickerbocker	Limmer

Lindner	Molnau	Olson, M.	Pelowski	Seagren	Trimble	Worke
Long	Morrison	Onnen	Perlt	Simoneau	Tunheim	Workman
Lourey	Mosel	Opatz	Peterson	Smith	Van Dellen	Spk. Anderson, I.
Lynch	Munger	Orfield	Pugh	Solberg	Vellenga	
Macklin	Murphy	Osthoff	Reding	Stanius	Vickerman	
Mariani	Neary	Ostrom	Rest	Sviggum	Waltman	
McCollum	Ness	Ozment	Rhodes	Swenson	Weaver	
McGuire	Olson, E.	Pauly	Rukavina	Tomassoni	Winter	
Milbert	Olson, K.	Pawlenty	Sarna	Tompkins	Wolf	

Those who voted in the negative were:

Clark	Goodno	Luther	Rice	Steensma	Wenzel
Dauner	Greenfield	Nelson	Rodosovich	Wagenius	
Davids	Kalis	Orenstein	Skoglund	Wejcman	

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.

SPECIAL ORDERS, Continued

H. F. No. 1809 was reported to the House.

Abrams, Skoglund, Orfield, Weaver, Wagenius, Farrell, Munger, Vellenga, Bishop, Mariani, Kahn, Jennings and Pugh moved to amend H. F. No. 1809, the second engrossment, as follows:

Page 1, line 13, after the comma, insert "subject to article one of this constitution and"

Page 1, line 25, after the comma, insert "subject to article one of this constitution and"

The motion prevailed and the amendment was adopted.

Skoglund moved that H. F. No. 1809, as amended, 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 preceding printed Special Orders for today:

H. F. No. 3230; and S. F. Nos. 1996 and 2858.

SPECIAL ORDERS, Continued

H. F. No. 3230 was reported to the House.

Lieder moved to amend H. F. No. 3230, the first engrossment, as follows:

Page 3, line 20, after "the" insert "state's portion of"

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

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 to amend H. F. No. 3230, the first engrossment, as amended, as follows:

Page 3, delete line 22, and insert "proceeds of motor fuel excise taxes, which will be indexed each year to the consumer price index and will increase initially by 4.4 cents per gallon if this constitutional amendment is adopted, and motor vehicle registration taxes"

A roll call was requested and properly seconded.

The question was taken on the Sviggum amendment and the roll was called. There were 40 yeas and 88 nays as follows:

Those who voted in the affirmative were:

Bettermann	Dehler	Finseth	Goodno	Haukoos	Knight	Leppik
Commers	Dempsey	Frerichs	Gruenes	Hugoson	Koppendrayer	Limmer
Davids	Erhardt	Girard	Gutknecht	Knickerbocker	Krinkie	Lindner

Lynch	Munger	Ozment	Sviggum	Wolf
Molnau	Ness	Rhodes	Tompkins	Worke
Morrison	Olson, M.	Smith	Vickerman	Workman
Mosel	Onnen	Stanius	Waltman	

Those who voted in the negative were:

Abrams	Clark	Holsten	Kinkel	Murphy	Perlt	Tomassoni
Anderson, R.	Cooper	Huntley	Klinzing	Neary	Peterson	Trimble
Asch	Dauner	Jacobs	Krueger	Nelson	Pugh	Tunheim
Battaglia	Dawkins	Jaros	Lasley	Olson, E.	Reding	Van Dellen
Bauerly	Delmont	Jefferson	Lieder	Olson, K.	Rice	Vellenga
Beard	Dorn	Jennings	Long	Opatz	Rodosovich	Wagenius
Bergson	Evans	Johnson, A.	Lourey	Orenstein	Sarna	Weaver
Bertram	Farrell	Johnson, R.	Luther	Orfield	Seagren	Wejcman
Bishop	Garcia	Johnson, V.	Macklin	Osthoff	Sekhon	Wenzel
Brown, C.	Greenfield	Kahn	Mariani	Ostrom	Skoglund	Winter
Brown, K.	Greiling	Kalis	McCollum	Pauly	Solberg	
Carlson	Hasskamp	Kelley	McGuire	Pawlenty	Steensma	
Carruthers	Hausman	Kelso	Milbert	Pelowski	Swenson	

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

Frerichs and Vickerman offered an amendment to H. F. No. 3230, the first engrossment, as amended.

POINT OF ORDER

Carruthers raised a point of order pursuant to rule 3.09 that the Frerichs and Vickerman amendment was not in order. The Speaker ruled the point of order well taken and the amendment out of order.

Frerichs 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.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 77 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Huntley	Krueger	Murphy	Pelowski	Solberg
Asch	Dauner	Jaros	Lieder	Neary	Perlt	Steensma
Battaglia	Delmont	Jefferson	Long	Nelson	Peterson	Tomassoni
Bauerly	Dorn	Jennings	Lourey	Olson, E.	Pugh	Trimble
Beard	Evans	Johnson, A.	Luther	Olson, K.	Reding	Tunheim
Bergson	Farrell	Johnson, R.	Mariani	Opatz	Rice	Vellenga
Bertram	Garcia	Kahn	McCollum	Orenstein	Rodosovich	Wagenius
Brown, C.	Greenfield	Kalis	McGuire	Orfield	Sarna	Wejcman
Carlson	Greiling	Kelley	Milbert	Osthoff	Sekhon	Wenzel
Carruthers	Hasskamp	Kelso	Mosel	Ostrom	Simoneau	Winter
Clark	Hausman	Kinkel	Munger	Pauly	Skoglund	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Dempsey	Haukoos	Lasley	Morrison	Smith	Waltman
Bettermann	Erhardt	Holsten	Leppik	Ness	Stanius	Weaver
Bishop	Finseth	Hugoson	Limmer	Olson, M.	Sviggum	Wolf
Brown, K.	Frerichs	Knickerbocker	Lindner	Onnen	Swenson	Worke
Commers	Girard	Knight	Lynch	Pawlenty	Tompkins	Workman
Davids	Gruenes	Koppendrayer	Macklin	Rhodes	Van Dellen	
Dehler	Gutknecht	Krinkie	Molnau	Seagren	Vickerman	

So it was the judgment of the House that the decision of the Speaker should stand.

Sviggum moved to amend H. F. No. 3230, the first engrossment, as amended, as follows:

Pages 1 and 2, delete section 1

Page 3, delete section 5

Renumber the sections in sequence

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 37 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Holsten	Leppik	Ness	Seagren	Wolf
Bettermann	Frerichs	Hugoson	Limmer	Olson, M.	Sviggum	
Bishop	Girard	Knickerbocker	Lindner	Onnen	Tompkins	
Commers	Gruenes	Knight	Lynch	Orenstein	Van Dellen	
Dehler	Gutknecht	Koppendrayer	Macklin	Pawlenty	Waltman	
Dempsey	Haukoos	Krinkie	Molnau	Rhodes	Weaver	

Those who voted in the negative were:

Anderson, R.	Dauner	Jacobs	Lasley	Neary	Pugh	Tomassoni
Asch	Davids	Jaros	Lieder	Nelson	Reding	Trimble
Battaglia	Delmont	Jefferson	Long	Olson, E.	Rice	Tunheim
Bauerly	Dorn	Jennings	Lourey	Olson, K.	Rodosovich	Vellenga
Beard	Evans	Johnson, A.	Luther	Opatz	Sarna	Vickerman
Bergson	Farrell	Johnson, R.	Mariani	Orfield	Sekhon	Wagenius
Bertram	Finseth	Johnson, V.	McCollum	Osthoff	Simoneau	Wejcman
Brown, C.	Garcia	Kahn	McGuire	Ostrom	Skoglund	Wenzel
Brown, K.	Greenfield	Kalis	Milbert	Ozment	Smith	Winter
Carlson	Greiling	Kelley	Morrison	Pauly	Solberg	Worke
Carruthers	Hasskamp	Kelso	Mosel	Pelowski	Stanius	Workman
Clark	Hausman	Kinkel	Munger	Perlt	Steensma	Spk. Anderson, I.
Cooper	Huntley	Krueger	Murphy	Peterson	Swenson	

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

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, subdivision 1.

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

The question was taken on the passage of the bill and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 83 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Jacobs	Krueger	Neary	Perlt	Swenson
Battaglia	Davids	Jaros	Lieder	Nelson	Peterson	Tomassoni
Bauerly	Delmont	Jefferson	Long	Olson, E.	Pugh	Trimble
Beard	Dorn	Jennings	Lourey	Olson, K.	Reding	Tunheim
Bergson	Evans	Johnson, A.	Luther	Opatz	Rice	Vellenga
Bertram	Farrell	Johnson, R.	Mariani	Orenstein	Rodosovich	Vickerman
Brown, C.	Garcia	Johnson, V.	McCollum	Orfield	Sarna	Wagenius
Brown, K.	Greenfield	Kahn	McGuire	Osthoff	Sekhon	Wejcman
Carlson	Greiling	Kalis	Milbert	Ostrom	Simoneau	Wenzel
Carruthers	Hasskamp	Kelley	Morrison	Ozment	Skoglund	Winter
Clark	Hausman	Kelso	Mosel	Pauly	Solberg	Spk. Anderson, I.
Cooper	Huntley	Kinkel	Munger	Pelowski	Steensma	

Those who voted in the negative were:

Abrams	Erhardt	Holsten	Leppik	Ness	Stanius	Worke
Asch	Finseth	Hugoson	Limmer	Olson, M.	Sviggum	Workman
Bettermann	Frerichs	Knickerbocker	Lindner	Onnen	Tompkins	
Bishop	Girard	Knight	Lynch	Pawlenty	Van Dellen	
Commers	Gruenes	Koppendrayer	Macklin	Rhodes	Waltman	
Dehler	Gutknecht	Krinkie	Molnau	Seagren	Weaver	
Dempsey	Haukoos	Lasley	Murphy	Smith	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. 2742, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; authorizing assessments for debt service; reducing certain earlier project authorizations and

appropriations; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.85, subdivision 1; 85.015, subdivision 4; 136.651; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; Laws 1993, chapter 373, sections 18; and 25, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 124C; 134; 135A; and 241.

Reported the same back with the following amendments:

Page 17, delete line 33

Page 17, line 34, delete "remodeling" and insert "To remodel and expand the campus"

Page 20, line 32, delete "43,580,000" and insert "68,580,000"

Page 21, after line 48, insert:

"Subd. 7. Transit Capital Improvements 15,000,000

To the commissioner of transportation for a grant to the metropolitan transit commission to acquire, construct and improve land, buildings, and related improvements for transit purposes. None of this appropriation can be used for light rail transit.

Subd. 8. State Road Construction 10,000,000

This appropriation is for state road construction. This appropriation is added to the appropriation for state road construction in fiscal year 1995 in Laws 1993, chapter 266, section 2, subdivision 7."

Renumber succeeding subdivisions

Page 35, line 44, delete "$406,163,000" and insert "$431,163,000"

Page 42, after line 3, insert:

"Sec. 44. [116J.558] [EFFECT OF ISSUANCE OF GRANTS.]

The issuance of a contamination cleanup grant under sections 116J.551 to 116J.557 has no effect on the responsibility or the liability of the state, under chapter 115B or any other law, in relation to the contamination at a site or sites for which the grant is issued. The issuance of a grant neither implies any state responsibility for the contamination nor imposes any obligation on the state to participate in the cleanup of the contamination or in the cleanup costs beyond the amount of the grant."

Correct appropriations total

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 15, after the second semicolon, insert "116J;"

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. 2929, A bill for an act relating to education; providing assistance to school districts by permitting the waiver of certain rules and statutes in response to a catastrophe; appropriating money for payment to independent school district No. 191, Burnsville; amending Minnesota Statutes 1992, section 121.11, 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 124.242, is amended to read:

124.242 [BUILDING BONDS FOR CALAMITIES.]

Subdivision 1. [BONDS.] When a building owned by a school district is substantially damaged by an act of God or other means beyond the control of the district, the district may issue general obligation bonds without an election to provide money immediately to carry out its adopted health and safety program. Each year the district must pledge an attributable share of its health and safety revenue to the repayment of principal and interest on the bonds. The pledged revenue shall be transferred to the debt redemption fund of the district. The district shall submit to the department of education the repayment schedule for any bonds issued under this section. The district shall deposit in the debt redemption fund all proceeds received for specific costs for which the bonds were issued, including but not limited to:

(1) insurance proceeds;

(2) restitution proceeds; and

(3) proceeds of litigation or settlement of a lawsuit.

Before bonds are issued, the district must submit a combined application to the commissioner of education for health and safety revenue, according to section 124.83, and requesting review and comment, according to section 121.15, subdivisions 6, 7, 8, and 9. The commissioner shall complete all procedures concerning the combined application within 20 days of receiving the application. The publication provisions of section 121.15, subdivision 9, do not apply to bonds issued under this section.

Subd. 2. [HEALTH AND SAFETY REVENUE.] For any fiscal year where the total amount of health and safety revenue is limited, the commissioner of education shall award highest priority to health and safety revenue pledged to repay building bonds issued under subdivision 1.

Sec. 2. 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 requests for health and safety revenue to address calamaties. 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. 3. [WAIVER OF RULES AND STATUTES.]

Upon approval of the commissioner of education, for the 1993-1994 school year only, independent school district No. 191, Burnsville, may provide a shorter school day than required by Minnesota Rules, part 3500.1200, and may offer fewer instructional days and maintain school for fewer required days than specified by Minnesota Statutes, sections 120.101, subdivision 5b, and 124.19, and is not subject to a general education aid reduction.

Sec. 4. [BUDGET RESERVE.]

Notwithstanding Minnesota Statutes, section 16A.152, subdivision 1, the amount of the budget reserve and cash flow account established in that subdivision, and as amended by any bill passed in 1994, is reduced by $400,000 to fund the appropriation in this act.

Sec. 5. [APPROPRIATIONS.]

$400,000 is appropriated from the general fund to the commissioner of education in fiscal year 1995 to make a grant to independent school district No. 191, Burnsville.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 5 are effective the day following final enactment."

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.

SECOND READING OF HOUSE BILLS

H. F. No. 2742 was read for the second time.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce the adoption by the Senate of the following Senate Concurrent Resolution, herewith transmitted:

Senate Concurrent Resolution No. 7, A senate concurrent resolution relating to the delivery of bills to the governor after final adjournment.

PATRICK E. FLAHAVEN, Secretary of the Senate

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

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

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 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. 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 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. 2074, A bill for an act relating to crime prevention; juvenile justice; providing for adult court jurisdiction over juveniles alleged to have committed first degree murder or first degree criminal sexual conduct after age 16; providing for presumptive certification to adult court for juveniles alleged to have committed other prison-level felonies; authorizing the court or the prosecutor to designate a juvenile a serious youthful offender; authorizing adult felony sentences for serious youthful offenders; extending juvenile court jurisdiction to age 23; limiting certification to adult court to felony offenses; extending a right to jury trial to serious youthful offenders; requiring that a juvenile have an in-person consultation with counsel before waiving right to counsel; requiring appointment of counsel or standby counsel for juveniles charged with gross misdemeanors or felonies or when out-of-home delinquency placement is proposed; providing for adult court jurisdiction over juveniles alleged to have committed nonfelony-level traffic offenses after age 16; authorizing the juvenile court to require parents to attend delinquency hearings; providing for the sharing of certain data collected or maintained on juveniles; requiring county attorneys to establish juvenile diversion programs; providing mandatory minimum sentences for drive-by shooting crimes; expanding the crime relating to the possession of dangerous weapons on school property; increasing penalties for certain firearms offenses involving youth; establishing a task force on juvenile justice programming evaluation and planning; requiring that the department of corrections provide programming for serious and repeat juvenile offenders; appropriating money; amending Minnesota Statutes 1992, sections 13.99, subdivision 79; 242.31, subdivision 1; 242.32; 260.015, subdivision

5; 260.111, by adding a subdivision; 260.115, subdivision 1; 260.121, subdivision 3; 260.125; 260.131, by adding a subdivision; 260.132; 260.155, subdivision 2, and by adding a subdivision; 260.161, subdivisions 1a, 2, and by adding a subdivision; 260.181, subdivision 4; 260.185, subdivision 3; 260.193, subdivisions 1, 3, 4, 6, and by adding a subdivision; 260.211, subdivision 1; 260.215, subdivision 1; 260.291; 268.31; 609.055, subdivision 2; 611.15; 611.19; 611.25, subdivision 1; 611A.02, by adding a subdivision; and 611A.77, subdivision 1; Minnesota Statutes 1993 Supplement, sections 13.46, subdivision 2; 144.651, subdivisions 2, 21, and 26; 253B.03, subdivisions 3 and 4; 260.155, subdivision 1; 260.161, subdivisions 1 and 3; 299A.35, subdivisions 1 and 2; 299C.65, subdivision 1; 401.065, subdivision 1, and by adding a subdivision; 609.11, subdivision 9; 609.66, subdivision 1d; 624.713, subdivision 1; 624.7132, subdivision 15; and 624.7181, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 260; 299A; 388; and 609; repealing Minnesota Statutes 1992, section 260.125, subdivision 3.

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. 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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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 Senate has appointed as such committee:

Messrs. Hottinger, Betzold and Benson, D. D.

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. 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 Senate has appointed as such committee:

Ms. Krentz, Mr. Betzold and Ms. Runbeck.

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. 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 Senate has appointed as such committee:

Messrs. Price, Dille and Morse.

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. 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 Senate has appointed as such committee:

Messrs. Morse; Mondale; Merriam; Ms. Johnson, J. B.; and Mr. Frederickson.

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

Messrs. Berg, Vickerman, Dille, Bertram and Ms. Reichgott Junge.

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

Winter 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. 1948. 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. 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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Mr. Bertram, Ms. Hanson, Messrs. Morse, Langseth 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

Wenzel 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. 2168. 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. 1948:

Winter; Wenzel; Peterson; Brown, C., and Hugoson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2168:

Wenzel; Olson, K.; Peterson; Steensma and Johnson, V.

MOTIONS AND RESOLUTIONS

Bergson 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 28, 1994, when the vote was taken on the Osthoff amendment to S. F. No. 2015, the second unofficial engrossment, as amended." 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 negative on Thursday, April 28, 1994, when the vote was taken on the Rhodes amendment to the Kelso amendment to S. F. No. 2015, the second unofficial engrossment, as amended." The motion prevailed.

Asch 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 28, 1994, when the vote was taken on the repassage of S. F. No. 2104, as amended by Conference." The motion prevailed.

McCollum 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 28, 1994, when the vote was taken on the repassage of S. F. No. 2104, as amended by Conference." 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 affirmative on Thursday, April 28, 1994, when the vote was taken on the repassage of S. F. No. 2104, as amended by Conference." 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 Thursday, April 28, 1994, when the vote was taken on the repassage of S. F. No. 2709, as amended by Conference." 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 affirmative on Thursday, April 28, 1994, when the vote was taken on the repassage of S. F. No. 2709, as amended by Conference." The motion prevailed.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 9:30 a.m., Monday, May 2, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:30 a.m., Monday, May 2, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

ONE HUNDRED-SECOND DAY

SAINT PAUL, MINNESOTA, MONDAY, MAY 2, 1994

The House of Representatives convened at 9:30 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 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	Hausman	Koppendrayer	Morrison	Peterson	Tompkins
Anderson, R.	Dehler	Holsten	Krinkie	Mosel	Pugh	Trimble
Asch	Delmont	Hugoson	Krueger	Munger	Reding	Tunheim
Battaglia	Dempsey	Huntley	Lasley	Neary	Rest	Van Dellen
Bauerly	Dorn	Jacobs	Leppik	Nelson	Rhodes	Van Engen
Beard	Erhardt	Jaros	Lieder	Ness	Rice	Vellenga
Bergson	Evans	Jefferson	Limmer	Olson, E.	Rodosovich	Vickerman
Bertram	Farrell	Jennings	Lindner	Olson, K.	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	Ostrom	Smith	Wolf
Clark	Greiling	Kelso	Mariani	Ozment	Solberg	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	

A quorum was present.

Murphy was excused until 10:10 a.m. Stanius was excused until 11:30 a.m. Osthoff was excused until 11:50 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Molnau 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 28, 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. 2013, relating to public employment; correcting unintended omissions from previous early retirement legislation; ratifying certain prior payments.

H. F. No. 2882, relating to motor carriers; exempt carriers; providing an exemption for transportation of potatoes.

H. F. No. 423, relating to health; clean indoor air act; adding common areas of apartments to public places where smoking is prohibited.

H. F. No. 664, relating to education; modifying the teacher retirement program to provide an incentive for experienced teachers to participate in job sharing.

H. F. No. 1901, 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.

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*
2095		516	10:00 a.m. April 28	April 28
2118		517	10:01 a.m. April 28	April 28
	2013	518	10:16 a.m. April 28	April 28
	2882	519	10:17 a.m. April 28	April 28
	423	520	10:22 a.m. April 28	April 28
	664	521	10:07 a.m. April 28	April 28
	1901	522	10:18 a.m. April 28	April 28

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 28, 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. 1921, relating to retirement; increasing employee contribution rates and benefit computation formulas for the teachers retirement fund.

H. F. No. 3120, relating to military affairs; expediting payment to forces ordered to active duty.

H. F. No. 2551, 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, relating to public finance; changing procedures for allocating bonding authority.

H. F. No. 2405, 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.

H. F. No. 2675, relating to state lands; authorizing the sale of certain tax-forfeited lands that border public water in Aitkin county.

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

H. F. No. 3136, relating to attorneys-at-law; prohibiting fees for public bond counsel from being based primarily on the amount of bonds sold.

H. F. No. 2143, relating to telecommunications; regulating competitive telephone services and incentive plans; extending expiration dates and making technical changes for certain regulatory provisions.

H. F. No. 2680, relating to charitable organizations; changing definitions; modifying registration requirements.

H. F. No. 2508, 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.

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*
2467		523	10:15 a.m. April 28	April 28
	1921	524	10:10 a.m. April 28	April 28
	3120	525	10:20 a.m. April 28	April 28
	2551	526	12:17 p.m. April 28	April 28
	3122	527	2:25 p.m. April 28	April 28
	2405	528	2:25 p.m. April 28	April 28
1930		529	2:32 p.m. April 28	April 28
	2675	530	2:27 p.m. April 28	April 28
	2054	531	2:27 p.m. April 28	April 28
	3136	533	2:29 p.m. April 28	April 28
	2143	534	2:30 p.m. April 28	April 28
	2680	535	2:20 p.m. April 28	April 28
	2508	536	2:22 p.m. April 28	April 28

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

The Speaker called Bauerly to the Chair.

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rukavina moved that the House concur in the Senate amendments to H. F. No. 3079 and that the bill be repassed as amended by the Senate. 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; appropriating 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, 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 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dauner Perlt

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. 2623, A bill for an act relating to state lands; authorizing sale of certain tax-forfeited land that borders public water in Itasca county.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Anderson, I., moved that the House concur in the Senate amendments to H. F. No. 2623 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2623, A bill for an act relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Itasca county; authorizing conveyance of state land to the city of Walker and to the Leech Lake Band of Chippewa Indians; authorizing an exchange of state land for land owned by the city of Bemidji; authorizing private sales of certain lands in St. Louis county; amending Laws 1992, chapter 370, section 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	Dehler	Holsten	Krinkie	Mosel	Pugh	Tunheim
Anderson, R.	Delmont	Hugoson	Krueger	Munger	Reding	Van Dellen
Asch	Dempsey	Huntley	Lasley	Neary	Rest	Van Engen
Battaglia	Dorn	Jacobs	Leppik	Nelson	Rhodes	Vickerman
Bauerly	Erhardt	Jaros	Lieder	Ness	Rice	Wagenius
Beard	Evans	Jefferson	Limmer	Olson, E.	Rodosovich	Waltman
Bergson	Farrell	Jennings	Lindner	Olson, K.	Rukavina	Weaver
Bertram	Finseth	Johnson, A.	Long	Olson, M.	Sarna	Wejcman
Bettermann	Frerichs	Johnson, R.	Lourey	Onnen	Seagren	Wenzel
Brown, C.	Garcia	Johnson, V.	Luther	Opatz	Sekhon	Winter
Brown, K.	Girard	Kahn	Lynch	Orenstein	Simoneau	Wolf
Carlson	Goodno	Kalis	Macklin	Orfield	Skoglund	Worke
Carruthers	Greenfield	Kelley	Mahon	Ostrom	Smith	Workman
Clark	Greiling	Kelso	Mariani	Ozment	Solberg	Spk. Anderson, I.
Commers	Gruenes	Kinkel	McCollum	Pauly	Steensma	
Cooper	Gutknecht	Klinzing	McGuire	Pawlenty	Sviggum	
Dauner	Hasskamp	Knickerbocker	Milbert	Pelowski	Swenson	
Davids	Haukoos	Knight	Molnau	Perlt	Tomassoni	
Dawkins	Hausman	Koppendrayer	Morrison	Peterson	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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 2234 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, 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	Mosel	Reding	Tunheim
Anderson, R.	Delmont	Hugoson	Krueger	Munger	Rest	Van Dellen
Asch	Dempsey	Huntley	Lasley	Neary	Rhodes	Van Engen
Battaglia	Dorn	Jacobs	Leppik	Nelson	Rice	Vickerman
Bauerly	Erhardt	Jaros	Lieder	Ness	Rodosovich	Wagenius
Beard	Evans	Jefferson	Limmer	Olson, E.	Rukavina	Waltman
Bergson	Farrell	Jennings	Lindner	Olson, K.	Sarna	Weaver
Bertram	Finseth	Johnson, A.	Long	Olson, M.	Seagren	Wejcman
Bettermann	Frerichs	Johnson, R.	Lourey	Onnen	Sekhon	Wenzel
Brown, C.	Garcia	Johnson, V.	Luther	Opatz	Simoneau	Winter
Brown, K.	Girard	Kahn	Lynch	Orenstein	Skoglund	Wolf
Carlson	Goodno	Kalis	Macklin	Orfield	Smith	Worke
Carruthers	Greenfield	Kelley	Mahon	Ostrom	Solberg	Workman
Clark	Greiling	Kelso	Mariani	Ozment	Steensma	Spk. Anderson, I.
Commers	Gruenes	Kinkel	McCollum	Pauly	Sviggum	
Cooper	Gutknecht	Klinzing	McGuire	Pawlenty	Swenson	
Dauner	Hasskamp	Knickerbocker	Milbert	Pelowski	Tomassoni	
Davids	Haukoos	Knight	Molnau	Perlt	Tompkins	
Dawkins	Hausman	Koppendrayer	Morrison	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. 2567, A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Pauly moved that the House concur in the Senate amendments to H. F. No. 2567 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2567, A bill for an act relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

The bill was read for the third time, 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	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.	Davids	Evans	Greenfield	Holsten	Johnson, A.
Bauerly	Carlson	Dawkins	Farrell	Greiling	Hugoson	Johnson, R.
Beard	Carruthers	Dehler	Finseth	Gruenes	Huntley	Johnson, V.
Bergson	Clark	Delmont	Frerichs	Gutknecht	Jacobs	Kahn

Kalis	Lieder	Milbert	Opatz	Rhodes	Sviggum	Wejcman
Kelley	Limmer	Molnau	Orenstein	Rice	Swenson	Wenzel
Kelso	Lindner	Morrison	Ostrom	Rodosovich	Tomassoni	Winter
Kinkel	Long	Mosel	Ozment	Rukavina	Tompkins	Wolf
Klinzing	Lourey	Munger	Pauly	Sarna	Trimble	Worke
Knickerbocker	Luther	Neary	Pawlenty	Seagren	Tunheim	Workman
Knight	Lynch	Nelson	Pelowski	Sekhon	Van Dellen	Spk. Anderson, I.
Koppendrayer	Macklin	Ness	Perlt	Simoneau	Van Engen	
Krinkie	Mahon	Olson, E.	Peterson	Skoglund	Vickerman	
Krueger	Mariani	Olson, K.	Pugh	Smith	Wagenius	
Lasley	McCollum	Olson, M.	Reding	Solberg	Waltman	
Leppik	McGuire	Onnen	Rest	Steensma	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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Ozment moved that the House concur in the Senate amendments to H. F. No. 2894 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, 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	Dehler	Holsten	Krinkie	Munger	Reding	Tunheim
Anderson, R.	Delmont	Hugoson	Krueger	Neary	Rest	Van Dellen
Asch	Dempsey	Huntley	Lasley	Nelson	Rhodes	Van Engen
Battaglia	Dorn	Jacobs	Leppik	Ness	Rice	Vellenga
Bauerly	Erhardt	Jaros	Limmer	Olson, E.	Rodosovich	Vickerman
Beard	Evans	Jefferson	Lindner	Olson, K.	Rukavina	Wagenius
Bergson	Farrell	Jennings	Long	Olson, M.	Sarna	Waltman
Bertram	Finseth	Johnson, A.	Lourey	Onnen	Seagren	Weaver
Bettermann	Frerichs	Johnson, R.	Luther	Opatz	Sekhon	Wejcman
Brown, C.	Garcia	Johnson, V.	Lynch	Orenstein	Simoneau	Wenzel
Brown, K.	Girard	Kahn	Macklin	Orfield	Skoglund	Winter
Carlson	Goodno	Kalis	Mahon	Ostrom	Smith	Wolf
Carruthers	Greenfield	Kelley	Mariani	Ozment	Solberg	Worke
Clark	Greiling	Kelso	McCollum	Pauly	Steensma	Workman
Commers	Gruenes	Kinkel	McGuire	Pawlenty	Sviggum	Spk. Anderson, I.
Cooper	Gutknecht	Klinzing	Milbert	Pelowski	Swenson	
Dauner	Hasskamp	Knickerbocker	Molnau	Perlt	Tomassoni	
Davids	Haukoos	Knight	Morrison	Peterson	Tompkins	
Dawkins	Hausman	Koppendrayer	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. 1915, A bill for an act relating to employment; establishing a disaster volunteer leave program in the state civil service; proposing coding for new law in Minnesota Statutes, chapter 43A.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Weaver moved that the House concur in the Senate amendments to H. F. No. 1915 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1915, A bill for an act relating to employment; establishing a disaster volunteer leave program in the state civil service; amending Minnesota Statutes 1992, section 176.011, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 43A.

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

The question was taken on the repassage of the bill and the roll was called. There were 122 yeas and 8 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dauner	Goodno	Haukoos	Olson, M.
Dehler	Gruenes	Krinkie	Workman

The bill was repassed, as amended by the Senate, 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. 2009.

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. 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.

April 27, 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. 2009, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment

We request adoption of this report and repassage of the bill.

Senate Conferees: ROY W. TERWILLIGER, JAMES P. METZEN AND TRACY L. BECKMAN.

House Conferees: MARK OLSON, STEPHANIE KLINZING AND CAROL MOLNAU.

Olson, M., moved that the report of the Conference Committee on S. F. No. 2009 be adopted and that the bill be repassed as amended by the Conference Committee. 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, 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 10 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dauner	Greenfield	Kahn	McCollum	Rice
Evans	Hausman	Kelso	Olson, K.	Vellenga

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. 1788.

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. 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.

April 26, 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. 1788, 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. 1788 be further amended as follows:

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 1992, section 115A.072, subdivision 4, is amended to read:

Subd. 4. [EDUCATION, PROMOTION, AND PROCUREMENT.] The office shall include waste reduction and reuse, including packaging reduction and reuse, as an element of its program of public education on waste management required under this section. The waste reduction and reuse education program must include dissemination of information and may include an award program for model waste reduction and reuse efforts. Waste reduction and reuse educational efforts must also include provision of information about and promotion of the model procurement program developed by the commissioner of administration under section 115A.15, subdivision 7, or any other model procurement program that results in significant waste reduction and reuse.

Sec. 5. 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 commitment of at least ten years, or of sufficient length to retire bonds sold for the facility, 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. 6. Minnesota Statutes 1992, section 115A.5501, subdivision 1, is amended to read:

Subdivision 1. [STATEWIDE WASTE PACKAGING REDUCTION GOAL.] It is the goal of the state that there be a minimum 25 percent statewide per capita reduction in the amount of discarded packaging delivered to ~~solid waste composting, incineration, refuse-derived fuel and disposal~~ facilities by December 31, 1995, based on a reasonable estimate of the amount of packaging that was delivered to ~~solid waste composting, incineration, and disposal~~ facilities in calendar year 1992.

Sec. 7. 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 and the chair of the metropolitan council, in consultation with the director, 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 by March 1 of each year. The commissioner 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. The 1994 report must include a discussion of the reliability of data gathered under this subdivision and the methodology used to determine a statistically reliable margin of error.

Sec. 8. Minnesota Statutes 1993 Supplement, section 115A.5501, subdivision 3, is amended to read:

Subd. 3. [FACILITY COOPERATION AND REPORTS.] The owner or operator of a ~~solid waste composting, incineration, refuse-derived fuel or disposal~~ facility shall allow access upon reasonable notice to authorized office, agency, or metropolitan council staff for the purpose of conducting waste composition studies or otherwise assessing the amount of total packaging in the waste delivered to the facility under this section.

Beginning in 1993, by February 1 of each year the owner or operator of a facility governed by this subdivision shall submit a report to the commissioner, on a form prescribed by the commissioner, specifying the total amount of solid waste received by the facility between January 1 and December 31 of the previous year. The commissioner shall calculate the total amount of solid waste delivered to solid waste facilities from the reports received from the facility owners or operators and shall report the aggregate amount to the director by April 1 of each year. The commissioner shall assess a nonforgivable administrative penalty under section 116.072 of $500 plus any forgivable amount necessary to enforce this subdivision on any owner or operator who fails to submit a report required by this subdivision.

Sec. 9. Minnesota Statutes 1992, section 115A.5501, is amended by adding a subdivision to read:

Subd. 5. [RECOMMENDATIONS FOR FURTHER REDUCTION GOALS.] If the goal in subdivision 1 is met, the director shall include in the report required in subdivision 4 recommendations for appropriate goals for further reducing the amount of discarded packaging delivered to facilities. The report must include an analysis of the costs of further reductions.

Sec. 10. Minnesota Statutes 1992, section 115A.5501, is amended by adding a subdivision to read:

Subd. 6. [DEFINITION.] For the purposes of this section, "facility" means a composting, incineration, refuse-derived fuel, or disposal facility that accepts mixed municipal solid waste or construction waste.

Sec. 11. [115A.5502] [PACKAGING PRACTICES; PREFERENCES; GOALS.]

Packaging forms a substantial portion of solid waste and contributes to environmental degradation and the costs of managing solid waste. It is imperative to reduce the amount and toxicity of packaging that must be managed as solid waste. In order to achieve significant reduction of packaging in solid waste and to assist packagers and others to meet the packaging reduction goal in section 115A.5501, the goal of the state is that items be distributed without any packaging where feasible and, only when necessary to protect health and safety or product integrity, with the minimal amount of packaging possible. The following categories of packaging are listed in order of preference for use by all persons who find it necessary to package items for distribution or use in the state:

(1) minimal packaging that contains no intentionally introduced toxic materials and that is designed to be and actually is reused for its original purpose at least five times;

(2) minimal packaging that contains no intentionally introduced toxic materials, that is recyclable, and is regularly collected through recycling collection programs available to at least 75 percent of the residents of the state;

(3) minimal packaging that does not comply with clauses (1) and (2) because it is required under federal or state law and for which there does not exist a commercially feasible alternative that does comply with clauses (1) and (2);

(4) packaging that contains no intentionally introduced toxic materials but does not comply with clauses (1) to (3); and

(5) all other packaging.

Sec. 12. 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. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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 organization.

Sec. 18. 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 organization.

Sec. 19. 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 other than a recycling facility or a household hazardous waste collection 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. 20. 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. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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 at least three price categories for collection of household mixed municipal solid waste to include, 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;

(3) is located in a county that has exceeded the recycling goals in section 115A.551; and

(4) generates, by all waste generators in the city, an amount of mixed municipal solid waste that is managed by incineration, production of refuse-derived fuel, mixed municipal solid waste composting, or disposal that is no greater, in proportion to the total amount of waste managed as listed above by all waste generators in the county in which the city is located, than it was for calendar year 1993.

Sec. 26. 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 recycling or transfer to a recycler, unless the director determines that no other person is willing to accept the recyclable materials.

Sec. 27. 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. 28. 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. 29. 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. 30. Minnesota Statutes 1993 Supplement, section 115A.9651, is amended to read:

115A.9651 [TOXICS IN SPECIFIED PRODUCTS; ENFORCEMENT.]

Subdivision 1. [PROHIBITION.] ~~After July 1, 1994,~~ (a) No person may ~~deliberately introduce lead, cadmium, mercury, or hexavalent chromium into~~ distribute for sale or use in this state any ink, dye, pigment, paint, or fungicide ~~that is intended for use or for sale in this state~~ manufactured after September 1, 1994, into which lead, cadmium, mercury, or hexavalent chromium has been intentionally introduced.

~~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 chromine 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 concentration of a listed metal in an item listed in paragraph (a) may not exceed 100 parts per million.

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 August 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) By September 1, 1994, 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 only if the manufacturer fails to submit an exemption request 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 seek alternatives to 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. 31. 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. 32. 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. 33. [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. 34. 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.

Sec. 35. [116.735] [APPLIANCE RECYCLERS AND SERVICERS; TRAINING AND CERTIFICATION.]

The agency shall develop standards of competence for persons who service or recycle appliances that may contain CFCs and the commissioner may conduct training programs for persons who service or recycle appliances. A person engaged in the business of recycling appliances as described in section 115A.9561, subdivision 2, shall, and a person who services appliances may, obtain from the commissioner a certificate of competence or equivalent federal certification that has been approved by the commissioner.

The agency may adopt rules to implement this section.

Sec. 36. 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. 37. 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.

~~(d)~~ (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.

~~(e)~~ (f) A management plan must be updated at least once every two years.

Sec. 38. 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. 39. 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. If an agency permit is required for a solid waste service, a contract entered into under this subdivision is not binding until the permit is issued.

Sec. 40. 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. 41. 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. 42. 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. 43. 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. 44. [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. 45. 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. 46. 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. 47. 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. 48. 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. 49. 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 unprocessible 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 unprocessible 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. 50. Minnesota Statutes 1992, section 473.848, subdivision 5, is amended to read:

Subd. 5. [DEFINITION.] 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 weight of the waste remaining that must be disposed of in a mixed municipal solid waste disposal facility is not more than 35 percent of the weight before processing, on an annual average.

Sec. 51. [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. 52. [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. 53. [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. 54. [ADDITION TO FEE REPORT.]

The director of the office of waste management shall include in the solid waste fee report due December 1, 1994, required under Laws 1993, chapter 172, section 92, an analysis of the advantages and disadvantages of expanding the authority of counties, under Minnesota Statutes, section 115A.919, to also authorize fees on waste delivered to transfer stations, incinerator ash disposal facilities, and industrial waste disposal facilities. This portion of the report must discuss at least:

(1) arguments for and against expansion of the fees;

(2) if expansion may be appropriate, whether expanded fee authority should be limited to the metropolitan area or should be applied statewide;

(3) if expansion may be appropriate, whether the legislature should set the amount of the fees, place a maximum amount on fees in statute, or allow counties to determine the amount of the fees;

(4) if expansion may be appropriate, how revenue from the fees should be used, how to avoid fees being paid for the same waste more than once and how to structure fees to have a minimal effect on cooperative agreements between counties governing waste management; and

(5) how expanding or not expanding application of the fees will affect competition between similar types of facilities and will affect whether waste is managed in the most environmentally sound manner.

Sec. 55. [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. 56. [APPLICATION.]

Sections 40 to 50 apply in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Sec. 57. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 115A.542, is repealed effective July 1, 1995.

Sec. 58. [EFFECTIVE DATE.]

Section 2 is effective July 1, 1980.

Sections 30, 38, and 55 are effective the day following final enactment.

Section 48 is effective June 1, 1994.

Section 35 is effective January 1, 1995."

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; 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; authorizing the issuance of field citations; prohibiting the venting of CFCs; 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; modifying requirements for county service contracts; 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; expanding the restriction on disposal of unprocessed waste from the metropolitan area; requiring reports; providing penalties and remedies; amending Minnesota Statutes 1992, sections 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, 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; 116.731, by adding a subdivision; 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.5501, subdivision 3; 115A.916; 115A.929; 115A.9651; 115A.981, subdivision 3; 116.79, subdivision 1; 400.04, subdivision 4; 473.149, subdivision 6; and 473.846; proposing coding for new law in Minnesota Statutes, chapters 115A; 116; and 473; repealing Minnesota Statutes 1993 Supplement, section 115A.542."

We request adoption of this report and repassage of the bill.

Senate Conferees: JANET B. JOHNSON, DEANNA WIENER, KEVIN M. CHANDLER, TED A. MONDALE AND DAN STEVENS.

House Conferees: JEAN WAGENIUS, BETTY MCCOLLUM, KATHLEEN SEKHON, SIDNEY PAULY AND DENNIS OZMENT.

Wagenius moved that the report of the Conference Committee on S. F. No. 1788 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Goodno	Johnson, R.	Lieder	Mosel	Pauly
Anderson, R.	Dauner	Greenfield	Johnson, V.	Limmer	Munger	Pawlenty
Asch	Davids	Greiling	Kahn	Lindner	Murphy	Pelowski
Battaglia	Dawkins	Gutknecht	Kalis	Long	Neary	Perlt
Bauerly	Dehler	Hasskamp	Kelley	Lourey	Nelson	Peterson
Beard	Delmont	Haukoos	Kelso	Luther	Ness	Pugh
Bergson	Dempsey	Hausman	Kinkel	Lynch	Olson, E.	Reding
Bertram	Dorn	Holsten	Klinzing	Macklin	Olson, K.	Rest
Bettermann	Erhardt	Hugoson	Knickerbocker	Mahon	Olson, M.	Rhodes
Brown, C.	Evans	Huntley	Knight	Mariani	Onnen	Rice
Brown, K.	Farrell	Jacobs	Koppendrayer	McCollum	Opatz	Rodosovich
Carlson	Finseth	Jaros	Krinkie	McGuire	Orenstein	Rukavina
Carruthers	Frerichs	Jefferson	Krueger	Milbert	Orfield	Sarna
Clark	Garcia	Jennings	Lasley	Molnau	Ostrom	Seagren
Commers	Girard	Johnson, A.	Leppik	Morrison	Ozment	Sekhon

Simoneau	Steensma	Tompkins	Van Engen	Waltman	Winter	Spk. Anderson, I.
Skoglund	Sviggum	Trimble	Vellenga	Weaver	Wolf	
Smith	Swenson	Tunheim	Vickerman	Wejcman	Worke	
Solberg	Tomassoni	Van Dellen	Wagenius	Wenzel	Workman	

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

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 28, 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 and that H. F. No. 2411 be further amended as follows:

Page 1, delete lines 21 to 25

We request adoption of this report and repassage of the bill.

House Conferees: LOREN A. SOLBERG, BOB JOHNSON AND DAVE BISHOP.

Senate Conferees: BOB LESSARD, PHIL J. RIVENESS AND DENNIS R. FREDERICKSON.

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 127 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Brown, K.	Cooper	Delmont	Farrell	Goodno
Anderson, R.	Bergson	Carlson	Dauner	Dempsey	Finseth	Greenfield
Asch	Bertram	Carruthers	Davids	Dorn	Frerichs	Greiling
Battaglia	Bettermann	Clark	Dawkins	Erhardt	Garcia	Gruenes
Bauerly	Brown, C.	Commers	Dehler	Evans	Girard	Gutknecht

Hasskamp	Kalis	Luther	Nelson	Peterson	Solberg	Weaver
Haukoos	Kelley	Lynch	Ness	Pugh	Steensma	Wejcman
Hausman	Kelso	Macklin	Olson, E.	Reding	Sviggum	Wenzel
Holsten	Kinkel	Mahon	Olson, K.	Rest	Swenson	Winter
Hugoson	Klinzing	Mariani	Olson, M.	Rhodes	Tomassoni	Wolf
Huntley	Knickerbocker	McCollum	Onnen	Rice	Tompkins	Worke
Jacobs	Koppendrayer	McGuire	Opatz	Rodosovich	Trimble	Workman
Jaros	Krueger	Milbert	Orenstein	Rukavina	Tunheim	Spk. Anderson, I.
Jefferson	Lasley	Molnau	Orfield	Sarna	Van Dellen	
Jennings	Leppik	Morrison	Ostrom	Seagren	Van Engen	
Johnson, A.	Lieder	Mosel	Ozment	Sekhon	Vellenga	
Johnson, R.	Lindner	Munger	Pauly	Simoneau	Vickerman	
Johnson, V.	Long	Murphy	Pelowski	Skoglund	Wagenius	
Kahn	Lourey	Neary	Perlt	Smith	Waltman	

Those who voted in the negative were:

Knight	Krinkie	Limmer	Pawlenty

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

MOTIONS FOR RECONSIDERATION

Weaver moved that the vote whereby S. F. No. 2015, as amended, was not passed on Thursday, April 28, 1994, be now reconsidered. The motion prevailed.

Weaver moved that the action whereby S. F. No. 2015, as amended, was given a third reading on Thursday, April 28, 1994, be now reconsidered. The motion prevailed.

The Speaker resumed the Chair.

S. F. No. 2015 was reported to the House.

Orfield, Carruthers, Weaver, Abrams, McCollum and Kelso moved to amend S. F. No. 2015, the second unofficial engrossment, as amended, as follows:

Pages 2 to 26, delete Article 1 and insert:

"ARTICLE 1

COUNCIL POLICY STAFF

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

Subd. 7. [COUNCIL STAFF.] The council, other than the chair, may hire an assistant to assist the sixteen council members with policy analysis and evaluation. The assistant shall serve at the pleasure of the council members. The sixteen members of the council may prescribe all terms and conditions for the employment of the assistant and the employees hired by the assistant including, but not limited to, the fixing of compensation, benefits, and insurance. The assistant shall prepare the budget for the provisions of this section and submit the budget for council approval and inclusion in council's overall budget.

Sec. 2. [APPLICATION AND EFFECTIVE DATE.]

This article is effective June 1, 1994, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Page 26, delete lines 21 to 36

Page 27, delete lines 1 to 34

Page 27, after line 34, insert:

"METROPOLITAN GOVERNMENT REORGANIZATION"

Page 27, line 35, delete "Subd. 5." and insert "Section 1."

Page 28, after line 9, insert:

"Sec. 2. [ABOLISHED AGENCIES, SUCCESSORS, PERSONNEL.]

Subdivision 1. [REGIONAL TRANSIT BOARD.] The terms of the regional transit board members and chair expire on the effective date of this section. Permanent or regular staff employed as of October 1, 1994, by the regional transit board may not be terminated by discharge, except for cause, or by layoff before the first Monday in January 1995. The regional transit board described in Minnesota Statutes 1992, section 473.373, is abolished. Its duties and responsibilities are transferred to the metropolitan council. The metropolitan council is the successor entity to the regional transit board with respect to all of the board's property, interests, and obligations.

Subd. 2. [METROPOLITAN TRANSIT COMMISSION.] The terms of the metropolitan transit commission members expire on the effective date of this section. Permanent or regular staff employed as of March 1, 1994, by the metropolitan transit commission may not be terminated by discharge, except for cause, or by layoff before the first Monday in January 1995. The metropolitan transit commission described in Minnesota Statutes 1992, section 473.404, is abolished. Its duties and responsibilities are transferred to the metropolitan council. The metropolitan council is the successor entity to the metropolitan transit commission with respect to all of the commission's property, interests, and obligations. All of the operations managed by the commission are transferred to the office of transit operations of the transportation division of the metropolitan council."

Page 28, delete lines 10 and 11

Page 28, line 12, delete "1" and insert "3"

Page 28, line 21, delete everything after the period

Page 28, delete lines 22 to 24

Page 28, line 25, delete everything before "The"

Page 28, line 28, delete everything after the period

Page 28, delete lines 29 to 31

Page 28, line 32, delete "2" and insert "4"

Page 28, after line 36, insert:

"Sec. 3. Minnesota Statutes 1992, section 473.123, subdivision 5, is amended to read:

Subd. 5. [METROPOLITAN COUNCIL; DUTIES AND COMPENSATION.] The metropolitan council shall elect such officers as it deems necessary for the conduct of its affairs other than the chair. A secretary and treasurer need not be members of the metropolitan council. Meeting times and places shall be fixed by the metropolitan council and special meetings may be called by a majority of the members of the metropolitan council or by the chair thereof. Each metropolitan council member other than the chair shall be paid ~~$50 for each day when the member attends one or more meetings or provides other services, as authorized by the metropolitan council,~~ an annual salary of $12,500 and shall be reimbursed for reasonable expenses. The annual budget of the council shall provide as a separate account anticipated expenditures for ~~per diem~~ salary, travel and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair and members only when budgeted.

In the performance of its duties the metropolitan council may promulgate rules governing its operation, establish committees, divisions, departments and bureaus and staff the same as necessary to carry out its duties and when specifically authorized by law make appointments to other governmental agencies and districts. All officers and employees of the metropolitan council shall serve at the pleasure of the appointing authority in the unclassified service of the state civil service. Rules promulgated by the metropolitan council shall be in accordance with the administrative procedure provisions contained in chapter 14."

Page 29, delete lines 14 and 15 and insert:

"Sections 1, 2, and 3 are"

Page 29, line 16, delete "June" and insert "July"

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Pauly, Solberg, Kahn and Bishop moved to amend S. F. No. 2015, the second unofficial engrossment, as amended, as follows:

Page 79, after line 30, insert:

"The metropolitan council must consult with the city of Eden Prairie and must consider using part of the money, if appropriated to the council for regional parks, for the acquisition or joint acquisition of 226 acres of threatened land parcels in Eden Prairie that contain oak savannah, native prairie, and maple basswood forest, for use as a regional nature preserve."

The motion prevailed and the amendment was adopted.

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.

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, Pawlenty requested that he be excused from voting on the final passage of S. F. No. 2015, the second unofficial engrossment, as amended. The request was granted.

There were 111 yeas and 18 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Beard	Dempsey	Gruenes	Knight	Lindner	Onnen
Commers	Finseth	Haukoos	Krinkie	Molnau	Rodosovich
Davids	Frerichs	Hugoson	Limmer	Olson, M.	Workman

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

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

S. F. No. 2929, A bill for an act relating to education; providing assistance to school districts by permitting the waiver of certain rules and statutes in response to a catastrophe; appropriating money for payment to independent school district No. 191, Burnsville; amending Minnesota Statutes 1992, section 121.11, by adding a subdivision.

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

The report was adopted.

SECOND READING OF SENATE BILLS

S. F. No. 2929 was read for the second time.

SPECIAL ORDERS

H. F. No. 1809 was reported to the House.

Skoglund moved that H. F. No. 1809 be continued on Special Orders. The motion prevailed.

S. F. No. 2316 was reported to the House.

Pugh moved to amend S. F. No. 2316 as follows:

Page 16, line 13, delete "PENSION PLANS" and insert "FUNDS"

Page 22, 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 22, 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.

S. F. No. 2316, A bill for an act relating to the state board of investment; management of funds under the board's control; limiting the investment authority of various local pension plans to the pre-1994 investment authority of the state board of investment; 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; 354B.07, subdivision 2; 356A.06, subdivision 7; and 422A.05, subdivision 2c; Minnesota Statutes 1993 Supplement, sections 11A.24, subdivisions 1 and 4; 69.77, subdivision 2g; 69.775; 352D.04, subdivision 1; 352D.09, subdivision 8; and 354B.05, 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 128 yeas and 4 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Greenfield	Johnson, V.	Luther	Olson, E.	Rhodes
Anderson, R.	Dauner	Greiling	Kahn	Lynch	Olson, K.	Rice
Asch	Davids	Gruenes	Kalis	Macklin	Onnen	Rodosovich
Battaglia	Dawkins	Gutknecht	Kelley	Mahon	Opatz	Rukavina
Bauerly	Dehler	Hasskamp	Kelso	Mariani	Orenstein	Sarna
Beard	Delmont	Haukoos	Kinkel	McCollum	Orfield	Seagren
Bergson	Dempsey	Hausman	Klinzing	McGuire	Ostrom	Sekhon
Bertram	Dorn	Holsten	Knickerbocker	Milbert	Ozment	Simoneau
Bettermann	Erhardt	Hugoson	Koppendrayer	Molnau	Pauly	Skoglund
Bishop	Evans	Huntley	Krueger	Morrison	Pawlenty	Smith
Brown, C.	Farrell	Jacobs	Lasley	Mosel	Pelowski	Solberg
Brown, K.	Finseth	Jaros	Leppik	Munger	Perlt	Steensma
Carlson	Frerichs	Jefferson	Lieder	Murphy	Peterson	Sviggum
Carruthers	Garcia	Jennings	Limmer	Neary	Pugh	Swenson
Clark	Girard	Johnson, A.	Long	Nelson	Reding	Tomassoni
Commers	Goodno	Johnson, R.	Lourey	Ness	Rest	Tompkins

Trimble	Van Engen	Wagenius	Wejcman	Wolf	Spk. Anderson, I.
Tunheim	Vellenga	Waltman	Wenzel	Worke	
Van Dellen	Vickerman	Weaver	Winter	Workman	

Those who voted in the negative were:

Knight	Krinkie	Lindner	Olson, M.

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

S. F. No. 2129 was reported to the House.

Rest moved to amend S. F. No. 2129 as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 144.227, subdivision 1, is amended to read:

Subdivision 1. [FALSE STATEMENTS.] Whoever intentionally makes any false statement in a certificate, record, or report required to be filed under sections 144.211 to 144.214 or 144.216 to 144.227, or in an application for an amendment thereof, or in an application for a certified copy of a vital record, or who supplies false information intending that the information be used in the preparation of any report, record, certificate, or amendment thereof, is guilty of a misdemeanor.

Sec. 2. Minnesota Statutes 1992, section 144.227, is amended by adding a subdivision to read:

Subd. 3. [BIRTH REGISTRATION.] Whoever intentionally makes a false statement in a registration required under section 144.215 or in an application for an amendment to such a registration, or intentionally supplies false information intending that the information be used in the preparation of a registration under section 144.215 is guilty of a felony.

Sec. 3. Minnesota Statutes 1992, section 245A.03, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] Unless licensed by the commissioner, an individual, corporation, partnership, voluntary association, other organization, or controlling individual must not:

(1) operate a residential or a nonresidential program;

(2) receive a child or adult for care, supervision, or placement in foster care or adoption;

(3) help plan the placement of a child or adult in foster care or adoption or engage in placement activities as defined in section 259.21, subdivision 9, in this state, whether or not the adoption occurs in this state; or

(4) advertise a residential or nonresidential program.

Sec. 4. Minnesota Statutes 1993 Supplement, section 245A.03, subdivision 2, is amended to read:

Subd. 2. [EXCLUSION FROM LICENSURE.] Sections 245A.01 to 245A.16 do not apply to:

(1) residential or nonresidential programs that are provided to a person by an individual who is related, except as provided in subdivision 2a;

(2) nonresidential programs that are provided by an unrelated individual to persons from a single related family;

(3) residential or nonresidential programs that are provided to adults who do not abuse chemicals or who do not have a chemical dependency, a mental illness, mental retardation or a related condition, a functional impairment, or a physical handicap;

(4) sheltered workshops or work activity programs that are certified by the commissioner of jobs and training;

(5) programs for children enrolled in kindergarten to the 12th grade and prekindergarten special education in a school as defined in section 120.101, subdivision 4, and programs serving children in combined special education and regular prekindergarten programs that are operated or assisted by the commissioner of education;

(6) nonresidential programs primarily for children that provide care or supervision, without charge for ten or fewer days a year, and for periods of less than three hours a day while the child's parent or legal guardian is in the same building as the nonresidential program or present within another building that is directly contiguous to the building in which the nonresidential program is located;

(7) nursing homes or hospitals licensed by the commissioner of health except as specified under section 245A.02;

(8) board and lodge facilities licensed by the commissioner of health that provide services for five or more persons whose primary diagnosis is mental illness who have refused an appropriate residential program offered by a county agency. This exclusion expires on July 1, 1990;

(9) homes providing programs for persons placed there by a licensed agency for legal adoption, unless the adoption is not completed within two years;

(10) programs licensed by the commissioner of corrections;

(11) recreation programs for children or adults that operate for fewer than 40 calendar days in a calendar year;

(12) programs whose primary purpose is to provide, for adults or school-age children, including children who will be eligible to enter kindergarten within not more than four months, social and recreational activities, such as scouting, boys clubs, girls clubs, sports, or the arts; except that a program operating in a school building is not excluded unless it is approved by the district's school board;

(13) head start nonresidential programs which operate for less than 31 days in each calendar year;

(14) noncertified boarding care homes unless they provide services for five or more persons whose primary diagnosis is mental illness or mental retardation;

(15) nonresidential programs for nonhandicapped children provided for a cumulative total of less than 30 days in any 12-month period;

(16) residential programs for persons with mental illness, that are located in hospitals, until the commissioner adopts appropriate rules;

(17) the religious instruction of school-age children; Sabbath or Sunday schools; or the congregate care of children by a church, congregation, or religious society during the period used by the church, congregation, or religious society for its regular worship;

(18) camps licensed by the commissioner of health under Minnesota Rules, chapter 4630;

(19) mental health outpatient services for adults with mental illness or children with emotional disturbance;

(20) residential programs serving school-age children whose sole purpose is cultural or educational exchange, until the commissioner adopts appropriate rules;

(21) unrelated individuals who provide out-of-home respite care services to persons with mental retardation or related conditions from a single related family for no more than 90 days in a 12-month period and the respite care services are for the temporary relief of the person's family or legal representative;

(22) respite care services provided as a home and community-based service to a person with mental retardation or a related condition, in the person's primary residence; ~~or~~

(23) community support services programs as defined in section 245.462, subdivision 6, and family community support services as defined in section 245.4871, subdivision 17; or

(24) the placement of a child by a birth parent or legal guardian in a preadoptive home for purposes of adoption as authorized by section 259.2591.

For purposes of clause (6), a building is directly contiguous to a building in which a nonresidential program is located if it shares a common wall with the building in which the nonresidential program is located or is attached to that building by skyway, tunnel, atrium, or common roof.

Sec. 5. Minnesota Statutes 1992, section 245A.04, is amended by adding a subdivision to read:

Subd. 10. [ADOPTION AGENCY; ADDITIONAL REQUIREMENTS.] In addition to the other requirements of this section, an individual, corporation, partnership, voluntary association, other organization, or controlling individual applying for a license to place children for adoption must:

(1) incorporate as a nonprofit corporation under chapter 317A;

(2) file with the application for licensure a copy of the disclosure form required under section 259.258, subdivision 2;

(3) provide evidence that a bond has been obtained and will be continuously maintained in favor of the commissioner throughout the entire operating period of the agency, to cover the cost of transfer and storage of records if the agency voluntarily or involuntarily ceases operation and fails to provide for proper transfer of the records in order to comply with the requirements of section 259.46; and

(4) submit a certified audit to the commissioner each year the license is renewed as required under section 245A.03, subdivision 1.

Sec. 6. Minnesota Statutes 1992, section 245A.07, is amended by adding a subdivision to read:

Subd. 4. [ADOPTION AGENCY VIOLATIONS.] If a license holder licensed to place children for adoption fails to provide services as described in the disclosure form required by section 259.258, subdivision 2, the sanctions under this section may be imposed.

Sec. 7. [259.20] [POLICY.]

Subdivision 1. The policy of the state of Minnesota and the purpose of sections 259.20 to 259.406 is to ensure:

(1) that the best interests of children are met in the planning and granting of adoptions; and

(2) that laws and practices governing adoption recognize the diversity of Minnesota's population and the diverse needs of persons affected by adoption.

Subd. 2. Portions of chapters 245A, 257, 260, and 317A may also affect the adoption of a particular child.

Sec. 8. Minnesota Statutes 1992, section 259.21, is amended by adding a subdivision to read:

Subd. 8. [PLACEMENT.] "Placement" means the transfer of physical custody of a child from a birth parent or legal guardian to a prospective adoptive home.

Sec. 9. Minnesota Statutes 1992, section 259.21, is amended by adding a subdivision to read:

Subd. 9. [PLACEMENT ACTIVITIES.] "Placement activities" means any of the following:

(1) placement;

(2) arranging or providing short-term foster care pending an adoptive placement;

(3) facilitating placement by maintaining a list in any form of birth parents or prospective adoptive parents;

(4) collecting health and social histories of a birth family;

(5) conducting an adoption study;

(6) witnessing consents to an adoption; or

(7) engaging in any activity listed in clauses (1) to (6) for purposes of fulfilling any requirements of the interstate compact on the placement of children.

Sec. 10. Minnesota Statutes 1992, section 259.21, is amended by adding a subdivision to read:

Subd. 10. [DIRECT ADOPTIVE PLACEMENT.] "Direct adoptive placement" means the placement of a child by a birth parent or legal guardian other than an agency under the procedure for adoption authorized by section 259.2591.

Sec. 11. Minnesota Statutes 1992, section 259.22, subdivision 1, is amended to read:

Subdivision 1. Any person who has resided in the state for one year or more may petition to adopt a child or an adult, and the same petitioner may petition for the adoption of two or more persons in one petition. The provisions as to length of residence in the state may be ~~waived~~ reduced to 30 days by the court whenever it appears to be for the best interest of the child.

The court may waive any residence requirement of this section if the petitioner is an individual who is related, as defined in section 245A.02, subdivision 13, or a member of a child's extended family or important friends with whom the child has resided or had significant contact.

Sec. 12. Minnesota Statutes 1992, section 259.22, subdivision 2, is amended to read:

Subd. 2. No petition for adoption shall be filed unless the child sought to be adopted has been placed by the commissioner of human services, the commissioner's agent, or a licensed child-placing agency. The provisions of this subdivision shall not apply if

(a) the child is over 14 years of age;

(b) the child is sought to be adopted by a stepparent;

(c) the child is sought to be adopted by a relative related by blood or marriage within the third degree;

(d) the child has been lawfully placed under the laws of another state while the child and petitioner resided in that other state; or

(e) ~~the court waives the requirement of placement in the best interests of the child or petitioners~~ the child has been lawfully placed under section 259.2591.

Sec. 13. Minnesota Statutes 1992, section 259.22, is amended by adding a subdivision to read:

Subd. 4. [TIME FOR FILING PETITION.] A petition shall be filed not later than 24 months after a child is placed in a prospective adoptive home. If a petition is not filed by that time, the agency that placed the child, or, in a direct adoptive placement, the agency that prepared the postplacement adoptive study shall file with the district court in the county where the prospective adoptive parent resides a motion for an order and a report recommending one of the following:

(1) that the time for filing a petition be extended because of the special needs as defined under title IV-E of the Social Security Act, United States Code, title 42, section 673, of the child; or

(2) that the child be removed from the prospective adoptive home.

The prospective adoptive parent must reimburse an agency for the cost of preparing and filing a report under this section, unless the costs are reimbursed by the commissioner under section 259.40 or 259.44.

Sec. 14. [259.256] [AGENCY PLACEMENT FACTORS.]

A child-placing agency shall document, in the records required to be kept under section 259.46, the reasons for each child placement decision.

Sec. 15. [259.258] [AGENCY; FEE SCHEDULE; DISCLOSURE; CIVIL ACTION.]

Subdivision 1. [PAYMENT SCHEDULE.] An agency may only require payment of fees in stages as services are performed. An agency engaged in placement activities must provide a prospective adoptive parent with a schedule of fees and a timeline indicating when each fee or portion of the total fees for the agency services must be paid. The agency must also provide a fee schedule for prefinalization postplacement services.

Subd. 2. [DISCLOSURE TO BIRTH PARENTS AND ADOPTIVE PARENTS.] An agency shall provide a disclosure statement written in clear, plain language to be signed by the prospective adoptive parents and birth parents, except that in inter-country adoptions, the signatures of birth parents are not required. The disclosure statement must contain the following information:

(1) fees charged to the adoptive parent, including any policy on sliding scale fees or fee waivers and an itemization of the amount that will be charged for the adoption study, counseling, postplacement services, family of origin searches, birth parent expenses authorized under section 259.271, or any other services;

(2) timeline for the adoptive parent to make fee payments;

(3) likelihood, given the circumstances of the prospective adoptive parent and any specific program to which the prospective adoptive parent is applying, that an adoptive placement may be made and the estimated length of time for making an adoptive placement. These estimates must be based on adoptive placements made with prospective parents in similar circumstances applying to a similar program with the agency during the immediately preceding three to five years. If an agency has not been in operation for at least three years, it must provide summary data based on whatever adoptive placements it has made and may include a statement about the kind of efforts it will make to achieve an adoptive placement, including a timetable it will follow in seeking a child. The estimates must include a statement that the agency cannot guarantee placement of a child or a time by which a child will be placed;

(4) a statement of the services the agency will provide the birth and adoptive parents;

(5) a statement prepared by the commissioner under section 259.2585 that explains the child placement and adoption process and the respective legal rights and responsibilities of the birth parent and prospective adoptive parent during the process including a statement that the prospective adoptive parent is responsible for filing an adoption petition not later than 24 months after the child is placed in the prospective adoptive home;

(6) a statement regarding any information the agency may have about attorney referral services, or about obtaining assistance with completing legal requirements for an adoption; and

(7) an acknowledgment to be signed by the birth parent and prospective adoptive parent that they have received, read, and had the opportunity to ask questions of the agency about the contents of the disclosure statement.

Subd. 3. [CIVIL ACTION.] An action for damages, including punitive damages, may be brought by a birth parent or prospective adoptive parent aggrieved by:

(1) a violation of subdivision 1;

(2) the failure of an agency to provide services listed in the disclosure form under subdivision 2, clause (4); or

(3) deceptive practices or misrepresentations made by an agency about its services or ability to place children for adoption.

Sec. 16. [259.2585] [COMMISSIONER'S STATEMENT.]

The commissioner shall prepare and make available to all agencies, prospective adoptive parents, and birth parents a short, plain description of the legal adoption process and the rights and responsibilities of agencies, birth parents, and prospective adoptive parents in the process.

Sec. 17. [259.2586] [ADOPTION STUDY.]

A written adoption study must be completed before the child is placed in a prospective adoptive home under this chapter and the study must be completed and filed with the court at the time the adoption petition is filed. In a direct adoptive placement, the study must be filed with the court in support of a motion for temporary preadoptive custody

under section 259.2591, subdivision 3. The study shall be completed by a licensed child-placing agency and must be thorough and comprehensive. The study shall be paid for by the prospective adoptive parent, except as otherwise required under section 259.40 or 259.44.

A step-parent adoption is not subject to this section.

At a minimum, the study must include the following about the prospective adoptive parent:

(1) a check of criminal conviction data, data on substantiated maltreatment of a child under section 626.556, and domestic violence data of each person over the age of 13 living in the home. The prospective adoptive parents, the bureau of criminal apprehension, and other state, county, and local agencies, after written notice to the subject of the study, shall give the agency completing the adoption study substantiated criminal conviction data and reports about maltreatment of minors and vulnerable adults and domestic violence. The adoption study must also include a check of the juvenile court records of each person over the age of 13 living in the home. Notwithstanding provisions of section 260.161 to the contrary, the juvenile court shall release the requested information to the agency completing the adoption study. The study must include an evaluation of the effect of a conviction or finding of substantiated maltreatment on the ability to care for a child;

(2) medical and social history and current health;

(3) assessment of potential parenting skills;

(4) ability to provide adequate financial support for a child; and

(5) the level of knowledge and awareness of adoption issues including where appropriate matters relating to interracial, cross-cultural, and special needs adoptions.

The adoption study must include at least one in-home visit with the prospective adoptive parent. The adoption study is the basis for completion of a written adoption study report. The adoption study report must be in a format specified by the commissioner and must contain recommendations regarding the suitability of the subject of the study to be an adoptive parent. An adoption study report is valid for 12 months following its date of completion.

A prospective adoptive parent seeking a study under this section must authorize access by the agency to any private data needed to complete the study and must disclose any names used previously other than the name used at the time of adoption; and must provide a set of fingerprints.

Sec. 18. [259.2587] [BIRTH PARENT HISTORY; COMMISSIONER'S FORM.]

In any adoption under this chapter, except a stepparent adoption, a birth parent or an agency shall provide a prospective adoptive parent with a detailed social and medical history of the birth families, if known after reasonable inquiry. Each birth family history must be provided on a form prepared by the commissioner in a manner so that the completed form protects the identities of all individuals described in it. The commissioner shall make the form available to agencies and court administrators for public distribution. The birth family history must be filed with the court when the adoption petition is filed, or, in a direct adoptive placement, with the motion for temporary preadoptive custody.

Sec. 19. [259.259] [STATE AUDIT OF ADOPTION AGENCY; CIVIL ACTION.]

Subdivision 1. [AUDIT.] If the commissioner or attorney general has good cause to believe that a child-placing agency has violated section 259.258, subdivision 1, 259.271, 317A.907, or any other applicable law dealing with fees, payments, accounts, or financial disclosure by a child-placing agency, the commissioner or the attorney general may seek a court order requiring a financial audit of the agency, at the agency's expense, by an auditor chosen by the commissioner or attorney general.

Subd. 2. [CIVIL ACTION.] A court may grant equitable or monetary relief that is just and reasonable in the circumstances or may dissolve an adoption agency and liquidate its assets if the assets of the agency are being misapplied or wasted. The attorney general or the commissioner may bring an action in district court if the directors or those in control of the agency have misapplied or wasted assets of the agency or have acted fraudulently, illegally, or in a manner unfairly prejudicial toward a client of the agency in the capacity of a director or one in control of the agency.

Sec. 20. [259.2591] [DIRECT ADOPTIVE PLACEMENT.]

Subdivision 1. [INTENT.] The intent of the provisions governing direct adoptive placement is to safeguard the best interests of the child by providing services and protections to the child, birth parents, and adoptive parents which are consistent with those available through an agency placement.

Subd. 2. [PREPLACEMENT STUDY.] In a direct adoptive placement, a preplacement study under section 259.2586 must be completed and filed with the court as required by subdivision 3.

Subd. 3. [PREADOPTIVE CUSTODY ORDER.] (a) Within 30 days after a child is placed in a prospective adoptive home by a birth parent or legal guardian, other than an agency, the placement must be approved by the district court in the county where the prospective adoptive parent resides. Court approval must be obtained prior to placement if the prospective adoptive parent does not have health care coverage for the child. Any order under this subdivision or subdivision 6 shall state that the prospective adoptive parent's right to custody of the child is subject to the birth parents' right to custody until the consents to the child's adoption become irrevocable. The prospective adoptive parent must meet the residence requirements of section 259.22, subdivision 1, and must file with the court an affidavit of intent to remain a resident of the state for at least 90 days after the child is placed in the prospective adoptive home. The prospective adoptive parent shall file with the court a notice of intent to file an adoption petition and submit a written motion seeking an order granting temporary preadoptive custody. The notice and motion required under this subdivision may be considered by the court ex parte, without a hearing. The prospective adoptive parent shall serve a copy of the notice and motion upon any parent whose consent is required under section 259.24 or who is named in the affidavit required under paragraph (b) of this subdivision if that person's mailing address is known. The motion may be filed up to 60 days before the placement is to be made and must include:

(1) the adoption study required under section 259.2586;

(2) affidavits from the birth parents indicating their support of the motion, or, if there is no affidavit from the birth father, an affidavit from the birth mother under paragraph (b);

(3) an itemized statement of expenses that have been paid and an estimate of expenses that will be paid by the prospective adoptive parents to the birth parents, any agency, attorney, or other party in connection with the prospective adoption;

(4) the name of counsel for each party, if any;

(5) a statement that the birth parents:

(i) have provided the social and medical history required under section 259.2587 to the prospective adoptive parent;

(ii) have received the written statement of their legal rights and responsibilities under section 259.2585; and

(iii) have been notified of their right to receive counseling under subdivision 4; and

(6) the name of the agency chosen by the adoptive parent to supervise the adoptive placement and complete the postplacement adoption study required by subdivision 9.

The court shall review the expense statement submitted under this subdivision to determine whether payments made or to be made by the prospective adoptive parent are lawful and in accordance with section 259.271, subdivision 1.

(b) If the birth mother submits the affidavit required in paragraph (a), clause (2), but the birth father fails to do so, the birth mother must submit an additional affidavit that describes her good faith efforts or efforts made on her behalf to identify and locate the birth father for purposes of securing his consent. In the following circumstances, the birth mother may instead submit an affidavit stating on which ground she is exempt from making efforts to identify and locate the father:

(1) the child was conceived as the result of incest or rape;

(2) efforts to locate the father could reasonably result in physical harm to the birth mother or child; or

(3) efforts to locate the father by the affiant or anyone acting on the affiant's behalf could reasonably result in emotional impairment of the birth mother or child.

A court shall consider the motion for temporary preadoptive custody within 30 days of receiving the motion or by the anticipated placement date stated in the motion, whichever comes sooner.

Subd. 4. [BIRTH PARENT COUNSELING.] In a direct adoptive placement, the prospective adoptive parent must notify the birth parent that the birth parent has a right to receive counseling about adoption issues at the expense of the prospective adoptive parent. The prospective adoptive parent must bear the cost of up to 35 hours of counseling upon the request of a birth parent at any time between conception of child and six months after the birth of the child or the placement in the adoptive home, whichever is later. A birth parent may waive the right to receive counseling under this subdivision.

Subd. 5. [BIRTH PARENT LEGAL COUNSEL.] Upon the request of a birth parent, separate legal counsel must be made available to the birth parent at the expense of the prospective adoptive parent. A birth parent may waive this right only by a written waiver signed and submitted to the court at the consent hearing under subdivision 6. Representation of a birth parent and a prospective adoptive parent by the same attorney is prohibited.

Subd. 6. [EMERGENCY ORDER.] (a) A court may issue an emergency order granting temporary preadoptive custody of a child to a prospective adoptive parent for up to 14 days if the following conditions are met:

(1) the motion is supported by:

(i) affidavits from the prospective adoptive parent and birth parent indicating that an emergency order is needed because of the unexpected premature birth of the child or other specifically described extraordinary circumstances which prevented the completion of the requirements of subdivision 3; and

(ii) the information required by subdivision 3, paragraph (a), clause (2), and clause (5), items (ii) and (iii); and

(iii) a completed adoption study which meets the requirements of section 259.2586; or

(iv) affidavits from each prospective adoptive parent stating whether they or any person residing in the household have been convicted of a crime; or are the subject of an open investigation of, or have been the subject of substantiated allegations of, child or vulnerable-adult abuse within the past ten years. If so, a complete description of the crime, open investigation, or substantiated abuse and a complete description of any sentence, treatment, or disposition must be included. If, at any time before the adoption is final, a court receives evidence leading it to conclude that a prospective adoptive parent knowingly gave false information in this affidavit, it shall be presumed that the placement of the child with the adoptive parent is not in the best interests of the child.

(2) the court concludes from the record submitted that the emergency order will preserve the health and safety of the child.

(b) An order granting or denying the motion shall be issued under this section within 24 hours of the time it is brought. Notwithstanding section 259.23, any judge of district court may consider a motion brought under this subdivision. An order granting the motion shall direct that an adoption study be commenced immediately, if that has not occurred, and that the agency conducting the study shall supervise the emergency placement.

(c) An emergency order under this subdivision expires 14 days after it is issued. If the requirements of section 259.2591 are completed and a preadoptive custody motion is filed on or before the expiration of the emergency order, placement may continue until the court rules on the motion. The court shall consider the preadoptive custody motion within seven days of filing.

Subd. 7. [CONSENT OF BIRTH PARENTS; HEARING; VENUE; COMMISSIONER'S FORM.] In all adoptions, regardless of the manner of placement, not sooner than 72 hours after the birth of a child and not later than 60 days after the child's placement in a prospective adoptive home, a birth parent whose consent is required under section 259.24, shall execute a consent. In all direct adoptive placements, a birth parent, whose consent is required under section 259.24 and who has chosen not to receive counseling through a licensed agency or a licensed social services professional trained in adoption issues, shall appear before a judge or judicial officer to sign the birth parent's written consent to the child's adoption by the prospective adoptive parent who has temporary preadoptive custody of the child. Notwithstanding where the prospective adoptive parent resides, the consent hearing may be held in any county in this state where the birth parent is found. If a birth parent has chosen to receive counseling through a licensed agency or a licensed social services professional trained in adoption issues, the birth parent may choose to execute a written consent under section 259.24, subdivision 5, or participate in a voluntary termination of parental rights.

If a consent hearing is held in a county other than where the prospective adoptive parent resides, the court shall forward the executed consents to the district court in the county where the prospective adoptive parent resides.

The consent becomes irrevocable on the tenth working day after it is given, except that if the consent was obtained by fraud, proceedings to determine the existence of fraud shall be governed by section 259.24, subdivision 6a. Until the consent becomes irrevocable, the child shall be returned to the birth parent upon request.

The written consent under this subdivision must state that:

(1) the birth parent has had the opportunity to consult with independent legal counsel at the expense of the prospective adoptive parent, unless the birth parent knowingly waived the opportunity;

(2) the birth parent was notified of the right to receive counseling at the expense of the prospective adoptive parent and has chosen to exercise or waive that right; and

(3) the birth parent was informed that if the birth parent withdraws consent, the prospective adoptive parent cannot require the birth parent to reimburse any costs the prospective adoptive parent has incurred in connection with the adoption, including payments made to or on behalf of the birth parent.

If a birth parent has chosen to have legal counsel, the attorney must be present at the execution of consents. If a birth parent waives counsel, the written waiver must be filed with the consent under this subdivision.

The consent signed under this subdivision must be on a form prepared by the commissioner and made available to agencies and court administrators for public distribution.

Subd. 8. [NOTICE AND CONSENT DEADLINE; CONSENT HEARING; BIRTH PARENT NOT APPEARING.] (a) A birth parent who intends to consent to the adoption of a child or to confer authority on an agency to place a child for adoption under section 259.25 shall notify the other birth parent of that fact if the other birth parent's consent to the adoption is required under subdivision 1. Notice shall be provided to the other birth parent by personal service in the manner provided in the rules of civil procedure for service of a summons and complaint within 72 hours of the date on which the child is placed. The notice shall inform the birth parent of the notifying birth parent's intent regarding consent to adoption or an agreement under section 259.25 and shall notify the receiving birth parent that, not later than 60 days after the date of service, the birth parent must either consent or refuse to consent to the adoption or the agreement under section 259.25. On the sixty-first day following service of the notice required under this subdivision, a birth parent who fails to take either of these actions, is deemed to have consented to the child's adoption or the agreement under section 259.25 regarding the child.

(b) If a birth parent whose consent is required under section 259.24 does not appear at a consent hearing under this section, the agency which conducted the adoption study shall notify the court and the court shall issue an order regarding continued placement of the child.

Subd. 9. [POSTPLACEMENT ADOPTION STUDY.] The agency designated by the prospective adoptive parent under subdivision 3, paragraph (a), clause (6), shall complete a postplacement adoption study and file it with the court with which the adoption petition has been filed not later than 90 days after the filing of a petition for adoption.

At a minimum, the postplacement study must include the following information:

(1) assessment of adaptation by the prospective adoptive parents to parenting the child;

(2) assessment of the health and well-being of the child in the prospective adoptive parents' home;

(3) analysis of the level of incorporation by the child into the prospective adoptive parents' home, extended family and community; and

(4) assessment of the level of incorporation of the child's previous history into the prospective adoptive home, such as cultural or ethnic practices, or contact with former foster parents, or biological relatives.

The postplacement adoption study shall be filed with the local social service agency in the county where the prospective adoptive parent resides. The local social service agency may seek a court order to remove the child from the prospective adoptive home, if the study so recommends and the agency finds that continued placement in the adoptive home endangers the physical or emotional health of the child. A postplacement adoption study is valid for 12 months after its date of completion.

Subd. 10. [RECORDS.] All records filed with the court in a direct adoptive placement under this section must be permanently maintained by the agency which completed the adoption study. Notwithstanding the provisions of section 259.31, an agency shall, upon request, be given any court records needed to provide postadoption services pursuant to section 259.47 at the request of adoptive parents, birth parents, or adopted individuals age 19 or older.

Subd. 11. [PENALTY.] It is a gross misdemeanor for a person, not being the commissioner or an agency, knowingly to engage in placement activities as defined in section 259.21, subdivision 9, without being licensed by the commissioner under chapter 245A, except as authorized by section 245A.03, subdivision 2.

Sec. 21. Minnesota Statutes 1992, section 259.27, subdivision 1, is amended to read:

Subdivision 1. [~~COMMISSIONER'S~~ NOTICE TO COMMISSIONER; COUNTY DUTIES.] Upon the filing of a petition for adoption of a child the court administrator shall immediately transmit a copy of the petition to the commissioner of human services. ~~The commissioner~~ and the social services department of the county in which the prospective adoptive parent lives. Except as provided in subdivision 2, the county social services department shall verify the allegations of the petition, investigate the conditions and antecedents of the child for the purpose of ascertaining whether the child is a proper subject for adoption, ~~and make appropriate inquiry to ascertain~~ whether the proposed ~~foster~~ adoptive home and the child are suited to each other and whether the proposed ~~foster home~~ adoption meets the preferences described in section 259.28, subdivision 2. The report of the county welfare board ~~submitted to the commissioner of human services bearing on the suitability of the proposed foster home and the child to each other~~ shall be confidential, and the records of the county welfare board or the contents ~~thereof~~ of them shall not be disclosed either directly or indirectly to any person other than the commissioner of human services or a judge of the court having jurisdiction of the matter. Within 90 days after the receipt of ~~said~~ the copy of the petition the ~~commissioner~~ county social services department shall submit to the court and the commissioner a full report in writing with recommendations as to the granting of the petition. If ~~such~~ the report is not returned within the 90 days, without fault of petitioner, the court may hear the petition upon giving the ~~commissioner~~ county social services department five days notice by mail of the time and place of the hearing. If ~~such~~ the report disapproves of the adoption of the child, the ~~commissioner~~ county social services department may recommend that the court dismiss the petition.

Sec. 22. Minnesota Statutes 1992, section 259.27, subdivision 2, is amended to read:

Subd. 2. [ADOPTION AGENCIES.] Notwithstanding the provisions of subdivision 1, if the child to be adopted has been committed to the guardianship of an agency pursuant to section 260.241, or if the child has been surrendered to an agency pursuant to section 259.25, or the child's direct adoptive placement is being supervised by an agency pursuant to section 259.2591 the court~~, in its discretion, may~~ shall refer the adoption petition to ~~such~~ the agency, or, if the adopting parent has a stepparent relationship to the child, to the county welfare department of the county in which the adoption is pending. The agency or county welfare department, within 90 days of receipt of a copy of the adoption petition, shall file with the court a report of its investigation of the environment and antecedents of the child to be adopted and of the home of the petitioners and its determination whether the home of the petitioners meets the preferences described in section 259.28, subdivision 2. If ~~such~~ the report disapproves of the adoption of the child, the agency or county welfare department may recommend that the court dismiss the petition. In the case of a direct adoptive placement under section 259.2591, a postplacement adoption study completed under subdivision 9 of that section shall be considered as meeting the requirement for a report under this section.

Sec. 23. Minnesota Statutes 1992, section 259.27, subdivision 5, is amended to read:

Subd. 5. [RESIDENCE AND INVESTIGATION WAIVED; STEPPARENT.] ~~Such~~ The investigation and period of residence required by this section may be waived by the court when the petition for adoption is submitted by a stepparent or when, upon good cause being shown, the court is satisfied that the proposed adoptive home and the child are suited to each other, but in either event at least ten working days notice of the hearing shall be given to the ~~commissioner~~ county social services department by certified mail. The reports of investigations shall be a part of the court files in the case, unless otherwise ordered by the court.

Sec. 24. Minnesota Statutes 1992, section 259.27, is amended by adding a subdivision to read:

Subd. 6. [FEES AND PAYMENTS; FILING WITH ADOPTION PETITION.] Upon the filing of a petition for adoption, an agency shall file with the court a statement of expenses that have been paid or are required to be paid by the prospective adoptive parent in connection with the adoption. In a direct adoptive placement, the statement of expenses shall be filed by the prospective adoptive parent.

Sec. 25. [259.271] [PAYMENT OF BIRTH PARENT EXPENSES; PENALTY.]

Subdivision 1. [AUTHORIZED PAYMENTS.] In any adoption under this chapter, a prospective adoptive parent or anyone acting in concert with, at the direction of, or in behalf of a prospective adoptive parent may pay only the following expenses of the birth parent:

(1) reasonable counseling, medical, and legal fees, which shall be paid directly to the provider of the service;

(2) reasonable expenses for transportation, meals, and lodging incurred for placement of the child;

(3) reasonable expenses for adoption services provided by an agency at the request of the birth parent, which shall be paid directly to the agency; and

(4)(i) reasonable living expenses of the birth mother which are needed to maintain an adequate standard of living which the birth mother is unable to otherwise maintain because of loss of income or other support resulting from the pregnancy. The payments may cover expenses incurred during the pregnancy-related incapacity but not for a period longer than six weeks following delivery;

(ii) the payment shall not be contingent upon placement of the child for adoption, consent to adoption, or cooperation in the completion of the adoption; and

(iii) reasonable living expenses does not include expenses for lost wages, gifts, educational expenses, or other similar expenses of the birth mother

Subd. 2. [NO BIRTH PARENT REIMBURSEMENT TO ADOPTIVE PARENT.] A contract purporting to require a birth parent to reimburse a prospective adoptive parent for such payments under any circumstances, including circumstances in which a birth parent refuses to consent to adoption or withdraws consent to adoption, is void as against public policy.

Subd. 3. [PROHIBITED PAYMENTS; PENALTY.] (a) Except as authorized under subdivision 1, it is a felony for an individual to give, or for a birth parent to accept, money or anything of value as compensation for the placement of a child for adoption.

(b) It is a felony for any person to give money or anything of value as compensation to the birth parent of a child if the person is engaged or has engaged in any placement activity, as defined in section 259.21, subdivision 9, in connection with the adoption of the child.

Sec. 26. Minnesota Statutes 1992, section 259.31, is amended to read:

259.31 [HEARINGS, CONFIDENTIAL.]

All hearings held in proceedings under sections 259.21 to 259.32 shall be confidential and shall be held in closed court without admittance of any persons other than the petitioners, their witnesses, the commissioner of human services or an agency, or their authorized representatives, attorneys, and persons entitled to notice by sections 259.21 to 259.32, except by order of the court. The files and records of the court in adoption proceedings shall not be open to inspection by any person except the commissioner of human services or the commissioner's representatives, an agency acting under section 259.2591, subdivision 10, or upon an order of the court expressly so permitting pursuant to a petition setting forth the reasons therefor.

Sec. 27. Minnesota Statutes 1992, section 317A.907, subdivision 6, is amended to read:

Subd. 6. [EXPENSE REIMBURSEMENT.] ~~(a)~~ An organization, association, or society licensed by the commissioner of human services may receive payment for expenses related to adoption services in an amount that fairly reflects the agency's reasonable and necessary expenses of:

(1) adoptive counseling, whether or not legal adoption is completed;

(2) provision of services to children before adoptive placement; ~~or~~

(3) the supervision of children in the home until legal adoption is completed; or

(4) expenses of a birth parent authorized under section 259.271 if paid to the agency to forward to the birth parent.

Only that part of the expenses may be requested that the person seeking to adopt is financially able to meet. No person may be barred from receiving a child for adoption because of inability to pay part of the expenses referred to in this subdivision. In addition to other reports as may be required, a licensed agency shall file annually with the commissioner of human services a full accounting of expense reimbursement received under this subdivision, together with the record of the services given for which the reimbursement was made. If the person returns the child to the corporation, the person may not receive compensation for the care, clothing, or medical expenses of the child. ~~This paragraph does not preclude voluntary contributions by an individual or organization. A pledge by an adoption applicant to make a voluntary contribution is voidable at the option of the person pledging.~~

~~(b) No organization, association, or society is eligible to receive an expense reimbursement from a person who takes a child into the person's home or who adopts a child during the first 12 months that the organization, association, or society is licensed by the commissioner of human services.~~

Sec. 28. [INSTRUCTIONS TO THE REVISOR.]

(a) In the next and subsequent editions of Minnesota Statutes, the revisor shall change the terms "natural parent" and "genetic parent" to "birth parent" wherever they appear.

(b) In the next and subsequent editions of Minnesota Statutes, the revisor shall change the terms "county welfare board" and "county welfare department" to "local social services agency" wherever they appear.

(c) In the next and subsequent editions of Minnesota Statutes, the revisor shall renumber chapter 259 in order to eliminate seven-digit section numbers and make more room for future sections. The revisor shall also correct all cross-references in Minnesota Statutes and Minnesota Rules to reflect the new section numbers in chapter 259."

Delete the title and insert:

"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, subdivisions 1, 2, 5, and 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 motion prevailed and the amendment was adopted.

Rest moved to amend S. F. No. 2129, as amended, as follows:

Page 7, line 7, delete "friends" and insert "persons"

Page 7, line 31, after "child" delete the comma

Page 8, line 1, before "special" insert "child's"

Page 8, lines 2 and 3, delete ", of the child"

Page 8, after line 9, insert:

"Sec. 14. Minnesota Statutes 1992, section 259.24, is amended by adding a subdivision to read:

Subd. 2a. [TIME OF CONSENT.] Not sooner than 72 hours after the birth of a child and not later than 60 days after the child's placement in a prospective adoptive home, a person whose consent is required under this section shall execute a consent."

Page 10, line 14, delete "A written" and insert "An"

Page 10, line 14, after "study" insert "and written report"

Page 10, line 16, delete "study" and insert "report"

Page 10, line 16, delete "completed and"

Page 10, line 18, delete "study" and insert "report"

Page 10, line 20, after "study" insert "and report"

Page 10, line 22, after "study" insert "and report"

Page 11, line 13, after "including" insert a comma and after "appropriate" insert a comma

Page 11, line 17, delete "adoption study"

Page 11, line 18, delete "adoption study"

Page 11, line 21, delete "An adoption study" and insert "A"

Page 11, line 25, delete "and" and insert a comma

Page 11, line 26, delete the semicolon and insert a comma

Page 12, line 33, delete "PREPLACEMENT" and insert "ADOPTION"

Page 12, line 34, delete "a preplacement" and insert "an adoption" and after "study" insert "and report"

Page 13, line 14, delete "90 days" and insert "three months"

Page 14, line 34, delete everything after "placement"

Page 14, line 35, delete "parent that" and delete "parent has" and insert "parents have"

Page 15, line 2, delete "up to 35 hours of"

Page 15, line 3, before "child" insert "the"

Page 15, line 5, after the period, insert "The prospective adoptive parent shall not be responsible for the cost of more than 35 hours of counseling under this section."

Page 15, line 9, delete "parent" and insert "parents"

Page 15, line 10, before the period, insert "for legal services provided in a direct adoptive placement"

Page 15, line 10, after the period, insert "The prospective adoptive parent shall only be required to provide legal counsel for one birth parent unless the birth parents elect joint legal representation. The right to legal counsel under this subdivision shall continue until consents become irrevocable, but not longer than 70 days after placement. If consents have not been executed within 60 days of placement, the right to counsel under this subdivision shall end at that time."

Page 15, line 11, delete everything after "signed" and insert "at the time the consents are executed"

Page 15, line 12, delete "6" and insert "7"

Page 15, line 32, before "substantiated" insert "a"

Page 15, line 33, delete "allegations" and insert "allegation"

Page 16, line 24, delete everything after the bracket

Page 16, line 25, delete "of placement,"

Page 16, line 27, after "home" insert "under this section"

Page 16, line 27, delete "birth parent," and insert "person"

Page 16, line 28, delete the comma and delete "In all"

Page 16, line 29, delete everything before "a"

Page 16, line 33, delete "birth parent's"

Page 17, line 6, delete everything after "5"

Page 17, delete line 7 before the period and insert ". A person whose consent is required under section 259.24, subdivision 2 may choose to execute consent at a judicial hearing as described in this section or under the procedures in section 259.24, subdivision 5"

Page 18, line 3, after "(a)" insert "With the exception of a person who receives notice under paragraph (b), if a birth parent whose consent is required under section 259.24 does not appear at a consent hearing under this section, the agency which is supervising the placement shall notify the court and the court shall issue an order regarding continued placement of the child. The court shall order the local social service agency to determine whether to commence proceedings for termination of parental rights on grounds of abandonment as defined in section 260.221. The court may disregard the six and 12-month requirements of section 260.221, paragraph (b), clause (1), item (i), in finding abandonment if the birth parent has failed to execute a consent within the time required under this section and has made no effort to obtain custody of the child.

(b)"

Page 18, line 8, after "1" insert "at the time of placement"

Page 18, delete lines 22 to 26

Page 18, line 30, delete "it" and insert "a report"

Page 18, line 33, delete "postplacement study" and insert "report"

Page 19, line 10, delete "postplacement adoption study" and insert "report"

Page 19, line 10, delete "shall" and insert "must also"

Page 19, line 14, delete "study" and insert "report"

Page 19, line 17, delete "study" and insert "report"

Page 22, line 32, after "mother" insert a period

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Macklin moved to amend S. F. No. 2129, as amended, as follows:

Page 6, after line 30, insert:

"Sec. 11. Minnesota Statutes 1992, section 259.21, is amended by adding a subdivision to read:

Subd. 11. [WORKING DAY.] "Working day" means Monday through Friday, excluding any holiday as defined under section 645.44, subdivision 5."

Renumber the sections

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Van Engen moved to amend S. F. No. 2129, as amended, as follows:

Page 13, delete the sentence beginning on line 6

Page 17, delete line 16, after the comma

Page 17, delete line 17 before the period, and insert "if the birth parent withdraws consent, the court shall enter a custody order in the best interests of the child, presumably with the birth parent. The child shall remain in the prospective adoptive home pending entry of the custody order."

A roll call was requested and properly seconded.

The question was taken on the Van Engen amendment and the roll was called. There were 11 yeas and 121 nays as follows:

Those who voted in the affirmative were:

Girard	Johnson, V.	Ness	Sviggum	Tompkins	Waltman
Gutknecht	Krinkie	Stanius	Swenson	Van Engen	

Those who voted in the negative were:

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

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

Lynch moved to amend S. F. No. 2129, as amended, as follows:

Page 7, line 22, strike "or"

Page 7, lines 23 and 24, reinstate the stricken language and insert "; or

(f)"

The motion prevailed and the amendment was adopted.

Lynch moved to amend S. F. No. 2129, as amended, as follows:

Page 10, line 18, delete everything after "court"

Page 10, delete line 19

Page 10, line 20, delete everything before the period and insert "at the time of the consent proceedings under section 259.2591, subdivision 7"

Page 12, delete line 36

Page 13, delete lines 1 to 36

Page 14, delete lines 1 to 32

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

Lynch moved to amend S. F. No. 2129, as amended, as follows:

Page 14, line 28, delete "impairment of" and insert "distress to"

The motion prevailed and the amendment was adopted.

Lynch moved to amend S. F. No. 2129, as amended, as follows:

Page 8, after line 13, insert:

"Sec. 15. [259.2575] [PREADOPTIVE CUSTODY ORDER.]

If a child is placed in a prospective adoptive home by an agency, the placement must be approved by the district court in the county where the prospective adoptive parent resides, in the manner provided by section 259.2591, subdivision 3."

Page 22, after line 5, insert:

"Sec. 26. Minnesota Statutes 1992, section 259.27, is amended by adding a subdivision to read:

Subd. 6. [POSTPLACEMENT ADOPTION STUDY.] If a child is placed in a prospective adoptive home by an agency, the agency must complete a postplacement adoption study under section 259.2591, subdivision 9."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

Lynch moved to amend S. F. No. 2129, as amended, as follows:

Page 14, delete lines 14 to 32

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

Lynch moved to amend S. F. No. 2129, as amended, as follows:

Page 24, after line 26, insert:

"Sec. 28. [ADOPTION ADVISORY COMMITTEE REPORT.]

The commissioner of human services shall use an advisory committee including birth parents, adoptive parents, adopted adults, county agencies, private adoption agencies, consumer advocates, representatives of the state councils of color, and the legal community to make recommendations on further changes needed in order to protect children placed for the purpose of adoption, birth parents or guardians, and prospective adoptive parents. A report with recommendations for state law changes must be made to the governor and the legislature no later than February 1, 1995."

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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 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 5 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, K.	Dorn	Hasskamp	Johnson, R.	Krinkie	Macklin
Anderson, R.	Carlson	Erhardt	Haukoos	Johnson, V.	Krueger	Mahon
Asch	Carruthers	Evans	Hausman	Kahn	Lasley	Mariani
Battaglia	Clark	Farrell	Holsten	Kalis	Leppik	McCollum
Bauerly	Commers	Finseth	Hugoson	Kelley	Lieder	McGuire
Beard	Cooper	Frerichs	Huntley	Kelso	Limmer	Milbert
Bergson	Dauner	Garcia	Jacobs	Kinkel	Lindner	Molnau
Bertram	Davids	Girard	Jaros	Klinzing	Long	Morrison
Bettermann	Dawkins	Goodno	Jefferson	Knickerbocker	Lourey	Mosel
Bishop	Delmont	Greenfield	Jennings	Knight	Luther	Munger
Brown, C.	Dempsey	Greiling	Johnson, A.	Koppendrayer	Lynch	Murphy

Neary	Orfield	Peterson	Sarna	Steensma	Vellenga	Wolf
Nelson	Osthoff	Pugh	Seagren	Sviggum	Vickerman	Worke
Ness	Ostrom	Reding	Sekhon	Swenson	Wagenius	Workman
Olson, E.	Ozment	Rest	Simoneau	Tomassoni	Waltman	Spk. Anderson, I.
Olson, K.	Pauly	Rhodes	Skoglund	Tompkins	Weaver	
Onnen	Pawlenty	Rice	Smith	Trimble	Wejcman	
Opatz	Pelowski	Rodosovich	Solberg	Tunheim	Wenzel	
Orenstein	Perlt	Rukavina	Stanius	Van Dellen	Winter	

Those who voted in the negative were:

Dehler	Gruenes	Gutknecht	Olson, M.	Van Engen

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

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	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	Koppendrayer	Mosel	Peterson	Tompkins	
Davids	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.

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.

There being no objection, the order of business reverted to Petitions and Communications.

PETITIONS AND COMMUNICATIONS

The following communication was received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 29, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I am vetoing and returning to you Chapter 544, House File No. 2920, a bill relating to the reestablishment of the Office of Waste Management as the Office of Environmental Assistance.

The Executive Order that this bill nullifies implemented changes in the organizations responsible for waste management that would have streamlined service and eliminated duplication. It was the product of months of study and was implemented after lengthy consultation with agency personnel and customers. It was widely heralded by many of the customers served.

In addition, this bill prohibits the executive branch from using its reorganization powers on the Office of Environmental Assistance. This is clearly an infringement on executive branch powers by the legislative branch of government and is not acceptable.

Warmest regards,

ARNE H. CARLSON
Governor

Long moved that H. F. No. 2920 be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

The question was taken on the motion to reconsider and repass H. F. No. 2920, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota and the roll was called. There were 89 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Huntley	Knickerbocker	Mosel	Pelowski	Solberg
Asch	Dauner	Jacobs	Krueger	Munger	Perlt	Steensma
Battaglia	Dawkins	Jaros	Lasley	Murphy	Peterson	Tomassoni
Bauerly	Delmont	Jefferson	Lieder	Neary	Pugh	Trimble
Beard	Dorn	Jennings	Limmer	Nelson	Reding	Tunheim
Bergson	Evans	Johnson, A.	Long	Olson, E.	Rest	Vellenga
Bertram	Farrell	Johnson, R.	Lourey	Olson, K.	Rice	Wagenius
Bishop	Finseth	Kahn	Luther	Opatz	Rodosovich	Wejcman
Brown, C.	Garcia	Kalis	Mahon	Orenstein	Rukavina	Wenzel
Brown, K.	Greenfield	Kelley	Mariani	Orfield	Sarna	Winter
Carlson	Greiling	Kelso	McCollum	Osthoff	Sekhon	Spk. Anderson, I.
Carruthers	Hasskamp	Kinkel	McGuire	Ostrom	Simoneau	
Clark	Hausman	Klinzing	Milbert	Ozment	Skoglund	

Those who voted in the negative were:

Abrams	Frerichs	Hugoson	Lynch	Pauly	Swenson	Wolf
Bettermann	Girard	Johnson, V.	Macklin	Pawlenty	Tompkins	Worke
Commers	Goodno	Knight	Molnau	Rhodes	Van Dellen	Workman
Davids	Gruenes	Koppendrayer	Morrison	Seagren	Van Engen	
Dehler	Gutknecht	Krinkie	Ness	Smith	Vickerman	
Dempsey	Haukoos	Leppik	Olson, M.	Stanius	Waltman	
Erhardt	Holsten	Lindner	Onnen	Sviggum	Weaver	

Not having received the required two-thirds vote, the bill was not repassed.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON 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.

April 30, 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. 3209, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3209 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

INCOME TAX AND BUSINESS TAXES

Section 1. Minnesota Statutes 1992, section 60A.02, is amended by adding a subdivision to read:

Subd. 4a. [MUTUAL PROPERTY AND CASUALTY INSURANCE COMPANY.] "Mutual property and casualty insurance company" includes a property and casualty insurance company that was converted to a stock company after December 31, 1987, and before January 1, 1994, if the company was controlled on the date of conversion by a mutual life insurance company and so long as the company continues to be controlled by a mutual life insurance company.

Sec. 2. Minnesota Statutes 1992, section 60A.15, is amended by adding a subdivision to read:

Subd. 15. [GUARANTY ASSOCIATION ASSESSMENT OFFSET.] An insurance company may offset against its premium tax liability to this state any amount paid pursuant to assessments made for insolvencies which occur after July 31, 1994, under sections 60C.01 to 60C.22, and any amount paid pursuant to assessments made after July 31, 1994, under Minnesota Statutes 1992, sections 61B.01 to 61B.16, or sections 61B.18 to 61B.32 as follows:

(a) Each such assessment shall give rise to an amount of offset equal to 20 percent of the amount of the assessment for each of the five calendar years following the year in which the assessment was paid.

(b) The amount of offset initially determined for each taxable year is the sum of the amounts determined under paragraph (a) for that taxable year.

(c) Each year the commissioner of revenue shall compare total guaranty association assessments levied over the preceding five calendar years to the sum of all premium tax and corporate franchise tax revenues collected from insurance companies, without reduction for any guaranty association assessment offset in the preceding calendar year, referred to in this subdivision as "preceding year insurance tax revenues." If total guaranty association assessments levied over the preceding five years exceed the preceding year insurance tax revenues, insurance companies shall be allowed only a proportionate part of the premium tax offset calculated under paragraph (b) for the current calendar year. The proportionate part of the premium tax offset allowed in the current calendar year is determined by multiplying the amount calculated under paragraph (b) by a fraction, the numerator of which equals the preceding year insurance tax revenues and the denominator of which equals total guaranty association assessments levied over the preceding five-year period. The proportionate part of the premium tax offset that is not allowed shall be carried forward to subsequent tax years and added to the amount of premium tax offset calculated under paragraph (b) prior to application of the limitation imposed by this paragraph. Any amount carried forward from prior years must be allowed before allowance of the offset for the current year calculated under paragraph (b). The premium tax offset limitation must be calculated separately for (1) insurance companies subject to assessment under sections 60C.01 to 60C.22, and (2) insurance companies subject to assessment under Minnesota Statutes 1992, sections 61B.01 to 61B.16, or sections 61B.18 to 61B.32. When the premium tax offset is limited by this provision, the commissioner of revenue shall notify affected insurance companies on a timely basis for purposes of completing premium and corporate franchise tax returns. The guaranty associations created under sections 60C.01 to 60C.22, Minnesota Statutes 1992, sections 61B.01 to 61B.16, and sections 61B.18 to 61B.32, shall provide the commissioner of revenue with the necessary information on guaranty association assessments. The limitation in this paragraph is effective for offsets allowable in 1999 and thereafter.

(d) If the offset determined by the application of paragraphs (a) to (c) exceeds the greater of the insurance company's premium tax liability under this section or its corporate franchise tax liability under chapter 290 prior to allowance of the credit for premium taxes, then the insurance company may carry forward the excess, referred to in this subdivision as the "carryforward credit," to subsequent taxable years. The carryforward credit shall be allowed as an offset against premium tax liability for the first succeeding year to the extent that the premium tax liability for that year exceeds the amount of the allowable offset for the year determined under paragraphs (a) to (c). The carryforward credit shall be reduced, but not below zero, by the greater of the amount of the carryforward credit allowed as an offset against the premium tax under this paragraph or the amount of the carryforward credit allowed as an offset against the insurance company's corporate franchise tax liability under section 290.35, subdivision 6, paragraph (d). The remainder, if any, of the carryforward credit must be carried forward to succeeding taxable years until the entire carryforward credit has been credited against the insurance company's liability for premium tax under this chapter and corporate franchise tax under chapter 290 if applicable for that taxable year.

(e) A refund paid by the Minnesota life and health insurance guaranty association to member insurers under Minnesota Statutes 1992, section 61B.07, subdivision 6, or section 61B.24, subdivision 6, with respect to an assessment payment which has been offset against taxes shall reduce the carryforward credit determined under paragraph (d). If the refund exceeds the amount of the carryforward credit, it shall be repaid by the insurers to the extent of the offset to the state in the manner the commissioner of revenue requires.

Sec. 3. Minnesota Statutes 1992, section 289A.02, is amended by adding a subdivision to read:

Subd. 7. [INTERNAL REVENUE CODE.] Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1993.

Sec. 4. Minnesota Statutes 1992, section 289A.25, subdivision 5, is amended to read:

Subd. 5. [AMOUNT OF REQUIRED INSTALLMENT.] The amount of any installment required to be paid shall be 25 percent of the required annual payment except as provided in clause (3). The term "required annual payment" means the lesser of

(1) 90 percent of the tax shown on the return for the taxable year or 90 percent of the tax for the year if no return is filed, or

(2) the total tax liability shown on the return of the ~~individual~~ taxpayer for the preceding taxable year, if a return showing a liability for the taxes was filed by the ~~individual~~ taxpayer for the preceding taxable year of 12 months~~,~~. If the adjusted gross income shown on the return of the taxpayer for the preceding taxable year exceeds $150,000, this clause shall be applied by substituting "110 percent of the total tax liability" for "the total tax liability"

(i) for an individual who is not a Minnesota resident for the entire year, the term "adjusted gross income" means the Minnesota share of that income apportioned to Minnesota under section 290.06, subdivision 2c, paragraph (e), or

(ii) for a trust the term "adjusted gross income" means the income assigned to Minnesota under section 290.17; or

(3) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income and alternative minimum taxable income for the months in the taxable year ending before the month in which the installment is required to be paid. The applicable percentage of the tax is 22.5 percent in the case of the first installment, 45 percent for the second installment, 67.5 percent for the third installment, and 90 percent for the fourth installment. For purposes of this clause, the taxable income and alternative minimum taxable income shall be placed on an annualized basis by

(i) multiplying by 12 (or in the case of a taxable year of less than 12 months, the number of months in the taxable year) the taxable income and alternative minimum taxable income computed for the months in the taxable year ending before the month in which the installment is required to be paid; and

(ii) dividing the resulting amount by the number of months in the taxable year ending before the month in which the installment date falls.

A reduction in an installment under clause (3) must be recaptured by increasing the amount of the next required installment by the amount of the reduction.

Sec. 5. Minnesota Statutes 1993 Supplement, section 289A.26, subdivision 7, is amended to read:

Subd. 7. [REQUIRED INSTALLMENTS.] (a) Except as otherwise provided in this subdivision, the amount of a required installment is 25 percent of the required annual payment.

(b) Except as otherwise provided in this subdivision, the term "required annual payment" means the lesser of:

(1) ~~97~~ 100 percent of the tax shown on the return for the taxable year, or, if no return is filed, ~~97~~ 100 percent of the tax for that year; or

(2) 100 percent of the tax shown on the return of the entity for the preceding taxable year provided the return was for a full 12-month period, showed a liability, and was filed by the entity.

(c) Except for determining the first required installment for any taxable year, paragraph (b), clause (2), does not apply in the case of a large corporation. The term "large corporation" means a corporation or any predecessor corporation that had taxable net income of $1,000,000 or more for any taxable year during the testing period. The term

"testing period" means the three taxable years immediately preceding the taxable year involved. A reduction allowed to a large corporation for the first installment that is allowed by applying paragraph (b), clause (2), must be recaptured by increasing the next required installment by the amount of the reduction.

(d) In the case of a required installment, if the corporation establishes that the annualized income installment is less than the amount determined in paragraph (a), the amount of the required installment is the annualized income installment and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

(e) The "annualized income installment" is the excess, if any, of:

(1) an amount equal to the applicable percentage of the tax for the taxable year computed by placing on an annualized basis the taxable income:

(i) for the first two months of the taxable year, in the case of the first required installment;

(ii) for the first two months or for the first five months of the taxable year, in the case of the second required installment;

(iii) for the first six months or for the first eight months of the taxable year, in the case of the third required installment; and

(iv) for the first nine months or for the first 11 months of the taxable year, in the case of the fourth required installment, over

(2) the aggregate amount of any prior required installments for the taxable year.

(3) For the purpose of this paragraph, the annualized income shall be computed by placing on an annualized basis the taxable income for the year up to the end of the month preceding the due date for the quarterly payment multiplied by 12 and dividing the resulting amount by the number of months in the taxable year (2, 5, 6, 8, 9, or 11 as the case may be) referred to in clause (1).

(4) The "applicable percentage" used in clause (1) is:

For the following required installments:	The applicable percentage is:
1st	~~24.25~~ 25
2nd	~~48.5~~ 50
3rd	~~72.75~~ 75
4th	~~97~~ 100

(f)(1) If this paragraph applies, the amount determined for any installment must be determined in the following manner:

(i) take the taxable income for the months during the taxable year preceding the filing month;

(ii) divide that amount by the base period percentage for the months during the taxable year preceding the filing month;

(iii) determine the tax on the amount determined under item (ii); and

(iv) multiply the tax computed under item (iii) by the base period percentage for the filing month and the months during the taxable year preceding the filing month.

(2) For purposes of this paragraph:

(i) the "base period percentage" for a period of months is the average percent that the taxable income for the corresponding months in each of the three preceding taxable years bears to the taxable income for the three preceding taxable years;

(ii) the term "filing month" means the month in which the installment is required to be paid;

(iii) this paragraph only applies if the base period percentage for any six consecutive months of the taxable year equals or exceeds 70 percent; and

(iv) the commissioner may provide by rule for the determination of the base period percentage in the case of reorganizations, new corporations, and other similar circumstances.

(3) In the case of a required installment determined under this paragraph, if the entity determines that the installment is less than the amount determined in paragraph (a), the amount of the required installment is the amount determined under this paragraph and the recapture of previous quarters' reductions allowed by this paragraph must be recovered by increasing later required installments to the extent the reductions have not previously been recovered.

Sec. 6. Minnesota Statutes 1993 Supplement, section 290.01, subdivision 19, is amended to read:

Subd. 19. [NET INCOME.] The term "net income" means the federal taxable income, as defined in section 63 of the Internal Revenue Code of 1986, as amended through the date named in this subdivision, incorporating any elections made by the taxpayer in accordance with the Internal Revenue Code in determining federal taxable income for federal income tax purposes, and with the modifications provided in subdivisions 19a to 19f.

In the case of a regulated investment company or a fund thereof, as defined in section 851(a) or 851(h) of the Internal Revenue Code, federal taxable income means investment company taxable income as defined in section 852(b)(2) of the Internal Revenue Code, except that:

(1) the exclusion of net capital gain provided in section 852(b)(2)(A) of the Internal Revenue Code does not apply; and

(2) the deduction for dividends paid under section 852(b)(2)(D) of the Internal Revenue Code must be applied by allowing a deduction for capital gain dividends and exempt-interest dividends as defined in sections 852(b)(3)(C) and 852(b)(5) of the Internal Revenue Code.

The net income of a real estate investment trust as defined and limited by section 856(a), (b), and (c) of the Internal Revenue Code means the real estate investment trust taxable income as defined in section 857(b)(2) of the Internal Revenue Code.

The Internal Revenue Code of 1986, as amended through December 31, 1986, shall be in effect for taxable years beginning after December 31, 1986. The provisions of sections 10104, 10202, 10203, 10204, 10206, 10212, 10221, 10222, 10223, 10226, 10227, 10228, 10611, 10631, 10632, and 10711 of the Omnibus Budget Reconciliation Act of 1987, Public Law Number 100-203, the provisions of sections 1001, 1002, 1003, 1004, 1005, 1006, 1008, 1009, 1010, 1011, 1011A, 1011B, 1012, 1013, 1014, 1015, 1018, 2004, 3041, 4009, 6007, 6026, 6032, 6137, 6277, and 6282 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, and the provisions of sections 7811, 7816, and 7831 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, shall be effective at the time they become effective for federal income tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1987, shall be in effect for taxable years beginning after December 31, 1987. The provisions of sections 4001, 4002, 4011, 5021, 5041, 5053, 5075, 6003, 6008, 6011, 6030, 6031, 6033, 6057, 6064, 6066, 6079, 6130, 6176, 6180, 6182, 6280, and 6281 of the Technical and Miscellaneous Revenue Act of 1988, Public Law Number 100-647, the provisions of sections 7815 and 7821 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, and the provisions of section 11702 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1988, shall be in effect for taxable years beginning after December 31, 1988. The provisions of sections 7101, 7102, 7104, 7105, 7201, 7202, 7203, 7204, 7205, 7206, 7207, 7210, 7211, 7301, 7302, 7303, 7304, 7601, 7621, 7622, 7641, 7642, 7645, 7647, 7651, and 7652 of the Omnibus Budget Reconciliation Act of 1989, Public Law Number 101-239, the provision of section 1401 of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, Public Law Number 101-73, and the provisions of sections 11701 and 11703 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, shall become effective at the time they become effective for federal tax purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1989, shall be in effect for taxable years beginning after December 31, 1989. The provisions of sections 11321, 11322, 11324, 11325, 11403, 11404, 11410, and 11521 of the Revenue Reconciliation Act of 1990, Public Law Number 101-508, and the provisions of section 13224 and 13261 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1990, shall be in effect for taxable years beginning after December 31, 1990.

The provisions of section 13431 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, shall become effective at the time they became effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1991, shall be in effect for taxable years beginning after December 31, 1991.

The provisions of sections 1936 and 1937 of the Comprehensive National Energy Policy Act of 1992, Public Law Number 102-486, and the provisions of sections 13101, 13114, 13122, 13141, 13150, 13151, 13174, 13239, 13301, and 13442 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1992, shall be in effect for taxable years beginning after December 31, 1992.

The provisions of sections 13116, 13121, 13206, 13210, 13222, 13223, 13231, 13232, 13233, 13239, 13262, and 13321 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, shall become effective at the time they become effective for federal purposes.

The Internal Revenue Code of 1986, as amended through December 31, 1993, shall be in effect for taxable years beginning after December 31, 1993.

Except as otherwise provided, references to the Internal Revenue Code in subdivisions 19a to 19g mean the code in effect for purposes of determining net income for the applicable year.

Sec. 7. Minnesota Statutes 1992, section 290.01, is amended by adding a subdivision to read:

Subd. 4b. [MUTUAL PROPERTY AND CASUALTY INSURANCE COMPANY.] "Mutual property and casualty insurance company" includes a property and casualty insurance company that was converted to a stock company after December 31, 1987, and before January 1, 1994, if the company was controlled on the date of conversion by a mutual life insurance company and so long as the company continues to be controlled by a mutual life insurance company.

Sec. 8. Minnesota Statutes 1992, section 290.01, subdivision 19d, is amended to read:

Subd. 19d. [CORPORATIONS; MODIFICATIONS DECREASING FEDERAL TAXABLE INCOME.] For corporations, there shall be subtracted from federal taxable income after the increases provided in subdivision 19c:

(1) the amount of foreign dividend gross-up added to gross income for federal income tax purposes under section 78 of the Internal Revenue Code;

(2) the amount of salary expense not allowed for federal income tax purposes due to claiming the federal jobs credit under section 51 of the Internal Revenue Code;

(3) any dividend (not including any distribution in liquidation) paid within the taxable year by a national or state bank to the United States, or to any instrumentality of the United States exempt from federal income taxes, on the preferred stock of the bank owned by the United States or the instrumentality;

(4) amounts disallowed for intangible drilling costs due to differences between this chapter and the Internal Revenue Code in taxable years beginning before January 1, 1987, as follows:

(i) to the extent the disallowed costs are represented by physical property, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7, subject to the modifications contained in subdivision 19e; and

(ii) to the extent the disallowed costs are not represented by physical property, an amount equal to the allowance for cost depletion under Minnesota Statutes 1986, section 290.09, subdivision 8;

(5) the deduction for capital losses pursuant to sections 1211 and 1212 of the Internal Revenue Code, except that:

(i) for capital losses incurred in taxable years beginning after December 31, 1986, capital loss carrybacks shall not be allowed;

(ii) for capital losses incurred in taxable years beginning after December 31, 1986, a capital loss carryover to each of the 15 taxable years succeeding the loss year shall be allowed;

(iii) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryback to each of the three taxable years preceding the loss year, subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed; and

(iv) for capital losses incurred in taxable years beginning before January 1, 1987, a capital loss carryover to each of the five taxable years succeeding the loss year to the extent such loss was not used in a prior taxable year and subject to the provisions of Minnesota Statutes 1986, section 290.16, shall be allowed;

(6) an amount for interest and expenses relating to income not taxable for federal income tax purposes, if (i) the income is taxable under this chapter and (ii) the interest and expenses were disallowed as deductions under the provisions of section 171(a)(2), 265 or 291 of the Internal Revenue Code in computing federal taxable income;

(7) in the case of mines, oil and gas wells, other natural deposits, and timber for which percentage depletion was disallowed pursuant to subdivision 19c, clause (11), a reasonable allowance for depletion based on actual cost. In the case of leases the deduction must be apportioned between the lessor and lessee in accordance with rules prescribed by the commissioner. In the case of property held in trust, the allowable deduction must be apportioned between the income beneficiaries and the trustee in accordance with the pertinent provisions of the trust, or if there is no provision in the instrument, on the basis of the trust's income allocable to each;

(8) for certified pollution control facilities placed in service in a taxable year beginning before December 31, 1986, and for which amortization deductions were elected under section 169 of the Internal Revenue Code of 1954, as amended through December 31, 1985, an amount equal to the allowance for depreciation under Minnesota Statutes 1986, section 290.09, subdivision 7;

(9) the amount included in federal taxable income attributable to the credits provided in Minnesota Statutes 1986, section 273.1314, subdivision 9, or Minnesota Statutes, section 469.171, subdivision 6;

(10) amounts included in federal taxable income that are due to refunds of income, excise, or franchise taxes based on net income or related minimum taxes paid by the corporation to Minnesota, another state, a political subdivision of another state, the District of Columbia, or a foreign country or possession of the United States to the extent that the taxes were added to federal taxable income under section 290.01, subdivision 19c, clause (1), in a prior taxable year;

(11) the following percentage of royalties, fees, or other like income accrued or received from a foreign operating corporation or a foreign corporation which is part of the same unitary business as the receiving corporation:

Taxable Year

Beginning After ..... Percentage

December 31, 1988 ..... 50 percent

December 31, 1990 ..... 80 percent;

(12) income or gains from the business of mining as defined in section 290.05, subdivision 1, clause (a), that are not subject to Minnesota franchise tax;

(13) the amount of handicap access expenditures in the taxable year which are not allowed to be deducted or capitalized under section 44(d)(7) of the Internal Revenue Code of 1986; ~~and~~

(14) the amount of qualified research expenses not allowed for federal income tax purposes under section 280C(c) of the Internal Revenue Code, but only to the extent that the amount exceeds the amount of the credit allowed under section 290.068~~.~~; and

(15) the amount of salary expenses not allowed for federal income tax purposes due to claiming the Indian employment credit under section 45A(a) of the Internal Revenue Code of 1986, as amended through December 31, 1993.

Sec. 9. Minnesota Statutes 1992, section 290.01, is amended by adding a subdivision to read:

Subd. 31. [INTERNAL REVENUE CODE.] Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1993.

Sec. 10. Minnesota Statutes 1992, section 290.05, subdivision 3, is amended to read:

Subd. 3. (a) An organization exempt from taxation under subdivision 2 shall, nevertheless, be subject to tax under this chapter to the extent provided in the following provisions of the Internal Revenue Code:

(i) section 527 (dealing with political organizations);

(ii) section 528 (dealing with certain homeowners associations);

(iii) sections 511 to 515 (dealing with unrelated business income); ~~and~~

(iv) section 521 (dealing with farmers' cooperatives); and

(v) section 6033(e)(2) (dealing with lobbying expense); but

notwithstanding this subdivision, shall be considered an organization exempt from income tax for the purposes of any law which refers to organizations exempt from income taxes.

(b) The tax shall be imposed on the taxable income of political organizations or homeowner associations or the unrelated business taxable income, as defined in section 512 of the Internal Revenue Code, of organizations defined in section 511 of the Internal Revenue Code, provided that the tax is not imposed on:

(1) advertising revenues from a newspaper published by an organization described in section 501(c)(4) of the Internal Revenue Code; or

(2) revenues from lawful gambling authorized under chapter 349 that are expended for purposes that qualify for the deduction for charitable contributions under section 170 of the Internal Revenue Code of 1986, as amended through December 31, ~~1991~~ 1993, disregarding the limitation under section 170(b)(2), but only to the extent the contributions are not deductible in computing federal taxable income.

The tax shall be at the corporate rates. The tax shall only be imposed on income and deductions assignable to this state under sections 290.17 to 290.20. To the extent deducted in computing federal taxable income, the deductions contained in section 290.21 shall not be allowed in computing Minnesota taxable net income.

(c) The tax shall be imposed on organizations subject to federal tax under section 6033(e)(2) of the Internal Revenue Code of 1986, as amended through December 31, 1993, in an amount equal to the corporate tax rate multiplied by the amount of lobbying expenses taxed under section 6033(e)(2) which are attributable to lobbying the Minnesota state government.

Sec. 11. 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. A revocation under this subdivision is subject to administrative review under section 289A.65.

Sec. 12. 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, 6 percent;

(2) On all over $19,910, but not over $79,120, 8 percent;

(3) On all over $79,120, 8.5 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, 6 percent;

(2) On all over $13,620, but not over $44,750, 8 percent;

(3) On all over $44,750, 8.5 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, 6 percent;

(2) On all over $16,770, but not over $67,390, 8 percent;

(3) On all over $67,390, 8.5 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~~ 1993, increased by the addition required for interest income from non-Minnesota state and municipal bonds under section 290.01, subdivision 19a, clause (1).

Sec. 13. Minnesota Statutes 1992, section 290.067, subdivision 1, is amended to read:

Subdivision 1. [AMOUNT OF CREDIT.] (a) A taxpayer may take as a credit against the tax due from the taxpayer and a spouse, if any, under this chapter an amount equal to the dependent care credit for which the taxpayer is eligible pursuant to the provisions of section 21 of the Internal Revenue Code subject to the limitations provided in subdivision 2 except that in determining whether the child qualified as a dependent, income received as an aid to families with dependent children grant or allowance to or on behalf of the child must not be taken into account in determining whether the child received more than half of the child's support from the taxpayer, and the provisions of section 32(b)(1)(D) of the Internal Revenue Code ~~of 1986, as amended through December 31, 1991,~~ do not apply.

(b) If a child who is six years of age or less at the close of the taxable year is cared for at a licensed family day care home operated by the child's parent, the taxpayer is deemed to have paid employment-related expenses. If the child is 16 months old or younger at the close of the taxable year, the amount of expenses deemed to have been paid equals the maximum limit for one qualified individual under section 21(c) and (d) of the Internal Revenue Code. If the child is older than 16 months of age but not older than six years of age at the close of the taxable year, the amount of expenses deemed to have been paid equals the amount the licensee would charge for the care of a child of the same age for the same number of hours of care.

(c) If a married couple:

(1) has a child one year of age or less at the close of the taxable year;

(2) files a joint tax return for the taxable year; and

(3) does not participate in a dependent care assistance program as defined in section 129 of the Internal Revenue Code, in lieu of the actual employment related expenses paid for that child under paragraph (a) or the deemed amount under paragraph (b), the lesser of (i) the combined earned income of the couple or (ii) $2,400 will be deemed to be the employment related expense paid for that child. The earned income limitation of section 21(d) of the Internal Revenue Code shall not apply to this deemed amount. These deemed amounts apply regardless of whether any employment-related expenses have been paid.

(d) If the taxpayer is not required and does not file a federal individual income tax return for the tax year, no credit is allowed for any amount paid to any person unless:

(1) the name, address, and taxpayer identification number of the person are included on the return claiming the credit; or

(2) if the person is an organization described in section 501(c)(3) of the Internal Revenue Code and exempt from tax under section 501(a) of the Internal Revenue Code, the name and address of the person are included on the return claiming the credit.

In the case of a failure to provide the information required under the preceding sentence, the preceding sentence does not apply if it is shown that the taxpayer exercised due diligence in attempting to provide the information required.

In the case of a nonresident, part-year resident, or a person who has earned income not subject to tax under this chapter, the credit determined under section 21 of the Internal Revenue Code must be allocated based on the ratio by which the earned income of the claimant and the claimant's spouse from Minnesota sources bears to the total earned income of the claimant and the claimant's spouse.

Sec. 14. Minnesota Statutes 1992, section 290.068, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of this section, the following terms have the meanings given.

(a) "Qualified research expenses" means (i) qualified research expenses and basic research payments as defined in section 41(b) and (e) of the Internal Revenue Code, except it does not include expenses incurred for qualified research or basic research conducted outside the state of Minnesota pursuant to section 41(d) and (e) of the Internal Revenue Code; and (ii) contributions to a nonprofit corporation established and operated pursuant to the provisions of chapter 317A for the purpose of promoting the establishment and expansion of business in this state, provided the contributions are invested by the nonprofit corporation for the purpose of providing funds for small, technologically innovative enterprises in Minnesota during the early stages of their development.

(b) "Qualified research" means qualified research as defined in section 41(d) of the Internal Revenue Code, except that the term does not include qualified research conducted outside the state of Minnesota.

(c) "Base amount" means base amount as defined in section 41(c) of the Internal Revenue Code, except that the average annual gross receipts must be calculated using Minnesota sales or receipts under section 290.191 and the definitions contained in clauses (a) and (b) shall apply.

~~(d) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1991.~~

Sec. 15. Minnesota Statutes 1992, section 290.0802, subdivision 1, is amended to read:

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

(a) "Adjusted gross income" means federal adjusted gross income as used in section 22(d) of the Internal Revenue Code for the taxable year, plus a lump sum distribution as defined in section 402(e)(3) of the Internal Revenue Code, and less any pension, annuity, or disability benefits included in federal gross income but not subject to state taxation other than the subtraction allowed under section 290.01, subdivision 19b, clause (4).

(b) "Disability income" means disability income as defined in section 22(c)(2)(B)(iii) of the Internal Revenue Code.

(c) ~~"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1991.~~

~~(d)~~ "Nontaxable retirement and disability benefits" means the amount of pension, annuity, or disability benefits that would be included in the reduction under section 22(c)(3) of the Internal Revenue Code and pension, annuity, or disability benefits included in federal gross income but not subject to state taxation other than the subtraction allowed under section 290.01, subdivision 19b, clause (4).

~~(e)~~ (d) "Qualified individual" means a qualified individual as defined in section 22(b) of the Internal Revenue Code.

(e) "Social security benefits above the second federal threshold" means the amount of social security benefits included in federal taxable income due to the provisions of section 13215 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66.

Sec. 16. Minnesota Statutes 1992, section 290.0802, subdivision 2, is amended to read:

Subd. 2. [SUBTRACTION.] (a) A qualified individual is allowed a subtraction from federal taxable income for the greater of (1) the individual's subtraction base amount or (2) the minimum amount. The excess of the subtraction base amount over the taxable net income computed without regard to the subtraction for the elderly or disabled under section 290.01, subdivision 19b, clause (5), may be used to reduce the amount of a lump sum distribution subject to tax under section 290.032.

(b)(1) The initial subtraction base amount equals

(i) ~~$10,000~~ $12,000 for a married taxpayer filing a joint return if a spouse is a qualified individual,

(ii) ~~$8,000~~ $9,600 for a single taxpayer, and

(iii) ~~$5,000~~ $6,000 for a married taxpayer filing a separate federal return.

(2) The qualified individual's initial subtraction base amount, then, must be reduced by the sum of nontaxable retirement and disability benefits and one-half of the amount of adjusted gross income in excess of the following thresholds:

(i) ~~$15,000~~ $18,000 for a married taxpayer filing a joint return if both spouses are qualified individuals,

(ii) ~~$12,000~~ $14,500 for a single taxpayer or for a married couple filing a joint return if only one spouse is a qualified individual, and

(iii) ~~$7,500~~ $9,000 for a married taxpayer filing a separate federal return.

(3) In the case of a qualified individual who is under the age of 65, the maximum amount of the subtraction base may not exceed the taxpayer's disability income.

(4) The resulting amount is the subtraction base amount.

(c) Qualified individuals who must include social security benefits above the second federal threshold in federal taxable income may claim a minimum amount equal to the lesser of

(1) the amount of social security benefits above the second federal threshold included in federal taxable income; or

(2) a minimum amount subject to an income phase-out.

For taxable years beginning after December 31, 1993, and before January 1, 1995, the minimum amount equals

(i) $3,750 for married individuals filing a joint return if both spouses are qualified individuals,

(ii) $3,000 for a single taxpayer or for married individuals filing a joint return if one spouse is a qualified individual, and

(iii) $1,875 for a married individual filing a separate return.

For taxable years beginning after December 31, 1994, and before January 1, 1996, the minimum amount equals

(i) $2,250 for married individuals filing a joint return if both spouses are qualified individuals,

(ii) $1,800 for a single taxpayer or for married individuals filing a joint return if one spouse is a qualified individual, and

(iii) $1,125 for married individuals filing a separate return.

For taxable years beginning after December 31, 1995, and before January 1, 1997, the minimum amount equals

(i) $1,000 for married individuals filing a joint return if both spouses are qualified individuals,

(ii) $800 for a single taxpayer or for married individuals filing a joint return if one spouse is a qualified individual, and

(iii) $500 for married individuals filing a separate return.

For taxable years beginning after December 31, 1996, the minimum amount is zero.

The minimum amount is reduced by 20 percent for each $1,000 of adjusted gross income above an income threshold, but in no case may the minimum amount be reduced to less than zero. The income thresholds equal

(i) $75,000 for married individuals filing a joint return if both spouses are qualified individuals,

(ii) $60,000 for single taxpayers and for married individuals filing a joint return if only one spouse is a qualified individual, and

(iii) $37,500 for married individuals filing a separate return.

Sec. 17. Minnesota Statutes 1993 Supplement, section 290.091, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of the tax imposed by this section, the following terms have the meanings given:

(a) "Alternative minimum taxable income" means the sum of the following for the taxable year:

(1) the taxpayer's federal alternative minimum taxable income as defined in section 55(b)(2) of the Internal Revenue Code;

(2) the taxpayer's itemized deductions allowed in computing federal alternative minimum taxable income, but excluding the Minnesota charitable contribution deduction and ~~non-Minnesota charitable deductions to the extent they are included in federal alternative minimum taxable income under section 57(a)(6) of the Internal Revenue Code, and excluding~~ the medical expense deduction;

(3) for depletion allowances computed under section 613A(c) of the Internal Revenue Code, with respect to each property (as defined in section 614 of the Internal Revenue Code), to the extent not included in federal alternative minimum taxable income, the excess of the deduction for depletion allowable under section 611 of the Internal Revenue Code for the taxable year over the adjusted basis of the property at the end of the taxable year (determined without regard to the depletion deduction for the taxable year);

(4) to the extent not included in federal alternative minimum taxable income, the amount of the tax preference for intangible drilling cost under section 57(a)(2) of the Internal Revenue Code determined without regard to subparagraph (E);

(5) to the extent not included in federal alternative minimum taxable income, the amount of interest income as provided by section 290.01, subdivision 19a, clause (1); less the sum of

(i) interest income as defined in section 290.01, subdivision 19b, clause (1);

(ii) an overpayment of state income tax as provided by section 290.01, subdivision 19b, clause (2), to the extent included in federal alternative minimum taxable income; and

(iii) the amount of investment interest paid or accrued within the taxable year on indebtedness to the extent that the amount does not exceed net investment income, as defined in section 163(d)(4) of the Internal Revenue Code. Interest does not include amounts deducted in computing federal adjusted gross income.

In the case of an estate or trust, alternative minimum taxable income must be computed as provided in section 59(c) of the Internal Revenue Code.

~~(b) "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1992.~~

~~(c)~~ "Investment interest" means investment interest as defined in section 163(d)(3) of the Internal Revenue Code.

~~(d)~~ (c) "Tentative minimum tax" equals seven percent of alternative minimum taxable income after subtracting the exemption amount determined under subdivision 3.

~~(e)~~ (d) "Regular tax" means the tax that would be imposed under this chapter (without regard to this section and section 290.032), reduced by the sum of the nonrefundable credits allowed under this chapter.

~~(f)~~ (e) "Net minimum tax" means the minimum tax imposed by this section.

~~(g)~~ (f) "Minnesota charitable contribution deduction" means a charitable contribution deduction under section 170 of the Internal Revenue Code to or for the use of an entity described in section 290.21, subdivision 3, clauses (a) to (e).

Sec. 18. Minnesota Statutes 1992, section 290.091, subdivision 3, is amended to read:

Subd. 3. [EXEMPTION AMOUNT.] For purposes of computing the alternative minimum tax, the exemption amount is the exemption determined under section 55(d) of the Internal Revenue Code, as amended through December 31, 1992, except that alternative minimum taxable income as determined under this section must be substituted in the computation of the phase out under section 55(d)(3).

Sec. 19. Minnesota Statutes 1992, section 290.0921, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] (a) For purposes of this section, the following terms have the meanings given them.

(b) "Alternative minimum taxable net income" is alternative minimum taxable income,

(1) less the exemption amount, and

(2) apportioned or allocated to Minnesota under section 290.17, 290.191, or 290.20.

(c) The "exemption amount" is $40,000, reduced, but not below zero, by 25 percent of the excess of alternative minimum taxable income over $150,000.

(d) ~~"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1991.~~

~~(e)~~ "Minnesota alternative minimum taxable income" is alternative minimum taxable net income, less the deductions for alternative tax net operating loss under subdivision 4; charitable contributions under subdivision 5; and dividends received under subdivision 6. The sum of the deductions under this paragraph may not exceed 90 percent of alternative minimum taxable net income. This limitation does not apply to a deduction for dividends paid to or received from a corporation which is subject to tax under section 290.35 or 290.36 and which is a member of an affiliated group of corporations as defined by the Internal Revenue Code.

Sec. 20. Minnesota Statutes 1992, section 290.35, is amended by adding a subdivision to read:

Subd. 6. [GUARANTY ASSOCIATION ASSESSMENT OFFSET.] An insurance company may offset against its corporate franchise tax liability under this chapter any amount paid pursuant to assessments made for insolvencies which occur after July 31, 1994, under sections 60C.01 to 60C.22, and any amount paid pursuant to assessments made after July 31, 1994, under Minnesota Statutes 1992, sections 61B.01 to 61B.16, or sections 61B.18 to 61B.32, as follows:

(a) Each such assessment shall give rise to an amount of offset equal to 20 percent of the amount of the assessment for each of the five calendar years following the year in which the assessment was paid.

(b) The amount of offset initially determined for each taxable year is the sum of the amounts determined under paragraph (a) for that taxable year.

(c) Each year the commissioner of revenue shall compare total guaranty association assessments levied over the preceding five calendar years to the sum of all premium tax and corporate franchise tax revenues collected from insurance companies without reduction for any guaranty association assessment offset, in the preceding calendar year, referred to in this subdivision as "preceding year insurance tax revenues." If total guaranty association assessments levied over the preceding five years exceed the preceding year insurance tax revenues, insurance companies shall be allowed only a proportionate part of the corporate franchise tax offset calculated under paragraph (b) for the current calendar year. The proportionate part of the corporate franchise tax offset allowed in the current calendar year is determined by multiplying the amount calculated under paragraph (b) by a fraction, the numerator of which equals the preceding year insurance tax revenues and the denominator of which equals total guaranty association assessments levied over the preceding five-year period. The proportionate part of the premium tax offset that is not allowed shall be carried forward to subsequent tax years and added to the amount of corporate franchise tax offset calculated under paragraph (b) before application of the limitation imposed by this paragraph. Any amount carried forward from prior years must be allowed before allowance of the offset for the current year calculated under paragraph (b). The corporate franchise tax offset limitation must be calculated separately for (1) insurance companies subject to assessment under sections 60C.01 to 60C.22, and (2) insurance companies subject to assessment under Minnesota Statutes 1992, sections 61B.01 to 61B.16, or sections 61B.18 to 61B.32. When the corporate franchise tax offset is limited by this provision, the commissioner of revenue will notify affected insurance companies on a timely basis for purposes of completing premium and corporate franchise tax returns. The guaranty associations created under sections 60C.01 to 60C.22, Minnesota Statutes 1992, 61B.01 to 61B.16, and sections 61B.18 to 61B.32, shall provide the commissioner of revenue with the necessary information on guaranty association assessments. The limitation in this paragraph is effective for offsets allowable in 1999 and thereafter.

(d) If the offset determined by the application of paragraphs (a) to (c) exceeds the greater of the insurance company's corporate franchise tax liability under this chapter prior to allowance of the credit provided by subdivision 3 or its premium tax liability under chapter 60A, then the insurance company may carry forward the excess, referred to in this subdivision as the "carryforward credit," to subsequent taxable years. The carryforward credit must be allowed as an offset against corporate franchise tax liability for the first succeeding year to the extent that the corporate franchise tax liability for that year exceeds the amount of the allowable offset for the year determined under paragraphs (a) to (c). The carryforward credit shall be reduced, but not below zero, by the greater of the amount of the carryforward credit allowed as an offset against the corporate franchise tax pursuant to this paragraph or the amount of the carryforward credit allowed as an offset against the insurance company's premium tax liability under chapter 60A pursuant to section 60A.15, subdivision 15, paragraph (d). The remainder, if any, of the carryforward credit must be carried forward to succeeding taxable years until the entire carryforward credit has been credited against the insurance company's liability for corporate franchise tax under this chapter and premium tax under chapter 60A.

(e) A refund paid by the Minnesota life and health insurance guaranty association to member insurers under Minnesota Statutes 1992, section 61B.07, subdivision 6, or section 61B.24, subdivision 6, with respect to an assessment payment which has been offset against taxes shall reduce the carryforward credit determined under paragraph (d) and, if the refund exceeds the amount of the carryforward credit, shall be repaid by the insurers to the extent of the offset to the state in the manner the commissioner of revenue requires.

Sec. 21. Minnesota Statutes 1992, section 297.01, is amended by adding a subdivision to read:

Subd. 17. [INTERNAL REVENUE CODE.] Unless specifically defined otherwise, "Internal Revenue Code" means the Internal Revenue Code of 1986, as amended through December 31, 1993.

Sec. 22. Minnesota Statutes 1992, section 298.017, subdivision 2, is amended to read:

Subd. 2. [DEDUCTIONS ALLOWED.] (a) In calculating the net proceeds for the purpose of determining the tax provided in section 298.015, only those expenses specifically allowed in this subdivision may be deducted from gross proceeds. The carryback or carryforward of deductions shall not be allowed.

(b) Ordinary and necessary expenses actually paid for the mining, production, processing, beneficiation, smelting, or refining of metal or mineral products for:

(1) labor, including wages, salaries, fringe benefits, unemployment and workers' compensation insurance;

(2) machinery, equipment, and supplies, including any sales and use tax paid on it, except that machinery and equipment subject to depreciation shall only be deductible under clause (b)(3);

(3) depreciation as defined and allowed by section 167 of the Internal Revenue Code of 1986, as amended through December 31, ~~1986~~ 1993;

(4) administrative expenses inside Minnesota; and

(5) reclamation costs actually incurred in Minnesota and paid in a year of production, including the payment of bonds required by the provisions of an environmental permit issued by the state of Minnesota

are deductible.

(c) Ordinary and necessary expenses of transporting metal or mineral products are allowed as a deduction if the costs are included in the sale price of the products.

(d) Expenses of exploration, research, or development in this state for the mining and processing of minerals within Minnesota paid in a production year are deductible in the production year.

(e) Expenses of exploration and development in Minnesota incurred prior to production must be amortized and deducted on a straight-line basis over the first five years of production.

Sec. 23. [FEDERAL CHANGES.]

The changes made by sections 13115, 13131, 13144, 13145, 13146, 13148, 13149, and 13171 of the Omnibus Budget Reconciliation Act of 1993, Public Law Number 103-66, which affect the computation of corporate alternative minimum taxable income as defined in Minnesota Statutes, section 290.0921, subdivision 3; alternative minimum taxable income of individuals, trusts, and estates as defined in Minnesota Statutes, section 290.091, subdivision 2; unrelated business taxable income, as defined in Minnesota Statutes, section 290.05, subdivision 3; and the Minnesota working family credit in Minnesota Statutes, section 290.0671, shall be in effect at the same time they become effective for federal income tax purposes.

Sec. 24. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code" for the words "Internal Revenue Code of 1986, as amended through December 31, 1992," where the phrase occurs in chapters 289A, 290, 290A, 291, and 297, except for sections 290.01, subdivision 19; 290.091, subdivision 3; 290A.03, subdivision 15; and 291.005, subdivision 1.

In the next edition of Minnesota Statutes, the revisor of statutes shall substitute the phrase "Internal Revenue Code of 1986, as amended through December 31, 1993," for the words "Internal Revenue Code of 1986, as amended through December 31, 1992," wherever the phrase occurs in sections 290A.03, subdivision 15; 291.005, subdivision 1; 469.174, subdivision 20; and chapter 298.

Sec. 25. [REPEALER.]

(a) Minnesota Statutes 1992, sections 290.05, subdivision 6; and 290.067, subdivision 6, is repealed.

(b) Minnesota Statutes 1993 Supplement, section 289A.25, subdivision 5a, is repealed.

Sec. 26. [SEVERABILITY.]

If section 1 or 7 is for any reason found by a final nonappealable order of a court of competent jurisdiction to be unconstitutional or to have an unconstitutional effect on the application of the insurance premiums tax to other insurance companies, the legislature intends that only section 1 or section 7, as appropriate, be invalid and the otherwise applicable insurance premiums tax rates apply.

Sec. 27. [EFFECTIVE DATE.]

Sections 1, 7, 13, 15, 16, and 22 are effective for taxable years beginning after December 31, 1993.

Section 2 is effective to be used as an offset against premium tax liabilities payable after November 30, 1995. If a guaranty association assessment was made before August 1, 1994, under Minnesota Statutes 1992, sections 61B.01 to 61B.16, and is revoked or invalidated, a subsequent assessment to pay the same liabilities shall not be eligible for the offset as provided for under Minnesota Statutes, section 60A.15, subdivision 15, and shall not be used in any calculation to determine the offset limitation under Minnesota Statutes, section 60A.15, subdivision 15, paragraph (c).

Sections 4 and 25, paragraph (b), are effective for installments of estimated taxes due after the day following enactment.

Section 5 is effective for taxable years beginning after December 31, 1994.

Section 8 is effective for wages paid or incurred after December 31, 1993.

Section 20 is effective to be used as an offset against tax liabilities payable after June 30, 1995. If a guaranty association assessment was made before August 1, 1994, under Minnesota Statutes 1992, sections 61B.01 to 61B.16 and is revoked or invalidated, a subsequent assessment to pay the same liabilities shall not be eligible for the offset as provided for under Minnesota Statutes, section 290.35, subdivision 6, and shall not be used in any calculation to determine the offset limitation under Minnesota Statutes, section 290.35, subdivision 6, paragraph (c).

ARTICLE 2

SALES, USE, AND MOTOR VEHICLE EXCISE TAXES

Section 1. Minnesota Statutes 1993 Supplement, section 289A.11, subdivision 1, is amended to read:

Subdivision 1. [RETURN REQUIRED.] Except as provided in section 289A.18, subdivision 4, for the month in which taxes imposed by sections 297A.01 to 297A.44 are payable, or for which a return is due, a return for the preceding reporting period must be filed with the commissioner in the form and manner the commissioner prescribes. A person making sales at retail at two or more places of business may file a consolidated return subject to rules prescribed by the commissioner. In computing the dollar amount of items on the return, the amounts are rounded off to the nearest whole dollar, disregarding amounts less than 50 cents and increasing amounts of 50 cents to 99 cents to the next highest dollar.

Notwithstanding this subdivision, a person who is not required to hold a sales tax permit under chapter 297A and who makes annual purchases of less than ~~$5,000~~ $18,500 that are subject to the use tax imposed by section 297A.14, may file an annual use tax return on a form prescribed by the commissioner. If a person who qualifies for an annual use tax reporting period is required to obtain a sales tax permit or makes use tax purchases in excess of ~~$5,000~~ $18,500 during the calendar year, the reporting period must be considered ended at the end of the month in which the permit is applied for or the purchase in excess of ~~$5,000~~ $18,500 is made and a return must be filed for the preceding reporting period.

Sec. 2. Minnesota Statutes 1993 Supplement, section 297A.01, subdivision 16, is amended to read:

Subd. 16. [CAPITAL EQUIPMENT.] (a) Capital equipment means machinery and equipment ~~and the materials and supplies necessary to construct or install the machinery or equipment. To qualify under this definition the capital equipment must be~~ purchased or leased for use in this state and used by the purchaser or lessee primarily for manufacturing, fabricating, mining, ~~quarrying,~~ or refining tangible personal property, to be sold ultimately at retail and for electronically transmitting results retrieved by a customer of an on-line computerized data retrieval system, ~~or for the generation of electricity or steam, to be sold at retail and must be used for the establishment of a new or the physical expansion of an existing manufacturing, fabricating, mining, quarrying, or refining facility in the state. For purposes of this subdivision, "mining" includes peat mining, and "on-line computerized data retrieval system" refers to a system whose cumulation of information is equally available and accessible to all its customers~~.

(b) Capital equipment includes all machinery and equipment that is essential to the integrated production process. Capital equipment includes, but is not limited to:

(1) machinery and equipment used or required to operate, control, or regulate the production equipment;

(2) machinery and equipment used for research and development, design, quality control, and testing activities;

(3) environmental control devices that are used to maintain conditions such as temperature, humidity, light, or air pressure when those conditions are essential to and are part of the production process; or

(4) materials and supplies necessary to construct and install machinery or equipment.

(c) Capital equipment does not include the following:

(1) ~~machinery or equipment purchased or leased to replace machinery or equipment performing substantially the same function in an existing facility;~~

~~(2)~~ repair or replacement parts, including accessories, whether purchased as spare parts, repair parts, or as upgrades or modifications, and whether purchased before or after the machinery or equipment is placed into service. Parts or accessories are treated as capital equipment only to the extent that they are a part of and are essential to the operation of the machinery or equipment as initially purchased;

(2) motor vehicles taxed under chapter 297B;

(3) machinery or equipment used to receive or store raw materials;

(4) building materials~~, including materials used for foundations that support machinery or equipment~~;

(5) machinery or equipment used for nonproduction purposes, including, but not limited to, the following: machinery and equipment used for plant security, fire prevention, first aid, and hospital stations; machinery and equipment used in support operations or for administrative purposes; machinery and equipment used solely for pollution control, prevention, or abatement; ~~machinery and equipment used for environmental control, except that when a controlled environment is essential for the manufacture of a particular product, the machinery or equipment that controls the environment can qualify as capital equipment;~~ and machinery and equipment used in plant cleaning, disposal of scrap and waste, plant communications, space heating, lighting, or safety;

(6) "farm machinery" as defined by subdivision 15, ~~"special tooling" as defined by subdivision 17, and~~ "aquaculture production equipment" as defined by subdivision 19, and "replacement capital equipment" as defined by subdivision 20; or

(7) any other item that is not essential to the integrated process of manufacturing, fabricating, mining, ~~quarrying,~~ or refining.

(d) For purposes of this subdivision:

(1) "Equipment" means independent devices or tools separate from machinery but essential to an integrated production process, including computers and software, used in operating machinery and equipment; and any subunit or assembly comprising a component of any machinery or accessory or attachment parts of machinery, such as tools, dies, jigs, patterns, and molds.

(2) "Fabricating" means to make, build, create, produce, or assemble components or property to work in a new or different manner.

(3) "Machinery" means mechanical, electronic, or electrical devices, including computers and software, that are purchased or constructed to be used for the activities set forth in paragraph (a), beginning with the removal of raw materials from inventory through the completion of the product, including packaging of the product.

(4) "Manufacturing" means an operation or series of operations where raw materials are changed in form, composition, or condition by machinery and equipment and which results in the production of a new article of tangible personal property. For purposes of this subdivision, "manufacturing" includes the generation of electricity or steam to be sold at retail.

(5) "Mining" means the extraction of minerals, ores, stone, and peat.

(6) "On-line data retrieval system" means a system whose cumulation of information is equally available and accessible to all its customers.

(7) "Pollution control equipment" means machinery and equipment used to eliminate, prevent, or reduce pollution resulting from an activity described in paragraph (a).

(8) "Primarily" means machinery and equipment used 50 percent or more of the time in an activity described in paragraph (a).

(9) "Refining" means the process of converting a natural resource to a product, including the treatment of water to be sold at retail.

~~(c)~~ (e) For purposes of this subdivision:

~~(1)~~ the requirement that the machinery or equipment "must be used by the purchaser or lessee" means that the person who purchases or leases the machinery or equipment must be the one who uses it for the qualifying purpose. When a contractor buys and installs machinery or equipment as part of an improvement to real property, only the contractor is considered the purchaser;.

~~(2) the requirement that the machinery and equipment must be used "for manufacturing, fabricating, mining, quarrying, or refining" means that the machinery or equipment must be essential to the integrated process of manufacturing, fabricating, mining, quarrying, or refining. Neither legal requirements nor practical necessity determines whether or not the equipment is essential to the integrated process;~~

~~(3) "facility" means a coordinated group of fixed assets, which may include land, buildings, machinery, and equipment that are essential to and used in an integrated manufacturing, fabricating, refining, mining, or quarrying process;~~

~~(4) "establishment of a new facility" means the construction of a facility, or the purchase by a new owner of a facility that was previously closed and not operational for a period of at least 12 consecutive months. Relocating operations from an existing facility within Minnesota to another facility within Minnesota does not constitute establishing a new facility;~~

~~(5) "physical expansion of an existing facility" means adding a new production line, adding new machinery or equipment to an existing production line, new construction which will become part of the existing facility and which is used for a qualifying activity, or conversion of an area in an existing facility from a nonqualifying activity to a qualifying activity; and~~

~~(6) performing "substantially the same function" means that the new machinery or equipment serves fundamentally or essentially the same purpose as did the old equipment or that it produces the same or similar end product, even though it may increase speed, efficiency, or production capacity.~~

~~(d)~~ (f) Notwithstanding prior provisions of this subdivision, machinery and equipment purchased or leased to replace machinery and equipment used in the mining or production of taconite shall qualify as capital equipment ~~regardless of whether the facility has been expanded~~.

Sec. 3. Minnesota Statutes 1992, section 297A.01, is amended by adding a subdivision to read:

Subd. 20. [REPLACEMENT CAPITAL EQUIPMENT.] (a) Replacement capital equipment means machinery and equipment, as defined in subdivision 16, that serves fundamentally or essentially the same purpose or function or that produces the same or similar end product as did the old equipment, even though it may increase speed, efficiency, or production capacity.

(b) Replacement capital equipment includes:

(1) repair and replacement parts, including accessories, whether purchased as spare parts, repair parts, or as upgrades or modifications to machinery or equipment;

(2) replacement or enhanced software used or required to operate, control, or regulate machinery or equipment;

(3) materials used for foundations that support machinery or equipment or special purpose buildings used in the production process; or

(4) all machinery and equipment that is replacing an existing piece of machinery or equipment that is essential to the integrated production process.

Sec. 4. Minnesota Statutes 1992, section 297A.02, is amended to read:

297A.02 [IMPOSITION OF TAX.]

Subdivision 1. [GENERALLY.] Except as otherwise provided in this chapter, there is imposed an excise tax of ~~six~~ 6.5 percent of the gross receipts from sales at retail made by any person in this state.

Subd. 2. [MACHINERY AND EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of ~~special tooling is four percent and upon sales of~~ farm machinery and aquaculture production equipment is ~~two~~ 2.5 percent.

Subd. 3. [LIQUOR AND BEER SALES.] Notwithstanding the provisions of subdivision 1, the rate of the excise tax imposed upon sales of intoxicating liquor, as defined in section 340A.101, subdivision 14, and 3.2 percent malt liquor, as defined in section 340A.101, subdivision 19, shall be ~~8.5~~ nine percent. The 3.2 percent malt liquor is subject to taxation under this subdivision only when sold at an on-sale or off-sale municipal liquor store or other establishment licensed to sell any type of intoxicating liquor.

Subd. 4. [MANUFACTURED HOUSING.] Notwithstanding the provisions of subdivision 1, for sales at retail of manufactured homes used for residential purposes the excise tax is imposed upon 65 percent of the sales price of the home.

Subd. 5. [REPLACEMENT CAPITAL EQUIPMENT.] Notwithstanding the provisions of subdivision 1, the rate of excise tax imposed upon retail sales of replacement capital equipment is:

for purchases after June 30, 1994, and prior to July 1, 1995, 5.0 percent,

for purchases after June 30, 1995, and prior to July 1, 1996, 4.0 percent,

for purchases after June 30, 1996, and prior to July 1, 1997, 3.8 percent,

for purchases after June 30, 1997, and prior to July 1, 1998, 2.9 percent, and

for purchases after June 30, 1998, 2.0 percent.

This subdivision shall cease to be operative on July 1, 2001, or on July 1 of the earliest year thereafter, if the total employment in the manufacturing sector in this state, as determined by the commissioner of jobs and training on the preceding January 1, does not exceed by 4,500 the total employment in the manufacturing sector in the state on January 1, 1994.

Sec. 5. [297A.022] [COORDINATION OF STATE AND LOCAL SALES TAX RATES.]

In preparing and distributing a sales tax schedule for use within a local jurisdiction with a separate general sales tax, the state department of revenue shall coordinate the state, local option, and local sales tax so that a sale of $1 reflects a tax equal to the combination of the state, local option, and local sales tax rate. The combined sales tax on other sales amounts shall also reflect the coordinated rather than the separate effects of the three sales taxes. The schedule must be coordinated as long as the local sales tax is in effect. If the sales tax percentage is changed for any of the taxes, the schedule shall be adjusted to reflect the change.

Sec. 6. Minnesota Statutes 1992, section 297A.135, subdivision 1, is amended to read:

Subdivision 1. [TAX IMPOSED.] A tax ~~of $7.50~~ is imposed on the lease or rental in this state for not more than 28 days of a passenger automobile as defined in section 168.011, subdivision 7, a van as defined in section 168.011, subdivision 28, or a pickup truck as defined in section 168.011, subdivision 29. The tax is imposed at the rate of 6.2 percent of the sales price as defined for the purpose of imposing the sales and use tax in this chapter. The tax does not apply to the lease or rental of a hearse or limousine used in connection with a burial or funeral service. It applies whether or not the vehicle is licensed in the state.

Sec. 7. Minnesota Statutes 1992, section 297A.15, subdivision 5, is amended to read:

Subd. 5. [REFUND; APPROPRIATION.] Notwithstanding the provisions of ~~section~~ sections 297A.02, subdivision 5, and 297A.25, subdivisions 42 and 50, the tax on sales of capital equipment, replacement capital equipment, and construction materials and supplies under section 297A.25, subdivision 50, shall be imposed and collected as if the rates under sections 297A.02, subdivision 1, and 297A.021, applied. Upon application by the purchaser, on forms prescribed by the commissioner, a refund equal to the reduction in the tax due as a result of the application of the exemption under section 297A.25, subdivision 42 or 50, and the rates under sections 297A.02, subdivision 5, and 297A.021 shall be paid to the purchaser. In the case of building materials qualifying under section 297A.25, subdivision 50, where the tax was paid by a contractor, application must be made by the owner for the sales tax paid by all the contractors, subcontractors, and builders for the project. The application must include sufficient information to permit the commissioner to verify the sales tax paid for the project. The application shall include information necessary for the commissioner initially to verify that the purchases qualified as capital equipment under section 297A.25, subdivision 42, replacement capital equipment under section 297A.01, subdivision 20, or capital equipment or construction materials and supplies under section 297A.25, subdivision 50. No more than two applications for refunds may be filed under this subdivision in a calendar year. No owner may apply for a refund based on the exemption under section 297A.25, subdivision 50, before July 1, 1993. Unless otherwise specifically provided by this subdivision, the provisions of section 289A.40 apply to the refunds payable under this subdivision. There is annually appropriated to the commissioner of revenue the amount required to make the refunds.

The amount to be refunded shall bear interest at the rate in section 270.76 from the date the refund claim is filed with the commissioner.

Sec. 8. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 53. [SPECIAL TOOLING.] The gross receipts from the sale of special tooling are exempt.

Sec. 9. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 54. [USED FARM TIRES.] The first $5,000 of gross receipts from the sales of used, remanufactured, or repaired tires for farm machinery, by a sole proprietor, in a calendar year are exempt provided that:

(1) the seller had gross receipts from all sales of less than $10,000 in the previous year; and

(2) the tires are not retreaded.

Sec. 10. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 55. [CONSTRUCTION MATERIALS; CORRUGATED RECYCLING FACILITIES.] Construction materials and supplies are exempt from the tax imposed under this chapter, regardless of whether purchased by the owner or a contractor, subcontractor, or builder if:

(1) the materials and supplies are used or consumed in constructing a new facility which reduces the flow of solid waste by creating a market for recycled corrugated waste; and

(2) the recycling process of the facility produces pulp or paper from corrugated waste.

The exemption provided by this subdivision applies to construction materials and supplies purchased prior to December 31, 1997.

Sec. 11. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 56. [FIREFIGHTERS PERSONAL PROTECTIVE EQUIPMENT.] The gross receipts from the sale of firefighters personal protective equipment are exempt. For purposes of this subdivision, "personal protective equipment" includes: helmets (including face shields, chin straps, and neck liners), bunker coats and pants (including pant suspenders), boots, gloves, head covers or hoods, wildfire jackets, protective coveralls, goggles, self-contained breathing apparatuses, canister filter masks, personal alert safety systems, spanner belts, and all safety equipment required by the Occupational Safety and Health Administration.

Sec. 12. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 57. [HORSES.] The gross receipts from the sale of horses other than racehorses taxable under section 297A.01, subdivision 3, paragraph (h), are exempt.

Sec. 13. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 58. [PERSONAL COMPUTERS PRESCRIBED FOR USE BY SCHOOL.] The gross receipts from the sale, or the storage, use or consumption, of personal computers and related software sold by a public or private school, college, university, or business or trade school to students who are enrolled at the institutions are exempt if:

(1) the use of the personal computer, or of a substantially similar model of computer, and the related software is prescribed by the institution in conjunction with a course of study; and

(2) each student of the institution, or of a unit of the institution in which the student is enrolled, is required by the institution to purchase or otherwise to acquire and possess such a personal computer and related software as a condition of enrollment. For the purposes of this subdivision, "public school," "private school," and "business and trade schools" have the meanings given in subdivision 21.

Sec. 14. Minnesota Statutes 1992, section 297A.256, is amended to read:

297A.256 [EXEMPTIONS FOR CERTAIN NONPROFIT GROUPS.]

Subdivision 1. [FUNDRAISING SALES BY NONPROFIT GROUPS.] Notwithstanding the provisions of this chapter, the following sales made by a "nonprofit organization" are exempt from the sales and use tax.

(a)(1) All sales made by an organization for fundraising purposes if that organization exists solely for the purpose of providing educational or social activities for young people primarily age 18 and under. This exemption shall apply only if the gross annual sales receipts of the organization from fundraising do not exceed $10,000.

(2) A club, association, or other organization of elementary or secondary school students organized for the purpose of carrying on sports, educational, or other extracurricular activities is a separate organization from the school district or school for purposes of applying the $10,000 limit. This paragraph does not apply if the sales are derived from admission charges or from activities for which the money must be deposited with the school district treasurer under section 123.38, subdivision 2, or be recorded in the same manner as other revenues or expenditures of the school district under section 123.38, subdivision 2b.

(b) All sales made by an organization for fundraising purposes if that organization is a senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation and other nonprofit purposes and no part of the net earnings inure to the benefit of any private shareholders. This exemption shall apply only if the gross annual sales receipts of the organization from fundraising do not exceed $10,000.

(c) The gross receipts from the sales of tangible personal property at, admission charges for, and sales of food, meals, or drinks at fundraising events sponsored by a nonprofit organization when the entire proceeds, except for the necessary expenses therewith, will be used solely and exclusively for charitable, religious, or educational purposes. This exemption does not apply to admission charges for events involving bingo or other gambling activities or to charges for use of amusement devices involving bingo or other gambling activities. For purposes of this clause, a "nonprofit organization" means any unit of government, corporation, society, association, foundation, or institution organized and operated for charitable, religious, educational, civic, fraternal, senior citizens' or veterans' purposes, no part of the net earnings of which enures to the benefit of a private individual.

If the profits are not used solely and exclusively for charitable, religious, or educational purposes, the entire gross receipts are subject to tax.

Each nonprofit organization shall keep a separate accounting record, including receipts and disbursements from each fundraising event. All deductions from gross receipts must be documented with receipts and other records. If records are not maintained as required, the entire gross receipts are subject to tax.

The exemption provided by this section does not apply to any sale made by or in the name of a nonprofit corporation as the active or passive agent of a person that is not a nonprofit corporation.

The exemption for fundraising events under this section is limited to no more than 24 days a year. Fundraising events conducted on premises leased or occupied for more than four days but less than 30 days do not qualify for this exemption.

The gross receipts from the sale or use of tickets or admissions to a golf tournament held in Minnesota are exempt if the beneficiary of the tournament's net proceeds qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code, including a tournament conducted on premises leased or occupied for more than four days.

Subd. 2. [STATEWIDE AMATEUR ATHLETIC GAMES.] Notwithstanding section 297A.01, subdivision 3, or any other provision of this chapter, the gross receipts from the following sales made to or by a nonprofit corporation designated by the Minnesota amateur sports commission to conduct a series of statewide amateur athletic games and related events, workshops, clinics are exempt:

(1) sales of tangible personal property to or the storage, use, or other consumption of tangible personal property by the nonprofit corporation; and

(2) sales of tangible personal property, admission charges, and sales of food, meals, and drinks by the nonprofit corporation at fundraising events, athletic events, or athletic facilities.

Sec. 15. [297A.2572] [AGRICULTURE PROCESSING FACILITY MATERIALS; EXEMPTION.]

Purchases of construction materials and supplies are exempt from the sales and use taxes imposed under this chapter, regardless of whether purchased by the owner or a contractor, subcontractor, or builder, if the materials and supplies are used or consumed in constructing an agriculture processing facility as defined in section 469.1811 in which the total capital investment in the processing facility is expected to exceed $100,000,000. The tax shall be imposed and collected as if the rates under sections 297A.02, subdivision 1, and 297A.021, applied, and then refunded in the manner provided in section 297A.15, subdivision 5.

Sec. 16. Minnesota Statutes 1992, section 297A.44, subdivision 1, is amended to read:

Subdivision 1. (a) Except as provided in paragraphs (b), (c), and (d), ~~and subdivision 4,~~ all revenues, including interest and penalties, derived from the excise and use taxes imposed by sections 297A.01 to 297A.44 shall be deposited by the commissioner in the state treasury and credited to the general fund.

(b) All excise and use taxes derived from sales and use of property and services purchased for the construction and operation of an agricultural resource project, from and after the date on which a conditional commitment for a loan guaranty for the project is made pursuant to section 41A.04, subdivision 3, shall be deposited in the Minnesota agricultural and economic account in the special revenue fund. The commissioner of finance shall certify to the commissioner the date on which the project received the conditional commitment. The amount deposited in the loan guaranty account shall be reduced by any refunds and by the costs incurred by the department of revenue to administer and enforce the assessment and collection of the taxes.

(c) All revenues, including interest and penalties, derived from the excise and use taxes imposed on sales and purchases included in section 297A.01, subdivision 3, paragraphs (d) and (l), clauses (1) and (2), must be deposited by the commissioner in the state treasury, and credited as follows:

(1) first to the general obligation special tax bond debt service account in each fiscal year the amount required by section 16A.661, subdivision 3, paragraph (b); and

(2) after the requirements of clause (1) have been met, the balance must be credited to the general fund.

(d) The revenues, including interest and penalties, derived from the taxes imposed on solid waste collection services as described in section 297A.45, except for the tax imposed under section 297A.021, shall be deposited by the commissioner in the state treasury and credited to the general fund to be used for funding solid waste reduction and recycling programs.

Sec. 17. Minnesota Statutes 1993 Supplement, section 297B.03, is amended to read:

297B.03 [EXEMPTIONS.]

There is specifically exempted from the provisions of this chapter and from computation of the amount of tax imposed by it the following:

(1) Purchase or use, including use under a lease purchase agreement or installment sales contract made pursuant to section 465.71, of any motor vehicle by the United States and its agencies and instrumentalities and by any person described in and subject to the conditions provided in section 297A.25, subdivision 18.

(2) Purchase or use of any motor vehicle by any person who was a resident of another state at the time of the purchase and who subsequently becomes a resident of Minnesota, provided the purchase occurred more than 60 days prior to the date such person began residing in the state of Minnesota.

(3) Purchase or use of any motor vehicle by any person making a valid election to be taxed under the provisions of section 297A.211.

(4) Purchase or use of any motor vehicle previously registered in the state of Minnesota by any corporation or partnership when such transfer constitutes a transfer within the meaning of section 351 or 721 of the Internal Revenue Code of 1986, as amended through December 31, 1988.

(5) Purchase or use of any vehicle owned by a resident of another state and leased to a Minnesota based private or for hire carrier for regular use in the transportation of persons or property in interstate commerce provided the vehicle is titled in the state of the owner or secured party, and that state does not impose a sales or motor vehicle excise tax on motor vehicles used in interstate commerce.

(6) Purchase or use of a motor vehicle by a private nonprofit or public educational institution for use as an instructional aid in automotive training programs operated by the institution. "Automotive training programs" includes motor vehicle body and mechanical repair courses but does not include driver education programs.

(7) Purchase of a motor vehicle for use as an ambulance by an ambulance service licensed under section 144.802.

(8) Purchase of a motor vehicle by or for a public library, as defined in section 134.001, subdivision 2, as a bookmobile or library delivery vehicle.

Sec. 18. [297B.032] [REFUND ON PARK TRAILERS; APPROPRIATION.]

Notwithstanding the provisions of section 297B.02, or any other law to the contrary, a portion of the motor vehicle excise tax paid on park trailers, as defined in section 168.011, subdivision 8, paragraph (b), under chapter 297B shall be refunded by the commissioner of revenue provided the following conditions are met:

(1) the park trailer is purchased after January 1, 1993;

(2) the owner paid the motor vehicle excise tax on the park trailer;

(3) property taxes have been imposed upon the park trailer for at least the last two taxes payable years; and

(4) property taxes on the park trailer for the years cited in clause (3) have been paid by the owner of the park trailer.

Upon application by the purchaser, on forms prescribed by the commissioner of revenue, a refund equal to 35 percent of the actual taxes paid, shall be paid to the purchaser. The application must include sufficient information, including a copy of the sales invoice for the park trailer, and the property tax statements for the years cited in clause (3), or a reproduction thereof, with a notation from the county treasurer that the taxes have been paid on the park trailer.

The amounts required to make the refunds are annually appropriated to the commissioner of revenue from the general fund. The amount to be refunded shall bear interest at the rate in section 270.76 after 60 days after the refund claim was made until the date the refund is paid.

Sec. 19. Laws 1993, chapter 375, article 9, section 51, is amended to read:

Sec. 51. [EFFECTIVE DATE.]

Sections 1 to 12, 22, 31, 32, the part of section 34 exempting certain chore and homemaking services, 44 and 49 are effective the day following final enactment.

Section 13 is effective for taxes due on or after July 1, 1993.

Section 14 is effective for fees due on or after July 1, 1993.

Section 15 is effective for refund claims submitted on or after July 1, 1993.

Sections 16, 26 to 29, 36 to 39, and 43 are effective July 1, 1993.

Sections 17 and 20 are effective July 1, 1993, for deliveries of rerefined waste oil on and after that date.

Sections 23 and 24 are effective the day following final enactment and apply to all open tax years.

Section 25 is effective for claims for refund filed after May 5, 1993, except that in the case of the mining or production of taconite, Minnesota Statutes 1992, section 297A.01, subdivision 16, paragraphs (a), (b), and (c), as amended or added by section 25, are effective for refund claims filed after May 17, 1993, and except that the extension of the exemption for capital equipment used to produce an on-line computerized data retrieval system and, as provided in section 25, paragraph (d), to replacement equipment used in the production of taconite, is effective for sales after June 30, 1993.

Section 30 is effective for sales of 900 information services made after June 30, 1993.

Except as otherwise provided, sections 34 and 35 are effective for sales made after June 30, 1993. The part of section 34 exempting sales of machinery and equipment for solid waste disposal and collection is effective for sales made after May 31, 1992.

Section 40 is effective for pollution equipment installed after June 30, 1993.

Sections 41 and 42 are effective for reports due after July 1, 1993.

Section 48 is effective for sales or uses of tickets or admissions occurring after December 31, 1992, and before July 1, 1993.

Sec. 20. [ETHANOL MANUFACTURING FACILITY; EXEMPTIONS FOR CAPITAL EQUIPMENT PURCHASES.]

Notwithstanding the provisions of Minnesota Statutes, chapter 297A, the purchase of capital equipment by a contractor, for installation in a new ethanol manufacturing facility, is exempt from the sales and use tax. "Capital equipment" means equipment and machinery as defined in Minnesota Statutes, section 297A.01, subdivision 16, but disregarding the provision that the capital equipment must be used by the purchaser or lessee. The tax shall be imposed and refunded in the manner provided in Minnesota Statutes, section 297A.15, subdivision 5. The refund under this section is limited to a maximum of $300,000.

Sec. 21. [INSTRUCTION TO THE REVISOR.]

In the 1994 and subsequent editions of the Minnesota Statutes, the revisor shall substitute the term "sales tax on motor vehicles" for "motor vehicle excise tax" wherever it appears.

Sec. 22. [REPEALER.]

Minnesota Statutes 1992, sections 297A.021; 297A.44, subdivision 4; and 297B.09, subdivision 3, are repealed.

Sec. 23. [EFFECTIVE DATES.]

Sections 1, 14, and 19 are effective the day following final enactment.

Sections 2, 3, 6 to 8, 11, 13, 15, and 17 are effective for sales made after June 30, 1994, provided that no refunds shall be paid under section 15 until after June 30, 1995.

Section 4, subdivision 5, and the part of subdivision 2 relating to special tooling are effective for sales made after June 30, 1994.

Section 4, subdivisions 1, 3, 4, and the part of subdivision 2 relating to farm machinery and aquaculture production equipment are effective for sales made after June 30, 1996, only upon enactment of article 3, sections 6, 7, 8, 9, 11, and 18, subdivision 2.

Section 5 is effective beginning August 1, 1994.

Section 10 is effective for sales made after January 1, 1994.

Section 12 is effective for sales made after June 30, 1995.

Sections 16 and 22 are effective July 1, 1996, only upon enactment of article 3, sections 6, 7, 8, 9, 11, and 18, subdivision 2.

Section 20 is effective for purchases made after July 1, 1993, but before July 1, 1995.

ARTICLE 3

LOCAL GOVERNMENT AIDS AND AID FUNDING

Section 1. Minnesota Statutes 1992, section 16A.711, subdivision 4, is amended to read:

Subd. 4. [GENERAL FUND ADVANCES.] If the money in the trust fund is insufficient to make payments on the dates provided by law, ~~but the commissioner estimates receipts for the biennium will be sufficient,~~ the commissioner shall advance money from the general fund to the trust fund necessary to make the payments. ~~On or before the close of the biennium~~ When sufficient revenues have accumulated in the trust fund, the trust shall repay the advances to the general fund.

Sec. 2. Minnesota Statutes 1992, section 16A.711, subdivision 5, is amended to read:

Subd. 5. [ADJUSTMENTS FOR LOCAL GOVERNMENT TRUST FUND REVENUES.] (a) For the second fiscal year of each biennium, the commissioner of revenue shall make adjustments in aid amounts ~~so that the~~ based on the difference between anticipated total obligations ~~of the local government trust fund are equal to~~ and anticipated total revenues of the local government trust fund. For purposes of this subdivision, obligations of the trust fund for any biennium include obligations to repay advances from the general fund in the previous biennium.

In the event that anticipated total obligations of the trust fund exceed 102 percent of anticipated total revenues for the biennium, each jurisdiction's aid will be reduced as provided under section 477A.0132 by the amount of the expenditures over 102 percent of revenues. ~~For fiscal year 1993 only, if reductions are necessary in an amount greater than $6,700,000, the additional reduction for the shortfall beyond $6,700,000 will be applied only to aids under section 477A.013.~~

In the event that anticipated total obligations of the trust fund are less than 98 percent of anticipated total revenues for the biennium, aid amounts for the following programs will be proportionately increased to bring anticipated total expenditures ~~into conformance with~~ up to 98 percent of anticipated total revenues:

(1) local government aid ~~and equalization aid~~ under section 477A.013;

(2) community social services aid under section 256E.06; and

(3) county criminal justice aid under section 477A.0121.

(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.

Sec. 3. Minnesota Statutes 1993 Supplement, section 16A.712, is amended to read:

16A.712 [LOCAL GOVERNMENT TRUST; APPROPRIATIONS ~~IN FISCAL YEAR 1993 AND SUBSEQUENT YEARS~~.]

~~(a)~~ The amounts necessary to make the following payments ~~in fiscal year 1993 and subsequent years~~ are appropriated from the local government trust fund to the commissioner of revenue unless otherwise specified:

(1) attached machinery aid to counties under section 273.138;

(2) ~~in fiscal year 1993 only, supplemental homestead credit under section 273.1391;~~

~~(3) $560,000 in fiscal year 1993 and~~ $300,000 annually in fiscal years 1994 and 1995 for tax administration;

~~(4)~~ (3) $105,000 annually to the commissioner of finance in fiscal years ~~1993,~~ 1994, and 1995 to administer the trust fund; and

~~(5)~~ (4) $25,000 ~~annually~~ to the advisory commission on intergovernmental relations in fiscal ~~years 1993,~~ year 1994, ~~and 1995~~ to pay nonlegislative members' per diem expenses and such other expenses as the commission deems appropriate; and

~~(6) $350,000 in fiscal year 1993 and~~ (5) $1,200,000 in fiscal year 1995 to the intergovernmental information systems advisory council to develop a local government financial reporting system, with the participation and ongoing oversight of the legislative commission on planning and fiscal policy; ~~and~~

~~(7) in fiscal year 1993 only, the transition credit under section 273.1398, subdivision 5, and the disparity reduction credit under section 273.1398, subdivision 4, for school districts. The school districts' transition credit and disparity reduction credit shall be appropriated to the commissioner of education.~~

~~(b) In addition, the legislature shall appropriate the rest of the trust fund receipts for fiscal year 1993 and subsequent years to finance intergovernmental aid formulas or programs prescribed by law.~~

Sec. 4. Minnesota Statutes 1992, section 256E.06, subdivision 5, is amended to read:

Subd. 5. [COMMUNITY SOCIAL SERVICE LEVY.] In each calendar year, for taxes payable the following year, a county board shall levy upon all taxable property in the county a tax for community social services at least equal to the amount determined in subdivisions 1 and 2. Money for community social services provided to a county by a municipal levy may, for the purposes of this section, be counted as partial fulfillment of the local levy requirement. All money available to counties pursuant to this section may be used by counties to match federal money. It is the intention of the legislature that the aid paid to counties under this section be used to provide property tax relief within the county.

Sec. 5. Minnesota Statutes 1993 Supplement, section 256E.06, subdivision 12, is amended to read:

Subd. 12. [APPROPRIATION.] $51,566,000 is appropriated from the local government trust fund in fiscal year 1993, $50,762,000 in fiscal year 1994, ~~and~~ $49,499,000 in fiscal year 1995, and $50,499,000 in fiscal year 1996 and thereafter to the commissioner of human services for payment of aid under this section.

Notwithstanding subdivisions 1 and 2, the increased appropriation available in fiscal year 1996 and thereafter must be used to increase each county's aid proportionately over the aid received in calendar year 1994. For calendar year 1995 only, each county's aid will be adjusted to reflect the increase that is required to occur in the second half of the calendar year.

In fiscal year 1997 and subsequent years, the amount appropriated shall be the amount appropriated under this section in the previous year, adjusted for inflation as provided under section 477A.03, subdivision 3.

Sec. 6. Minnesota Statutes 1992, section 256E.06, is amended by adding a subdivision to read:

Subd. 13. [APPROPRIATION.] In fiscal years 1997 and thereafter, there is appropriated from the general fund to the commissioner of human services for payment of aid under this section the amount appropriated in the previous year under this section, adjusted for inflation as provided under section 477A.03, subdivision 3.

Notwithstanding subdivisions 1 and 2, the increased appropriation available in fiscal year 1997 and thereafter must be used to increase each county's aid proportionately over the aid received in calendar year 1994.

Sec. 7. Minnesota Statutes 1992, section 273.138, is amended by adding a subdivision to read:

Subd. 7. [ANNUAL APPROPRIATION.] A sum sufficient to make the payments required by this section to school districts is annually appropriated from the general fund to the commissioner of education. A sum sufficient to make the payments required by this section to counties is annually appropriated from the general fund to the commissioner of revenue.

Sec. 8. Minnesota Statutes 1992, section 273.1398, is amended by adding a subdivision to read:

Subd. 8. [APPROPRIATION.] An amount sufficient to pay the aids and credits provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity, is annually appropriated from the general fund to the commissioner of education. An amount sufficient to pay the aids and credits provided under this section for counties, cities, towns, and special taxing districts is annually appropriated from the general fund to the commissioner of revenue. A jurisdiction's aid amount may be increased or decreased based on any prior year adjustments for homestead credit or other property tax credit or aid programs.

Sec. 9. Minnesota Statutes 1993 Supplement, section 273.166 is amended by adding a subdivision to read:

Subd. 5. [APPROPRIATION.] There is annually appropriated from the general fund to the commissioner of education a sum sufficient to pay the aids provided under this section for school districts, intermediate school districts, or any group of school districts levying as a single taxing entity. There is annually appropriated from the general fund to the commissioner of revenue a sum sufficient to pay the aids provided under this section to counties, cities, towns, and special taxing districts.

Sec. 10. Minnesota Statutes 1993 Supplement, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, including regional library districts established under section 134.201, and including the metropolitan taxing districts as defined in paragraph (i), but excluding all other special taxing districts and towns, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. For 1993, the notice must clearly state that each taxing authority holding a public meeting will describe the increases or decreases of the total budget, including employee and independent contractor compensation in the prior year, current year, and the proposed budget year.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, school district excess referenda levy, remaining school district levy, regional library district, if in existence, the total of the metropolitan special taxing districts as defined in paragraph (i) and the sum of the remaining special taxing districts, and as a total of the taxing authorities, including all special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. In the case of the city of Minneapolis, the levy for the Minneapolis library board and the levy for Minneapolis park and recreation shall be listed separately from the remaining amount of the city's levy.

In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified; and

~~(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes; and~~

~~(6)~~ the contamination tax imposed on properties which received market value reductions for contamination.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

(i) For purposes of this subdivision, subdivisions 5a and 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

(1) metropolitan council under section 473.132, 473.167, 473.249, 473.325, 473.521, 473.547, or 473.834;

(2) metropolitan airports commission under section 473.667, 473.671, or 473.672;

(3) regional transit board under section 473.446; and

(4) metropolitan mosquito control commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy and shall be discussed at that county's public hearing.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 11. Minnesota Statutes 1993 Supplement, section 290A.23, is amended by adding a subdivision to read:

Subd. 3. [ANNUAL APPROPRIATION.] For payments made after July 1, 1996, there is annually appropriated from the general fund to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivisions 2 and 2h.

Sec. 12. [462C.15] [MORTGAGE CREDIT CERTIFICATE AID.]

Subdivision 1. [APPLICATION.] By May 15 of each year, a city issuing mortgage credit certificates during the previous calendar year shall report to the commissioner of trade and economic development. The report shall be in a form and contain the information necessary to determine the aid amounts, as prescribed by the commissioner. The report shall contain, at least, for each mortgage loan for which a mortgage credit certificate was issued: (1) the principal amount of the loan, (2) the interest rate on the loan, (3) the term of the loan, and (4) the credit rate.

Subd. 2. [PAYMENT OF AID.] By July 15 of each year, the commissioner of trade and economic development shall pay mortgage credit certificate aid to each city issuing certificates during the previous calendar year and submitting a timely application under subdivision 1. The amount of aid to be paid to a city for a calendar year equals the sum of the aid for each mortgage credit certificate issued by the city for a mortgage loan that is outstanding during the calendar year, assuming no prepayment of principal. The amount of mortgage credit certificate aid for each mortgage credit certificate equals eight percent multiplied by the product of the credit rate, the outstanding principal amount of the loan, and the original interest rate on the loan. For purposes of calculating the aid for a variable rate loan, the original interest rate means the interest rate that applies in the first year of the loan. For purposes of calculating the aid, the commissioner shall assume level amortization with no prepayment of principal.

Subd. 3. [USE OF AID.] The city shall transfer the aid to its housing authority to be used to provide homeownership programs to families or individuals whose incomes are at or below 80 percent of the area median income.

Subd. 4. [APPROPRIATION.] An amount sufficient to pay the aid under this section is appropriated from the general fund to the commissioner of trade and economic development.

Subd. 5. [DEFINITIONS.] The definitions in section 462C.02 apply to this section.

Sec. 13. [477A.0122] [FAMILY PRESERVATION AID.]

Subdivision 1. [PURPOSE.] The purpose of family preservation aid is to reduce the rate of increase in the costs of out-of-home placement of children and concomitant increases in county property taxes. Aids paid under this section must be used to fund family preservation programs.

Subd. 2. [DEFINITIONS.] For purposes of this section, the following definitions apply:

(a) "Children in out-of-home placement" means the total unduplicated number of children in out-of-home care as reported pursuant to section 275.0725.

(b) "Family preservation programs" means family-based services as defined in section 256F.03, subdivision 5, families first services, parent and child education programs, and day treatment services provided in cooperation with a school district or other programs as defined by the commissioner of human services.

(c) "Income maintenance caseload" means average monthly number of AFDC cases for the calendar year.

By July 1, 1994, the commissioner of human services shall certify to the commissioner of revenue the number of children in out-of-home placement in 1991 and 1992 for each county and the income maintenance caseload for each county for the most recent year available. By July 1 of each subsequent year, the commissioner of human services shall certify to the commissioner of revenue the income maintenance caseload for each county for the most recent calendar year available.

Subd. 3. [AID DISTRIBUTION; CALENDAR YEAR 1995.] For aid paid in calendar year 1995 only, one-half of the aid amount shall be paid to each county in the same proportion that the county's number of children in out-of-home placement is to the number of children in out-of-home placement for all counties within the state for 1991 and 1992, and one-half of the aid amount shall be paid to each county in the same proportion that the county's income maintenance caseload is to the income maintenance caseload for all counties within the state.

Subd. 4. [AID DISTRIBUTION; CALENDAR YEAR 1996 AND THEREAFTER.] For aid paid in calendar year 1996 and thereafter, each county shall receive the same proportion of the total aid it received in the prior year, multiplied by one plus the percentage change in the county's share of the statewide income maintenance caseload. If the amount appropriated does not equal the aid amounts calculated under this subdivision, the commissioner of revenue shall proportionately reduce or increase the aid amounts so that their sum equals the amount appropriated.

Subd. 5. [PAYMENT.] The commissioner of revenue shall pay the amounts determined under this section as provided in section 477A.015.

Subd. 6. [REPORT.] On or before March 15 of the year following the year in which the distributions under this section are received, each county shall file with the commissioner of revenue and commissioner of human services a report on prior year expenditures for out-of-home placement and family preservation, including expenditures under this section.

Sec. 14. Minnesota Statutes 1993 Supplement, section 477A.013, subdivision 1, is amended to read:

Subdivision 1. [TOWNS.] ~~In calendar year 1990, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to 106 percent of the amount received in 1989 under this subdivision. In calendar years 1991 and 1992, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to the amount it received in the previous year under this subdivision less any permanent reductions made under section 477A.0132. In 1993, each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to the amount it received in 1992 under this subdivision before any nonpermanent reductions made under section 477A.0132 plus $1 per capita based on the town's population.~~ In 1994 ~~and thereafter~~ each town that had levied for taxes payable in the prior year a local tax rate of at least .008 shall receive a distribution equal to the amount it received in 1993 under this section before any nonpermanent reductions made under section 477A.0132. In 1995 each town that had levied for taxes payable in 1993 a local tax rate of at least .008 shall receive a distribution equal to 102 percent of the amount it received in 1994 under this section before any increases or reductions under sections 16A.711, subdivision 5, and 477A.0132. In 1996 and subsequent years each town that had levied for taxes payable in 1993 a local tax rate of at least .008 shall receive a distribution equal to the amount it received in the previous year under this section, adjusted for inflation as provided under section 477A.03, subdivision 3.

Sec. 15. Minnesota Statutes 1993 Supplement, section 477A.013, subdivision 8, as amended by Laws 1994, chapter 416, article 1, section 59, 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 need increase percentage multiplied by the difference between (1) the city's revenue need multiplied by its population, and (2) the city's net tax capacity multiplied by the tax effort rate. No city may have a formula aid amount less than zero. The need increase percentage must be the same for all cities.

Notwithstanding the prior sentence, in 1995 only, the need increase percentage for a city shall be twice the need increase percentage applicable to other cities if:

(1) the city, in 1992 or 1993, transferred an amount from governmental funds to their sewer and water fund, and

(2) the amount transferred exceeded their net levy for taxes payable in the year in which the transfer occurred.

The applicable need increase percentage ~~must be the same for all cities and~~ or percentages 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.~~

~~(c) The aid increase in calendar year 1995 and subsequent years for any city is limited to an amount such that the total aid to the city does not exceed the sum of (1) ten percent of the city's net levy for the year prior to the aid distribution plus (2) the total aid it received in the previous year.~~

Sec. 16. Minnesota Statutes 1993 Supplement, section 477A.013, subdivision 9, is amended to read:

Subd. 9. [CITY AID DISTRIBUTION.] (a) In calendar year 1994 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~~.

(b) The percentage increase for a first class city in calendar year 1995 and thereafter shall not exceed the percentage increase in the sum of the aid to all cities under this section in the current calendar year compared to the sum of the aid to all cities in the previous year.

(c) The total aid for any city, except a first class city, shall 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 total aid in the previous year before any increases or decreases under sections 16A.711, subdivision 5, and 477A.0132.

(d) Notwithstanding paragraph (c), in 1995 only, for cities which in 1992 or 1993 transferred an amount from governmental funds to their sewer and water fund in an amount greater than their net levy for taxes payable in the year in which the transfer occurred, the total aid shall not exceed the sum of (1) 20 percent of the city's net levy for the year prior to the aid distribution plus (2) its total aid in the previous year before any increases or decreases under sections 16A.711, subdivision 5, and 477A.0132.

Sec. 17. Minnesota Statutes 1992, section 477A.014, subdivision 5, is amended to read:

Subd. 5. [DEDUCTION FROM AID PAYMENTS.] The commissioner of revenue shall deduct the amounts certified under subdivision 4 from the aid payments to be made to appropriate local units of government in the next aid payment year. ~~Amounts must be transferred from the local government trust fund to the general fund.~~

Sec. 18. Minnesota Statutes 1992, section 477A.03, as amended by Laws 1993, chapter 375, article 4, section 20, is amended to read:

477A.03 [APPROPRIATION.]

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 aids 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 total aid paid to cities under section 477A.013, subdivision 9, is limited to $337,249,600. For aid payable in 1996 and thereafter, the total aid paid to cities under section 477A.013, subdivision 9, is limited to the amount paid in the previous year, adjusted for inflation as provided under subdivision 3.

~~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.~~ Aid payments to counties under section 477A.0121 are limited to $8,400,000 in 1994 and $10,000,000 in 1995. For aid payable in 1996 and thereafter, payments to counties under section 477A.0121 are limited to the amount paid in the previous year, adjusted for inflation as provided under subdivision 3.

For aid payable in 1995, payments to counties under section 477A.0122 are limited to $1,500,000. For aids payable in 1996 and thereafter, payments to counties under section 477A.0122 are limited to the amount paid in the previous year, adjusted for inflation as provided under subdivision 3.

Subd. 2. [ANNUAL APPROPRIATION.] A sum sufficient to discharge the duties imposed by sections 477A.011 to 477A.014 is annually appropriated from the general fund to the commissioner of revenue. For aids payable in 1996 and thereafter, the total aids paid under sections 477A.013, subdivision 9, 477A.0121, and 477A.0122 are the amounts certified to be paid in the previous year, adjusted for inflation as provided under subdivision 3.

Subd. 3. [INFLATION ADJUSTMENT.] In 1996 and thereafter, the amount paid under each section to be adjusted for inflation shall be increased by an amount equal to:

(a) the amount certified to be paid under that section in the previous year multiplied by

(b) one plus the percentage increase in the implicit price deflator for state and local government purchases of goods and services prepared by the Bureau of Economic Analysis of the United States Department of Commerce for the 12-month period ending March 31 of the previous year. The percentage increase used in this subdivision shall be no less than 2.5 percent and no greater than 5.0 percent.

Sec. 19. [APPROPRIATIONS.]

Subdivision 1. [SPECIAL EDUCATION AID.] $17,500,000 is appropriated in fiscal year 1994 from the general fund to the department of education for special education aid to school districts. This appropriation is available until June 30, 1995. This amount is added to the appropriations for aid for special education programs contained in Laws 1993, chapter 224, article 3, section 38, subdivisions 2, 4, 8, 11, and 14. This amount is appropriated to eliminate the fiscal year 1993 deficiencies and reduce the fiscal year 1995 deficiencies in the appropriations in those subdivisions. The department must reduce a school district's payable 1995 levy limitations by the full amount of the aid payments made to the school district according to this subdivision. This appropriation shall not be included in determining the amount of a deficiency in the special education programs for fiscal year 1995 for the purpose of allocating any excess appropriations to aid or grant programs with insufficient appropriations as provided in Minnesota Statutes, section 124.14, subdivision 7. Notwithstanding Minnesota Statutes, section 124.195, subdivision 10, 100 percent of this appropriation must be paid in fiscal years 1994 and 1995. This appropriation is not to be included in a base budget for future fiscal years.

Subd. 2. [ABATEMENT AID.] $2,500,000 is appropriated in fiscal year 1995 from the general fund to the department of education for abatement aid to school districts. This amount is added to the appropriation for abatement aid for fiscal year 1995 contained in Laws 1993, chapter 224, article 8, section 22, subdivision 2. This amount is appropriated to reduce a deficiency in that appropriation. The department must reduce a school district's payable 1995 levy limitations by the full amount of the aid payments made to the school district according to this subdivision. This appropriation shall not be included in determining the amount of the deficiency in the abatement aid program for fiscal year 1995 for the purpose of allocating any excess appropriations to aid or grant programs with insufficient appropriations as provided in Minnesota Statutes, section 124.14, subdivision 7. Notwithstanding Minnesota Statutes, section 124.195, subdivision 10, 100 percent of the appropriation in this section must be paid in fiscal year 1995. This appropriation is not to be included in a base budget for future fiscal years.

Sec. 20. [ELIMINATION OF LOCAL GOVERNMENT TRUST FUND.]

The local government trust fund is eliminated as a separate fund in the state treasury as of July 1, 1996. Any money or deficit in the local government trust fund on that date is transferred to the general fund.

Sec. 21. [REPEALER.]

(a) Minnesota Statutes 1992, sections 3.862 and 477A.012, subdivision 6 are repealed.

(b) Minnesota Statutes 1992, sections 16A.711, 273.1381, 273.1398, subdivision 7, and 477A.0132, as amended by Laws 1994, chapter 416, article 1, section 60; and Minnesota Statutes 1993 Supplement, sections 16A.712, 256E.06, subdivision 12, 273.166, subdivision 4, 290A.23, subdivision 2, 477A.03, subdivision 1, and Laws 1973, chapter 650, article 24, section 6, as amended by Laws 1974, chapter 257, section 4 are repealed.

Sec. 22. [EFFECTIVE DATES.]

Sections 1 to 5, 12, 18, subdivisions 1 and 3, and 21, paragraph (a) are effective July 1, 1994.

Except as otherwise provided, sections 6 to 11, 17, 18, subdivision 2, 20, and 21, paragraph (b) are effective July 1, 1996.

Sections 6 to 11, 17, 18, subdivision 2, 20, and 21, paragraph (b) are not severable, and each is effective only upon final enactment of all of them.

Sections 13 to 16 are effective for aid payable in 1995 and thereafter.

Section 19 is effective the day following final enactment.

ARTICLE 4

PROPERTY TAX REFUNDS

Section 1. Minnesota Statutes 1992, section 290A.04, subdivision 2, is amended to read:

Subd. 2. [HOMEOWNERS.] A claimant whose property taxes payable are in excess of the percentage of the household income stated below shall pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of property taxes payable. The state refund equals the amount of property taxes payable that remain, up to the state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
$0 to ~~999~~ 1,029	1.2 percent	~~22~~ 18 percent	~~$400~~ $440
~~1,000 to 1,999~~ 1,030 to 2,059	1.3 percent	~~24~~ 18 percent	~~$400~~ $440
~~2,000 to 2,999~~ 2,060 to 3,099	1.4 percent	~~26~~ 20 percent	~~$400~~ $440
~~3,000 to 3,999~~ 3,100 to 4,129	1.6 percent	~~28~~ 20 percent	~~$400~~ $440
~~4,000 to 4,999~~ 4,130 to 5,159	1.7 percent	~~30~~ 20 percent	~~$400~~ $440
~~5,000 to 5,999~~ 5,160 to 7,229	1.9 percent	~~33~~ 25 percent	~~$400~~ $440
~~6,000 to 6,999~~	~~1.9 percent~~	~~35 percent~~	~~$400~~
~~7,000 to 7,999~~ 7,230 to 8,259	2.1 percent	~~38~~ 25 percent	~~$400~~ $440
~~8,000 to 8,999~~ 8,260 to 9,289	2.2 percent	~~40~~ 25 percent	~~$400~~ $440
~~9,000 to 9,999~~ 9,290 to 10,319	2.3 percent	~~42~~ 30 percent	~~$400~~ $440
~~10,000 to 10,999~~ 10,320 to 11,349	2.4 percent	~~45~~ 30 percent	~~$400~~ $440
~~11,000 to 11,999~~ 11,350 to 12,389	2.5 percent	~~48~~ 30 percent	~~$400~~ $440
~~12,000 to 13,999~~ 12,390 to 14,449	2.6 percent	~~48~~ 30 percent	~~$400~~ $440
~~14,000 to 14,999~~ 14,450 to 15,479	2.8 percent	~~48~~ 35 percent	~~$400~~ $440
~~15,000 to 15,999~~ 15,480 to 16,509	3.0 percent	~~50~~ 35 percent	~~$400~~ $440
~~16,000 to 16,999~~ 16,510 to 17,549	3.2 percent	~~50~~ 40 percent	~~$400~~ $440
~~17,000 to 20,999~~ 17,550 to 21,669	3.3 percent	~~50~~ 40 percent	~~$400~~ $440
~~21,000 to 23,999~~ 21,670 to 24,769	3.4 percent	~~50~~ 45 percent	~~$400~~ $440
~~24,000 to 24,999~~	~~3.5 percent~~	~~50 percent~~	~~$400~~
~~25,000 to 27,999~~	~~3.5 percent~~	~~50 percent~~	~~$400~~
~~28,000 to 29,999~~ 24,770 to 30,959	3.5 percent	~~50~~ 45 percent	~~$400~~ $440
~~30,000 to 34,999~~ 30,960 to 36,119	3.5 percent	~~55~~ 45 percent	~~$400~~ $440
~~35,000 to 39,999~~ 36,120 to 41,279	3.7 percent	~~55~~ 50 percent	~~$400~~ $440
~~40,000 to 56,999~~	~~4.0 percent~~	~~55 percent~~	~~$400~~
~~57,000 to 57,999~~	4.0 percent	~~55~~ 50 percent	~~$300~~ $440

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
41,280 to 58,829			
~~58,000 to 58,999~~	4.0 percent	~~55~~ 50 percent	~~$200~~ $310
58,830 to 59,859			
~~59,000 to 59,999~~	4.0 percent	~~55~~ 50 percent	~~$100~~ $210
59,860 to 60,889			
60,890 to 61,929	4.0 percent	50 percent	$100

The payment made to a claimant shall be the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~$60,000~~ $61,930 or more.

Sec. 2. Minnesota Statutes 1992, section 290A.04, subdivision 2a, is amended to read:

Subd. 2a. [RENTERS.] A claimant whose rent constituting property taxes exceeds the percentage of the household income stated below must pay an amount equal to the percent of income shown for the appropriate household income level along with the percent to be paid by the claimant of the remaining amount of rent constituting property taxes. The state refund equals the amount of rent constituting property taxes that remain, up to the maximum state refund amount shown below.

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
$0 to ~~999~~	1.0 percent	~~9~~ 5 percent	~~$1,000~~
3,099			$1,030
~~1,000 to 1,999~~	~~1.0 percent~~	~~9 percent~~	~~$1,000~~
~~2,000 to 2,999~~	~~1.0 percent~~	~~10 percent~~	~~$1,000~~
~~3,000 to 3,999~~	1.0 percent	10 percent	~~$1,000~~
3,100 to 4,129			$1,030
~~4,000 to 4,999~~	1.1 percent	~~11~~ 10 percent	~~$1,000~~
4,130 to 5,159			$1,030
~~5,000 to 5,999~~	~~1.2 percent~~	~~12 percent~~	~~$1,000~~
~~6,000 to 6,999~~	1.2 percent	~~13~~ 10 percent	~~$1,000~~
5,160 to 7,229			$1,030
~~7,000 to 7,999~~	1.3 percent	~~14~~ 15 percent	~~$1,000~~
7,230 to 9,289			$1,030
~~8,000 to 8,999~~	~~1.3 percent~~	~~15 percent~~	~~$1,000~~
~~9,000 to 9,999~~	1.4 percent	~~16~~ 15 percent	~~$1,000~~
9,290 to 10,319			$1,030
~~10,000 to 10,999~~	1.4 percent	~~17~~ 20 percent	~~$1,000~~
10,320 to 11,349			$1,030
~~11,000 to 11,999~~	~~1.5 percent~~	~~19 percent~~	~~$1,000~~
~~12,000 to 12,999~~	1.5 percent	~~21~~ 20 percent	~~$1,000~~
11,350 to 13,419			$1,030
~~13,000 to 13,999~~	1.6 percent	~~23~~ 20 percent	~~$1,000~~
13,420 to 14,449			$1,030
~~14,000 to 14,999~~	1.7 percent	~~24~~ 25 percent	~~$1,000~~
14,450 to 15,479			$1,030
~~15,000 to 15,999~~	~~1.8 percent~~	~~26 percent~~	~~$1,000~~
~~16,000 to 16,999~~	1.8 percent	~~27~~ 25 percent	~~$1,000~~
15,480 to 17,549			$1,030
~~17,000 to 17,999~~	1.9 percent	~~28~~ 30 percent	~~$1,000~~
17,550 to 18,579			$1,030
~~18,000 to 18,999~~	2.0 percent	30 percent	~~$1,000~~
18,580 to 19,609			$1,030
~~19,000 to 19,999~~	2.2 percent	~~32~~ 30 percent	~~$1,000~~
19,610 to 20,639			$1,030
~~20,000 to 20,999~~	2.4 percent	~~34~~ 30 percent	~~$1,000~~
20,640 to 21,669			$1,030
~~21,000 to 21,999~~	2.6 percent	~~36~~ 35 percent	~~$1,000~~
21,670 to 22,709			$1,030
~~22,000 to 22,999~~	2.7 percent	~~37~~ 35 percent	~~$1,000~~

Household Income	Percent of Income	Percent Paid by Claimant	Maximum State Refund
22,710 to 23,739			$1,030
~~23,000 to 23,999~~	2.8 percent	~~38~~ 35 percent	~~$1,000~~
23,740 to 24,769			$1,030
~~24,000 to 24,999~~	2.9 percent	40 percent	~~$1,000~~
24,770 to 25,799			$1,030
~~25,000 to 25,999~~	3.0 percent	~~43~~ 40 percent	~~$1,000~~
25,800 to 26,839			$1,030
~~26,000 to 26,999~~	3.1 percent	~~43~~ 40 percent	~~$1,000~~
26,840 to 27,869			$1,030
~~27,000 to 27,999~~	3.2 percent	~~45~~ 40 percent	~~$1,000~~
27,870 to 28,899			$1,030
~~28,000 to 28,999~~	3.3 percent	~~47~~ 45 percent	~~$ 900~~
28,900 to 29,929			$ 930
~~29,000 to 29,999~~	3.4 percent	~~47~~ 45 percent	~~$ 800~~
29,930 to 30,959			$ 830
~~30,000 to 30,999~~	3.5 percent	~~48~~ 45 percent	~~$ 700~~
30,960 to 31,999			$ 720
~~31,000 to 31,999~~	3.5 percent	~~48~~ 50 percent	~~$ 600~~
32,000 to 33,029			$ 620
~~32,000 to 32,999~~	3.5 percent	50 percent	~~$ 500~~
33,030 to 34,059			$ 520
~~33,000 to 33,999~~	3.5 percent	50 percent	~~$ 300~~
34,060 to 35,089			$ 310
~~34,000 to 34,999~~	3.5 percent	50 percent	$ 100
35,090 to 36,119			

The payment made to a claimant is the amount of the state refund calculated under this subdivision. No payment is allowed if the claimant's household income is ~~$35,000~~ $36,120 or more.

Sec. 3. Minnesota Statutes 1993 Supplement, section 290A.04, subdivision 2h, as amended by Laws 1994, chapter 383, section 1, is amended to read:

Subd. 2h. (a) If the gross property taxes payable on a homestead increase more than 12 percent over the net property taxes payable in the prior year on the same property that is owned and occupied by the same owner on January 2 of both years, and the amount of that increase is $100 or more for taxes payable in ~~1994,~~ 1995~~,~~ and 1996, a claimant who is a homeowner shall be allowed an additional refund equal to ~~75~~ 60 percent of the amount of the increase over the greater of 12 percent of the prior year's net property taxes payable or $100 for taxes payable in ~~1994,~~ 1995~~,~~ and 1996. This subdivision shall not apply to any increase in the gross property taxes payable attributable to improvements made to the homestead after the assessment date for the prior year's taxes.

The maximum refund allowed under this subdivision is ~~$1,500~~ $1,000.

(b) For purposes of this subdivision, the following terms have the meanings given:

(1) "Net property taxes payable" means property taxes payable minus refund amounts for which the claimant qualifies pursuant to subdivision 2 and this subdivision.

(2) "Gross property taxes" means net property taxes payable determined without regard to the refund allowed under this subdivision.

(c) In addition to the other proofs required by this chapter, each claimant under this subdivision shall file with the property tax refund return a copy of the property tax statement for taxes payable in the preceding year or other documents required by the commissioner.

(d) On or before December 1, ~~1994 and~~ 1995, the commissioner shall estimate the cost of making the payments provided by this subdivision for taxes payable in ~~the following year~~ 1996. Notwithstanding the open appropriation provision of section 290A.23, if the estimated total refund claims for taxes payable in ~~1995 and~~ 1996 exceed $5,500,000, ~~for each of the two years~~ the commissioner shall ~~increase the $100 amount of tax increase which must occur before a taxpayer qualifies for a refund, and increase by an equal amount the $100 threshold used in determining the amount of the refund, so that the estimated total refund claims do not exceed $5,500,000 for taxes payable in 1995, or for taxes~~

~~payable in 1996~~ first reduce the 60 percent refund rate enough, but to no lower a rate than 50 percent, so that the estimated total refund claims do not exceed $5,500,000. If the commissioner estimates that total claims will exceed $5,500,000 at a 50 percent refund rate, the commissioner shall also reduce the $1,000 maximum refund amount by enough so that total estimated refund claims do not exceed $5,500,000.

The determinations of the revised thresholds by the commissioner are not rules subject to chapter 14.

(e) Upon request, the appropriate county official shall make available the names and addresses of the property taxpayers who may be eligible for the additional property tax refund under this section. The information shall be provided on a magnetic computer disk. The county may recover its costs by charging the person requesting the information the reasonable cost for preparing the data. The information may not be used for any purpose other than for notifying the homeowner of potential eligibility and assisting the homeowner, without charge, in preparing a refund claim.

Sec. 4. Minnesota Statutes 1993 Supplement, section 290A.04, subdivision 6, is amended to read:

Subd. 6. [INFLATION ADJUSTMENT.] Beginning for property tax refunds payable in calendar year ~~1995~~ 1996, the commissioner shall annually adjust the dollar amounts of the income thresholds and the maximum refunds under subdivisions 2 and 2a for inflation. The commissioner shall make the inflation adjustments in accordance with section 290.06, subdivision 2d, except that for purposes of this subdivision the percentage increase shall be determined from the year ending on August 31, 1993, to the year ending on August 31 of the year preceding that in which the refund is payable. The commissioner shall use the appropriate percentage increase to annually adjust the income thresholds and maximum refunds under subdivisions 2 and 2a for inflation without regard to whether or not the income tax brackets are adjusted for inflation in that year. The commissioner shall round the thresholds and the maximum amounts, as adjusted to the nearest $10 amount. If the amount ends in $5, the commissioner shall round it up to the next $10 amount.

The commissioner shall annually announce the adjusted refund schedule at the same time provided under section 290.06. The determination of the commissioner under this subdivision is not a rule under the administrative procedure act.

Sec. 5. Minnesota Statutes 1993 Supplement, section 290A.23, subdivision 1, is amended to read:

Subdivision 1. [RENTERS CREDIT.] ~~For payments made before July 1, 1996,~~ There is appropriated from the general fund in the state treasury to the commissioner of revenue the amount necessary to make the payments required under section 290A.04, subdivision 2a. ~~For payments made after June 30, 1996, the amount necessary to make the payments required under section 290A.04, subdivision 2a, are appropriated to the commissioner of revenue from the local government trust fund.~~

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 4 are effective for refunds based on property taxes paid in 1995 and thereafter and for rent paid in 1994 and thereafter.

ARTICLE 5

PROPERTY TAXES

Section 1. Minnesota Statutes 1992, section 271.06, subdivision 7, is amended to read:

Subd. 7. [RULES.] ~~(a)~~ Except as provided in section 278.05, subdivision 6, the rules of evidence and civil procedure for the district court of Minnesota shall govern the procedures in the tax court, where practicable. The tax court may adopt rules under chapter 14. The rules in effect on January 1, 1989, apply until superseded.

~~(b) Notwithstanding paragraph (a), information, including income and expense figures, verified net rentable areas, and anticipated income and expenses, for income producing property which is not provided to the county assessor at least 45 days before any hearing under this chapter, is not admissible except if necessary to prevent undue hardship or when the failure to provide it was due to the unavailability of the evidence at that time.~~

~~(c) Notwithstanding paragraph (a) and provided that the information as contained in paragraph (b) is timely submitted to the county assessor, the county assessor shall furnish the petitioner at least five days before the hearing under this chapter with the property's appraisal, if any, which will be presented to the court at the hearing. The petitioner shall furnish to the county assessor at least five days before the hearing under this chapter with the property's appraisal, if any, which will be presented to the court at the hearing. An appraisal of the petitioner's property done by or for the county or by or for the petitioner shall not be admissible as evidence if the provisions within this paragraph are not met.~~

Sec. 2. Minnesota Statutes 1992, section 273.061, is amended by adding a subdivision to read:

Subd. 8a. [ADDITIONAL POWERS AND DUTIES OF THE COMMISSIONER OF REVENUE, COUNTY ASSESSORS AND LOCAL ASSESSORS.] Notwithstanding any provision of law to the contrary, in order to promote a uniform assessment and review of assessments, the commissioner of revenue, county assessors and local assessors may exchange data on property which are classified under chapter 13 as public, nonpublic or private. The data for any property may include but is not limited to its sales, income, expenses, vacancies, rentable or usable areas, anticipated income and expenses, projected vacancies, lease information, and private multiple listing service data. Data exchanged under this provision that is classified as nonpublic or private data shall retain its classification.

Sec. 3. Minnesota Statutes 1993 Supplement, section 273.11, subdivision 1a, is amended to read:

Subd. 1a. [LIMITED MARKET VALUE.] In the case of all property classified as agricultural homestead or nonhomestead, residential homestead or nonhomestead, or noncommercial seasonal recreational residential, the assessor shall compare the value with that determined in the preceding assessment. The amount of the increase entered in the current assessment shall not exceed the greater of (1) ten percent of the value in the preceding assessment, or (2) one-third of the difference between the current assessment and the preceding assessment. This limitation shall not apply to increases in value due to improvements. For purposes of this subdivision, the term "assessment" means the value prior to any exclusion under subdivision 16.

The provisions of this subdivision shall be in effect only for assessment years 1993 through ~~1998~~ 1997.

For purposes of the assessment/sales ratio study conducted under section 124.2131, and the computation of state aids paid under chapters 124, 124A, and 477A, market values and net tax capacities determined under this subdivision and subdivision 16, shall be used.

Sec. 4. Minnesota Statutes 1993 Supplement, section 273.11, subdivision 16, is amended to read:

Subd. 16. [VALUATION EXCLUSION FOR CERTAIN IMPROVEMENTS.] Improvements to homestead property made before January 2, 2003, shall be fully or partially excluded from the value of the property for assessment purposes provided that (1) the house is at least 35 years old at the time of the improvement and (2) either (a) the assessor's estimated market value of the house on January 2 of the current year is equal to or less than $150,000, or (b) if the estimated market value of the house is over $150,000 market value but is less than $300,000 on January 2 of the current year, the property qualifies if

(i) it is located in a city or town in which 50 percent or more of the homes were constructed before 1960 based upon the 1990 federal census, and

(ii) the city or town's median family income based upon the 1990 federal census is less than the statewide median family income based upon the 1990 federal census.

Any house which has an estimated market value of $300,000 or more on January 2 of the current year is not eligible to receive any property valuation exclusion under this section. For purposes of determining this eligibility, "house" means land and buildings.

The age of a residence is the number of years that the residence has existed at its present site. In the case of an owner-occupied duplex or triplex, the improvement is eligible regardless of which portion of the property was improved.

If the property lies in a jurisdiction which is subject to a building permit process, a building permit must have been issued ~~covering~~ prior to commencement of the improvement. ~~If the property lies in a jurisdiction which is not subject to a building permit process, the~~ Any improvement must add at least $1,000 to the value of the property to be eligible for exclusion under this subdivision. Only improvements to the structure which is the residence of the qualifying

homesteader or ~~the~~ construction of or improvements to no more than one two-car garage per residence qualify for the provisions of this subdivision. If an improvement was begun between January 2, 1992, and January 2, 1993, any value added from that improvement for the January 1994 and subsequent assessments shall qualify for exclusion under this subdivision provided that a building permit was obtained for the improvement between January 2, 1992, and January 2, 1993. Whenever a building permit is issued for property currently classified as homestead, the issuing jurisdiction shall notify the ~~assessor~~ property owner of the possibility of valuation exclusion under this subdivision. The assessor ~~may~~ shall require an application ~~process and~~, including documentation of the age of the house from the owner, if unknown by the assessor. The application may be filed subsequent to the date of the building permit provided that the application is filed prior to the next assessment date.

After the adjournment of the 1994 county board of equalization meetings, no exclusion may be granted for an improvement by a local board of review or county board of equalization unless (1) a building permit was issued prior to the commencement of the improvement if the jurisdiction requires a building permit, and (2) an application was completed on a timely basis. No abatement of the taxes for qualifying improvements may be granted by a county board unless (1) a building permit was issued prior to commencement of the improvement if the jurisdiction requires a building permit, and (2) an application was completed on a timely basis.

The assessor shall note the qualifying value of each improvement on the property's record, and the sum of those amounts shall be subtracted from the value of the property in each year for ten years after the improvement has been made, at which time an amount equal to 20 percent of the qualifying value shall be added back in each of the five subsequent assessment years. The valuation exclusion shall terminate whenever (1) the property is sold, or (2) the property is reclassified to a class which does not qualify for treatment under this subdivision. Improvements made by an occupant who is the purchaser of the property under a conditional purchase contract do not qualify under this subdivision unless the seller of the property is a governmental entity. The qualifying value of the property shall be computed based upon the increase from that structure's market value as of January 2 preceding the acquisition of the property by the governmental entity.

The total qualifying value for a homestead may not exceed $50,000. The total qualifying value for a homestead with a house that is less than 70 years old may not exceed $25,000. The term "qualifying value" means the increase in estimated market value resulting from the improvement if the improvement occurs when the house is at least 70 years old, or one-half of the increase in estimated market value resulting from the improvement otherwise. The $25,000 and $50,000 maximum qualifying value under this ~~section~~ subdivision may result from up to three separate improvements to the homestead. The application shall state, in clear language, that if more than three improvements are made to the qualifying property, a taxpayer may choose which three improvements are eligible, provided that after the taxpayer has made the choice and any valuation attributable to those improvements has been excluded from taxation, no further changes can be made by the taxpayer.

If 50 percent or more of the square footage of a structure is voluntarily razed or removed, the valuation increase attributable to any subsequent improvements to the remaining structure does not qualify for the exclusion under this subdivision. If a structure is unintentionally or accidentally destroyed by a natural disaster, the property is eligible for an exclusion under this subdivision provided that the structure was not completely destroyed. The qualifying value on property destroyed by a natural disaster shall be computed based upon the increase from that structure's market value as determined on January 2 of the year in which the disaster occurred. A property receiving benefits under the homestead disaster provisions under section 273.123 is not disqualified from receiving an exclusion under this subdivision. If any combination of improvements made to a structure after January 1, 1993, increases the size of the structure by 100 percent or more, the valuation increase attributable to the portion of the improvement that causes the structure's size to exceed 100 percent does not qualify for exclusion under this subdivision.

Sec. 5. Minnesota Statutes 1993 Supplement, section 273.11, is amended by adding a subdivision to read:

Subd. 17. [DISCLOSURE OF VALUATION EXCLUSION.] No seller of real property shall sell or offer for sale property that, for purposes of property taxation, has an exclusion from market value for home improvements under subdivision 16, without disclosing to the buyer the existence of the excluded valuation and informing the buyer that the exclusion will end upon the sale of the property and that the property's estimated market value for property tax purposes will increase accordingly.

Sec. 6. Minnesota Statutes 1992, section 273.111, subdivision 11, is amended to read:

Subd. 11. The payment of special local assessments levied after June 1, 1967 for improvements made to any real property described in subdivision 3 together with the interest thereon shall, on timely application as provided in subdivision 8, be deferred as long as such property meets the conditions contained in subdivisions 3 and 6 or is

transferred to an agricultural preserve under sections 473H.02 to 473H.17. If special assessments against the property have been deferred pursuant to this subdivision, the governmental unit shall file with the county recorder in the county in which the property is located a certificate containing the legal description of the affected property and of the amount deferred. When such property no longer qualifies under subdivisions 3 and 6, all deferred special assessments plus interest shall be payable in equal installments spread over the time remaining until the last maturity date of the bonds issued to finance the improvement for which the assessments were levied. If the bonds have matured, the deferred special assessments plus interest shall be payable within 90 days. The provisions of section 429.061, subdivision 2, apply to the collection of these installments. Penalty shall not be levied on any such special assessments if timely paid.

Sec. 7. Minnesota Statutes 1993 Supplement, section 273.112, subdivision 3, is amended to read:

Subd. 3. Real estate shall be entitled to valuation and tax deferment under this section only if it is:

(a) actively and exclusively devoted to golf, skiing, lawn bowling, croquet, or archery or firearms range recreational use or uses and other recreational uses carried on at the establishment;

(b) five acres in size or more, except in the case of a lawn bowling or croquet green or an archery or firearms range;

(c)(1) operated by private individuals or, in the case of a lawn bowling or croquet green, by private individuals or corporations, and open to the public; or

(2) operated by firms or corporations for the benefit of employees or guests; or

(3) operated by private clubs having a membership of 50 or more or open to the public, provided that the club does not discriminate in membership requirements or selection on the basis of sex or marital status; and

(d) made available, in the case of real estate devoted to golf, for use without discrimination on the basis of sex during the time when the facility is open to use by the public or by members, except that use for golf may be restricted on the basis of sex no more frequently than one, or part of one, weekend each calendar month for each sex and no more than two, or part of two, weekdays each week for each sex.

If a golf club membership allows use of golf course facilities by more than one adult per membership, the use must be equally available to all adults entitled to use of the golf course under the membership, except that use may be restricted on the basis of sex as permitted in this section. Memberships that permit play during restricted times may be allowed only if the restricted times apply to all adults using the membership. A golf club may not offer a membership or golfing privileges to a spouse of a member that provides greater or less access to the golf course than is provided to that person's spouse under the same or a separate membership in that club, except that the terms of a membership may provide that one spouse may have no right to use the golf course at any time while the other spouse may have either limited or unlimited access to the golf course.

A golf club may have or create an individual membership category which entitles a member for a reduced rate to play during restricted hours as established by the club. The club must have on record a written request by the member for such membership.

A golf club that has food or beverage facilities or services must allow equal access to those facilities and services for both men and women members in all membership categories at all times. Nothing in this paragraph shall be construed to require service or access to facilities to persons under the age of 21 years or require any act that would violate law or ordinance regarding sale, consumption, or regulation of alcoholic beverages.

For purposes of this subdivision and subdivision 7a, discrimination means a pattern or course of conduct and not linked to an isolated incident.

Sec. 8. Minnesota Statutes 1993 Supplement, section 273.124, subdivision 1, is amended to read:

Subdivision 1. [GENERAL RULE.] (a) Residential real estate that is occupied and used for the purposes of a homestead by its owner, who must be a Minnesota resident, is a residential homestead.

Agricultural land, as defined in section 273.13, subdivision 23, that is occupied and used as a homestead by its owner, who must be a Minnesota resident, is an agricultural homestead.

Dates for establishment of a homestead and homestead treatment provided to particular types of property are as provided in this section.

Property of a trustee, beneficiary, or grantor of a trust is not disqualified from receiving homestead benefits if the homestead requirements under this chapter are satisfied.

The assessor shall require proof, as provided in subdivision 13, of the facts upon which classification as a homestead may be determined. Notwithstanding any other law, the assessor may at any time require a homestead application to be filed in order to verify that any property classified as a homestead continues to be eligible for homestead status.

When there is a name change or a transfer of homestead property, the assessor may reclassify the property in the next assessment unless a homestead application is filed to verify that the property continues to qualify for homestead classification.

(b) For purposes of this section, homestead property shall include property which is used for purposes of the homestead but is separated from the homestead by a road, street, lot, waterway, or other similar intervening property. The term "used for purposes of the homestead" shall include but not be limited to uses for gardens, garages, or other outbuildings commonly associated with a homestead, but shall not include vacant land held primarily for future development. In order to receive homestead treatment for the noncontiguous property, the owner shall apply for it to the assessor by July 1 of the year when the treatment is initially sought. After initial qualification for the homestead treatment, additional applications for subsequent years are not required.

(c) Residential real estate that is occupied and used for purposes of a homestead by a relative of the owner is a homestead but only to the extent of the homestead treatment that would be provided if the related owner occupied the property. For purposes of this paragraph, "relative" means a parent, stepparent, child, stepchild, ~~spouse,~~ grandparent, grandchild, brother, sister, uncle, or aunt. This relationship may be by blood or marriage. Property that was classified as seasonal recreational residential property at the time when treatment under this paragraph would first apply shall continue to be classified as seasonal recreational residential property for the first four assessment years beginning after the date when the relative of the owner occupies the property as a homestead; this delay also applies to property that, in the absence of this paragraph, would have been classified as seasonal recreational residential property at the time when the residence was constructed. Neither the related occupant nor the owner of the property may claim a property tax refund under chapter 290A for a homestead occupied by a relative. In the case of a residence located on agricultural land, only the house, garage, and immediately surrounding one acre of land shall be classified as a homestead under this paragraph, except as provided in paragraph (d).

(d) Agricultural property that is occupied and used for purposes of a homestead by a relative of the owner, is a homestead, only to the extent of the homestead treatment that would be provided if the related owner occupied the property, and only if all of the following criteria are met:

(1) the relative who is occupying the agricultural property is a son ~~or~~, daughter, father, or mother of the owner of the agricultural property or a son or daughter of the spouse of the owner of the agricultural property,

(2) the owner of the agricultural property must be a Minnesota resident,

(3) the owner of the agricultural property is not eligible to receive homestead treatment on any other agricultural property in Minnesota, and

(4) the owner of the agricultural property is limited to only one agricultural homestead per family under this paragraph.

For purposes of this paragraph, "agricultural property" means the house, garage, other farm buildings and structures, and agricultural land.

Application must be made to the assessor by the owner of the agricultural property to receive homestead benefits under this paragraph. The assessor may require the necessary proof that the requirements under this paragraph have been met.

(e) In the case of property owned by a property owner who is married, the assessor must not deny homestead treatment in whole or in part if only one of the spouses occupies the property and the other spouse is absent due to: (1) marriage dissolution proceedings, (2) legal separation, (3) employment or self-employment in another location as provided under subdivision 13, or (4) residence in a nursing home or boarding care facility.

Sec. 9. Minnesota Statutes 1993 Supplement, section 273.124, subdivision 13, is amended to read:

Subd. 13. [HOMESTEAD APPLICATION.] (a) A person who meets the homestead requirements under subdivision 1 must file a homestead application with the county assessor to initially obtain homestead classification.

(b) On or before January 2, 1993, each county assessor shall mail a homestead application to the owner of each parcel of property within the county which was classified as homestead for the 1992 assessment year. The format and contents of a uniform homestead application shall be prescribed by the commissioner of revenue. The commissioner shall consult with the chairs of the house and senate tax committees on the contents of the homestead application form. The application must clearly inform the taxpayer that this application must be signed by all owners who occupy the property or by the qualifying relative and returned to the county assessor in order for the property to continue receiving homestead treatment. The envelope containing the homestead application shall clearly identify its contents and alert the taxpayer of its necessary immediate response.

(c) Every property owner applying for homestead classification must furnish to the county assessor the social security number of each occupant who is listed as an owner of the property on the ~~homestead application~~ deed of record, ~~and~~ the name and address of each owner who does not occupy the property~~.~~, and the name and social security number of each owner's spouse who occupies the property. The application must be signed by each owner who occupies the property and by each owner's spouse who occupies the property, or, in the case of property that qualifies as a homestead under subdivision 1, paragraph (c), by the qualifying relative.

If a property owner occupies a homestead, the property owner's spouse may not claim another property as a homestead unless the property owner and the property owner's spouse file with the assessor an affidavit or other proof required by the assessor stating that the property owner's spouse does not occupy the homestead because marriage dissolution proceedings are pending, the spouses are legally separated, or the spouse's employment or self-employment location requires the spouse to have a separate homestead. The assessor may require proof of employment or self-employment and employment or self-employment location, or proof of dissolution proceedings or legal separation.

If the social security number or affidavit or other proof is not provided, the county assessor shall classify the property as nonhomestead.

The social security numbers or affidavits or other proofs of the property owners and spouses are private data on individuals as defined by section 13.02, subdivision 12, but, notwithstanding that section, the private data may be disclosed to the commissioner of revenue.

(d) If residential real estate is occupied and used for purposes of a homestead by a relative of the owner and qualifies for a homestead under subdivision 1, paragraph (c), in order for the property to receive homestead status, a homestead application must be filed with the assessor. The social security number of each relative occupying the property and the social security number of each owner who is related to an occupant of the property shall be required on the homestead application filed under this subdivision. If a different relative of the owner subsequently occupies the property, the owner of the property must notify the assessor within 30 days of the change in occupancy. The social security number of a relative occupying the property is private data on individuals as defined by section 13.02, subdivision 12, but may be disclosed to the commissioner of revenue.

(e) The homestead application shall also notify the property owners that the application filed under this section will not be mailed annually and that if the property is granted homestead status for the 1993 assessment, or any assessment year thereafter, that same property shall remain classified as homestead until the property is sold or transferred to another person, or the owners or the relatives no longer use the property as their homestead. Upon the sale or transfer of the homestead property, a certificate of value must be timely filed with the county auditor as provided under section 272.115. Failure to notify the assessor within 30 days that the property has been sold, transferred, or that the owner or the relative is no longer occupying the property as a homestead, shall result in the penalty provided under this subdivision and the property will lose its current homestead status.

(f) If the homestead application is not returned within 30 days, the county will send a second application to the present owners of record. The notice of proposed property taxes prepared under section 275.065, subdivision 3, shall reflect the property's classification. Beginning with assessment year 1993 for all properties, If a homestead application has not been filed with the county by December 15, the assessor shall classify the property as nonhomestead for the current assessment year for taxes payable in the following year, provided that the owner may be entitled to receive the homestead classification by proper application under section 375.192.

(g) At the request of the commissioner, each county must give the commissioner a list that includes the name and social security number of each property owner and the property owner's spouse occupying the property, or relative of a property owner, applying for homestead classification under this subdivision. The commissioner shall use the information provided on the lists as appropriate under the law, including for the detection of improper claims by owners, or relatives of owners, under chapter 290A.

(h) If, in comparing the lists supplied by the counties, the commissioner finds that a property owner is claiming more than one homestead, the commissioner shall notify the appropriate counties. Within 90 days of the notification, the county assessor shall investigate to determine if the homestead classification was properly claimed. If the property owner does not qualify, the county assessor shall notify the county auditor who will determine the amount of homestead benefits that had been improperly allowed. For the purpose of this section, "homestead benefits" means the tax reduction resulting from the classification as a homestead under section 273.13, the taconite homestead credit under section 273.135, and the supplemental homestead credit under section 273.1391.

The county auditor shall send a notice to the owners of the affected property, demanding reimbursement of the homestead benefits plus a penalty equal to 100 percent of the homestead benefits. The property owners may appeal the county's determination by filing a notice of appeal with the Minnesota tax court within 60 days of the date of the notice from the county. If the amount of homestead benefits and penalty is not paid within 60 days, and if no appeal has been filed, the county auditor shall certify the amount of taxes and penalty to the succeeding year's tax list to be collected as part of the property taxes.

(i) Any amount of homestead benefits recovered by the county from the property owner shall be distributed to the county, city or town, and school district where the property is located in the same proportion that each taxing district's levy was to the total of the three taxing districts' levy for the current year. Any amount recovered attributable to taconite homestead credit shall be transmitted to the St. Louis county auditor to be deposited in the taconite property tax relief account. The total amount of penalty collected must be deposited in the county general fund.

(j) If a property owner has applied for more than one homestead and the county assessors cannot determine which property should be classified as homestead, the county assessors will refer the information to the commissioner. The commissioner shall make the determination and notify the counties within 60 days.

(k) In addition to lists of homestead properties, the commissioner may ask the counties to furnish lists of all properties and the record owners.

Sec. 10. Minnesota Statutes 1993 Supplement, section 273.13, subdivision 23, is amended to read:

Subd. 23. [CLASS 2.] (a) Class 2a property is agricultural land including any improvements that is homesteaded. The market value of the house and garage and immediately surrounding one acre of land has the same class rates as class 1a property under subdivision 22. The value of the remaining land including improvements up to $115,000 has a net class rate of .45 percent of market value and a gross class rate of 1.75 percent of market value. The remaining value of class 2a property over $115,000 of market value that does not exceed 320 acres has a net class rate of one percent of market value, and a gross class rate of 2.25 percent of market value. The remaining property over the $115,000 market value in excess of 320 acres has a class rate of 1.5 percent of market value, and a gross class rate of 2.25 percent of market value.

(b) Class 2b property is (1) real estate, rural in character and used exclusively for growing trees for timber, lumber, and wood and wood products; (2) real estate that is not improved with a structure and is used exclusively for growing trees for timber, lumber, and wood and wood products, if the owner has participated or is participating in a cost-sharing program for afforestation, reforestation, or timber stand improvement on that particular property, administered or coordinated by the commissioner of natural resources; ~~or~~ (3) real estate that is nonhomestead agricultural land; or (4) a landing area or public access area of a privately owned public use airport. Class 2b property has a net class rate of 1.5 percent of market value, and a gross class rate of 2.25 percent of market value.

(c) Agricultural land as used in this section means contiguous acreage of ten acres or more, primarily used during the preceding year for agricultural purposes. Agricultural use may include pasture, timber, waste, unusable wild land, and land included in state or federal farm programs. "Agricultural purposes" as used in this section means the raising or cultivation of agricultural products.

(d) Real estate of less than ten acres used principally for raising or cultivating agricultural products, shall be considered as agricultural land, if it is not used primarily for residential purposes.

(e) The term "agricultural products" as used in this subdivision includes:

(1) livestock, dairy animals, dairy products, poultry and poultry products, fur-bearing animals, horticultural and nursery stock described in sections 18.44 to 18.61, fruit of all kinds, vegetables, forage, grains, bees, and apiary products by the owner;

(2) fish bred for sale and consumption if the fish breeding occurs on land zoned for agricultural use;

(3) the commercial boarding of horses if the boarding is done in conjunction with raising or cultivating agricultural products as defined in clause (1); ~~and~~

(4) property which is owned and operated by nonprofit organizations used for equestrian activities, excluding racing; and

(5) game birds and waterfowl bred and raised for use on a shooting preserve licensed under section 97A.115.

(f) If a parcel used for agricultural purposes is also used for commercial or industrial purposes, including but not limited to:

(1) wholesale and retail sales;

(2) processing of raw agricultural products or other goods;

(3) warehousing or storage of processed goods; and

(4) office facilities for the support of the activities enumerated in clauses (1), (2), and (3),

the assessor shall classify the part of the parcel used for agricultural purposes as class 1b, 2a, or 2b, whichever is appropriate, and the remainder in the class appropriate to its use. The grading, sorting, and packaging of raw agricultural products for first sale is considered an agricultural purpose. A greenhouse or other building where horticultural or nursery products are grown that is also used for the conduct of retail sales must be classified as agricultural if it is primarily used for the growing of horticultural or nursery products from seed, cuttings, or roots and occasionally as a showroom for the retail sale of those products. Use of a greenhouse or building only for the display of already grown horticultural or nursery products does not qualify as an agricultural purpose.

The assessor shall determine and list separately on the records the market value of the homestead dwelling and the one acre of land on which that dwelling is located. If any farm buildings or structures are located on this homesteaded acre of land, their market value shall not be included in this separate determination.

(g) To qualify for classification under paragraph (b), clause (4), a privately owned public use airport must be licensed as a public airport under section 360.018. For purposes of paragraph (b), clause (4), "landing area" means that part of a privately owned public use airport properly cleared, regularly maintained, and made available to the public for use by aircraft and includes runways, taxi-ways, aprons, and sites upon which are situated landing or navigational aids. A landing area also includes land underlying both the primary surface and the approach surfaces that comply with all of the following:

(i) the land is properly cleared and regularly maintained for the primary purposes of the landing, taking off, and taxiing of aircraft; but that portion of the land that contains facilities for servicing, repair, or maintenance of aircraft is not included as a landing area;

(ii) the land is part of the airport property; and

(iii) the land is not used for commercial or residential purposes.

The land contained in a landing area under paragraph (b), clause (4), must be described and certified by the commissioner of transportation. The certification is effective until it is modified, or until the airport or landing area no longer meets the requirements of paragraph (b), clause (4). For purposes of paragraph (b), clause (4), "public access area" means property used as an aircraft parking ramp, apron, or storage hangar, or an arrival and departure building in connection with the airport.

Sec. 11. Minnesota Statutes 1993 Supplement, section 273.13, subdivision 24, is amended to read:

Subd. 24. [CLASS 3.] (a) Commercial and industrial property and utility real and personal property, except class 5 property as identified in subdivision 31, clause (1), is class 3a. It has a class rate of three percent of the first $100,000 of market value for taxes payable in 1993 and thereafter, and 5.06 percent of the market value over $100,000. In the case of state-assessed commercial, industrial, and utility property owned by one person or entity, only one parcel has a reduced class rate on the first $100,000 of market value. In the case of other commercial, industrial, and utility property owned by one person or entity, only one parcel in each county has a reduced class rate on the first $100,000 of market value, except that:

(1) if the market value of the parcel is less than $100,000, and additional parcels are owned by the same person or entity in the same city or town within that county, the reduced class rate shall be applied up to a combined total market value of $100,000 for all parcels owned by the same person or entity in the same city or town within the county; ~~and~~

(2) in the case of grain, fertilizer, and feed elevator facilities, as defined in section 18C.305, subdivision 1, or 232.21, subdivision 8, the limitation to one parcel per owner per county for the reduced class rate shall not apply, but there shall be a limit of $100,000 of preferential value per site of contiguous parcels owned by the same person or entity. Only the value of the elevator portion of each parcel shall qualify for treatment under this clause. For purposes of this subdivision, contiguous parcels include parcels separated only by a railroad or public road right-of-way~~.~~; and

(3) in the case of property owned by a nonprofit charitable organization that qualifies for tax exemption under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1993, if the property is used as a business incubator, the limitation to one parcel per owner per county for the reduced class rate shall not apply, provided that the reduced rate applies only to the first $100,000 of value per parcel owned by the organization. As used in this clause, a "business incubator" is a facility used for the development of nonretail businesses, offering access to equipment, space, services, and advice to the tenant businesses, for the purpose of encouraging economic development, diversification, and job creation in the area served by the organization.

To receive the reduced class rate on additional parcels under ~~clauses~~ clause (1) ~~and~~, (2), or (3), the taxpayer must notify the county assessor that the taxpayer owns more than one parcel that qualifies under clause (1) ~~or~~, (2), or (3).

(b) Employment property defined in section 469.166, during the period provided in section 469.170, shall constitute class 3b and has a class rate of 2.3 percent of the first $50,000 of market value and 3.6 percent of the remainder, except that for employment property located in a border city enterprise zone designated pursuant to section 469.168, subdivision 4, paragraph (c), the class rate of the first $100,000 of market value and the class rate of the remainder is determined under paragraph (a), unless the governing body of the city designated as an enterprise zone determines that a specific parcel shall be assessed pursuant to the first clause of this sentence. The governing body may provide for assessment under the first clause of the preceding sentence only for property which is located in an area which has been designated by the governing body for the receipt of tax reductions authorized by section 469.171, subdivision 1.

Sec. 12. Minnesota Statutes 1992, section 273.165, subdivision 1, is amended to read:

Subdivision 1. [MINERAL INTEREST.] "Mineral interest," for the purpose of this subdivision, means an interest in any minerals, including but not limited to gas, coal, oil, or other similar interest in real estate, which is owned separately and apart from the fee title to the surface of such real property. Mineral interests which are filed for record in the offices of either the county recorder or registrar of titles, whether or not filed pursuant to sections 93.52 to 93.58, are taxed as provided in this subdivision unless specifically excluded by this subdivision. A tax of ~~25~~ 40 cents per acre or portion of an acre of mineral interest is imposed and is payable annually. If an interest is a fractional undivided interest in an area, the tax due on the interest per acre or portion of an acre is equal to the product obtained by multiplying the fractional interest times ~~25~~ 40 cents, computed to the nearest cent. However, the minimum annual tax on any mineral interest is ~~$2~~ $3.20. No such tax on mineral interests is imposed on the following: (1) mineral interests valued and taxed under other laws relating to the taxation of minerals, gas, coal, oil, or other similar interests; or (2) mineral interests which are exempt from taxation pursuant to constitutional or related statutory provisions. Taxes received under this subdivision must be apportioned to the taxing districts included in the area taxed in the same proportion as the surface interest local tax rate of a taxing district bears to the total local tax rate applicable to surface interests in the area taxed. The tax imposed by this subdivision is not included within any limitations as to rate or amount of taxes which may be imposed in an area to which the tax imposed by this

subdivision applies. The tax imposed by this subdivision does not cause the amount of other taxes levied or to be levied in the area, which are subject to any such limitation, to be reduced in any amount. Twenty percent of the revenues received from the tax imposed by this subdivision must be distributed under the provisions of section 116J.64.

Sec. 13. Minnesota Statutes 1993 Supplement, section 276.04, subdivision 2, is amended to read:

Subd. 2. [CONTENTS OF TAX STATEMENTS.] (a) The treasurer shall provide for the printing of the tax statements. The commissioner of revenue shall prescribe the form of the property tax statement and its contents. The statement must contain a tabulated statement of the dollar amount due to each taxing authority from the parcel of real property for which a particular tax statement is prepared. The dollar amounts due the county, township or municipality, the total of the metropolitan special taxing districts as defined in section 275.065, subdivision 3, paragraph (i), school district excess referenda levy, remaining school district levy, and the total of other voter approved referenda levies based on market value under section 275.61 must be separately stated. The amounts due all other special taxing districts, if any, may be aggregated. The amount of the tax on contamination value imposed under sections 270.91 to 270.98, if any, must also be separately stated. The dollar amounts, including the dollar amount of any special assessments, may be rounded to the nearest even whole dollar. For purposes of this section whole odd-numbered dollars may be adjusted to the next higher even-numbered dollar. The amount of market value excluded under section 273.11, subdivision 16, if any, must also be listed on the tax statement. The statement shall include the following sentence, printed in upper case letters in boldface print: "THE STATE OF MINNESOTA DOES NOT RECEIVE ANY PROPERTY TAX REVENUES. THE STATE OF MINNESOTA REDUCES YOUR PROPERTY TAX BY PAYING CREDITS AND REIMBURSEMENTS TO LOCAL UNITS OF GOVERNMENT."

(b) The property tax statements for manufactured homes and sectional structures taxed as personal property shall contain the same information that is required on the tax statements for real property.

(c) Real and personal property tax statements must contain the following information in the order given in this paragraph. The information must contain the current year tax information in the right column with the corresponding information for the previous year in a column on the left:

(1) the property's estimated market value under section 273.11, subdivision 1;

(2) the property's taxable market value after reductions under ~~sections~~ section 273.11, subdivisions 1a and 16;

(3) the property's gross tax, calculated by multiplying the property's gross tax capacity times the total local tax rate and adding to the result the sum of the aids enumerated in clause (3);

(4) a total of the following aids:

(i) education aids payable under chapters 124 and 124A;

(ii) local government aids for cities, towns, and counties under chapter 477A; and

(iii) disparity reduction aid under section 273.1398;

(5) for homestead residential and agricultural properties, the homestead and agricultural credit aid apportioned to the property. This amount is obtained by multiplying the total local tax rate by the difference between the property's gross and net tax capacities under section 273.13. This amount must be separately stated and identified as "homestead and agricultural credit." For purposes of comparison with the previous year's amount for the statement for taxes payable in 1990, the statement must show the homestead credit for taxes payable in 1989 under section 273.13, and the agricultural credit under section 273.132 for taxes payable in 1989;

(6) any credits received under sections 273.119; 273.123; 273.135; 273.1391; 273.1398, subdivision 4; 469.171; and 473H.10, except that the amount of credit received under section 273.135 must be separately stated and identified as "taconite tax relief"; and

(7) the net tax payable in the manner required in paragraph (a).

The commissioner of revenue shall certify to the county auditor the actual or estimated aids enumerated in clauses (3) and (4) that local governments will receive in the following year. In the case of a county containing a city of the first class, for taxes levied in 1991, and for all counties for taxes levied in 1992 and thereafter, the commissioner must certify this amount by September 1.

Sec. 14. Minnesota Statutes 1993 Supplement, section 278.01, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION OF VALIDITY.] Any person having personal property, or any estate, right, title, or interest in or lien upon any parcel of land, who claims that such property has been partially, unfairly, or unequally assessed in comparison with other property in the (1) city, or (2) county, or (3) in the case of a county containing a city of the first class, the portion of the county excluding the first class city, or that the parcel has been assessed at a valuation greater than its real or actual value, or that the tax levied against the same is illegal, in whole or in part, or has been paid, or that the property is exempt from the tax so levied, may have the validity of the claim, defense, or objection determined by the district court of the county in which the tax is levied or by the tax court by serving one copy of a petition for such determination upon the county auditor, one copy on the county attorney, one copy on the county treasurer, and three copies on the county assessor. The county assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A copy of the petition shall also be forwarded by the assessor to the school board of the school district in which the property is located.

In counties where the office of county treasurer has been combined with the office of county auditor, the county may elect to require the petitioner to serve the number of copies as determined by the county. The county assessor shall immediately forward one copy of the petition to the appropriate governmental authority in a home rule charter or statutory city or town in which the property is located if that city or town employs its own certified assessor. A list of petitioned properties, including the name of the petitioner, the identification number of the property, and the estimated market value, shall be sent on or before the first day of July by the county auditor/treasurer to the school board of the school district in which the property is located.

For all counties, the petitioner must file the copies with proof of service, in the office of the court administrator of the district court on or before ~~the 16th day of May~~ March 31 of the year in which the tax becomes payable. A petition for determination under this section may be transferred by the district court to the tax court. An appeal may also be taken to the tax court under chapter 271 at any time following receipt of the valuation notice required by section 273.121 but prior to ~~May 16~~ April 1 of the year in which the taxes are payable.

Sec. 15. Minnesota Statutes 1992, section 278.05, subdivision 6, is amended to read:

Subd. 6. [DISMISSAL OF PETITION; EXCLUSION OF CERTAIN EVIDENCE.] (a) Information, including income and expense figures, verified net rentable areas, and anticipated income and expenses, for income-producing property ~~which is not~~ must be provided to the county assessor ~~at least 45 days before any hearing~~ within 60 days after the petition has been filed under this chapter~~, is not admissible except if necessary to prevent undue hardship or when~~. Failure to provide the information required in this paragraph shall result in the dismissal of the petition, unless the failure to provide it was due to the unavailability of the evidence at that time.

(b) Provided that the information as contained in paragraph (a) is timely submitted to the county assessor, the county assessor shall furnish the petitioner at least five days before the hearing under this chapter with the property's appraisal, if any, which will be presented to the court at the hearing. The petitioner shall furnish to the county assessor at least five days before the hearing under this chapter with the property's appraisal, if any, which will be presented to the court at the hearing. An appraisal of the petitioner's property done by or for the county ~~or by or for the petitioner~~ shall not be admissible as evidence if the county assessor does not comply with the provisions ~~within~~ in this paragraph ~~are not met~~. The petition shall be dismissed if the petitioner does not comply with the provisions in this paragraph.

Sec. 16. Minnesota Statutes 1992, section 298.26, is amended to read:

298.26 [TAX ON UNMINED TACONITE AND IRON SULPHIDES.]

In any year in which at least 1,000 tons of iron ore concentrate is not produced from any 40-acre tract or governmental lot containing taconite or iron sulphides, a tax may be assessed upon the taconite or iron sulphides therein at the local tax rate prevailing in the taxing district and spread against the net tax capacity of the taconite or iron sulphides, such net tax capacity to be determined in accordance with existing laws. The amount of the tax spread under authority of this section by reason of the taconite and iron sulphides in any tract of land shall not exceed ~~$10~~ $15 per acre.

Sec. 17. Minnesota Statutes 1992, section 360.036, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF BONDS.] ~~Any~~ (a) Bonds to be issued by ~~any~~ a municipality ~~pursuant to the provisions of~~ under sections 360.011 to 360.076, shall be authorized and issued in the manner and within the limitation~~, except as herein otherwise provided,~~ prescribed by ~~the~~ laws ~~of this state~~ or the charter of the municipality for the issuance and authorization of bonds ~~thereof~~ for public purposes generally, except as provided in paragraphs (b) and (c).

(b) No election is required to authorize the issuance of the bonds if (1) a board organized under section 360.042 recommends by a resolution adopted by a vote of not less than 60 percent of its members the issuance of bonds and (2) the bonds are authorized by a resolution of the governing body of each of the municipalities acting jointly pursuant to section 360.042, adopted by a vote of not less than 60 percent of its members.

(c) If the bonds are general obligations of the municipality, the levy of taxes required by section 475.61 to pay principal and interest on the bonds is not included in computing or applying any levy limitation applicable to the municipality.

Sec. 18. Minnesota Statutes 1992, section 360.036, subdivision 3, is amended to read:

Subd. 3. [IN EXCESS OF TAX LIMITATION.] Irrespective of any limitation, by general or special law or charter, as to the amount of bonds which may be issued, a municipality may issue bonds for the purposes defined by sections 360.011 to 360.076, in excess of such limitation, in such amount as may be authorized by ~~an ordinance or resolution referred to and approved by the voters of such municipality by popular vote, at any general election or special election called for that purpose~~ the governing body of the municipality as provided in subdivision 2.

Sec. 19. Minnesota Statutes 1992, section 360.037, subdivision 2, is amended to read:

Subd. 2. [IN EXCESS OF TAX LIMITATION.] A municipality may levy taxes for the purposes authorized by sections 360.011 to 360.076, in such amount as may be authorized by an ordinance or resolution referred to and approved by the voters of such municipality by popular vote or as may be required to pay principal of or interest on general obligation bonds of the municipality issued under section 360.036.

Sec. 20. Minnesota Statutes 1992, section 360.042, subdivision 10, is amended to read:

Subd. 10. [JOINT FUND.] For the purpose of providing funds for necessary expenditures in carrying out the provisions of this section, a joint fund shall be created and maintained, into which each of the municipalities involved shall deposit its proportionate share as provided by the joint agreement~~, such~~. Funds to be deposited shall be provided for by bond issues, tax levies, and appropriations made by each municipality in the same manner as though it were acting separately under the authority of sections 360.011 to 360.076~~, and into which~~. However, a municipality may issue bonds on behalf of other parties to the joint agreement, which shall be treated as being issued by each of the parties in proportion to their respective proportionate share as provided by the joint agreement. Each municipality shall ~~be paid~~ also pay into the fund the revenues obtained from the ownership, control, and operation of the airports and other air navigation facilities jointly controlled, to be expended as provided in section 360.037, subdivision 3~~j~~. Revenues in excess of cost of maintenance and operating expenses of the joint properties ~~to~~ shall be divided as may be provided in the original agreement for the joint venture. When a county and a city are parties to a joint agreement as provided in subdivision 1 and the city is located in whole or in part within the geographic boundaries of the county, then the county's proportionate share shall be based on the net tax capacity of all property within the county, excepting the net tax capacity of that property located within the city, and any levy for airport purposes by the county shall not be levied against taxable property in the city, other than a levy under section 475.61 to pay debt service on general obligation bonds of the county.

Sec. 21. Minnesota Statutes 1993 Supplement, section 383A.75, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The committee is authorized to and shall meet from time to time to make appropriate recommendations for the efficient and effective use of property tax dollars raised by the jurisdictions for programs, buildings, and operations. In addition, the committee shall:

(1) identify trends and factors likely to be driving budget outcomes over the next five years with recommendations for how the jurisdictions should manage those trends and factors to increase efficiency and effectiveness;

(2) agree, by ~~August~~ September 1 of each year, on the appropriate level of overall property tax levy for the three jurisdictions and publicly report such to the governing bodies of each jurisdiction for ratification or modification by resolution;

(3) plan for the joint truth-in-taxation hearings under section 275.065, subdivision 8; and

(4) identify, by December 31 of each year, areas of the budget to be targeted in the coming year for joint review to improve services or achieve efficiencies.

In carrying out its duties, the committee shall consult with public employees of each jurisdiction and with other stakeholders of the city, county, and school district, as appropriate.

Sec. 22. [469.1811] [PROPERTY TAX EXEMPTION; AGRICULTURAL PROCESSING FACILITIES.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(1) "Agricultural processing facility" means land, buildings, structures, fixtures, and improvements used or operated primarily for the processing or production of marketable products 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. As used in this subdivision, land is limited to land on which the buildings, structures, fixtures, and improvements are situated and the immediately surrounding land used for storage or other functions directly related to the processing or production, not including land used for the growing of agricultural crops.

(2) "Qualifying property" means taxable property: (i) that consists of an agricultural processing facility; and (ii) for which the agricultural processing facility project costs exceed $100,000,000.

Subd. 2. [CITY MAY EXEMPT.] The governing body of a home rule or statutory city may by resolution exempt qualifying property from property taxation. The exemption may include the entire market value of the qualifying property as determined by the assessor, including the land and any improvements existing at the time the exemption is granted, any increases in the value of the land and improvements during the duration of the exemption, and the value of any improvements constructed or attached during the exemption period. The property tax exemption granted by the city may not exceed a ten-year period beginning with taxes payable the year following the year the exemption is granted. At the expiration of the exemption period, the facility shall be assessed and pay property taxes as otherwise provided by law.

Subd. 3. [APPLICATION; HEARING.] A person proposing to construct an agricultural processing facility may apply for a property tax exemption to the city clerk of the city where the facility is proposed to be located. The application must contain a plan that includes a legal description of the real estate on which the exemption is sought, a description of the proposed facility, a detailed estimate of acquisition and construction costs, a construction time schedule, and any other information required by the city.

Before approving a tax exemption pursuant to this section, the governing body of the city must hold a public hearing. The municipal clerk or auditor shall publish a notice in the official newspaper of the time and place of a hearing to be held by the governing body on the application, not less than 30 days after the notice is published. The notice shall state that the applicant, local government officials, and any taxpayer of the municipality may be heard or may present their views in writing at or before the hearing. The hearing may be adjourned from time to time, but the governing body shall take action on the application by resolution within 30 days after the hearing ends. If disapproved, the reasons shall be set forth in the resolution. If the application for a tax exemption is approved, the city clerk shall forward a copy of the resolution approving the tax exemption to the county assessor who shall exempt the property from taxation under the terms of and for the period contained in the resolution.

Subd. 4. [CONDITIONS; REVOCATION.] (a) The governing body of the city may set conditions to its approval or continuation of a tax exemption under this section. The conditions may include construction specifications; time limits for construction; traffic, parking, safety, or environmental requirements; requirements as to the type and number of jobs to be created; valuation or assessment requirements after the exemption expires; or any other conditions reasonably required by the city to safeguard the public welfare.

(b) If the city proposes to revoke its approval of a tax exemption granted under this section, it must notify the owner of the property and give the person an opportunity to be heard. The city must give the person 30 days' notice before holding the hearing. A revocation by the city must be made by resolution and must state the findings on which the revocation is based.

Sec. 23. Minnesota Statutes 1992, section 473.341, is amended to read:

473.341 [TAX EQUIVALENTS.]

In ~~each of~~ the ~~four years after~~ year in which the metropolitan council or ~~park district, county or municipality~~ an implementing agency as defined in section 473.351 acquires fee ~~simple~~ title to any real property included in the regional recreation open space system, the metropolitan council shall ~~pay to the municipality or township in which the property is situated an amount equal to the~~ grant sufficient funds to the appropriate implementing agency to make the tax equivalent payment required in this section. The council shall determine the total amount of ~~the~~ property taxes levied ~~thereon~~ on the real property for municipal or township purposes for collection in the year in which title passed~~, diminished by 20 percent for each subsequent year to and including the year of payment; provided that for any year in which taxes on the property, or on the privilege of using or possessing it, are paid~~. The municipality or township in which the real property is situated shall be paid 180 percent of the total tax amount determined by the council. If the implementing agency has granted a life estate to the seller of the real property and the seller is obligated to pay property taxes on the property, this tax equivalent shall not be paid until the life estate ends. All amounts paid pursuant to this section are costs of acquisition of the real property ~~with respect to which they are paid~~ acquired.

Sec. 24. Minnesota Statutes 1992, section 473H.05, is amended by adding a subdivision to read:

Subd. 4. [RE-ENROLLING.] If an owner's property was initially granted agricultural preserve status under subdivision 1 but the owner filed an agricultural preserve termination notice on that property, the owner may re-enroll the property in the program as provided in this subdivision. In lieu of the requirements in subdivision 1, the county may allow a property owner to re-enroll by completing a one page form or affidavit, as prepared by the county. The county may require whatever information is deemed necessary, except that approval by the city or township, in which the property is located, shall be required on the form or affidavit.

The county may charge the property owner a re-enrollment fee, not to exceed $10, to defray any administrative cost.

Re-enrolling property under this subdivision shall be allowed only if the same property owner or owners wish to re-enroll the same property under the same conditions as was originally approved under subdivision 1.

Sec. 25. Minnesota Statutes 1992, section 473H.18, is amended to read:

473H.18 [TRANSFER FROM AGRICULTURAL PROPERTY TAX LAW TREATMENT.]

When land which has been receiving the special agricultural valuation and tax deferment provided in section 273.111 becomes an agricultural preserve pursuant to sections 473H.02 to 473H.17, the recapture of deferred tax and special assessments, as provided in section 273.111, subdivisions 9 and 11, shall not be made. Special assessments deferred under section 273.111~~, at the date of commencement of the preserve,~~ shall continue to be deferred for the duration of the preserve. For purposes of this section, "deferred special assessments" shall include the total amount of deferred special assessments under section 273.111 on the property, including any portion of the deferred special assessments which have not yet been levied at the time the property transfers to the agricultural preserves program under this chapter. All special assessments so deferred shall be payable within 90 days of the date of expiration unless other terms are mutually agreed upon by the authority and the owner. In the event of early termination of a preserve or a portion of it under section 473H.09, all special assessments accruing to the terminated portion plus interest shall be payable within 90 days of the date of termination unless otherwise deferred or abated by executive order of the governor. In the event of a taking under section 473H.15 all special assessments accruing to the taken portion plus interest shall be payable within 90 days of the date the final certificate is filed with the court administrator of district court in accordance with section 117.205.

Sec. 26. Minnesota Statutes 1992, section 580.23, as amended by Laws 1993, chapter 40, section 2, is amended to read:

580.23 [REDEMPTION BY MORTGAGOR; AFFIDAVIT OF ~~AGRICULTURAL~~ NONAGRICULTURAL USE; WAIVER.]

Subdivision 1. [SIX-MONTH REDEMPTION PERIOD.] When lands have been sold in conformity with the preceding sections of this chapter, the mortgagor, the mortgagor's personal representatives or assigns, within six months after such sale, except as otherwise provided in subdivision 2 or section 582.032 or 582.32, may redeem such

lands, as hereinafter provided, by paying the sum of money for which the same were sold, with interest from the time of sale at the rate provided to be paid on the mortgage debt and, if no rate be provided in the mortgage note, at the rate of six percent per annum, together with any further sums which may be payable as provided in sections 582.03 and 582.031.

Subd. 2. [12-MONTH REDEMPTION PERIOD.] Notwithstanding the provisions of subdivision 1 hereof, when lands have been sold in conformity with the preceding sections of this chapter, the mortgagor, the mortgagor's personal representatives or assigns, within 12 months after such sale, may redeem such lands in accordance with the provisions of payment of subdivision 1 thereof, if:

(1) the mortgage was executed prior to July 1, 1967;

(2) the amount claimed to be due and owing as of the date of the notice of foreclosure sale is less than 66-2/3 percent of the original principal amount secured by the mortgage;

(3) the mortgage was executed prior to July 1, 1987, and the mortgaged premises, as of the date of the execution of the mortgage, exceeded ten acres in size;

(4) the mortgage was executed prior to August 1, 1994, and the mortgaged premises, as of the date of the execution of the mortgage, exceeded ten acres but did not exceed 40 acres in size and was in agricultural use as defined in section 40A.02, subdivision 3; ~~or~~

(5) the mortgaged premises, as of the date of the execution of the mortgage, exceeded 40 acres in size; or

(6) the mortgage was executed on or after August 1, 1994, and the mortgaged premises, as of the date of the execution of the mortgage, exceeded ten acres but did not exceed 40 acres in size and was in agricultural use. For purposes of this clause, "in agricultural use" means that at least a portion of the mortgaged premises was classified for ad valorem tax purposes as:

(i) class 2a agricultural homestead property under section 273.13, subdivision 23;

(ii) class 2b rural or agricultural nonhomestead property under section 273.13, subdivision 23;

(iii) class 1b agricultural homestead property under section 273.13, subdivision 22; or

(iv) exempt wetlands under section 272.02, subdivision 1, clause (10).

Subd. 3. [AFFIDAVIT OF ~~AGRICULTURAL~~ NONAGRICULTURAL USE.] (a) With respect to mortgages executed prior to August 1, 1994, an affidavit signed by the mortgagor and a certificate signed by the county assessor where the land is located stating that the mortgaged premises as legally described in the affidavit and certificate are not in agricultural use as defined in section 40A.02, subdivision 3, may be recorded in the office of the county recorder or registrar of titles where the property is located and are prima facie evidence of the facts contained in the affidavit and certificate.

(b) With respect to mortgages executed on or after August 1, 1994, an affidavit signed by the mortgagor and a certificate signed by the county assessor where the land is located, stating that the mortgaged premises as legally described in the affidavit and certificate are not in agricultural use, may be recorded in the office of the county recorder or registrar of titles where the property is located and are prima facie evidence of the facts contained in the affidavit and certificate. For purposes of this paragraph, "not in agricultural use" means that no portion of the mortgaged premises, as legally described in the affidavit or certificate, is currently classified for ad valorem tax purposes in any classification listed in subdivision 2, clause (6), item (i), (ii), (iii), or (iv).

Subd. 4. [WAIVER OF 12-MONTH REDEMPTION BASED UPON AGRICULTURAL USE.] A mortgagor, before or at the time of granting a mortgage executed on or after August 1, 1994, may waive in writing the mortgagor's right under subdivision 2, clause (6), to have a 12-month redemption period based upon the premises being in agricultural use as of the date of execution of the mortgage. The written waiver must be either a document separate from the mortgage or a separately executed and acknowledged addendum to the mortgage on a separate page. If the written waiver is a separate document, it must be in recordable form and must either recite the recorded or filed document number of the mortgage or recite the names of the mortgagor and mortgagee, the legal description of the mortgaged property, and the date of the mortgage. If the written waiver is a separate document, it must be recorded in the office

of the county recorder or filed in the office of the registrar of titles no later than ten days after the recording or filing of the mortgage. Where there is a waiver of the rights under subdivision 2, clause (6), the redemption period in subdivision 1 applies.

Sec. 27. [RENTAL TAX EQUITY; SAINT PAUL PILOT PROJECT.]

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

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

Subd. 3. [PROPERTY TAX TREATMENT.] (a) Single- and two-family nonhomestead property located in the city of Saint Paul and existing on the effective date of this section, that is classified under Minnesota Statutes, section 273.13, subdivision 25, paragraph (b), clause (1), and that meets the requirements of this section, is eligible for the property tax credit under subdivision 8.

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

(c) Participation in the program is voluntary.

(d) If reimbursements under subdivision 8 limit the number of participants in this program, priority shall be given to landlords who live in the city of Saint Paul.

Subd. 4. [NOTIFICATION TO OWNERS.] The city of Saint Paul shall notify the owner of each single- and two-family nonhomestead property located in the city that the property may be eligible to receive a property tax credit as provided in this section.

Subd. 5. [PROGRAM STEPS.] (a) A landlord who owns eligible property and who wishes to participate must arrange for a certified evaluator who is licensed by the city of Saint Paul to evaluate the property.

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

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

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

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

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

(g) Appropriate city officials must review the report and approve it or issue orders for further repair. In so doing, city staff members may make an on-site review. The landlord may withdraw from the program at any time without making required repairs except those for life or safety hazards, which may be otherwise required. Property for which the evaluator's report is approved must be certified by the appropriate city officials to the county assessor. The city must limit the number of qualifying properties so that the credit payable under subdivision 8 will not, in the city's estimate, exceed $1,000,000.

(h) A landlord who chooses to participate must complete an application for certification by November 1, 1994.

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

Subd. 6. [APPEALS.] (a) The board of equalization must serve as a board of review to hear appeals relating to the value of improvements and properties. Procedures for board actions and for appeals from board decisions are as provided for other matters decided by the board of equalization.

(b) The city may appoint a board of appeals to hear disputes regarding qualification. The board shall meet to hear appeals under this program between November 1 and December 1, 1994.

Subd. 7. [CITY FEES.] The landlord must pay the housing evaluator a fee, as determined by the city, for the initial inspection and necessary reinspections. The evaluator must pay a filing fee, as determined by the city, to file the evaluator's report. The evaluator may be reimbursed by the landlord for this fee. The landlord must pay the city a fee, as determined by the city, to apply for recertification. If additional inspections are required, a reinspection fee, as determined by the city, must be paid by the landlord.

Subd. 8. [CREDIT AND REIMBURSEMENT.] (a) [CREDIT PROVIDED.] Property that meets the requirements under this section is eligible for a property tax credit equal to the difference between (1) the tax on the property and (2) the tax that would be payable if the property were classified under Minnesota Statutes, section 273.13, subdivision 22, paragraph (a).

(b) [PROPERTY TAX STATEMENTS.] The property tax statement provided under Minnesota Statutes, section 276.04, to an owner of property that receives the credit under this subdivision shall include information on the amount of the credit given to the property. The Ramsey county treasurer shall notify the commissioner of revenue on how the county plans to modify the property tax statements to include the necessary information.

(c) [GENERAL FUND; REPLACEMENT OF REVENUE.] Payment from the general fund shall be made as provided in this subdivision for the purpose of replacing revenue lost as a result of the reduction of property taxes provided in this subdivision.

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

Based on current year tax data reported in the abstracts of tax lists, the commissioner of revenue shall determine the taxing district distribution of the amounts certified. The commissioner of revenue shall pay to each taxing district, other than school districts, its total payment for the year at the times provided in Minnesota Statutes, section 473H.10. The credit reimbursement to school districts must be certified to the commissioner of education and paid as provided under Minnesota Statutes, section 273.1392.

The reimbursement paid under this subdivision shall be made only in 1995, and is limited to $1,000,000. To the extent the amount of credit originally certified exceeds $1,000,000, reimbursements to the taxing districts shall be prorated according to the proportions of their levies so as not to exceed $1,000,000.

Subd. 9. [REPORT TO THE LEGISLATURE.] By January 15, 1995, the Saint Paul city council shall provide a report to the committee on housing and the committee on taxes and tax laws of the senate and the housing committee and the tax committee of the house of representatives on the program. The report must include the program guidelines, housing costs, rents and the extent of participation in the program for the 1995 tax year.

Subd. 10. [EFFECTIVE DATE.] This section is effective the day following final enactment, upon compliance with Minnesota Statutes, section 645.021, subdivision 3, by the city of Saint Paul, and applies to property taxes payable in 1995 on nonhomestead, single- and two-family rental properties existing on the effective date.

Sec. 28. [PILOT PROJECT STUDY FOR INFORMATION ON SQUARE FOOTAGE OF PROPERTY.]

The commissioner of revenue shall coordinate a pilot project study 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.

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 in which a property's tax base would be determined by its square footage.

Sec. 29. [STUDY OF HOMESTEAD PROPERTY TAX RELIEF.]

The commissioner of revenue shall conduct a study of the methods of delivering property tax relief to homeowners. The study must specifically include an analysis of the administrative feasibility, policy implications, and state revenue impacts of proposals to:

(1) pay the additional property tax refund under Minnesota Statutes, section 290A.04, subdivision 2h, as a state paid property tax credit on the property tax statement, and

(2) pay the property tax refund under Minnesota Statutes, section 290A.04, subdivision 2, as a state paid credit on the property tax statement.

The study must also consider alternative computations of the refund amounts wherein the additional property tax refund is deducted before computation of the regular property tax refund.

The study must consider options to pay the credits as an equal deduction from both of the property tax payments on the property tax statement, and as a deduction only from the second half payment, thus requiring a second property tax statement.

The study must determine income and other data needed to implement the proposals and consider the forms, methods, and dates by which the necessary data can be made available.

The study should consider the possibility of showing the credit(s) on the property tax statement only or on both the property tax statement and the notice of proposed property taxes.

The study must also determine the changes in property tax administration that would be necessary to implement the tax credit proposals.

The study must separately estimate the costs to each county necessary to implement and administer the tax credit proposals, considering both initial start-up costs and ongoing administrative expenses, including programming, form design, data entry, and computer hardware costs, and must also estimate the costs to the department of revenue.

The commissioner shall consult with the chair of the senate committee on taxes and tax laws and with the chair of the house of representatives committee on taxes, and with their staffs, in planning and conducting the study.

On or before January 20, 1995, the commissioner of revenue shall report to the legislature on the information collected, and on the study's findings, including its policy and fiscal implications to the state. The report shall include a discussion of the proposals and any statutory changes necessary to implement them.

Sec. 30. [EXTENSION OF PAYABLE 1995 LEVY CERTIFICATION DATE.]

The July 1 dates specified in Laws 1994, chapter 416, article 1, section 29, shall be extended to September 1, for the purposes of the 1994 levy, payable in 1995, for (1) the Cross Lake area water and sanitary sewer district under article 10, (2) the Chisholm/Hibbing airport authority under article 11, and (3) the airport municipal bonding under sections 17 to 20 of this article.

Sec. 31. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 82.19, subdivision 9, is repealed.

Sec. 32. [EFFECTIVE DATE.]

Sections 1, 14, and 15 are effective for petitions relating to property taxes payable in 1995, and thereafter.

Sections 2, 17 to 20, 27, and 30 are effective the day following final enactment.

Section 4 is effective for the 1994 assessment, taxes payable in 1995, except that the changes requiring an application to be filed and the market value eligibility provisions made in section 4 are effective July 1, 1994, and thereafter.

Sections 5 and 31 are effective July 1, 1994.

Sections 6 and 25 are effective the day following final enactment for property which transfers from the agricultural property tax provisions under Minnesota Statutes, section 273.111, to the metropolitan agricultural preserves under Minnesota Statutes, chapter 473H.

Sections 7, 8, 10 to 12, and 16 are effective for taxes levied in 1994, payable in 1995, and thereafter.

Section 9 is only effective for homestead applications filed after the day following final enactment, for property taxes payable in 1995 and thereafter.

Section 13 is effective for property tax statements for taxes payable in 1995, and thereafter.

Section 22 is effective the day following final enactment and applies to agricultural processing facilities for which construction is commenced after that date.

Section 23 is effective for tax equivalent payments due in 1995 and thereafter, and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

Section 24 is effective for property re-enrolled in the metropolitan agricultural preserve program on or after July 1, 1994.

Section 26 is effective August 1, 1994.

ARTICLE 6

MINERALS TAXATION

Section 1. [297A.2573] [MINERAL PRODUCTION FACILITIES; EXEMPTION.]

Materials, equipment, and supplies used or consumed in constructing, or incorporated into the construction of exempted facilities as defined in this section are exempt from the taxes imposed under this chapter and from any sales and use tax imposed by a local unit of government, notwithstanding any ordinance or city charter provision.

As used in this section, "exempted facilities" means:

(1) a value added iron products plant, which may be either a new plant or a facility incorporated into an existing plant that produces iron upgraded to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic content of 90 percent;

(2) a facility used for the manufacture of fluxed taconite pellets as defined in section 298.24;

(3) a new capital project that has a total cost of over $40,000,000 that is directly related to production, cost, or quality at an existing taconite facility that does not qualify under clause (1) or (2); and

(4) a new mine or minerals processing plant for any mineral subject to the net proceeds tax imposed under section 298.015.

The tax shall be imposed and collected as if the rates under sections 297A.02, subdivision 1, and 297A.021, applied, and then refunded in the manner provided in section 297A.15, subdivision 5.

Sec. 2. Minnesota Statutes 1993 Supplement, section 298.227, is amended to read:

298.227 [TACONITE ECONOMIC DEVELOPMENT FUND.]

An amount equal to that distributed pursuant to each taconite producer's taxable production and qualifying sales under section 298.28, subdivision 9a, shall be held by the iron range resources and rehabilitation board in a separate taconite economic development fund for each taconite producer. Money from the fund for each producer shall be released only on the written authorization of a joint committee consisting of an equal number of representatives of

the salaried employees and the nonsalaried production and maintenance employees of that producer. The district 33 director of the United States Steelworkers of America, on advice of each local employee president, shall select the employee members. In nonorganized operations, the employee committee shall be elected by the nonsalaried production and maintenance employees. Each producer's joint committee may authorize release of the funds held pursuant to this section only for acquisition of equipment and facilities for the producer or for research and development in Minnesota on new mining, or taconite, iron, or steel production technology. Funds may be released only upon a majority vote of the representatives of the committee. If a taconite production facility is sold after operations at the facility had ceased, any money remaining in the fund for the former producer may be released to the purchaser of the facility on the terms otherwise applicable to the former producer under this section. Any portion of the fund which is not released by a joint committee within two years of its deposit in the fund shall be divided between the taconite environmental protection fund created in section 298.223 and the northeast Minnesota economic protection trust fund created in section 298.292 for placement in their respective special accounts. Two-thirds of the unreleased funds shall be distributed to the taconite environmental protection fund and one-third to the northeast Minnesota economic protection trust fund. This section is effective for taxes payable in 1993 and 1994.

Sec. 3. Minnesota Statutes 1992, section 298.24, subdivision 1, is amended to read:

Subdivision 1. (a) For concentrate produced in 1992 ~~and~~, 1993, and 1994 there is imposed upon taconite and iron sulphides, and upon the mining and quarrying thereof, and upon the production of iron ore concentrate therefrom, and upon the concentrate so produced, a tax of $2.054 per gross ton of merchantable iron ore concentrate produced therefrom.

(b) For concentrates produced in ~~1994~~ 1995 and subsequent years, the tax rate shall be equal to the preceding year's tax rate plus an amount equal to the preceding year's tax rate multiplied by the percentage increase in the implicit price deflator from the fourth quarter of the second preceding year to the fourth quarter of the preceding year. "Implicit price deflator" for the gross national product means the implicit price deflator prepared by the bureau of economic analysis of the United States Department of Commerce.

(c) The tax shall be imposed on the average of the production for the current year and the previous two years. The rate of the tax imposed will be the current year's tax rate. This clause shall not apply in the case of the closing of a taconite facility if the property taxes on the facility would be higher if this clause and section 298.25 were not applicable.

(d) If the tax or any part of the tax imposed by this subdivision is held to be unconstitutional, a tax of $2.054 per gross ton of merchantable iron ore concentrate produced shall be imposed.

(e) Consistent with the intent of this subdivision to impose a tax based upon the weight of merchantable iron ore concentrate, the commissioner of revenue may indirectly determine the weight of merchantable iron ore concentrate included in fluxed pellets by subtracting the weight of the limestone, dolomite, or olivine derivatives or other basic flux additives included in the pellets from the weight of the pellets. For purposes of this paragraph, "fluxed pellets" are pellets produced in a process in which limestone, dolomite, olivine, or other basic flux additives are combined with merchantable iron ore concentrate. No subtraction from the weight of the pellets shall be allowed for binders, mineral and chemical additives other than basic flux additives, or moisture.

(f) Notwithstanding any other provision of this subdivision, for concentrates produced in 1994 through 1999, the rate of the tax on direct reduced ore is determined under this paragraph. As used in this paragraph, "direct reduced ore" is ore that results in a product that has an iron content of at least 75 percent. The rate to be applied to direct reduced ore is 25 percent of the rate otherwise determined under this subdivision for the first 500,000 of taxable tons for the production year, and 50 percent of the rate otherwise determined for any remainder. If the taxpayer had no production in the two years prior to the the current production year, the tonnage eligible to be taxed at 25 percent of the rate otherwise determined under this subdivision is the first 166,667 tons. If the taxpayer had some production in the year prior to the current production year but no production in the second prior year, the tonnage eligible to be taxed at 25 percent of the rate otherwise determined under this subdivision is the first 333,333 tons.

Sec. 4. Minnesota Statutes 1993 Supplement, section 298.28, subdivision 9a, is amended to read:

Subd. 9a. [TACONITE ECONOMIC DEVELOPMENT FUND.] (a) 10.4 cents per ton for distributions in 1993 and 15.4 cents per ton for distributions in 1994, 1995, and 1996 shall be paid to the taconite economic development fund. No distribution shall be made under this paragraph in any year in which total industry production falls below 30 million tons.

(b) An amount equal to 50 percent of the tax under section 298.24 for concentrate sold in the form of pellet chips and fines not exceeding 1/4 inch in size and not including crushed pellets shall be paid to the taconite economic development fund. The amount paid shall not exceed $700,000 annually for all companies. If the initial amount to be paid to the fund exceeds this amount, each company's payment shall be prorated so the total does not exceed $700,000.

Sec. 5. Minnesota Statutes 1992, section 298.28, is amended by adding a subdivision to read:

Subd. 11a. [PRORATED DISTRIBUTIONS.] For production years 1994 through 1999, distributions under this section that are based on a number of cents per ton explicitly provided in this section shall be reduced on a pro rata basis to reflect the reduction in tax proceeds as a result of the tax rate reduction applied to direct reduced ore under section 298.24, subdivision 1, paragraph (f).

Sec. 6. Minnesota Statutes 1992, section 298.296, subdivision 2, is amended to read:

Subd. 2. [EXPENDITURE OF FUNDS.] Before January 1, 2002, funds may be expended on projects and for administration of the trust fund only from the net interest, earnings, and dividends arising from the investment of the trust at any time, including net interest, earnings, and dividends that have arisen prior to July 13, 1982, plus $10,000,000 made available for use in fiscal year 1983, except that any amount required to be paid out of the trust fund to provide the property tax relief specified in Laws 1977, chapter 423, article X, section 4, and to make school bond payments and payments to recipients of taconite production tax proceeds pursuant to section 298.225, may be taken from the corpus of the trust. Additionally, upon recommendation by the board, up to $10,000,000 from the corpus of the trust may be made available for use as provided in subdivision 4. On and after January 1, 2002, funds may be expended on projects and for administration from any assets of the trust. Annual administrative costs, not including detailed engineering expenses for the projects, shall not exceed five percent of the net interest, dividends, and earnings arising from the trust in the preceding fiscal year.

Principal and interest received in repayment of loans made pursuant to this section, and earnings on other investments made under section 298.292, subdivision 2, clause (4), shall be deposited in the state treasury and credited to the trust. These receipts are appropriated to the board for the purposes of sections 298.291 to 298.298.

Sec. 7. Minnesota Statutes 1992, section 298.296, is amended by adding a subdivision to read:

Subd. 4. [TEMPORARY LOAN AUTHORITY.] The board may recommend that up to $10,000,000 from the corpus of the trust may be used for loans as provided in this subdivision. The money would be available for loans for construction and equipping of facilities constituting (1) a value added iron products plant, which may be either a new plant or a facility incorporated into an existing plant that produces iron upgraded to a minimum of 75 percent iron content or any iron alloy with a total minimum metallic content of 90 percent; or (2) a new mine or minerals processing plant for any mineral subject to the net proceeds tax imposed under section 298.015. A loan under this subdivision may not exceed $5,000,000 for any facility. The authority to make loans under this subdivision terminates December 31, 1995.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective for sales after June 30, 1994, provided that no refunds will be paid under section 1 until after June 30, 1995.

ARTICLE 7

BUDGETING REFORM

Section 1. [16A.102] [BUDGETING REVENUES RELATIVE TO PERSONAL INCOME.]

Subdivision 1. [GOVERNOR'S RECOMMENDATION.] By the fourth Monday in January of each odd-numbered year, the governor shall submit to the legislature a recommended revenue target for the next two bienniums. The recommended revenue target must specify

(1) the maximum share of Minnesota personal income to be collected in taxes and other revenues to pay for state and local government services;

(2) the division of the share between state and local government revenues; and

(3) the appropriate mix and rates of income, sales, and other state and local taxes and other revenues, other than property taxes, and the amount of property taxes and the effect of the recommendations on the incidence of the tax burden by income class.

The recommendations must be based on the November forecast prepared under section 2.

Subd. 2. [LEGISLATIVE BUDGET RESOLUTION.] By March 15 of each odd-numbered year, the legislature shall by concurrent resolution adopt revenue targets for the next two bienniums. The resolution must specify:

(1) the maximum share of Minnesota personal income to be collected in taxes and other revenues to pay for state and local government services;

(2) the division of the share between state and local government services; and

(3) the appropriate mix and rates of income, sales, and other state and local taxes and other revenues, other than property taxes, and the amount of property taxes and the effect of the resolution on the incidence of the tax burden by income class.

The resolution must be based on the February forecast prepared under section 2 and take into consideration the revenue targets recommended by the governor under subdivision 1.

Subd. 3. [EVEN-NUMBERED YEAR AND SPECIAL SESSIONS.] The governor or the legislature may elect to modify their revenue targets in a special session or an even-numbered year regular session. The requirements of subdivisions 1 and 2 apply, except that within ten days of the start of the session the dates provided in those subdivisions must be modified to be consistent with the planned date of adjournment.

Sec. 2. [16A.103] [FORECASTS OF REVENUE AND EXPENDITURES.]

Subdivision 1. [STATE REVENUE AND EXPENDITURES.] In February and November each year, the commissioner shall prepare and deliver to the governor and legislature a forecast of state revenue and expenditures. The forecast must assume the continuation of current laws and reasonable estimates of projected growth in the national and state economies and affected populations. Revenue must be estimated for all sources provided for in current law. Expenditures must be estimated for all obligations imposed by law and those projected to occur as a result of inflation and variables outside the control of the legislature. In addition, the commissioner shall forecast Minnesota personal income for each of the years covered by the forecast and include these estimates in the forecast documents. A forecast prepared during the first fiscal year of a biennium must cover that biennium and the next biennium. A forecast prepared during the second fiscal year of a biennium must cover that biennium and the next two bienniums.

Subd. 2. [LOCAL REVENUE.] In February and November of each year, the commissioner of revenue shall prepare and deliver to the governor and the legislature forecasts of revenue to be received by school districts as a group, counties as a group, and the group of cities and towns that have a population of more than 2,500. The forecasts must assume the continuation of current laws, projections of valuation changes in real property, and reasonable estimates of projected growth in the national and state economies and affected populations. Revenue must be estimated for property taxes, state and federal aids, local sales taxes, if any, and a single projection for all other revenue for each group of affected local governmental units. As part of the February forecast, the commissioner of revenue shall report to the governor and legislature on which groups of local government units exceeded the revenue targets of the governor and legislature in the most recent biennium.

Subd. 3. [SEPARATE ESTIMATES OF FEE REVENUES.] In preparing the November estimates under subdivision 1, the commissioner shall separately report the amount of departmental earnings as defined in section 16A.1285. In preparing the estimates under subdivision 2, the commissioner of revenue shall separately estimate local government revenues similar to departmental earnings as defined in section 16A.1285.

Sec. 3. Minnesota Statutes 1992, section 124.196, is amended to read:

124.196 [CHANGE IN PAYMENT OF AIDS AND CREDITS.]

If the commissioner of finance determines that modifications in the payment schedule ~~are required to avoid~~ would reduce the need for state short-term borrowing, the commissioner of education shall modify payments to school districts according to this section. The modifications shall begin no sooner than September 1 of each fiscal year, and

shall remain in effect until no later than May 30 of that same fiscal year. In calculating the payment to a school district pursuant to section 124.195, subdivision 3, the commissioner may subtract the sum specified in that subdivision, plus an additional amount no greater than the following:

(1) the net cash balance in the district's four operating funds on June 30 of the preceding fiscal year; minus

(2) the product of $150 times the number of actual pupil units in the preceding fiscal year; minus

(3) the amount of payments made by the county treasurer during the preceding fiscal year, pursuant to section 276.11, which is considered revenue for the current school year. However, no additional amount shall be subtracted if the total of the net unappropriated fund balances in the district's four operating funds on June 30 of the preceding fiscal year, is less than the product of $350 times the number of actual pupil units in the preceding fiscal year. The net cash balance shall include all cash and investments, less certificates of indebtedness outstanding, and orders not paid for want of funds.

A district may appeal the payment schedule established by this section according to the procedures established in section 124.195, subdivision 3a.

Sec. 4. [275.064] [ESTIMATED PERSONAL INCOME INCREASE.]

By July 1 of each year, the commissioner of revenue shall estimate the percentage increase in Minnesota personal income for the next calendar year over the current calendar year, using the most recent forecast prepared by the commissioner of finance. The commissioner of revenue shall notify each local government subject to the requirements of section 275.065 of this percentage by July 15.

Sec. 5. Minnesota Statutes 1993 Supplement, section 275.065, subdivision 3, is amended to read:

Subd. 3. [NOTICE OF PROPOSED PROPERTY TAXES.] (a) The county auditor shall prepare and the county treasurer shall deliver after November 10 and on or before November 24 each year, by first class mail to each taxpayer at the address listed on the county's current year's assessment roll, a notice of proposed property taxes and, in the case of a town, final property taxes.

(b) The commissioner of revenue shall prescribe the form of the notice.

(c) The notice must inform taxpayers that it contains the amount of property taxes each taxing authority other than a town proposes to collect for taxes payable the following year and, for a town, the amount of its final levy. It must clearly state that each taxing authority, including regional library districts established under section 134.201, and including the metropolitan taxing districts as defined in paragraph (i), but excluding all other special taxing districts and towns, will hold a public meeting to receive public testimony on the proposed budget and proposed or final property tax levy, or, in case of a school district, on the current budget and proposed property tax levy. It must clearly state the time and place of each taxing authority's meeting and an address where comments will be received by mail. The notice must include the estimated percentage increase in Minnesota personal income, provided by the commissioner of revenue under section 275.064, in a way to facilitate comparison of the proposed budget and levy increases with the increase in personal income. For 1993, the notice must clearly state that each taxing authority holding a public meeting will describe the increases or decreases of the total budget, including employee and independent contractor compensation in the prior year, current year, and the proposed budget year.

(d) The notice must state for each parcel:

(1) the market value of the property as determined under section 273.11, and used for computing property taxes payable in the following year and for taxes payable in the current year; and, in the case of residential property, whether the property is classified as homestead or nonhomestead. The notice must clearly inform taxpayers of the years to which the market values apply and that the values are final values;

(2) by county, city or town, school district excess referenda levy, remaining school district levy, regional library district, if in existence, the total of the metropolitan special taxing districts as defined in paragraph (i) and the sum of the remaining special taxing districts, and as a total of the taxing authorities, including all special taxing districts, the proposed or, for a town, final net tax on the property for taxes payable the following year and the actual tax for taxes payable the current year. In the case of the city of Minneapolis, the levy for the Minneapolis library board and the levy for Minneapolis park and recreation shall be listed separately from the remaining amount of the city's levy.

In the case of a parcel where tax increment or the fiscal disparities areawide tax applies, the proposed tax levy on the captured value or the proposed tax levy on the tax capacity subject to the areawide tax must each be stated separately and not included in the sum of the special taxing districts; and

(3) the increase or decrease in the amounts in clause (2) from taxes payable in the current year to proposed or, for a town, final taxes payable the following year, expressed as a dollar amount and as a percentage.

(e) The notice must clearly state that the proposed or final taxes do not include the following:

(1) special assessments;

(2) levies approved by the voters after the date the proposed taxes are certified, including bond referenda, school district levy referenda, and levy limit increase referenda;

(3) amounts necessary to pay cleanup or other costs due to a natural disaster occurring after the date the proposed taxes are certified;

(4) amounts necessary to pay tort judgments against the taxing authority that become final after the date the proposed taxes are certified;

(5) any additional amount levied in lieu of a local sales and use tax, unless this amount is included in the proposed or final taxes; and

(6) the contamination tax imposed on properties which received market value reductions for contamination.

(f) Except as provided in subdivision 7, failure of the county auditor to prepare or the county treasurer to deliver the notice as required in this section does not invalidate the proposed or final tax levy or the taxes payable pursuant to the tax levy.

(g) If the notice the taxpayer receives under this section lists the property as nonhomestead and the homeowner provides satisfactory documentation to the county assessor that the property is owned and has been used as the owner's homestead prior to June 1 of that year, the assessor shall reclassify the property to homestead for taxes payable in the following year.

(h) In the case of class 4 residential property used as a residence for lease or rental periods of 30 days or more, the taxpayer must either:

(1) mail or deliver a copy of the notice of proposed property taxes to each tenant, renter, or lessee; or

(2) post a copy of the notice in a conspicuous place on the premises of the property.

(i) For purposes of this subdivision, subdivisions 5a and 6, "metropolitan special taxing districts" means the following taxing districts in the seven-county metropolitan area that levy a property tax for any of the specified purposes listed below:

(1) metropolitan council under section 473.132, 473.167, 473.249, 473.325, 473.521, 473.547, or 473.834;

(2) metropolitan airports commission under section 473.667, 473.671, or 473.672;

(3) regional transit board under section 473.446; and

(4) metropolitan mosquito control commission under section 473.711.

For purposes of this section, any levies made by the regional rail authorities in the county of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington under chapter 398A shall be included with the appropriate county's levy and shall be discussed at that county's public hearing.

The notice must be mailed or posted by the taxpayer by November 27 or within three days of receipt of the notice, whichever is later. A taxpayer may notify the county treasurer of the address of the taxpayer, agent, caretaker, or manager of the premises to which the notice must be mailed in order to fulfill the requirements of this paragraph.

Sec. 6. [EFFECTIVE DATE.]

Sections 1 to 3 are effective the day following final enactment. Sections 4 and 5 apply beginning for notices of proposed property taxes for taxes payable in 1995.

ARTICLE 8

BOARD OF GOVERNMENT INNOVATION AND COOPERATION

Section 1. 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. 2. 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. 3. 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, in concept, the proposed 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 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. 4. 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. 5. 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. 6. 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. 7. 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. 8. 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 a state agency, 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. 9. 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, an organization, or a state agency; 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 according to the terms of the 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. 10. [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, an organization, or a state agency; 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 according to the terms of the 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 may not exceed $100,000.

Sec. 11. [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. 12. [APPROPRIATION.]

$2,200,000 is appropriated from the general fund to the board of government innovation and cooperation to implement and administer the programs of the board in fiscal year 1995.

Sec. 13. [REPEALER.]

Minnesota Statutes 1992, section 465.80, subdivision 3, is repealed. Minnesota Statutes 1993 Supplement, section 465.80, subdivisions 1, 2, 4, and 5, are repealed.

ARTICLE 9

LOCAL LAWS

Section 1. Minnesota Statutes 1992, section 466A.02, subdivision 3, is amended to read:

Subd. 3. [ADDITIONAL AREA ELIGIBLE FOR INCLUSION IN TARGETED NEIGHBORHOOD.] (a) The city may add to the area designated as a targeted neighborhood under subdivision 2 a contiguous area of one-half mile in all directions from the designated targeted neighborhood.

(b) Assisted housing is also considered a targeted neighborhood.

(c) A neighborhood that is partially targeted may be considered wholly targeted.

Sec. 2. Minnesota Statutes 1992, section 469.004, subdivision 1a, is amended to read:

Subd. 1a. [RAMSEY COUNTY AUTHORITY.] Ramsey county may exercise the powers of a housing and redevelopment authority. Before the commencement of a project by Ramsey county acting as a housing and redevelopment authority, the governing body of the municipality in which the project is to be located shall, by majority vote, approve the project as recommended by the authority. ~~The authority granted to Ramsey county under this subdivision and subdivision 1 terminates June 30, 1994, providing that obligations incurred by the county before that date shall remain in effect according to their terms.~~ A resolution of the county board may provide that the board will constitute the county housing and redevelopment authority.

Sec. 3. [469.0775] [MANKATO; PORT AUTHORITY.]

The governing body of the city of Mankato may exercise all the powers of a port authority provided by sections 469.048 to 469.068, as if the city were a port authority; and the city may exercise all the powers relating to a port authority granted to a city by sections 469.048 to 469.068, or other law.

Sec. 4. Laws 1969, chapter 499, section 2, is amended to read:

Sec. 2. Notwithstanding any provisions of the charter of the city of Minneapolis, or of any statutory enactments, the ~~said~~ city may provide for the collection of special charges, fees or taxes for all or any part of the cost of

(1) any service to streets, sidewalks, ~~or other property,~~ street oiling, street flushing and cleaning;

(2) sewer charges;

(3) water charges;

(4) solid waste disposal charges;

(5) any other charges for abatement of nuisance conditions as defined by the city; and

(6) any and all other services or improvements specified in ~~said Chapter 429,~~ Minnesota Statutes, section 429.101;

in the same manner as a special assessment against the property benefitted. The procedure for the levy of ~~said special assessment shall, if the city elects to proceed under the provisions of said~~ the service charges may be defined by ordinance or the city may, at its option, elect the procedure set forth in Minnesota Statutes, chapter 429~~, be as provided in said Chapter 429~~.

Sec. 5. [BENTON COUNTY; ECONOMIC DEVELOPMENT AUTHORITY; ESTABLISHMENT AND POWERS.]

Subdivision 1. [ESTABLISHMENT.] The board of county commissioners of Benton county may establish an economic development authority in the manner provided in Minnesota Statutes, sections 469.090 to 469.1081, and may impose limits on the authority enumerated in Minnesota Statutes, section 469.092. The economic development authority has all of the powers and duties granted to or imposed upon economic development authorities under Minnesota Statutes, sections 469.090 to 469.1081. The county economic development authority may create and define the boundaries of economic development districts at any place or places within the county, provided that a project as recommended by the county authority that is to be located within the corporate limits of a city may not be commenced without the approval of the governing body of the city. Minnesota Statutes, section 469.174, subdivision 10, and the contiguity requirement specified under Minnesota Statutes, section 469.101, subdivision 1, do not apply to limit the areas that may be designated as county economic development districts.

Subd. 2. [POWERS.] If an economic development authority is established as provided in subdivision 1, the county may exercise all of the powers relating to an economic development authority granted to a city under Minnesota Statutes, sections 469.090 to 469.1081, or other law, including a tax levy to support the activities of the authority.

Subd. 3. [LOCAL APPROVAL.] This section is effective the day after the Benton county board complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 6. [SPECIAL SERVICE DISTRICT; CITY OF EAGAN.]

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

(b) "City" means the city of Eagan.

(c) "Special services" means:

(1) the promotion and management of a special service district as a trade or shopping area with the ability to provide the following special services within the boundaries of the district to be rendered or contracted for by the city;

(2) signage identifying the overall retail area;

(3) preparation, mowing, maintenance, and repair of landscaping on public right-of-way;

(4) installation, maintenance, and repair of street and pedestrian lighting in excess of the city standard;

(5) installation, maintenance, and repair of public parking facilities;

(6) provision and coordination of public safety services in excess of the city standard;

(7) repair, maintenance, operation, rerouting, and replacement of existing public improvements, and those authorized by Minnesota Statutes, section 429.021, within the boundaries of the special service district established under subdivision 2; and

(8) administration, coordination, and preparation of studies and designs for the defined special services.

Special services do not include services that are ordinarily provided throughout the city from ordinary revenues of the city unless an increased level of service is provided in the special service district.

Subd. 2. [ESTABLISHMENT OF SPECIAL SERVICE DISTRICT.] The governing body of the city of Eagan may adopt ordinances establishing special service districts. The provisions of Minnesota Statutes, chapter 428A govern the establishment and operation of the special service districts in the city.

Subd. 3. [EFFECTIVE DATE; LOCAL APPROVAL.] This section is effective the day after the governing body of the city of Eagan complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 7. [SPECIAL SERVICE DISTRICT; CITY OF GAYLORD.]

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

(b) "City" means the city of Gaylord.

(c) "Special services" means:

(1) the promotion and management of a special service district as a trade or shopping area;

(2) snow removal services rendered or contracted for by the city; and

(3) the repair, maintenance, operation, and replacement of improvements, within the boundaries of a special service district established under subdivision 2.

Subd. 2. [ESTABLISHMENT OF A SPECIAL SERVICE DISTRICT.] The governing body of the city of Gaylord may adopt ordinances establishing special service districts. The provisions of Minnesota Statutes, chapter 428A, govern the establishment and operation of special service districts in the city.

Subd. 3. [LOCAL APPROVAL.] This section is effective the day after the governing body of the city of Gaylord complies with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 8. [ITASCA COUNTY CEMETERY ASSOCIATION.]

Subdivision 1. [TAX LEVIES.] Notwithstanding Minnesota Statutes, section 471.24, each of the following cities or towns is authorized to levy a tax and make an appropriation not to exceed $15,000 annually to the Lakeview Cemetery Association, operated by the town of Iron Range, for cemetery purposes: the city of Coleraine, the city of Bovey, and each town which is a member of the cemetery association.

Subd. 2. [EFFECTIVE DATE.] This section is effective for taxes levied in 1994, payable in 1995, and thereafter.

Sec. 9. [CITY-COUNTY RURAL DEVELOPMENT FINANCE AUTHORITY; KOOCHICHING COUNTY.]

Subdivision 1. [ESTABLISHMENT.] The Koochiching county board and any or all of the cities of Koochiching county may, by adopting a written enabling resolution, establish a city-county rural development finance authority that, subject to subdivision 2, has the following powers: powers of an economic development authority under Minnesota Statutes, sections 469.090 to 469.107, and powers of a rural development financing authority under Minnesota Statutes, sections 469.142 to 469.151.

Subd. 2. [ECONOMIC DEVELOPMENT AUTHORITY POWERS.] If the city-county rural development finance authority exercises the powers of an economic development authority, the county may exercise all of the powers relating to an economic development authority granted to a city under Minnesota Statutes, sections 469.090 to 469.108. The levy imposed by the county board under Minnesota Statutes, section 469.107, may be levied in addition to levies

otherwise authorized by law. The city-county rural development finance authority may create and define the boundaries of economic development districts at any place or places within the county. Minnesota Statutes, section 469.174, subdivision 10, and the contiguity requirement specified under Minnesota Statutes, section 469.101, subdivision 1, do not apply to limit the areas that may be designated as city-county economic development districts. The authority may acquire real property from Koochiching county or any other source.

Subd. 3. [LIMIT OF POWERS.] (a) The enabling resolution may impose the following limits on the actions of the authority:

(1) that the authority may not exercise any of the powers contained in subdivision 1 unless those powers are specifically authorized in the enabling resolution; and

(2) any other limitation or control established by the enabling resolution.

(b) The enabling resolution may be modified at any time, but may not be applied in a manner that impairs contracts executed before the modification is made. All modifications to the enabling resolution must be by written resolution.

(c) Before the commencement of a project by the authority, the board shall by majority vote of six approve the project.

(d) Any project within a municipality requires approval of its city council; any project outside the corporate limits of a municipality shall require the approval of the county board.

(e) The authority may employ the personnel it deems necessary.

Subd. 4. [BOARD OF DIRECTORS.] (a) The authority consists of a board of ten directors. The directors shall be appointed as follows:

(1) one resident each from the cities of Ranier, Big Falls, and Little Fork appointed by the mayor of the city and confirmed by the city council;

(2) one resident of either the city of Northome or Mizpah appointed, as agreed by the mayors of the two cities, and confirmed by the two city councils;

(3) three members, one of whom must be from the Birchdale-Loman area and one from the city of International Falls, appointed by the board of commissioners of Koochiching county to be confirmed by the entire board, one of whom shall be designated as chair of the Koochiching development authority board. The Koochiching county board may appoint one of its commissioners whose district is not within any portion of the corporate limits of the city of International Falls to be a director; and

(4) three residents from the city of International Falls appointed by the mayor and confirmed by the city council, one of which may be an elected official.

(b) Any vacancy must be filled in the manner in which the original appointment was made. A vacancy occurs if a director no longer meets the residency requirements for a seat. No director shall be an officer, employee, director, shareholder, or member of any corporation, firm, or association with which the authority has entered into any operating lease, or other agreement. The directors may be removed by the appointing authority for the reasons and in the manner provided under Minnesota Statutes, section 469.010. Directors shall have no personal liability for obligations of the authority or the methods of enforcement and collection of the obligations.

(c) The directors and employees of the authority shall receive both travel and per diem expense payments as are allowed by a vote of 60 percent of the full membership of the authority's board.

(d) No director of the authority shall simultaneously serve in an elective public office, except that one of the appointments by the mayor of the city of International Falls may be a member of the International Falls city council and one of the appointments by the Koochiching county board may be a member of the Koochiching county board whose district is not within any portion of the corporate limits of the city of International Falls. Neither of such elected officials shall serve as chair of the Koochiching city-county rural development finance authority board.

Subd. 5. [BONDING, OCCUPATION TAX RECEIPTS; ASSETS.] (a) Notwithstanding Minnesota Statutes, section 469.102, or other law, authorization to issue general obligation bonds for economic development purposes must be approved by 80 percent of the county board, as must all property tax levies that are only for economic development purposes.

(b) All money received by Koochiching county under Minnesota Statutes, chapter 298, not otherwise allocated by statute for a specific purpose must be appropriated by the county board to the authority established in subdivision 1. The money must be used for the express purpose of furthering economic development of Koochiching county as defined by the Koochiching development authority board.

(c) Assets and obligations held by the authority repealed by subdivision 6 including, but not limited to, outstanding loans, buildings, and land must be transferred to the authority established in subdivision 1 within 90 days of the effective date of this section.

Subd. 6. [REPEALER.] Laws 1987, chapter 182, is repealed with the passage of the resolution specified in subdivision 7.

Subd. 7. [EFFECTIVE DATE.] This section is effective upon approval by the affirmative resolution of the Koochiching county board.

Sec. 10. [NASHWAUK AREA AMBULANCE DISTRICT.]

Subdivision 1. [AGREEMENT; POWERS; GENERAL DESCRIPTION.] (a) The cities of Nashwauk, Keewatin, Marble, Taconite, and Calumet, and the towns of Feely, Goodland, Iron Range, Greenway, Lone Pine, Lawrence, Nashwauk, Balsam, and Bearville, may by resolution of their city councils and town boards establish the Nashwauk area ambulance district. The district may consist of the territories described as follows:

(1) Feely: Township 54 North, Range 23 West, Sections 1 to 3, 11 to 14, and 24;

(2) Goodland: Township 55 North, Range 22 West;

(3) Iron Range: Township 56 North, Range 24 West, Sections 1 to 4, 9 to 16, 22 to 26, and 36;

(4) Greenway: Township 56 North, Range 23 West;

(5) Lone Pine: Township 56 North, Range 22 West;

(6) Lawrence: Township 57 North, Range 24 West, Sections 1 to 3, 10 to 15, 22 to 27, and 34 to 36;

(7) Nashwauk: Township 57 North, Range 23 West, and Township 57 North, Range 22 West;

(8) Balsam: Township 58 North, Range 24 West, Sections 1 to 5, 8 to 16, 21 to 24, 27 to 29, and 34 to 36;

(9) Balsam: all of Township 58 North, Range 23 West, that is organized;

(10) Bearville: Township 60 North, Range 22 West, Sections 1 to 5, and 7 to 36;

(11) Bearville: Township 61 North, Range 22 West, Sections 24 to 26, and 34 to 36;

(12) Township 55 North, Range 23 West, Sections 1 to 17, 21 to 28, and 34 to 36;

(13) Township 58 North, Range 22 West;

(14) all of the east part of Township 58 North, Range 23 West, that is organized;

(15) Township 59 North, Range 22 West;

(16) Township 59 North, Range 23 West, Sections 1 to 5, and 7 to 36;

(17) Township 60 North, Range 23 West, Sections 13, 23 to 27, and 33 to 36; and

(18) Township 59 North, Range 24 West, Sections 13, 14, 22 to 29, and 32 to 36.

(b) The Itasca county board may by resolution provide that property located in unorganized territories described in paragraph (a), clauses (12) to (18), or any part of them, may be included within the district.

(c) The district shall make payments of the proceeds of the tax authorized in this section to the city of Nashwauk, which shall provide ambulance services throughout the district and may exercise all the powers of the cities and towns that relate to ambulance service anywhere within its territory.

(d) Any other contiguous town or home rule charter or statutory city may join the district with the agreement of the cities and towns that comprise the district at the time of its application to join. Action to join the district may be taken by the city council or town board of the city or town.

Subd. 2. [BOARD.] The district shall be governed by a board composed of one member appointed by the city council or town board of each city and town in the district. A district board member may, but is not required to, be a member of a city council or town board. Except as provided in this section, members shall serve two-year terms ending the first Monday in January and until their successors are appointed and qualified. Of the members first appointed, as far as possible, the terms of one-half shall expire on the first Monday in January in the first year following appointment and one-half the first Monday in January in the second year. The terms of those initially appointed must be determined by lot. If an additional member is added because an additional city or town joins the district, the member's term must be fixed so that, as far as possible, the terms of one-half of all the members expire on the same date.

Subd. 3. [TAX.] The district may impose a property tax on real and personal property in the district in an amount sufficient to discharge its operating expenses and debt payable in each year. The Itasca county auditor and treasurer shall collect the tax and pay it to the Nashwauk area ambulance district.

Subd. 4. [PUBLIC INDEBTEDNESS.] The district may incur debt in the manner provided for a municipality by Minnesota Statutes, chapter 475, when necessary to accomplish a duty charged to it.

Subd. 5. [WITHDRAWAL.] Upon two years' notice, a city or town may withdraw from the district. Its territory shall remain subject to taxation for debt incurred prior to its withdrawal pursuant to Minnesota Statutes, chapter 475.

Subd. 6. [EFFECTIVE DATE.] This section is effective in the cities of Nashwauk, Keewatin, Marble, Taconite, and Calumet, and the towns of Feely, Goodland, Iron Range, Greenway, Lone Pine, Lawrence, Nashwauk, Balsam, and Bearville the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the governing body of each. This section is effective for unorganized territories described in subdivision 1, paragraph (a), clauses (12) to (18), the day after compliance with Minnesota Statutes, section 645.021, subdivision 3, by the Itasca county board.

Sec. 11. [TWO HARBORS LODGING TAX.]

Notwithstanding Minnesota Statutes, section 477A.016, or other law, in addition to a tax authorized in Minnesota Statutes, section 469.190, the city of Two Harbors may impose, by ordinance, a tax of up to one percent on the gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190. The proceeds of the tax shall be dedicated and used to provide preservation, display, and interpretation of the tug boat Edna G. The total tax imposed by the city under this section and under Minnesota Statutes, section 469.190, shall not exceed three percent.

Sec. 12. [MAHNOMEN COUNTY BONDING.]

Subdivision 1. [AUTHORIZATION; PURPOSES.] The county of Mahnomen may issue its general obligation bonds in a principal amount not to exceed $800,000 to (1) fund or refund certain existing warrants and loans of the county incurred in connection with its ownership and operation of the Mahnomen County and Village Hospital, Nursing Home, and Clinic, and (2) provide working capital for the Mahnomen County and Village Hospital, Nursing Home, and Clinic.

Subd. 2. [EXISTING LAW.] The bonds shall be issued according to Minnesota Statutes, chapter 475, except that (1) the bonds shall not constitute net debt within the meaning of Minnesota Statutes, section 475.53, or a debt of the county within the meaning of any other statutory provision, and (2) Minnesota Statutes, section 475.58, does not apply.

Subd. 3. [EFFECTIVE DATE.] This section is effective the day following final enactment, upon compliance by the Mahnomen county board with Minnesota Statutes, section 645.021.

Sec. 13. [CITY OF LAKE CRYSTAL; TIF DISTRICT.]

Subdivision 1. [DURATION.] Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivisions 1 and 1b, the authority may extend the duration of city of Lake Crystal tax increment financing district No. 2-1 through December 31, 2018.

Subd. 2. [EFFECTIVE DATE.] This section is effective upon compliance by the governing body of the city of Lake Crystal with Minnesota Statutes, section 645.021, subdivision 3.

Sec. 14. [BROOKLYN CENTER; REDEVELOPMENT DISTRICT.]

Subdivision 1. [ESTABLISHMENT.] The city of Brooklyn Center may establish an redevelopment tax increment financing district in which 15 percent of the revenues generated from tax increment in any year is deposited in the housing development account of the authority and expended according to the tax increment financing plan.

Subd. 2. [ELIGIBLE ACTIVITIES.] The authority must identify in the plan the housing activities that will be assisted by the housing development account. Housing activities may include rehabilitation, acquisition, demolition, and financing of new or existing single family or multifamily housing. Housing activities listed in the plan need not be located within the district or project area but must be activities that meet the requirements of a qualified housing district under Minnesota Statutes, section 273.1399 or 469.1761, subdivision 2.

Subd. 3. [HOUSING ACCOUNT.] Tax increment to be expended for housing activities under this section must be segregated by the authority into a special account on its official books and records. The account may also receive funds from other public and private sources.

Subd. 4. [EXEMPTION.] The district established under this section is exempt from the provisions of Minnesota Statutes, section 273.1399.

Subd. 5. [LOCAL APPROVAL.] This section is effective upon approval by the governing body of the city of Brooklyn Center under Minnesota Statutes, section 645.021, subdivision 2.

Sec. 15. [CITY OF MINNEAPOLIS; SEWARD SOUTH URBAN RENEWAL AREA.]

The Minneapolis community development agency may establish an economic development tax increment financing district under Minnesota Statutes, sections 469.174 to 469.178, for the retention and expansion of a private educational campus located within a certain area of Seward South urban renewal area which was incorporated into the urban renewal area pursuant to a modification no. 9 which was adopted by the city of Minneapolis as of April 12, 1985. The district established under this section is not subject to the limitations of Minnesota Statutes, section 469.176, subdivision 4c. The proceeds of the levy by Hennepin county on captured net tax capacity within the district established under this section will be paid to Hennepin county unless the Hennepin county board approves the implementation of tax increment financing with respect to the county's levy within and for the purposes of the district.

Sec. 16. [CITY OF MINNEAPOLIS; NORTH WASHINGTON INDUSTRIAL PARK REDEVELOPMENT PROJECT.]

(a) A hazardous substance subdistrict may be established by the Minneapolis community development agency and the city of Minneapolis within the North Washington industrial park redevelopment project in the city of Minneapolis. The district would be subject to the provisions of this section.

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

(c) At any time on or after approval of the tax increment financing plan for the hazardous substance subdistrict, the Minneapolis community development agency may elect to designate any tax increment revenues from the hazardous substance subdistrict to be tax increment revenues generated solely from the hazardous substance subdistrict. This paragraph does not allow extension of the duration of the redevelopment project under Minnesota Statutes, section 469.176, subdivision 1c, or the use of revenues derived from increment from the project after April 1, 2001, except as provided under Minnesota Statutes, section 469.176, subdivision 1c, and by other general law.

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

(e) Minnesota Statutes, section 273.1399, does not apply to the hazardous substance subdistrict.

Sec. 17. [SOUTH ST. PAUL; TAX INCREMENT FINANCING.]

Subdivision 1. [DISTRICT EXTENSION.] Notwithstanding Minnesota Statutes, section 469.176, subdivision 1c, the housing and redevelopment authority may collect and expend tax increment from the Concord Street redevelopment tax increment financing district, located within the city of South St. Paul, after April 1, 2001, for eligible activities within the redevelopment area. The authority under this section expires December 31, 2006.

Subd. 2. [LOCAL APPROVAL.] This section is effective upon compliance by the South St. Paul city council with Minnesota Statutes, section 645.021, subdivision 2.

Sec. 18. [CITY OF DAWSON; TAX INCREMENT FINANCING DISTRICT.]

Subdivision 1. [DISTRICT EXTENSION.] Notwithstanding the provisions of Minnesota Statutes, section 469.176, subdivision 1b, and Laws 1991, chapter 291, article 10, sections 22 and 23, the authority may extend the duration of city of Dawson tax increment financing district number four for up to ten years from the effective date of this section. The duration of district number four may not exceed eight years after the receipt by the authority of the first tax increment. The authority may waive the receipt of the tax increment for any year.

Subd. 2. [LOCAL APPROVAL.] This section is effective upon compliance by the governing body of the city of Dawson with Minnesota Statutes, section 645.021, subdivision 2.

Sec. 19. [CITY OF FERGUS FALLS; ECONOMIC DEVELOPMENT.]

Subdivision 1. [TAX INCREMENT FINANCING.] The Fergus Falls port authority may establish an economic development tax increment financing district in Industrial Authority Areas I-1 and I-2 for industrial and manufacturing projects. The district is established under and subject to Minnesota Statutes, sections 469.174 to 469.178, except:

(1) Minnesota Statutes, section 273.1399, does not apply;

(2) The city must pay at least ten percent of the project costs from its general fund, property tax levy, or other unrestricted money (other than tax increments);

(3) The authority may not establish the tax increment financing district under this section unless the tax increment financing plan is approved by resolution of the governing body of Otter Tail county;

(4) The duration limit for the district is 14 years after receipt of the first increment and the authority may elect to waive receipt of the first year of increment.

Subd. 2. [LOCAL APPROVAL.] This section is effective upon compliance by the governing body of the city of Fergus Falls with Minnesota Statutes, section 645.021, subdivision 2.

Sec. 20. [BROOKLYN PARK; ECONOMIC DEVELOPMENT DISTRICT.]

Subdivision 1. [ESTABLISHMENT.] The city of Brooklyn Park may establish an economic development tax increment financing district in which 15 percent of the revenue generated from tax increment in any year is deposited in the housing development account of the authority and expended according to the tax increment financing plan.

Subd. 2. [ELIGIBLE ACTIVITIES.] The authority must identify in the plan the housing activities that will be assisted by the housing development account. Housing activities may include rehabilitation, acquisition, demolition, and financing of new or existing single family or multifamily housing. Housing activities listed in the plan need not be located within the district or project area but must be activities that meet the requirements of a qualified housing district under Minnesota Statutes, section 273.1399 or 469.1761, subdivision 2.

Subd. 3. [HOUSING ACCOUNT.] Tax increment to be expended for housing activities under this section must be segregated by the authority into a special account on its official books and records. The account may also receive funds from other public and private sources.

Subd. 4. [EXEMPTION.] The district established under this act is exempt from the provisions of Minnesota Statutes, section 273.1399.

Sec. 21. [CITY OF PARK RAPIDS; ECONOMIC DEVELOPMENT.]

Subdivision 1. [TAX INCREMENT DISTRICT.] The city of Park Rapids may establish an economic development tax increment financing district under and subject to Minnesota Statutes, sections 469.174 to 469.178, except that:

(1) Minnesota Statutes, section 273.1399, does not apply to that district; and

(2) the city must pay at least five percent of the project costs from its general fund, a property tax levy, or other unrestricted money (other than tax increments).

Subd. 2. [LOCAL APPROVAL.] This section is effective the day after compliance by the governing body of the city of Park Rapids with Minnesota Statutes, section 645.021, subdivision 2.

Sec. 22. [HOPKINS HOUSING IMPROVEMENT AREA; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] As used in sections 22 to 31, the terms defined in this section have the meanings given them.

Subd. 2. [CITY.] "City" means the city of Hopkins.

Subd. 3. [ENABLING ORDINANCE.] "Enabling ordinance" means the ordinance adopted by the city council establishing the housing improvement area.

Subd. 4. [HOUSING IMPROVEMENTS.] "Housing improvements" has the meaning given in the city's enabling ordinance. Housing improvements may include improvements to common elements of a condominium.

Subd. 5. [HOUSING IMPROVEMENT AREA.] "Housing improvement area" means a defined area within the city where housing improvements are made or constructed and the costs of the improvements are paid in whole or in part from fees imposed within the area.

Subd. 6. [HOUSING UNIT.] "Housing unit" means real property and improvements thereon consisting of a one-dwelling unit, or an apartment as described in Minnesota Statutes, chapter 515 or 515A, that is occupied by a person or family for use as a residence.

Sec. 23. [PETITION REQUIRED.]

No action may be taken under sections 24 and 25 unless owners of 25 percent or more of the housing units that would be subject to fees in the proposed housing improvement area file a petition requesting a public hearing on the proposed action with the city clerk. No action may be taken under section 25 to impose a fee unless owners of 25 percent or more of the housing units subject to the proposed fee file a petition requesting a public hearing on the proposed fee with the city clerk.

Sec. 24. [ESTABLISHMENT OF HOUSING IMPROVEMENT AREA.]

Subdivision 1. [ORDINANCE.] The governing body of the city may adopt an ordinance establishing a housing improvement area. The ordinance must specifically describe the portion of the city to be included in the area, the basis for the imposition of the fees, and the number of years the fee will be in effect. In addition, the ordinance must include findings that without the housing improvement area, the proposed improvements could not be made by the condominium associations or housing unit owners, and the designation is needed to maintain and preserve the housing units within the housing improvement area. The ordinance may not be adopted until a public hearing has been held regarding the ordinance. The ordinance may be amended by the governing body of the city, provided the governing body complies with the public hearing notice provisions of subdivision 2.

Subd. 2. [PUBLIC HEARING.] The notice of public hearing must include the time and place of hearing, a map showing the boundaries of the proposed area, and a statement that all persons owning housing units in the proposed area that would be subject to a fee for housing improvements will be given an opportunity to be heard at the hearing. Notice of the hearing must be given by publication in the official newspaper of the city. The public hearing must be held at least seven days after the publication. Not less than ten days before the hearing, notice must also be mailed to the owner of each housing unit within the proposed area. For the purpose of giving mailed notice, owners are those shown on the records of the county auditor. Other records may be used to supply the necessary information.

At the public hearing a person owning property in the proposed housing improvement area may testify on any issues relevant to the proposed area. The hearing may be adjourned from time to time. The ordinance establishing the area may be adopted at any time within six months after the date of the conclusion of the hearing by a vote of the majority of the governing body of the city.

Subd. 3. [PROPOSED HOUSING IMPROVEMENTS.] At the public hearing held under subdivision 2, the city shall provide a preliminary listing of the housing improvements to be made in the area. The listing shall identify those improvements, if any, that are proposed to be made to all or a portion of the common elements of a condominium. The listing shall also identify those housing units that have completed the proposed housing improvements and are proposed to be exempted from a portion of the fee. In preparing the list the city shall consult with the residents of the area and the condominium associations.

Subd. 4. [BENEFIT; OBJECTION.] Before the ordinance is adopted or at the hearing at which it is to be adopted, the owner of a housing unit in the proposed housing improvement area may file a written objection with the city clerk asserting that the owner's property should not be included in the area or should not be subjected to a fee and objecting to the inclusion of the housing unit in the area, for the reason that the property would not benefit from the improvements.

The governing body shall make a determination of the objection within 60 days of its filing. Pending its determination, the governing body may delay adoption of the ordinance or it may adopt the ordinance with a reservation that the landowner's property may be excluded from the housing improvement area or fee when the determination is made.

Subd. 5. [APPEAL TO DISTRICT COURT.] Within 30 days after the determination of the objection, any person aggrieved, who is not precluded by failure to object before or at the hearing, or whose failure to object is due to a reasonable cause, may appeal to the district court by serving a notice upon the mayor or city clerk. The notice shall be filed with the court administrator of the district court within ten days after its service. The city clerk shall furnish the appellant a certified copy of the findings and determination of the governing body. The court may affirm the action objected to or, if the appellant's objections have merit, modify or cancel it. If the appellant does not prevail upon the appeal, the costs incurred are taxed to the appellant by the court and judgment entered for them. All objections are deemed waived unless presented on appeal.

Sec. 25. [IMPROVEMENT FEES AUTHORITY; NOTICE AND HEARING.]

Subdivision 1. [AUTHORITY.] Fees may be imposed by the city on the housing units within the housing improvement area at a rate, term, or amount sufficient to produce revenue required to provide housing improvements in the area. The fee can be imposed on the basis of the tax capacity of the housing unit, or the total amount of square footage of the housing unit, or a method determined by the council and specified in the resolution. Before the imposition of the fees, a hearing must be held and notice must be published in the official newspaper at least seven days before the hearing and shall be mailed at least seven days before the hearing to any housing unit owner subject to a fee. For purposes of this section, the notice must also include:

(1) a statement that all interested persons will be given an opportunity to be heard at the hearing regarding a proposed housing improvement fee;

(2) the estimated cost of improvements including administrative costs to be paid for in whole or in part by the fee imposed under the ordinance;

(3) the amount to be charged against the particular property;

(4) the right of the property owner to prepay the entire fee;

(5) the number of years the fee will be in effect; and

(6) a statement that the petition requirements of section 23 have either been met or do not apply to the proposed fee;

Within six months of the public hearing, the city may adopt a resolution imposing a fee within the area not exceeding the amount expressed in the notice issued under this section.

Prior to adoption of the resolution approving the fee, the condominium associations located in the housing improvement area shall submit to the city a financial plan prepared by an independent third party, acceptable to the city and associations, that provides for the associations to finance maintenance and operation of the common elements in the condominium and a long-range plan to conduct and finance capital improvements.

Subd. 2. [LEVY LIMIT.] Fees imposed under this section are not included in the calculation of levies or limits on levies imposed under any law or charter.

Sec. 26. [COLLECTION OF FEES.]

The city may provide for the collection of the housing improvement fees according to the terms of Minnesota Statutes, section 428A.05.

Sec. 27. [BONDS.]

At any time after a contract for the construction of all or part of an improvement authorized under sections 22 to 31 has been entered into or the work has been ordered, the governing body of the city may issue obligations in the amount it deems necessary to defray in whole or in part the expense incurred and estimated to be incurred in making the improvement, including every item of cost from inception to completion and all fees and expenses incurred in connection with the improvement or the financing.

The obligations are payable primarily out of the proceeds of the fees imposed under section 25, or from any other special assessments or revenues available to be pledged for their payment under charter or statutory authority, or from two or more of those sources. The governing body may, by resolution adopted prior to the sale of obligations, pledge the full faith, credit, and taxing power of the city to assure payment of the principal and interest if the proceeds of the fees in the area are insufficient to pay the principal and interest. The obligations must be issued in accordance with Minnesota Statutes, chapter 475, except that an election is not required, and the amount of the obligations are not included in determination of the net debt of the city under the provisions of any law or charter limiting debt.

Sec. 28. [ADVISORY BOARD.]

The governing body of the city may create and appoint an advisory board for the housing improvement area in the city to advise the governing body in connection with the planning and construction of housing improvements. In appointing the board, the council shall consider for membership, members of condominium associations located in the housing improvement area. The advisory board shall make recommendations to the governing body to provide improvements or impose fees within the housing improvement area. Before the adoption of a proposal by the governing body to provide improvements within the housing improvement area, the advisory board of the housing improvement area shall have an opportunity to review and comment upon the proposal.

Sec. 29. [VETO POWERS OF OWNERS.]

Subdivision 1. [NOTICE OF RIGHT TO FILE OBJECTIONS.] The effective date of any ordinance or resolution adopted under sections 24 and 25 must be at least 45 days after it is adopted. Within five days after adoption of the ordinance or resolution, a summary of the ordinance or resolution shall be mailed to the owner of each housing unit included in the housing improvement area. The mailing shall include a notice that owners subject to a fee have a right to veto the ordinance or resolution by filing the required number of objections with the city clerk before the effective date of the ordinance or resolution and that a copy of the ordinance or resolution is on file with the city clerk for public inspection.

Subd. 2. [REQUIREMENTS FOR VETO.] If owners of 35 percent or more of the housing units in the area subject to the fee file an objection to the ordinance adopted by the city under section 24 with the city clerk before the effective date of the ordinance, the ordinance does not become effective. If owners of 35 percent or more of the housing units' tax capacity subject to the fee under section 25 file an objection with the city clerk before the effective date of the resolution, the resolution does not become effective.

Sec. 30. [ANNUAL REPORTS.]

Each condominium association located within the housing improvement area must, by August 15 annually, submit a copy of its audited financial statements to the city. The city may also, as part of the enabling ordinance, require the submission of other relevant information from the associations.

Sec. 31. [SPECIAL ASSESSMENTS.]

Within a housing improvement area, the governing body of the city may, in addition to the fee authorized in section 25, special assess housing improvements to benefited property. The governing body of the city may by ordinance adopt regulations consistent with this section.

Sec. 32. [RED WING TAX INCREMENT DISTRICT.]

Notwithstanding any restrictions otherwise applicable pursuant to Minnesota Statutes, section 469.176, subdivision 1c, the duration of the two city tax increment financing districts within Development Districts I and II, located within the city of Red Wing, may be extended by resolution of the Red Wing City Council to August 1, 2009.

Sec. 33. [LOCAL APPROVAL.]

Section 3 is effective the day after the governing body of the city of Mankato complies with section 645.021, subdivision 3.

ARTICLE 10

CROSS LAKE AREA WATER AND SEWER BOARD

Section 1. [DEFINITIONS.]

Subdivision 1. For the purposes of this article, the terms defined in this section have the meanings given them.

Subd. 2. "Cross Lake area water and sanitary sewer district" and "district" mean the area over which the Cross Lake area water and sanitary sewer board has jurisdiction, including the towns of Pokegama and Chengwatana and Pine City in Pine county, but only that part within 1,000 feet of the high waterline of Cross Lake in those townships.

Subd. 3. "Water and sanitary sewer board" or "board" means the Cross Lake area water and sanitary sewer board established for the district as provided in subdivision 2.

Subd. 4. "Person" means an individual, partnership, corporation, limited liability company, cooperative, or other organization or entity, public or private.

Subd. 5. "Local governmental unit" or "governmental unit" means the towns of Pokegama, Chengwatana, and Pine City.

Subd. 6. "Acquisition" and "betterment" have the meanings given in Minnesota Statutes, chapter 475.

Subd. 7. "Agency" means the Minnesota pollution control agency created in Minnesota Statutes, chapter 116.

Subd. 8. "Sewage" means all liquid or water-carried waste products from whatever sources derived, together with any groundwater infiltration and surface water as may be present.

Subd. 9. "Pollution of water" and "sewer system" have the meanings given in Minnesota Statutes, section 115.01.

Subd. 10. "Treatment works" and "disposal system" have the meanings given in Minnesota Statutes, section 115.01.

Subd. 11. "Interceptor" means a sewer and its necessary appurtenances, including but not limited to mains, pumping stations, and sewage flow-regulating and -measuring stations, that is:

(1) designed for or used to conduct sewage originating in more than one local governmental unit;

(2) designed or used to conduct all or substantially all the sewage originating in a single local governmental unit from a point of collection in that unit to an interceptor or treatment works outside that unit; or

(3) determined by the board to be a major collector of sewage used or designed to serve a substantial area in the district.

Subd. 12. "District disposal system" means any and all interceptors or treatment works owned, constructed, or operated by the board unless designated by the board as local water and sanitary sewer facilities.

Subd. 13. "Municipality" means any home rule charter or statutory city or town.

Subd. 14. "Total costs of acquisition and betterment" and "costs of acquisition and betterment" mean all acquisition and betterment expenses permitted to be financed out of stopped bond proceeds issued in accordance with section 13, whether or not the expenses are in fact financed out of the bond proceeds.

Subd. 15. "Current costs of acquisition, betterment, and debt service" means interest and principal estimated to be due during the budget year on bonds issued to finance said acquisition and betterment and all other costs of acquisition and betterment estimated to be paid during the year from funds other than bond proceeds and federal or state grants.

Subd. 16. [RESIDENT.] "Resident" means the owner of a dwelling located in the district and receiving water or sewer service.

Sec. 2. [WATER AND SANITARY SEWER BOARD.]

Subdivision 1. [ESTABLISHMENT.] A water and sewer district is established for the towns of Pokegama, Chengwatana, and Pine City in Pine county, to be known as the Cross Lake area water and sanitary sewer district. The water and sewer district is under the control and management of the Cross Lake area water and sanitary sewer board. The board is established as a public corporation and political subdivision of the state with perpetual succession and all the rights, powers, privileges, immunities, and duties that may be validly granted to or imposed upon a municipal corporation, as provided in this article.

Subd. 2. [MEMBERS AND SELECTION.] The board is composed of seven members selected as follows: the town boards of the governmental units each shall meet to appoint two members of the water and sanitary sewer board and each board member has one vote. One member must be selected by the city of Pine City. The first terms must be as follows: two for one year, two for two years, and three for three years, fixed by lot at the district's first meeting. Thereafter, all terms are for three years.

Subd. 3. [TIME LIMITS FOR SELECTION.] The board members must be selected as provided in subdivision 2 within 60 days after this article becomes effective. The successor to each board member must be selected at any time within 60 days before the expiration of the member's term in the same manner as the predecessor was selected. A vacancy on the board must be filled within 60 days after it occurs.

Subd. 4. [VACANCIES.] If the office of a board member becomes vacant, the vacancy must be filled for the unexpired term in the manner provided for selection of the member who vacated the office. The office is deemed vacant under the conditions specified in Minnesota Statutes, section 351.02.

Subd. 5. [REMOVAL.] A board member may be removed by the unanimous vote of the governing body appointing the member, with or without cause, or for malfeasance or nonfeasance in the performance of official duties as provided by Minnesota Statutes, sections 351.14 to 351.23.

Subd. 6. [QUALIFICATIONS.] One board member representing a town must be a resident of the district and the other member representing that town must be a resident of the township, and each may, but need not be, an elected public official.

Subd. 7. [CERTIFICATES OF SELECTION; OATH OF OFFICE.] A certificate of selection of every board member selected under subdivision 2 stating the term for which selected, must be made by the respective town clerks. The certificates, with the approval appended by other authority, if required, must be filed with the secretary of state. Counterparts thereof must be furnished to the board member and the secretary of the board. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article 5, section 8. The oath, duly certified by the official administering the same, must be filed with the secretary of state and the secretary of the board.

Subd. 8. [BOARD MEMBERS' COMPENSATION.] Each board member, except the chair, must be paid a per diem compensation of $35 for meetings and for other services as are specifically authorized by the board, not to exceed $1,000 in any one year. The chair must be paid a per diem compensation of $45 for meetings and for other services specifically authorized by the board, not to exceed $1,500 in any one year. All members of the board must be reimbursed for all reasonable and necessary expenses actually incurred in the performance of duties.

Sec. 3. [GENERAL PROVISIONS FOR ORGANIZATION AND OPERATION OF BOARD.]

Subdivision 1. [ORGANIZATION; OFFICERS; MEETINGS; SEAL.] After the selection and qualification of all board members, they shall meet to organize the board at the call of any two board members, upon seven days' notice by registered mail to the remaining board members, at a time and place within the district specified in the notice. A majority of the members shall constitute a quorum at that meeting and all other meetings of the board, but a lesser number may meet and adjourn from time to time and compel the attendance of absent members. At the first meeting the board shall select its officers and conduct other organizational business as may be necessary. Thereafter the board shall meet regularly at the time and place that the board designates by resolution. Special meetings may be held at any time upon call of the chair or any two members, upon written notice sent by mail to each member at least three days before the meeting, or upon other notice as the board by resolution may provide, or without notice if each member is present or files with the secretary a written consent to the meeting either before or after the meeting. Except as otherwise provided in this article, any action within the authority of the board may be taken by the affirmative vote of a majority of the board and may be taken by regular or adjourned regular meeting or at a duly held special meeting, but in any case only if a quorum is present. Meetings of the board must be open to the public. The board may adopt a seal, which must be officially and judicially noticed, to authenticate instruments executed by its authority, but omission of the seal does not affect the validity of any instrument.

Subd. 2. [CHAIR.] The board shall elect a chair from its membership. The term of the first chair of the board shall expire on January 1, 1996, and the terms of successor chairs expire on January 1 of each succeeding year. The chair shall preside at all meetings of the board, if present, and shall perform all other duties and functions usually incumbent upon such an officer, and all administrative functions assigned to the chair by the board. The board shall elect a vice-chair from its membership to act for the chair during temporary absence or disability.

Subd. 3. [SECRETARY AND TREASURER.] The board shall select a person or persons who may, but need not be, a member or members of the board, to act as its secretary and treasurer. The secretary and treasurer shall hold office at the pleasure of the board, subject to the terms of any contract of employment that the board may enter into with the secretary or treasurer. The secretary shall record the minutes of all meetings of the board, and be the custodian of all books and records of the board except those that the board entrusts to the custody of a designated employee. The treasurer is the custodian of all money received by the board except as the board otherwise entrusts to the custody of a designated employee. The board may appoint a deputy to perform any and all functions of either the secretary or the treasurer. No secretary or treasurer who is not a member of the board or a deputy of either shall have any right to vote.

Subd. 4. [EXECUTIVE DIRECTOR.] The board shall appoint an executive director, selected solely upon the basis of training, experience, and other qualifications and who shall serve at the pleasure of the board and at a compensation to be determined by the board. The executive director need not be a resident of the district. The executive director may also be selected by the board to serve as either secretary or treasurer, or both, of the board. The executive director shall attend all meetings of the board, but shall not vote, and shall have the following powers and duties:

(1) to see that all resolutions, rules, regulations, or orders of the board are enforced;

(2) to appoint and remove, upon the basis of merit and fitness, all subordinate officers and regular employees of the board except the secretary and the treasurer and their deputies;

(3) to present to the board plans, studies, and other reports prepared for board purposes and recommend to the board for adoption the measures the executive director deems necessary to enforce or carry out the powers and the duties of the board, or the efficient administration of the affairs of the board;

(4) to keep the board fully advised as to its financial condition, and to prepare and submit to the board and to the governing bodies of the local governmental units, the board's annual budget and other financial information the board may request;

(5) to recommend to the board for adoption rules and regulations the executive director deems necessary for the efficient operation of the district disposal system; and

(6) to perform other duties prescribed by the board.

Subd. 5. [PUBLIC EMPLOYEES.] The executive director and other persons employed by the district are public employees and have all the rights and duties conferred on public employees under Minnesota Statutes, sections 179A.01 to 179A.25. The board may elect to have employees become members of either the public employees retirement association or the Minnesota state retirement system. The compensation and conditions of employment of the employees must be governed by rules applicable to state employees in the classified service and to the provisions of Minnesota Statutes, chapter 15A.

Subd. 6. [PROCEDURES.] The board shall adopt resolutions or bylaws establishing procedures for board action, personnel administration, keeping records, approving claims, authorizing or making disbursements, safekeeping funds, and auditing all financial operations of the board.

Subd. 7. [SURETY BONDS AND INSURANCE.] The board may procure surety bonds for its officers and employees, in amounts deemed necessary to ensure proper performance of their duties and proper accounting for funds in their custody. It may procure insurance against risks to property and liability of the board and its officers, agents, and employees for personal injuries or death and property damage and destruction, in amounts deemed necessary or desirable, with the force and effect stated in Minnesota Statutes, chapter 466.

Sec. 4. [GENERAL POWERS OF BOARD.]

Subdivision 1. [SCOPE.] The board has all powers necessary or convenient to discharge the duties imposed upon it by law. The powers include those specified in this section, but the express grant or enumeration of powers does not limit the generality or scope of the grant of powers contained in this subdivision.

Subd. 2. [SUIT.] The board may sue or be sued.

Subd. 3. [CONTRACT.] The board may enter into any contract necessary or proper for the exercise of its powers or the accomplishment of its purposes.

Subd. 4. [RULEMAKING.] The board may adopt rules relating to its responsibilities and may provide penalties for their violation, not exceeding the maximum that may be specified for a misdemeanor, and the cost of prosecution may be added to the penalties imposed. Any rule prescribing a penalty for violation must be published at least once in a newspaper having general circulation in the district. The violations may be prosecuted before any court in the district having jurisdiction of misdemeanors, and every court having misdemeanor jurisdiction has jurisdiction of the violations. Any constable or other peace officer of any governmental unit in the district may make arrests for violations committed anywhere in the district in like manner and with like effect as for violations of city ordinances or for statutory misdemeanors. Fines collected in cases arising under this subdivision must be deposited in the treasury of the board, or may be allocated between the board and the governmental unit in which the prosecution occurs on a basis as the board and the governmental unit agree.

Subd. 5. [GIFTS, GRANTS, LOANS.] The board may accept gifts, apply for and accept grants or loans of money or other property from the United States, the state, or any person for any of its purposes, enter into any agreement required in connection with them, and hold, use, and dispose of the money or property in accordance with the terms of the gift, grant, loan, or agreement relating to it. With respect to loans or grants of funds or real or personal property or other assistance from any state or federal government or its agency or instrumentality, the board may contract to do and perform all acts and things required as a condition or consideration for the gift, grant, or loan pursuant to state or federal law or regulations, whether or not included among the powers expressly granted to the board in this article.

Subd. 6. [COOPERATIVE ACTION.] The board may act under Minnesota Statutes, section 471.59, or any other appropriate law providing for joint or cooperative action between governmental units.

Subd. 7. [STUDIES AND INVESTIGATIONS.] The board 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 the design, construction, and operation of the district disposal system.

Subd. 8. [EMPLOYEES, TERMS.] The board may employ on terms it deems advisable, persons or firms performing engineering, legal, or other services of a professional nature; require any employee to obtain and file with it an individual bond or fidelity insurance policy; and procure insurance in amounts it deems necessary against liability of the board or its officers or both, for personal injury or death and property damage or destruction, with the force and effect stated in Minnesota Statutes, chapter 466, and against risks of damage to or destruction of any of its facilities, equipment, or other property as it deems necessary.

Subd. 9. [PROPERTY RIGHTS, POWERS.] The board may acquire by purchase, lease, condemnation, gift, or grant, any real or personal property including positive and negative easements and water and air rights, and it may construct, enlarge, improve, replace, repair, maintain, and operate any interceptor, treatment works, or water facility determined to be necessary or convenient for the collection and disposal of sewage in the district. Any local governmental unit and the commissioners of transportation and natural resources are authorized to convey to or permit the use of any of the above-mentioned facilities owned or controlled by it, by the board, subject to the rights of the holders of any bonds issued with respect to those facilities, with or without compensation, without an election or approval by any other governmental unit or agency. All powers conferred by this subdivision may be exercised both within or without the district as may be necessary for the exercise by the board of its powers or the accomplishment of its purposes. The board may hold, lease, convey, or otherwise dispose of the above-mentioned property for its purposes upon the terms and in the manner it deems advisable. Unless otherwise provided, the right to acquire lands and property rights by condemnation may be exercised only in accordance with Minnesota Statutes, sections 117.011 to 117.232, and shall apply to any property or interest in the property owned by any local governmental unit. No property devoted to an actual public use at the time, or held to be devoted to such a use within a reasonable time, shall be so acquired unless a court of competent jurisdiction determines that the use proposed by the board is paramount to the existing use. Except in the case of property in actual public use, the board may take possession of any property on which condemnation proceedings have been commenced at any time after the issuance of a court order appointing commissioners for its condemnation.

Subd. 10. [RELATIONSHIP TO OTHER PROPERTIES.] The board may construct or maintain its systems or facilities in, along, on, under, over, or through public waters, streets, bridges, viaducts, and other public rights-of-way without first obtaining a franchise from a county or municipality having jurisdiction over them. However, the facilities must be constructed and maintained in accordance with the ordinances and resolutions of the county or municipality relating to constructing, installing, and maintaining similar facilities on public properties and must not unnecessarily obstruct the public use of those rights-of-way.

Subd. 11. [DISPOSAL OF PROPERTY.] The board 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 may be sold in the manner provided by Minnesota Statutes, section 469.065, insofar as practical. The board may give notice of sale as it deems appropriate. When the board determines that any property or any part of the district disposal system acquired from a local governmental unit without compensation is no longer required but is required as a local facility by the governmental unit from which it was acquired, the board may by resolution transfer it to that governmental unit.

Subd. 12. [AGREEMENTS WITH OTHER GOVERNMENTAL UNITS.] The board may contract with the United States or any agency thereof, any state or agency thereof, or any regional public planning body in the state with jurisdiction over any part of the district, or any other municipal or public corporation, or governmental subdivision or agency or political subdivision in any state, for the joint use of any facility owned by the board or such entity, for the operation by that entity of any system or facility of the board, or for the performance on the board's behalf of any service, including but not limited to planning, on terms as may be agreed upon by the contracting parties. Unless designated by the board as a local water and sanitary sewer facility, any treatment works or interceptor jointly used, or operated on behalf of the board, as provided in this subdivision, is deemed to be operated by the board for purposes of including those facilities in the district disposal system.

Sec. 5. [COMPREHENSIVE PLAN.]

Subdivision 1. [BOARD PLAN AND PROGRAM.] The board shall adopt a comprehensive plan for the collection, treatment, and disposal of sewage in the district for a designated period the board deems proper and reasonable. The board shall prepare and adopt subsequent comprehensive plans for the collection, treatment, and disposal of sewage in the district for each succeeding designated period as the board deems proper and reasonable. The first plan, as modified by the board, and any subsequent plan shall take into account the preservation and best and most economic use of water and other natural resources in the area; the preservation, use, and potential for use of lands adjoining waters of the state to be used for the disposal of sewage; and the impact the disposal system will have on present and future land use in the area affected. The plans shall include the general location of needed interceptors and treatment works, a description of the area that is to be served by the various interceptors and treatment works, a long-range capital improvements program, and any other details as the board deems appropriate. In developing the plans, the board shall consult with persons designated for the purpose by governing bodies of any governmental unit within the district to represent the entities and shall consider the data, resources, and input offered to the board by the entities and any planning agency acting on behalf of one or more of the entities. Each plan, when adopted, must be followed in the district and may be revised as often as the board deems necessary.

Subd. 2. [COMPREHENSIVE PLANS; HEARING.] Before adopting any subsequent comprehensive plan, the board shall hold a public hearing on the proposed plan at a time and place in the district that it selects. The hearing may be continued from time to time. Not less than 45 days before the hearing, the board shall publish notice of the hearing in a newspaper having general circulation in the district, stating the date, time, and place of the hearing, and the place where the proposed plan may be examined by any interested person. At the hearing, all interested persons must be permitted to present their views on the plan.

Subd. 3. [GOVERNMENTAL UNIT PLANS AND PROGRAMS; COORDINATION WITH BOARD'S RESPONSIBILITIES.] Once the board's plan is adopted, no construction project involving the construction of new sewers or other disposal facilities may be undertaken by the local governmental unit unless its governing body shall first find the project to be in accordance with the governmental unit's comprehensive plan and program as approved by the board. Before approval by the board of the comprehensive plan and program of any local governmental unit in the district, no water and sanitary sewer construction project may be undertaken by the governmental unit unless approval of the project is first secured from the board as to those features of the project affecting the board's responsibilities as determined by the board.

Sec. 6. [POWERS TO ISSUE OBLIGATIONS AND IMPOSE SPECIAL ASSESSMENTS.]

The Cross Lake area water and sanitary sewer board, in order to implement the powers granted under this article to establish, maintain, and administer the Cross Lake area water and sanitary sewer district, may issue obligations and impose special assessments against benefited property within the limits of the district benefited by facilities constructed under this article in the manner provided for local governments by Minnesota Statutes, chapter 429.

Sec. 7. [SYSTEM EXPANSION; APPLICATION TO CITIES.]

The authority of the water and sanitary sewer board to establish water or sewer or combined water and sewer systems under this section extends to areas within the Cross Lake area water and sanitary sewer district organized into cities when requested by resolution of the governing body of the affected city or when ordered by the Minnesota pollution control agency after notice and hearing. For the purpose of any petition filed or special assessment levied with respect to any system, the entire area to be served within a city must be treated as if it were owned by a single person, and the governing body shall exercise all the rights and be subject to all the duties of an owner of the area, and shall have power to provide for the payment of all special assessments and other charges imposed upon the area with respect to the system by the appropriation of money, the collection of service charges, or the levy of taxes, which shall be subject to no limitation of rate or amount.

Sec. 8. [SEWAGE COLLECTION AND DISPOSAL; POWERS.]

Subdivision 1. [POWERS.] In addition to all other powers conferred upon the board in this article, it has the powers specified in this section.

Subd. 2. [DISCHARGE OF TREATED SEWAGE.] The board may discharge the effluent from any treatment works operated by it into any waters of the state, subject to approval of the agency if required and in accordance with any effluent or water quality standards lawfully adopted by the agency, any interstate agency, or any federal agency having jurisdiction.

Subd. 3. [UTILIZATION OF DISTRICT SYSTEM.] The board may require any person or local governmental unit to provide for the discharge of any sewage, directly or indirectly, into the district disposal system, or to connect any disposal system or a part of it with the district disposal system wherever reasonable opportunity for connection is provided; may regulate the manner in which the connections are made; may require any person or local governmental unit discharging sewage into the disposal system to provide preliminary treatment for it; may prohibit the discharge into the district disposal system of any substance that it determines will or may be harmful to the system or any persons operating it; and may require any local governmental unit to discontinue the acquisition, betterment, or operation of any facility for the unit's disposal system wherever and so far as adequate service is or will be provided by the district disposal system.

Subd. 4. [SYSTEM OF COST RECOVERY TO COMPLY WITH APPLICABLE REGULATIONS.] Any charges, connection fees, or other cost-recovery techniques imposed on persons discharging sewage directly or indirectly into the district disposal system must comply with applicable state and federal law, including state and federal regulations governing grant applications.

Sec. 9. [BUDGET.]

The board shall prepare and adopt, on or before October 1 in 1995 and each year thereafter, a budget showing for the following calendar year or other fiscal year determined by the board, sometimes referred to in this article as the budget year, estimated receipts of money from all sources, including but not limited to payments by each local governmental unit, federal or state grants, taxes on property, and funds on hand at the beginning of the year, and estimated expenditures for:

(1) costs of operation, administration, and maintenance of the district disposal system;

(2) cost of acquisition and betterment of the district disposal system; and

(3) debt service, including principal and interest, on general obligation bonds and certificates issued pursuant to section 13, and any money judgments entered by a court of competent jurisdiction. Expenditures within these general categories, and any other categories as the board may from time to time determine, must be itemized in detail as the board prescribes. The board and its officers, agents, and employees shall not spend money for any purpose other than debt service without having set forth the expense in the budget nor in excess of the amount set forth in the budget for it. No obligation to make an expenditure of the above-mentioned type is enforceable except as the obligation of the person or persons incurring it. The board may amend the budget at any time by transferring from one purpose to another any sums except money for debt service and bond proceeds or by increasing expenditures in any amount by which actual cash receipts during the budget year exceed the total amounts designated in the original budget. The creation of any obligation under section 13 or the receipt of any federal or state grant is a sufficient budget designation of the proceeds for the purpose for which it is authorized, and of the tax or other revenue pledged to pay the obligation and interest on it, whether or not specifically included in any annual budget.

Sec. 10. [ALLOCATION OF COSTS.]

Subdivision 1. [DEFINITION OF CURRENT COSTS.] The estimated cost of administration, operation, maintenance, and debt service of the district disposal system to be paid by the board in each fiscal year and the estimated costs of acquisition and betterment of the system that are to be paid during the year from funds other than state or federal grants and bond proceeds and all other previously unallocated payments made by the board pursuant to this article to be allocated in the fiscal year are referred to as current costs and must be allocated by the board as provided in subdivision 2 in the budget for that year.

Subd. 2. [METHOD OF ALLOCATION OF CURRENT COSTS.] Current costs must be allocated in the district on an equitable basis as the board may determine by resolution to be in the best interests of the district. The adoption or revision of any method of allocation used by the board must be by the affirmative vote of at least two-thirds of the members of the board.

Sec. 11. [TAX LEVIES.]

To accomplish any duty imposed on it the board may, in addition to the powers granted in this article and in any other law or charter, exercise the powers granted any municipality by Minnesota Statutes, chapters 117, 412, 429, 475, sections 115.46, 444.075, and 471.59, with respect to the area in the district. The board may levy taxes upon all taxable property in the district for all or a part of the amount payable to the board, pursuant to section 10, to be assessed and extended as a tax upon that taxable property by the county auditor for the next calendar year, free from any limitation of rate or amount imposed by law or charter. The tax must be collected and remitted in the same manner as other general taxes.

Sec. 12. [PUBLIC HEARING AND SPECIAL ASSESSMENTS.]

Subdivision 1. [PUBLIC HEARING REQUIREMENT ON SPECIFIC PROJECT.] Before the board orders any project involving the acquisition or betterment of any interceptor or treatment works, all or a part of the cost of which will be allocated pursuant to section 10 as current costs, the board shall hold a public hearing on the proposed project. The hearing must be held following two publications in a newspaper having general circulation in the district, stating the time and place of the hearing, the general nature and location of the project, the estimated total cost of acquisition and betterment, that portion of costs estimated to be paid out of federal and state grants, and that portion of costs estimated to be allocated. The estimates must be best available at the time of the meeting and if costs exceed the estimate, the project cannot proceed until an additional public hearing is held, with notice as required at the initial meeting. The two publications must be a week apart and the hearing at least three days after the last publication.

Not less than 45 days before the hearing, notice of the hearing must also be mailed to each clerk of all local governmental units in the district, but failure to give mailed notice or any defects in the notice does not invalidate the proceedings. The project may include all or part of one or more interceptors or treatment works. No hearing may be held on any project unless the project is within the area covered by the comprehensive plan adopted by the board pursuant to section 5 except that the hearing may be held simultaneously with a hearing on a comprehensive plan. A hearing is not required with respect to a project, no part of the costs of which are to be allocated as the current costs of acquisition, betterment, and debt service.

Subd. 2. [NOTICE TO BENEFITED PROPERTY OWNERS.] If the board proposes to assess against benefited property within the district all or any part of the allocable costs of the project as provided in subdivision 5, the board shall, not less than ten days before the hearing provided for in subdivision 1, cause mailed notice of the hearing to be given to the owner of each parcel within the area proposed to be specially assessed and shall also give one week's published notice of the hearing. The notice of hearing must contain the same information provided in the notice published by the board pursuant to subdivision 1, and a description of the area proposed to be assessed. For the purpose of giving mailed notice, owners are those shown to be 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; but other appropriate records may be used for this purpose. For properties that are tax exempt or subject to taxation on a gross earnings basis and not listed on the records of the county auditor or the county treasurer, the owners must be ascertained by any practicable means and mailed notice given them as herein provided. Failure to give mailed notice or any defects in the notice does not invalidate the proceedings of the board.

Subd. 3. [BOARD PROCEEDINGS PERTAINING TO HEARING.] Before adoption of the resolution calling for a hearing under this section, the board shall secure from the district engineer or some other competent person of the board's selection a report advising it in a preliminary way as to whether the proposed project is feasible and whether it should be made as proposed or in connection with some other project and the estimated costs of the project as recommended. No error or omission in the report invalidates the proceeding. The board may also take other steps before the hearing, as will in its judgment provide helpful information in determining the desirability and feasibility of the project, including but not limited to preparation of plans and specifications and advertisement for bids on them. The hearing may be adjourned from time to time and a resolution ordering the project may be adopted at any time within six months after the date of hearing. In ordering the project the board may reduce but not increase the extent of the project as stated in the notice of hearing and shall find that the project as ordered is in accordance with the comprehensive plan and program adopted by the board pursuant to section 5.

Subd. 4. [EMERGENCY ACTION.] If the board by resolution adopted by the affirmative vote of not less than two-thirds of its members determines that an emergency exists requiring the immediate purchase of materials or supplies or the making of emergency repairs, it may order the purchase of those supplies and materials and the making of the repairs before any hearing required under this section, provided that the board shall set as early a date as practicable for the hearing at the time it declares the emergency. All other provisions of this section must be followed in giving notice of and conducting the hearing. Nothing herein may be construed as preventing the board or its agents from purchasing maintenance supplies or incurring maintenance costs without regard to the requirements of this section.

Subd 5. [POWER OF THE BOARD TO SPECIALLY ASSESS.] The board may specially assess all or any part of the costs of acquisition and betterment as herein provided, of any project ordered pursuant to this section. The special assessments must be levied in accordance with the provisions of Minnesota Statutes, sections 429.051 to 429.081, except as otherwise provided in this subdivision. No other provisions of Minnesota Statutes, chapter 429, apply. For purposes of levying the special assessments, the hearing on the project required in subdivision 1 serves as the hearing on the making of the original improvement provided for by Minnesota Statutes, section 429.051. The area assessed may be less than but may not exceed the area proposed to be assessed as stated in the notice of hearing on the project provided for in subdivision 2.

Sec. 13. [BONDS, CERTIFICATES, AND OTHER OBLIGATIONS.]

Subdivision 1. [BUDGET ANTICIPATION CERTIFICATES OF INDEBTEDNESS.] At any time after adoption of its annual budget and in anticipation of the collection of tax and other revenues estimated and set forth by the board in the budget, except in the case of deficiency taxes levied under this subdivision and taxes levied for the payment of certificates issued under subdivision 2, the board may, by resolution, authorize the issuance, negotiation, and sale, in accordance with subdivision 4 in the form and manner and upon terms it determines, of its negotiable general obligation certificates of indebtedness in aggregate principal amounts not exceeding 50 percent of the total amount of tax collections and other revenues, and maturing not later than three months after the close of the budget year in which issued. The proceeds of the sale of the certificates must be used solely for the purposes for which the tax collections and other revenues are to be expended pursuant to the budget.

All the tax collections and other revenues included in the budget for the budget year, after the expenditure of the tax collections and other revenues in accordance with the budget, must be irrevocably pledged and appropriated to a special fund to pay the principal and interest on the certificates when due. If for any reason the tax collections and other revenues are insufficient to pay the certificates and interest when due, the board shall levy a tax in the amount of the deficiency on all taxable property in the district and shall appropriate this amount when received to the special fund.

Subd. 2. [EMERGENCY CERTIFICATES OF INDEBTEDNESS.] If in any budget year the receipts of tax and other revenues should for some unforeseen cause become insufficient to pay the board's current expenses, or if any public emergency should subject it to the necessity of making extraordinary expenditures, the board may by resolution authorize the issuance, negotiation, and sale, in accordance with subdivision 4 in the form and manner and upon the terms and conditions it determines, of its negotiable general obligation certificates of indebtedness in an amount sufficient to meet the deficiency. The board shall levy on all taxable property in the district a tax sufficient to pay the certificates and interest on the certificates and shall appropriate all collections of the tax to a special fund created for the payment of the certificates and the interest on them. Certificates issued under this subdivision mature not later than April 1 in the year following the year in which the tax is collectible.

Subd. 3. [GENERAL OBLIGATION BONDS.] The board may by resolution authorize the issuance of general obligation bonds for the acquisition or betterment of any part of the district disposal system, including but without limitation the payment of interest during construction and for a reasonable period thereafter, or for the refunding of outstanding bonds, certificates of indebtedness, or judgments. The board shall pledge its full faith and credit and taxing power for the payment of the bonds and shall provide for the issuance and sale and for the security of the bonds in the manner provided in Minnesota Statutes, chapter 475. The board has the same powers and duties as a municipality issuing bonds under that law, except that no election is required and the debt limitations of Minnesota Statutes, chapter 475, do not apply to the bonds. The board may also pledge for the payment of the bonds and deduct from the amount of any tax levy required under Minnesota Statutes, section 475.61, subdivision 1, and any revenues receivable under any state and federal grants anticipated by the board and may covenant to refund the bonds if and when and to the extent that for any reason the revenues, together with other funds available and appropriated for that purpose, are not sufficient to pay all principal and interest due or about to become due, provided that the revenues have not been anticipated by the issuance of certificates under subdivision 1.

Subd. 4. [MANNER OF SALE AND ISSUANCE OF CERTIFICATES.] Certificates issued under subdivisions 1 and 2 may be issued and sold by negotiation, without public sale, and may be sold at a price equal to the percentage of the par value of the certificates, plus accrued interest, and bearing interest at the rate determined by the board. No election is required to authorize the issuance of the certificates. The certificates must bear the same rate of interest after maturity as before and the full faith and credit and taxing power of the board must be pledged to the payment of the certificates.

Sec. 14. [DEPOSITORIES.]

The board shall designate one or more national or state banks, or trust companies authorized to do a banking business, as official depositories for money of the board, and shall require the treasurer to deposit all or a part of the money in those institutions. The designation must be in writing and set forth all the terms and conditions upon which the deposits are made, and must be signed by the chair and treasurer and made a part of the minutes of the board. A designated bank or trust company shall qualify as a depository by furnishing a corporate surety bond or collateral in the amounts required by Minnesota Statutes, section 118.01. No bond or collateral is required to secure any deposit insofar as it is insured under federal law.

Sec. 15. [MONEY, ACCOUNTS, AND INVESTMENTS.]

Subdivision 1. [RECEIPT AND APPLICATION.] Money received by the board must be deposited or invested by the treasurer and disposed of as the board may direct in accordance with its budget; provided that any money that has been pledged or dedicated by the board to the payment of obligations or interest on the obligations or expenses incident thereto, or for any other specific purpose authorized by law, must be paid by the treasurer into the fund to which it has been pledged.

Subd. 2. [FUNDS AND ACCOUNTS.] (a) The board's treasurer shall establish funds and accounts as may be necessary or convenient to handle the receipts and disbursements of the board in an orderly fashion.

(b) The funds and accounts must be audited annually by a certified public accountant at the expense of the district.

Subd. 3. [DEPOSIT AND INVESTMENT.] The money on hand in those funds and accounts may be deposited in the official depositories of the board or invested as provided in this subdivision. Any amount not currently needed or required by law to be kept in cash on deposit may be invested in obligations authorized for the investment of municipal sinking funds by Minnesota Statutes, section 475.66. The money may also be held under certificates of deposit issued by any official depository of the board.

Subd. 4. [BOND PROCEEDS.] The use of proceeds of all bonds issued by the board for the acquisition and betterment of the district disposal system, and the use, other than investment, of all money on hand in any sinking fund or funds of the board, is governed by the provisions of Minnesota Statutes, chapter 475, the provisions of this article, and the provisions of resolutions authorizing the issuance of the bonds. When received, the bond proceeds must be transferred to the treasurer of the board for safekeeping, investment, and payment of the costs for which they were issued.

Subd. 5. [AUDIT.] The board shall provide for and pay the cost of an independent annual audit of its official books and records by the state auditor or a public accountant authorized to perform that function under Minnesota Statutes, chapter 6.

Sec. 16. [SERVICE CONTRACTS WITH GOVERNMENTAL ENTITIES OUTSIDE THE JURISDICTION OF THE BOARD.]

(a) The board may contract with the United States or any agency of the federal government, any state or its agency, or any municipal or public corporation, governmental subdivision or agency or political subdivision in any state, outside the jurisdiction of the board, for furnishing services to those entities, including but not limited to planning for and the acquisition, betterment, operation, administration, and maintenance of any or all interceptors, treatment works, and local water and sanitary sewer facilities. The board may include as one of the terms of the contract that the entity must pay to the board an amount agreed upon as a reasonable estimate of the proportionate share properly allocable to the entity of costs of acquisition, betterment, and debt service previously allocated in the district. When payments are made by entities to the board, they must be applied in reduction of the total amount of costs thereafter allocated in the district, on an equitable basis as the board deems to be in the best interests of the district, applying so far as practicable and appropriate the criteria set forth in section 10, subdivision 2. A municipality in the state of Minnesota may enter into a contract and perform all acts and things required as a condition or consideration therefor consistent with the purposes of this article, whether or not included among the powers otherwise granted to the municipality by law or charter.

(b) The board shall contract with the city of Pine City, or another qualified entity to make necessary inspections on the district facilities, and to otherwise process or assist in processing any of the work of the district.

Sec. 17. [CONTRACTS FOR CONSTRUCTION, MATERIALS, SUPPLIES, AND EQUIPMENT.]

Subdivision 1. [PLANS AND SPECIFICATIONS.] When the board orders a project involving the acquisition or betterment of a part of the district disposal system, it shall cause plans and specifications of the project to be made, or if previously made, to be modified, if necessary, and to be approved by the agency if required, and after any required approval by the agency, one or more contracts for work and materials called for by the plans and specification may be awarded as provided in this section.

Subd. 2. [CONTRACTS IN EXCESS OF $5,000.] No contract for construction work, or for the purchase of materials, supplies, or equipment, estimated to cost more than $5,000 may be made by the board without publishing once in a newspaper having general circulation in the district and once in a trade paper or legal newspaper published in any city of the first class, not less than 14 days before the last day for submission of bids, notice that bids or proposals will be received. The notice must state the nature of the work or purchase, the terms and conditions upon which the contract is to be awarded, and the time and place where bids will be received, opened, and read publicly. After the bids have been duly received, opened, read publicly, and recorded, the board shall within a reasonable time award the contract to the lowest responsible bidder or it may reject all bids and readvertise. Each contract must be duly executed in writing and the party to whom the contract is awarded shall give sufficient bond or security to the board for the faithful performance of the contract as required by law. If the board by an affirmative vote of not less than two-thirds of its members declares that an emergency exists requiring the immediate purchase of materials or supplies or in making emergency repairs, at a cost estimated to be in excess of $5,000, it shall not be necessary to advertise for bids.

Subd. 3. [CONTRACTS OR PURCHASES FOR $5,000 OR LESS.] The board may, without advertising for bids, enter into any contract or purchase any materials, supplies, or equipment of the type referred to in subdivision 2, the cost of which is estimated to be $5,000 or less, or it may authorize the executive director to enter into a contract on behalf of the board for that work or to make those purchases without prior approval of the board and without advertising for bids.

Subd. 4. [UNIFORM MUNICIPAL CONTRACTING LAW.] Except as otherwise provided in this section, Minnesota Statutes, section 471.345, shall apply.

Sec. 18. [PROPERTY EXEMPT FROM TAXATION.]

Any properties, real or personal, owned, leased, controlled, used, or occupied by the water and sanitary sewer board for any purpose under this article are declared to be acquired, owned, leased, controlled, used, and occupied for public, governmental, and municipal purposes, and are exempt from taxation by the state or any political subdivision of the state, provided that the properties are 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 properties in any manner different from their use as part of a disposal system at the time may be considered in determining the special benefit received by the properties. All assessments are subject to final approval by the board, whose determination of the benefits is conclusive upon the political subdivision levying the assessment.

Sec. 19. [RELATION TO EXISTING LAWS.]

The provisions of this article must be given full effect notwithstanding the provisions of any law or charter inconsistent with this article. The powers conferred on the board under this article do not in any way diminish or supersede the powers conferred on the agency by Minnesota Statutes, chapters 115 to 116.

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.

Sec. 21. [EFFECTIVE DATE.]

Subdivision 1. This article is effective the day following final enactment as to the city of Pine City when approved by the Pine City council and upon compliance with Minnesota Statutes, section 645.021.

Subd. 2. This article is effective the day following final enactment as to the towns of Pokegama, Chengwatana, and Pine City when approved by the town boards of each town and upon compliance with Minnesota Statutes, section 645.021.

Subd. 3. Section 20 is effective the day following final enactment.

ARTICLE 11

CHISHOLM/HIBBING AIRPORT

Section 1. [DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purpose of this article, the words and terms defined in this section have the meanings given them.

Subd. 2. [AERONAUTICS.] "Aeronautics" means the transportation by aircraft; the operation, construction, repair, or maintenance of aircraft, air equipment, power plants, and accessories; the design, establishment, construction, operation, improvement, repair, or maintenance of airports, restricted landing areas, or other air navigation facilities and construction; and powers incidental to these activities.

Subd. 3. [AIRPORT.] (a) "Airport" means any locality of land or water, including intermediate landing fields, that is used or intended to be used for the landing and take-off of aircraft, whether or not facilities have been provided for the shelter, servicing, or repair of aircraft, or for receiving or discharging passengers or cargo. The term also includes any facility used in, available for use in, or designed for use in air navigation or to aid air navigation, including without limitation landing areas; lights; any apparatus or equipment for disseminating weather information, for signaling, for radio-directional finding, or for radio or other electrical communication; and any other structure or mechanism having a similar purpose for guiding or controlling flight in the air or for the landing or take-off of aircraft. The term also includes without limitation access roads, park areas, and those lands contiguous or not as may be required for installations necessary for safe and efficient operation, buildings, structures, hangars, shops, and any personal property usually used in connection with operating airports, including specifically, but not exclusively, snow-removal or impacting equipment, fire and ambulance equipment, motor vehicles, and equipment for buildings, structures, hangars, and shops.

(b) Whenever the words "airport" or "airport facilities" are used in this article, they have the meaning given them in paragraph (a) and specifically include the Chisholm/Hibbing airport, including any land, buildings, or other appurtenances incidental and necessary to the operation of that airport, and any land, buildings, or other appurtenances that may be acquired in the future for those purposes by the authority.

Subd. 4. [AUTHORITY.] "Authority" means the Chisholm/Hibbing airport authority created under this article.

Subd. 5. [CITIES.] "Cities" means the city of Chisholm and the city of Hibbing, in and for which an airport authority is created under this article.

Subd. 6. [CITY COUNCILS; COUNCILS.] "City councils" or "councils" means the governing bodies of the city of Chisholm as established under the home rule charter of that city and the city of Hibbing, a statutory city.

Subd. 7. [DIRECTOR.] "Director" means a person appointed or otherwise selected as, and after qualification, acting as a member of the authority.

Subd. 8. [DIRECTORS.] "Directors" means a quorum of the members of the authority.

Subd. 9. [PERSON.] "Person" means an individual, firm, copartnership, corporation, company, limited liability company, association, joint stock association, or body politic; and includes its trustee, receiver, assignee, or other similar representative.

Sec. 2. [AIRPORT AUTHORITY CREATED.]

For the purposes set forth in this article, the Chisholm/Hibbing airport authority is created in and for the city of Chisholm and the city of Hibbing.

Sec. 3. [DIRECTORS.]

Subdivision 1. [APPOINTMENTS; GENERAL POWERS AUTHORIZED.] The members of the authority created under this article shall consist of six directors, three of whom shall be appointed to membership in the authority by the city council of the city of Chisholm and three of whom shall be appointed to membership in the authority by the city council of the city of Hibbing. The members of the authority may exercise the powers and perform the duties set forth in this article.

Subd. 2. [TERMS; TRANSITION.] The members of the Chisholm/Hibbing airport commission as of the day before the effective date of this article shall be the original directors of the authority and shall serve until the remainder of their term and until their respective successors are appointed and qualified. Subsequent terms of directors are for three years, and all terms must expire on December 31 of the appropriate year. Directors shall serve until their respective successors are appointed and qualified.

Subd. 3. [EXPENSE REIMBURSEMENTS.] Each director may be paid a per diem for attending monthly, executive, and special meetings. Each director shall be reimbursed for reasonable and authorized out-of-pocket expenses incurred in the fulfillment of their duties.

Subd. 4. [VACANCY.] When a vacancy occurs in the membership of the authority by means of resignation, death, removal from the city, or removal for failure or neglect to perform the duties of a director, the vacancy must be filled for the unexpired term in the same manner as the predecessor was appointed.

Subd. 5. [OATH.] Appointments and removals of the directors of the authority must be made by the respective city councils evidenced by resolution. An appointee who fails within ten days after notification of appointment to file with the city clerk of the appointing city the oath or affirmation to perform faithfully, honestly, and impartially the duties of office, is deemed to have refused the appointment, and another person must be appointed in the manner prescribed in this section.

Subd. 6. [INITIAL APPOINTMENTS.] Within 30 days after the effective date of this article, the original directors must be appointed as provided in subdivision 2. Upon filing the oath of office required by subdivision 5, each director assumes all the rights, privileges, and powers of a director duly appointed as provided in this article.

Subd. 7. [ORGANIZING MEETING; QUORUM; RULES AND REGULATIONS.] Within 20 days after members of the authority have qualified for office, the authority shall meet and organize. The members shall adopt, and thereafter may amend, rules and regulations for the conduct of the authority as the authority deems in the public interest and most likely to advance, enhance, foster, and promote air transportation in the airports of the city of Chisholm and the city of Hibbing. The rules and regulations must at all times be consistent with this article. At this organizing meeting, and at all subsequent meetings of the authority, four directors constitutes a quorum for the transaction of business, and the affirmative vote of the majority of the directors present is required for the passage of any measure. The quorum must be present to act on any measure.

Subd. 8. [OFFICERS.] The directors shall elect from among their members a president, a vice-president, and a treasurer. They shall also elect a secretary, who may or may not be a director. No two offices may be held by one director. The officers shall have the duties and powers usually attendant upon the holders of those offices and other duties and powers not inconsistent with this article and as may be provided by the authority.

Subd. 9. [EXECUTIVE DIRECTOR.] As soon after the organization meeting as possible, the authority shall appoint an executive director to be the executive and operating officer of the authority. The executive director shall serve at the pleasure of the authority and receive compensation as may be fixed by it. The executive director must be experienced with aviation and meet the requirement of a written, authority-approved job description kept on file with the authority. Under the supervision of the authority, the executive director is responsible for the operation, management, and promotion of all activities with which the authority is charged, together with other duties as may be prescribed by the authority. The executive director has those powers necessary and incidental to the performance of duties, and other powers as may be granted by the authority.

Sec. 4. [FINANCIAL MATTERS.]

Subdivision 1. [TREASURER; BUDGET; ACCOUNTING; FINANCIAL STATEMENT.] The treasurer shall receive and retain custody of all money of the authority. That money is deemed public funds. The authority shall prepare an annual budget before the joint meeting of the city councils to approve the levy and a copy of the annual budget must be provided to the councils at the joint meeting. The treasurer shall disburse funds only in accordance with the annual budget of the authority and only upon written orders drawn against those funds, signed by the executive director and approved by the president of the authority, or in the president's absence, the vice-president of the authority or other employee of the authority as may be authorized or directed so to do. Each order must state the name of the payee and the nature of the claim for which the order is issued. The treasurer shall keep an account of all money received, showing the source of all receipts and the nature, purpose, and authority of all disbursements. At least four times each year, in the form to be determined by the directors, the authority shall file with the city clerks of the cities of Chisholm and Hibbing a financial statement from the authority, showing all receipts and disbursements, the nature and purposes of those receipts and disbursements, the money on hand, the credits and assets of the authority, and its outstanding liability.

Subd. 2. [SPENDING POWER.] Within the total budget approved as provided in subdivision 1, the authority has the exclusive power to receive, control, and order the expenditure of money in the control and management of the airport facilities of the authority.

Subd. 3. [AUDIT.] A complete examination and audit of all books and accounts of the authority must be done at least annually by a certified public accountant. One copy of the yearly audit must be filed with each city clerk as a public document.

Sec. 5. [POWERS.]

Subdivision 1. [SUITS; CONTRACTS; EMINENT DOMAIN; OPERATION; ACCEPT GIFTS; LEVY AND TAX.] Notwithstanding any law or charter or ordinance provision to the contrary, the following powers and duties are conferred upon the authority:

(1) to sue and be sued;

(2) to enter into and execute agreements, instruments, and other arrangements necessary, proper, and convenient to the exercise of its powers;

(3) to acquire:

(i) by purchase, lease, or gift any personal property, franchises, easements, or other rights in its own name that may be necessary or proper for the operation of the Chisholm/Hibbing airport, or any airport facilities that may be acquired in the future;

(ii) real property for use as airport terminal facilities, maintenance facilities, parking facilities, runway or taxiway facilities with approval of the city councils; and

(iii) other facilities used or useful for operating the airport;

(4) to acquire, construct, equip, improve, operate, and maintain airports and airport terminal facilities, maintenance facilities, runways and taxiways, parking areas, and other facilities useful for or related to operating an airport;

(5) to lease to or contract with any person or operator for the use of any real or personal property under the authority's control; provided, however, that the authority does not have the power to make agreements for the sale of any real estate under its control without the approval by resolution of the city councils;

(6) to accept gifts, grants, or loans of money or other property from the United States, the state, or any person or entity, and for those purposes may enter into any agreement required to do so, subject to prior notice to the city councils; and

(7) to levy a tax on all taxable property, according to the total tax capacity in each city, in the city of Chisholm and in the city of Hibbing, to provide funds for the operation of the authority. A joint meeting of the city councils must be convened annually for the purpose of either adopting or rejecting the proposed levy. Each city council shall vote separately on the proposed levy. If the proposed levy is rejected by either city council, the authority shall revise the levy and resubmit the proposal for consideration by the city councils who shall either reject or approve the revised proposed levy. This procedure shall continue until a levy is approved by resolution of both city councils. No later than September 15 each year, the secretary of the authority shall certify to the auditor of St. Louis county the total levy approved by the city councils, accompanied by a certified copy of the resolution of each city approving the levy. The auditor shall add the total levy made by the authority to other tax levies of the county on taxable property in the cities of Chisholm and Hibbing for collection by the county auditor with other taxes. When collected, the county auditor shall make settlement of those taxes with the treasurer of the authority in the same manner as other taxes are distributed to political subdivisions.

Subd. 2. [MANAGEMENT CONTRACTS.] Notwithstanding other provisions of this article to the contrary, the authority is authorized, in lieu of directly operating the Chisholm/Hibbing airports or any part of them, to enter into management contracts with persons for managing the airports or any part of them, for a period of time, for purposes, and under any compensation and other terms and conditions as deemed advisable and proper by the authority. The agreement is subject to the approval by resolution of the city councils.

Sec. 6. [ADDITIONAL POWERS.]

The authority is authorized:

(1) when not in conflict with this article, to adopt and alter bylaws and rules and regulations that it deems necessary for conducting the business of the authority, for using and operating the Chisholm/Hibbing airports and the facilities of the authority, and for carrying out the objects of this article;

(2) to appoint the executive director, engineers and other consultants, accountants, attorneys, and other officers, agents, and employees as it deems necessary, who shall perform duties and receive compensation as the authority may determine and who are removable at the pleasure of the authority;

(3) to prescribe or provide for a policy or policies of insurance for the defense and indemnification of the cities of Chisholm and Hibbing and their officers and employees, and the authority's directors, executive director, and other employees against claims arising against them out of the performance of duty, whether the claims be groundless or otherwise, with premiums for any policies of insurance required by this article to be paid out of the funds of the authority;

(4) to authorize and direct the treasurer to invest, in the manner provided by law, any funds held in reserve, sinking funds, or any funds not required for immediate disbursement; and

(5) to fix, alter, change, and collect fees, rentals, and all other charges to be made for all services or facilities furnished by the authority to the public, to any persons, or to public or private agencies leasing any and all facilities at the Chisholm/Hibbing airports.

Sec. 7. [EXECUTIVE DIRECTOR.]

Subdivision 1. [CUSTODY OF MONEY COLLECTED DAILY.] The executive director of the authority is responsible for the custody and control of all money received and collected from the daily operations of the Chisholm/Hibbing airports until that money is delivered to the treasurer and the executive director has obtained a receipt for it, or until the money is deposited in a bank account under the control of the treasurer.

Subd. 2. [INSURANCE.] In addition to other insurance provisions of this article, the executive director shall provide for insurance on any of the Chisholm/Hibbing airports' property, rights, revenue, workers' compensation, public liability, or any other risk or hazard arising from its activities; and the premiums for that insurance must be paid for out of funds of the Chisholm/Hibbing airport authority.

Sec. 8. [TAX-EXEMPT PROPERTY.]

Notwithstanding other law to the contrary, the property, money, and other assets of the authority, or revenues or other income of the authority are exempt from all taxation, licensing, fees, or charges of any kind imposed by the state of Minnesota, or by any county, municipality, political subdivision, taxing district, or other public agency or body of the state.

Sec. 9. [REVENUE BONDS.]

Subdivision 1. [AUTHORITY TO ISSUE.] Notwithstanding any limitations imposed by law or by the charter of the city of Chisholm, the authority is authorized to issue negotiable revenue bonds for any one or more of its purposes. Revenue bonds under this section shall be issued in the amounts, times, and series to the authority determined by resolution. No election is necessary to authorize the issuance of the revenue bonds. Except as otherwise provided by this section, the maturities, any right of prior redemption, execution, paying agency, provision for interest, and other terms of the bonds, are subject to Minnesota Statutes, sections 475.54 and 475.56.

Subd. 2. [PLEDGED FROM REVENUES.] Revenue bonds issued under this section do not constitute a debt of the city of Chisholm or the city of Hibbing, and no tax levy may be compelled for their payment. The bonds are payable only from the revenues of the Chisholm/Hibbing airport pledged by the authority; to payment of principal of and interest on the bonds; and they must so recite. At or before the issuance of revenue bonds, the authority, by resolution, shall pledge and appropriate to the payment of principal and interest the net revenues of the Chisholm/Hibbing airports, or some part of those airports, after provision for reasonable and necessary expenses of operation and maintenance, as described and defined in the authorizing resolution.

Subd. 3. [RESOLUTION.] By the authorizing resolution, the authority may provide covenants for the protection of the bondholders relating to disposition of bond proceeds and revenues; their reserves and investment; construction, acquisition, repair, replacement, operation and insurance of the Chisholm/Hibbing airports facilities; accounting and reports; issuance of parity or subordinate lien bonds, rates and charges to be established or maintained; and other covenants the authority finds to be usual and reasonably necessary for the protection of the airport revenue bondholders.

Subd. 4. [DEFAULT.] The authority may also define the event or events of default and other requisites for suit by bondholders or their representatives, conditions upon which any covenant may be amended. Any terms, covenants, or conditions of revenue bonds to be provided by resolution of the authority may be set forth in a trust indenture with a corporation having trust powers appointed by the authority, to represent and act for bondholders, to hold and disburse pledged revenues, and to perform other duties as may be provided in the trust indenture. However, the trust indenture must not confer or authorize any mortgage lien on the real or operating properties or general funds of the authority.

Subd. 5. [PUBLIC INSTRUMENTALITY.] Revenue bonds of the authority are deemed and must be treated as instrumentalities of the public government agency; and as such, together with interest on the bonds, are exempt from taxation.

Sec. 10. [GENERAL OBLIGATION BONDS.]

Subdivision 1. [AUTHORITY TO ISSUE.] The authority may request the issuance of general obligation bonds to improve or construct, and equip, terminal facilities, maintenance and hangar facilities, runway or taxiway facilities, parking areas, or similar facilities used or useful in connection with the operation by the authority of the Chisholm/Hibbing airports, or any part of them.

Subd. 2. [RESOLUTION.] General obligation bonds under this section shall be issued in the amounts, at times, and in a series as the cities shall determine by joint resolution. Except as otherwise provided by this section, the maturities, any right of prior redemption, execution, paying agency, provision for interest, or other terms of the bonds, are subject to Minnesota Statutes, sections 475.54 and 475.56.

Subd. 3. [PLEDGED WITH TAXES.] General obligation bonds issued according to the total tax capacity in each city under this section constitute a debt of the city of Chisholm and the city of Hibbing for which the full faith and credit of the city is pledged. A tax levy must be compelled for their payment and the bonds must recite that.

Sec. 11. [PROPERTY TRANSACTIONS.]

Subdivision 1. [EMINENT DOMAIN.] If it becomes necessary for any of the purposes provided in this article to exercise the power of eminent domain, that power must not be exercised by the authority. However, the city of Chisholm and the city of Hibbing shall, at the request of the authority, acquire any of the properties allowed pursuant to this article and necessary for the conduct and operation of the authority, or for the purpose of acquiring any land, waters, easements, or other rights or interests in them by the exercise of the power of eminent domain, either as provided for under the home rule charter of the city of Chisholm, or under Minnesota Statutes, chapter 117. An exercise of the power of eminent domain by the cities must be at the request and expense of the authority. The fact that the property is owned by a public service corporation organized for the purpose specified in Minnesota Statutes, section 300.03, or is already devoted to a public use, or to use by a corporation, or was acquired for a public use by condemnation, does not prevent its acquisition by the cities for the authority by condemnation. The cities, on behalf of the authority, may take possession of any property for which condemnation proceedings have been commenced at any time after the filing of the petition describing the property in the proceedings. After the condemnation is completed, the cities shall transfer the property condemned to the authority.

Subd. 2. [PROPERTY TRANSFERS.] Subject to prior notice to the city councils, any state department or other agency of the state government, or any county, municipality, or other public agency, may sell, lease, grant, transfer, or convey to the authority, with or without consideration, any facilities or any part of the facilities, or any interest in real or personal property, which may be useful to the authority for any authorized purpose.

Sec. 12. [LIMITED REGULATION BY OTHER GOVERNMENTAL UNITS.]

The exercise by the authority and the city councils of the powers provided in this article are not subject to regulation by the jurisdiction or control of any other public body or agency, whether state, county, or municipal, except as specifically provided in this article. However, the authority is subject to rules administered by the state department of public safety, division of aeronautics, and to laws of the United States or regulations of the Federal Aviation Administration of the United States Department of Transportation, as may be applicable to the operations of the Chisholm/Hibbing airports.

Sec. 13. [PROPERTY TRANSFERRED BY THIS ARTICLE.]

On the effective date of this article, the Chisholm/Hibbing airport commission is dissolved and the title to all real and personal property presently used and occupied by the Chisholm/Hibbing airport commission vests in the authority. The city of Chisholm and the city of Hibbing shall execute all deeds or other appropriate documents necessary to confirm the vesting of title in the Chisholm/Hibbing airport authority. If the authority is dissolved, the fair market value of all real estate owned by the city of Hibbing prior to the formation of the Chisholm/Hibbing joint airport commission in 1957 including improvements on that real estate prior to that time must be credited to the city of Hibbing.

Sec. 14. [EFFECTIVE DATE.]

This article is effective after its approval by a majority of the city council of the city of Chisholm and a majority of the city council of the city of Hibbing, and upon compliance with the provisions of Minnesota Statutes, section 645.021, subdivision 3.

ARTICLE 12

MISCELLANEOUS

Section 1. Minnesota Statutes 1993 Supplement, section 84.794, subdivision 1, is amended to read:

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

Sec. 2. Minnesota Statutes 1993 Supplement, section 84.803, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REVENUE.] Fees from the registration of off-road vehicles and unrefunded gasoline tax attributable to off-road vehicle use under section 296.16 must be deposited in the state treasury and credited to the off-road vehicle account in the natural resources fund.

Sec. 3. Minnesota Statutes 1993 Supplement, section 270.78, is amended to read:

270.78 [PENALTY FOR FAILURE TO MAKE PAYMENT BY ELECTRONIC FUNDS TRANSFER.]

(a) In addition to other applicable penalties imposed by law, after notification from the commissioner of revenue to the taxpayer that payments for a tax administered by the commissioner are required to be made by means of electronic funds transfer, and the payments are remitted by some other means, there is a penalty in the amount of five percent of each payment that should have been remitted electronically. The penalty can be abated under the abatement procedures prescribed in section 270.07, subdivision 6, if the failure to remit the payment electronically is due to reasonable cause.

(b) The penalty under paragraph (a) does not apply if the taxpayer pays by other means the amount due at least three business days before the date the payment is due. This paragraph does not apply after December 31, 1997.

Sec. 4. Minnesota Statutes 1993 Supplement, section 270.91, subdivision 4, is amended to read:

Subd. 4. [TAX RATES AFTER PLAN APPROVAL.] (a) The tax imposed under this subdivision applies for the first assessment year that begins after one of the following occurs:

(1) a response action plan for the property has been approved by the commissioner of the pollution control agency or by the commissioner of agriculture for an agricultural chemical release or incident subject to chapter 18D and work under the plan has begun; or

(2) the contaminants are asbestos and the property owner has in place an abatement plan for enclosure, removal, or encapsulation of the asbestos ~~or a proactive, in-place management program pursuant to the rules, requirements, and formal policies of the United States environmental protection agency~~. To qualify under this clause, the property owner must (1) have entered into a binding contract with a licensed contractor for completion of the work, or (2) have obtained a license from the commissioner of health and begun the work~~, or (3) implemented a proactive, in-place~~

~~management program pursuant to the rules, requirements, and formal policies of the United States environmental protection agency~~. An abatement plan must provide for completion of the work within a reasonable time period, as determined by the assessors. ~~An asbestos management program must cover a period of time and require such proactive practices as are required by the rules, requirements, and formal policies of the United States environmental protection agency.~~

(b) To qualify under paragraph (a), the property owner must provide the assessor with a copy of: (1) the approved response action plan; or (2) a copy of the asbestos abatement plan and contract for completion of the work or the owner's license to perform the work~~; or (3) a copy of the approved asbestos management program~~. The property owner also must file with the assessor an affidavit indicating when work under the response action plan or asbestos abatement plan began.

(c) The tax imposed under this subdivision equals 50 percent of the class rate for the property under section 273.13, multiplied by the contamination value of the property unless paragraph (d) applies.

(d) The tax imposed under this subdivision equals 12.5 percent of the class rate for the property under section 273.13, multiplied by the contamination value of the property~~. The tax under this paragraph applies~~, if one of the following conditions is satisfied:

(1) the contaminants are subject to chapter 115B and neither the owner nor the operator of the taxable real property in the assessment year is a responsible person under chapter 115B;

(2) the contaminants are subject to chapter 18D and neither the owner nor the operator of the taxable real property in the assessment year is a responsible party under chapter 18D~~;~~

~~(3) the contaminants are asbestos and neither the owner nor the operator of the taxable real property in the assessment year is required to undertake asbestos related work, but is implementing a proactive in-place management program~~.

Sec. 5. Minnesota Statutes 1993 Supplement, section 270.94, is amended to read:

270.94 [EXEMPTIONS.]

(a) The tax imposed by sections 270.91 to 270.98 does not apply to the contamination value of a parcel of property attributable to contaminants that were addressed by a response action plan for the property, if the commissioner of the pollution control agency, or the commissioner of agriculture for a release subject to chapter 18D, has determined that all the requirements of the plan have been satisfied. This exemption applies beginning for the first assessment year after the commissioner of the pollution control agency, or the commissioner of agriculture determines that the implementation of a response action plan has been completed. To qualify under this paragraph, the property owner must provide the assessor with a copy of the determination by the commissioner of the pollution control agency or the commissioner of agriculture of the completion of the response action plan.

(b) The tax imposed by sections 270.91 to 270.98 does not apply to the contamination value of a parcel that is attributable to asbestos, if:

(1) the work has been completed under an asbestos abatement plan or the property owner is implementing a proactive in-place asbestos management program consistent with the rules, requirements, and formal policies of the United States Environmental Protection Agency; and

(2) the property owner provides the assessor with an affidavit stating the work under the abatement plan has been completed, or the asbestos management plan is being implemented, and any other evidence or information the assessor requests.

Sec. 6. Minnesota Statutes 1993 Supplement, section 289A.60, subdivision 21, is amended to read:

Subd. 21. [PENALTY FOR FAILURE TO MAKE PAYMENT BY ELECTRONIC FUNDS TRANSFER.] (a) In addition to other applicable penalties imposed by this section, after notification from the commissioner to the taxpayer that payments are required to be made by means of electronic funds transfer under section 289A.20, subdivision 2, paragraph (e), or 4, paragraph (d), or 289A.26, subdivision 2a, and the payments are remitted by some other means, there is a penalty in the amount of five percent of each payment that should have been remitted electronically. The penalty can be abated under the abatement procedures prescribed in section 270.07, subdivision 6, if the failure to remit the payment electronically is due to reasonable cause.

(b) The penalty under paragraph (a) does not apply if the taxpayer pays by other means the amount due at least three business days before the date the payment is due. This paragraph does not apply after December 31, 1997.

Sec. 7. Minnesota Statutes 1993 Supplement, section 296.02, subdivision 1a, is amended to read:

Subd. 1a. [TRANSIT SYSTEMS AND ALTERNATIVE FUELS EXEMPT.] The provisions of subdivision 1 do not apply to (1) gasoline purchased by a transit system or transit provider receiving financial assistance or reimbursement under section 174.24, 256B.0625, subdivision 17, or 473.384 or (2) sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.

Sec. 8. Minnesota Statutes 1993 Supplement, section 296.025, subdivision 1a, is amended to read:

Subd. 1a. [TRANSIT SYSTEMS AND ALTERNATIVE FUELS EXEMPT.] The provisions of subdivision 1 do not apply to (1) special fuel purchased by a transit system or transit provider receiving financial assistance or reimbursement under section 174.24, 256B.0625, subdivision 17, or 473.384 or (2) sales of compressed natural gas or propane for use in vehicles displaying a valid annual alternate fuel permit.

Sec. 9. [296.0261] [PERMIT FOR ALTERNATE FUEL VEHICLE.]

Subdivision 1. [ANNUAL ALTERNATE FUEL PERMIT.] A person owning a motor vehicle propelled by compressed natural gas, propane, or any other manner except gasoline or special fuel, shall obtain an annual permit for that vehicle in accordance with subdivision 2 or 3. The period for which the alternate fuel permit is valid must coincide with the motor vehicle registration period of the vehicle. A person shall obtain all required permits within 30 days of becoming a user of compressed natural gas, propane, or any other method of propulsion except gasoline or special fuel.

Subd. 2. [PERMIT FEES FOR ALTERNATE FUEL VEHICLES.] The fees for annual alternate fuel permits are based on the vehicle's gross weight as follows:

(1) under 6,001 pounds, $175;

(2) 6,001-12,000 pounds, $350;

(3) 12,001-26,000 pounds, $390; and

(4) over 26,000 pounds, $540.

Subd. 3. [PERMIT FEES FOR DUAL FUEL VEHICLES.] The owner of a motor vehicle capable of being propelled by gasoline as well as compressed natural gas or propane shall pay a permit fee equal to one-half the fee determined under subdivision 2.

Subd. 4. [PRO RATA FEE CALCULATION.] The fee for a permit required by this section must be calculated based on the number of unexpired months remaining in the registration year of the vehicle as measured from the date of the occurrence of the event requiring the permit.

Subd. 5. [PERMIT APPLICATION; CONTENT.] A person shall apply for an annual alternate fuel permit for each motor vehicle specified in this section each time the vehicle is registered. The commissioner of public safety shall prescribe the form of the application. The form must require the applicant to provide the following information:

(1) the name and address of the owner or person licensing the vehicle;

(2) a description of the vehicle, including the make, model and year, vehicle identification number, and the type of fuel used; and

(3) other information the commissioner determines necessary for the proper implementation of this section.

A completed application must be submitted to the department of public safety. The department of public safety shall issue an alternate fuel permit and collect the fee provided in this section.

Subd. 6. [PERMIT STICKERS.] The alternate fuel permit required by this section must be a gummed sticker prepared by the department of public safety. The permit must be attached to the lower left corner of the windshield of the motor vehicle for which it was issued. The permit must provide a space to enter the license number of the motor vehicle for which the permit is issued. The permit must show the year for which it is issued and the date of expiration of the permit.

Subd. 7. [PERMIT NOT TRANSFERABLE.] An alternate fuel permit is not transferable, either to a new vehicle or to a new owner. Upon the transfer of ownership of a motor vehicle with a permit, the department of public safety shall credit the transferor with the number of unexpired months remaining in the registration period, except that when the vehicle is transferred within the same month in which acquired, no credit for the month is allowed. If a transferor acquires another motor vehicle for which an alternate fuel permit is required at the time of transfer, the credit provided by this section must be applied toward payment of the alternate fuel permit fee then due; otherwise the transferor may file a claim for the amount of the credit with the commissioner on a form prescribed by the commissioner. The department shall pay the claim from the undistributed alternate fuel permit fees.

Subd. 8. [MOTOR VEHICLE CONVERSION REPORT.] A person who installs equipment in a motor vehicle to permit it to be powered by compressed natural gas or propane shall report the installation to the department of public safety within 30 days. The report must include the name and address of the owner of the vehicle; the make, model, and identification number of the vehicle; the type of fuel that the vehicle was equipped to use before the installation; and, if the vehicle is registered, the license plate number of the vehicle.

Subd. 9. [FEES DEPOSITED IN HIGHWAY USER FUND.] The permit fees collected under subdivision 2 are in lieu of the gasoline and special fuels excise taxes imposed by sections 296.02 and 296.025. Compressed natural gas or propane sold as fuel for motor vehicles displaying valid annual alternate fuel permit stickers is not subject to any additional tax at the time of sale. All alternate fuel permit fees collected by the department of public safety must be deposited in the state treasury and credited to the highway user tax distribution fund.

Sec. 10. Minnesota Statutes 1992, section 296.16, subdivision 1, is amended to read:

Subdivision 1. [INTENT; GASOLINE USE.] All gasoline received in this state and all gasoline produced in or brought into this state except aviation gasoline and marine gasoline shall be determined to be intended for use in motor vehicles in this state.

Approximately 1-1/2 percent of all gasoline received in this state and 1-1/2 percent of all gasoline produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of motorboats on the waters of this state and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than for aviation purposes, 1-1/2 percent of such revenues is the amount of tax on fuel used in motorboats operated on the waters of this state.

Approximately three-fourths of one percent of all gasoline received in and produced or brought into this state, except gasoline used for aviation purposes, is being used as fuel for the operation of snowmobiles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than for aviation purposes, three-fourths of one percent of such revenues is the amount of tax on fuel used in snowmobiles operated in this state.

Approximately 0.15 of one percent of all gasoline received in or produced or brought into this state, except gasoline used for aviation purposes, is being used for the operation of all-terrain vehicles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax, 0.15 of one percent is the amount of tax on fuel used in all-terrain vehicles operated in this state.

Approximately 0.046 of one percent of all gasoline received or produced in or brought into this state, except gasoline used for aviation purposes, is being used for the operation of off-highway motorcycles in this state, and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than for aviation purposes, 0.046 of one percent is the amount of tax on fuel used in off-highway motorcycles operated in this state.

Approximately .164 of one percent of all gasoline received or produced in or brought into this state, except gasoline used for aviation purposes, is being used for the off-road operation of off-road vehicles, as defined in section 84.797, in this state, and of the total revenue derived from the imposition of the gasoline fuel tax for uses other than aviation purposes, .164 of one percent is the amount of tax on fuel used for off-road operation of off-road vehicles in this state.

Sec. 11. Minnesota Statutes 1992, section 297C.03, subdivision 6, is amended to read:

Subd. 6. [INFORMATIONAL ~~RETURNS~~ REPORTS.] The following persons shall file with the commissioner a monthly informational report in the manner and on the form prescribed by the commissioner:

(a) manufacturers, wholesalers, and importers licensed to ship distilled spirits or wine into Minnesota ~~shall file with the commissioner a monthly informational report on a form prescribed by the commissioner.~~;

(b) persons who manufacture distilled spirits or wine within the state;

(c) all other persons who import distilled spirits or wine into Minnesota;

(d) those who possess, receive, store, or warehouse distilled spirits or wine in Minnesota, upon which the tax imposed by section 297C.02, subdivision 1, has not been paid; and

(e) those who possess, receive, store, or warehouse distilled spirits or wine in Minnesota, which are required to give bond pursuant to Internal Revenue Code, subtitle E, chapter 51.

No payment of any tax is required to be remitted with this report. The report must be filed on or before the tenth day following the end of each calendar month, regardless of whether or not ~~any shipments were made~~ the person shipped, manufactured, possessed, received, stored, or warehoused any distilled spirits or wine into or within Minnesota during the previous month, unless the commissioner determines that a longer filing period is appropriate for a particular ~~manufacturer, wholesaler, or importer~~ person. A person failing to file this report is subject to the provisions of section 297C.14, subdivision 8. This subdivision does not apply to the lawful importation of wine and distilled spirits pursuant to section 297C.09, nor to any lawful manufacture of wine or distilled spirits within the state for personal consumption.

Sec. 12. [469.301] [DEFINITIONS.]

Subdivision 1. [GENERALLY.] In sections 469.301 to 469.308, the terms defined in this section have the meanings given them, unless the context indicates a different meaning.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 3. [ENTERPRISE ZONE.] "Enterprise zone" means an area in the state designated as such by the commissioner.

Subd. 4. [CITY.] "City" means any city that contains an area that meets the criteria for designation as a federal empowerment zone or enterprise community and meets the eligibility criteria in section 469.303, or a city of the second class that is designated as an economically depressed area by the United States Department of Commerce.

Subd. 5. [GOVERNING BODY.] "Governing body" means the city council or other body designated by its charter.

Subd. 6. [RESIDENT.] "Resident" means an individual residing within the enterprise zone that meets the income guidelines in Public Law Number 103-66.

Subd. 7. [BUSINESS.] "Business" means any for-profit business entity.

Subd. 8. [MINIMUM WAGE.] "Minimum wage" means the minimum wage that is required by federal law.

Sec. 13. [469.302] [DESIGNATIONS OF ENTERPRISE ZONES.]

Subdivision 1. [PROCESS.] The commissioner shall designate an area as an enterprise zone if:

(1) the application is made by the governing body of the city as prescribed by section 469.304;

(2) the area is determined by the commissioner to be eligible for designation under section 469.303.

Subd. 2. [DURATION.] The designation of an area as an enterprise zone is effective for ten years after the date of designation.

Subd. 3. [DATE OF DESIGNATION.] Designation is effective immediately following approval of the enterprise zone application by the commissioner.

Sec. 14. [469.303] [ELIGIBILITY REQUIREMENTS.]

An area within the city is eligible for designation as an enterprise zone if the area is (1) designated as a proposed federal empowerment zone or enterprise community by the city in an application to the United States Department of Housing and Urban Development under Public Law Number 103-66, provided the city can demonstrate that it can meet the maximum zone population standard under the federal empowerment zone program for cities with a population under 500,000 or (2) an area within a city of the second class that is designated as an economically depressed area by the United States Department of Commerce.

Sec. 15. [469.304] [APPLICATION FOR ENTERPRISE ZONE DESIGNATION.]

Subdivision 1. [SUBMISSION OF APPLICATIONS.] An applicant may seek enterprise zone designation by submitting an application to the commissioner. The commissioner shall establish procedures and forms for the submission of applications for enterprise zone designation. The commissioner may promulgate rules for the administration of the program. The commissioner of revenue shall establish a schedule to determine the tax credits in section 469.305.

Subd. 2. [APPLICATIONS; CONTENTS.] The application for designation as an enterprise zone must contain, at a minimum:

(1) verification that the area is eligible for designation pursuant to section 469.303;

(2) identification of the agency or unit of government that will implement the program;

(3) any additional information required by the commissioner; and

(4) any additional information that the municipality considers relevant to the designation of the area as an enterprise zone.

Subd. 3. [CERTIFICATION.] The governing body must certify to the commissioner that activity within the municipality's enterprise zone will not transfer existing employment from other municipalities within the state.

Sec. 16. [469.305] [ENTERPRISE ZONE CREDITS.]

Subdivision 1. [INCOME OR FRANCHISE TAX CREDIT.] An income or corporate franchise tax credit is available to businesses located in an enterprise zone that meet the conditions of this section. Each city designated as an enterprise zone is allocated $3,000,000 to be used to provide credits under this section for the duration of the program. Each city of the second class designated as an economically depressed area by the United States Department of Commerce is allocated $300,000 to be used to provide credits under this section for the duration of the program. For fiscal year 1998 and subsequent years, the proration in section 21 shall continue to apply until the amount designated in this subdivision is expended.

The credit is in an amount equal to 20 percent of the wages paid to an employee, not to exceed $5,000 per employee per taxable year. The credit is available to an employer for a zone resident employed in the zone at full-time wage levels of not less than 170 percent of minimum wage. The credit is not available to workers employed in construction or employees of financial institutions, gambling enterprises, public utilities, sports, fitness, and health facilities, or racetracks. The employee must be employed at that rate at the time the business applies for a tax credit, and must have been employed for at least one year at the business. The credit applies to new jobs; for purposes of this section, a "new job" is a job that did not exist in Minnesota before the effective date of this section. The credit is applicable to the five taxable years after the application has been approved to the extent the allocation to the city remains available to fund the credit, and provided that the city certifies to the commissioner on an annual basis that the business is in compliance with the plan to recruit, hire, train, and retain zone residents.

Subd. 2. [REFUNDABLE CREDITS.] To the extent the credit provided under subdivision 1 exceeds the business' tax liability under chapter 290, the credit is refundable.

Subd. 3. [REVIEW AND ANALYSIS.] The city must submit the proposed tax credit proposal to the commissioner for approval. The proposal shall include a plan to recruit, hire, train, and retain zone residents. The tax credit proposal shall be approved unless the commissioner finds that the proposal is not in conformity with the provisions of sections 469.301 to 469.308.

If the city submits the tax credit proposal to the commissioner before the expiration of the zone designation under section 469.302, subdivision 2, the authority of the commissioner to approve the tax credit proposal continues until the commissioner acts on the proposal.

Sec. 17. [469.306] [REVOCATION.]

The commissioner may revoke a business' tax credit if the applicant has not proceeded in good faith with its operations in a manner which is consistent with the purpose of sections 469.301 to 469.308 and is possible under circumstances reasonably within the control of the applicant.

The commissioner may reconsider the revocation of the tax credit if the business provides evidence that circumstances of its failure to proceed were beyond its control or that it did not act in bad faith.

Sec. 18. [469.307] [RECAPTURE.]

Subdivision 1. [TERMINATION OF OPERATIONS; OTHER VIOLATIONS.] Any business that receives a tax credit authorized by section 469.305 and ceases to operate or otherwise violates the criteria for obtaining the credit for its facility located within the enterprise zone within seven years after the first receipt of a credit by the business shall repay the portion of the tax credit received as provided in the following schedule:

Termination of Operations or Other Violations	Repayment of Portion
Less than two years	100 percent
Between two years and four years	75 percent
Between four years and seven years	50 percent
More than seven years	0 percent

Subd. 2. [REPAYMENT.] The repayment must be paid to the state. The amount repaid must be credited to the amount certified as available for tax credits in the zone under section 469.305.

Subd. 3. [LIEN.] If an event occurs that creates an obligation under subdivision 1 to repay all or part of the tax credit, the repayment obligation immediately becomes a lien against the business's real and personal property located in Minnesota, including the property of subsidiaries, parents, and related corporations. A lien against real property under this subdivision has the same legal effect and must be collected in the same manner as unpaid real property taxes.

Sec. 19. [469.308] [ADMINISTRATION.]

Subdivision 1. [TECHNICAL ASSISTANCE.] The commissioner shall provide technical assistance to the city seeking an enterprise zone designation.

Subd. 2. [ADMINISTRATIVE PROCEDURE ACT.] Chapter 14 does not apply to the designation of enterprise zones.

Subd. 3. [REPORTING.] The commissioner shall require cities receiving enterprise zone designations to report to the state regarding the economic activity that has occurred in the zone following the designation.

Subd. 4. [REPORT TO THE LEGISLATURE.] The commissioner of jobs and training, in consultation with the commissioner of revenue and any cities receiving the designation, shall evaluate the enterprise zone program and assess options for expansion of the enterprise zone program to businesses throughout the metropolitan area that hire zone residents. The commissioner of jobs and training shall submit its findings in a report to the 1996 session of the legislature.

Sec. 20. [469.309] [RURAL JOB CREATION CREDIT.]

Subdivision 1. [CREDIT FOR JOB CREATION.] The commissioner of trade and economic development may approve a credit against the tax due under chapter 290 for an eligible business beginning with the first taxable year after December 31, 1994. The maximum credit available is $5,000 per eligible employee. The actual credit is based on the following schedule:

$2,000 for each eligible employee with wages greater than or equal to 170 percent and less than 200 percent of the minimum wage;

$3,000 for each eligible employee with wages greater than or equal to 200 percent and less than 250 percent of the minimum wage;

$4,000 for each eligible employee with wages greater than or equal to 250 percent and less than 300 percent of the minimum wage; and

$5,000 for each eligible employee with wages greater than or equal to 300 percent of the minimum wage.

The total credit for an employer is equal to the actual credit multiplied by the number of employees eligible for that credit. For purposes of this section "minimum wage" means the minimum wage that is required by federal law. An eligible business may apply for a rural job creation credit only once for each new job. The credit is refundable.

Subd. 2. [ELIGIBLE BUSINESS.] An employer eligible for a job credit under this section must (1) be located outside the metropolitan area as defined under section 473.121 (2) create at least ten qualifying new jobs in a two-year period, and (3) consist of a for-profit business. For the purposes of this section, a "qualifying new job" is a job that did not exist in Minnesota before the effective date of this section.

Subd. 3. [ELIGIBLE EMPLOYEE.] To be eligible for a credit, the employee must be employed full-time by an eligible business at a wage level of not less than 170 percent of the minimum wage at the time the eligible business applies for the credit and must have been employed there at that wage level for a minimum of 12 months. The credit applies only to new jobs created at the eligible business after the effective date of this section.

Subd. 4. [RESTRICTIONS.] The tax credits provided by this section do not apply to racetracks, financial institutions, gambling enterprises, public utilities, or sports, fitness, and health facilities. An employer is not eligible for a tax credit if the commissioner determines that the position held by the employee for which the business is seeking a credit was transferred from an enterprise conducted by substantially the same business enterprise at another site in the state.

Sec. 21. [LIMIT ON TAX CREDITS.]

The maximum amount of tax credits allowable under Minnesota Statutes, sections 469.305 and 469.309 is $900,000 for fiscal year 1997. Of that amount, one-third must be allocated to the city of Minneapolis, one-third to the city of St. Paul, and one-third to the remaining cities. Of the amounts allocated to the cities of Minneapolis and St. Paul, $25,000 must be subtracted from each city's allocation and is appropriated to the commissioner of jobs and training for administration of this program, provided that $25,000 of the appropriation is for fiscal year 1996 and $25,000 is for fiscal year 1997. Of the amount allocated to the remaining cities, a minimum of $60,000 must be allocated to the city of South St. Paul. No tax credits are allowable before fiscal year 1997. If the commissioner of revenue estimates by March 1, 1996, that tax credits for fiscal year 1997 will exceed $900,000, the commissioner shall proportionately reduce each city's allocation to remain within the limit.

Sec. 22. [473.197] [HOUSING BOND CREDIT ENHANCEMENT PROGRAM.]

Subdivision 1. [AUTHORIZATION.] The metropolitan council may establish a housing bond credit enhancement program as provided in this section. The council may pledge its full faith and credit and taxing powers to the payment of bonds issued under section 469.034 for qualified housing development projects in the metropolitan area, as provided in this section. A "qualified housing development project" has the meaning given that term in section 469.034, subdivision 2, paragraph (e), except that the council is substituted for "general jurisdiction governmental unit" in clause (3) and "60 percent of the median family income" is substituted for "80 percent of the median family income."

Subd. 2. [PROJECT SELECTION.] Before pledging its full faith and credit, the council must establish criteria for selecting appropriate qualified housing development projects for the credit enhancement program. The council may award preferences for qualified housing development projects that meet criteria for preferences established by the council. The council must establish the criteria in consultation with housing providers in the metropolitan area. In developing priorities for projects for the credit enhancement program, the council shall give priority to projects that develop or redevelop housing for low income households. The council shall consider the extent to which projects for the credit enhancement program are developed in collaboration with Minnesota Youth-Build under sections 268.361 to 268.367; or training for housing programs for homeless adults under Laws 1992, chapter 376, article 6; or other employment training programs.

Subd. 3. [LIMITATION.] The aggregate principal amount of bonds that may be secured by a pledge of the council's full faith and credit under this section may not exceed $20,000,000. The bonds must be payable from revenues derived from the project or projects financed under the credit enhancement program, or from income of the authority or authorities that participate in the program, including earnings on any reserves established for the program. The council must find that the pledged revenues will equal or exceed 110 percent of the principal and interest due on the bonds.

Subd. 4. [DEBT RESERVE; LEVY.] To provide money to pay debt service on bonds issued under the credit enhancement program if pledged revenues are insufficient to pay debt service, the council must maintain a debt reserve fund in the manner and with the effect provided by section 475.66 for public debt service funds. To provide funds for the debt reserve fund, the council may use up to $3,000,000 of the proceeds of solid waste bonds issued by the council under section 473.831 before its repeal. To provide additional funds for the debt reserve fund, the council may levy a tax on all taxable property in the metropolitan area and must levy the tax if sums in the debt reserve fund are insufficient to cure any deficiency in the debt service fund established for the bonds. The tax authorized by this section does not affect the amount or rate of taxes that may be levied by the council for other purposes and is not subject to limit as to rate or amount.

Subd. 5. [AGREEMENTS.] The council and each authority that participates in the credit enhancement program may enter into agreements they determine to be necessary to implement the credit enhancement program. The agreements may extend over any period, notwithstanding any law to the contrary.

Sec. 23. [APPROPRIATION.]

$225,000 is appropriated from the general fund to the commissioner of revenue for the costs of administering Laws 1994, chapter 383, and the provisions of this act. This amount does not cancel and is available until July 1, 1995.

Sec. 24. [EFFECTIVE DATE.]

Section 1 is effective July 1, 1994.

Section 2 is effective July 1, 1995.

Sections 3 and 6 are effective for payments due after the date of final enactment.

Sections 4 and 5 are effective for taxes levied in 1994, payable in 1995, and thereafter.

Section 10 applies to gasoline received or produced in or brought into this state (1) on or after July 1, 1994, in the case of gasoline used in off-highway motorcycles, and (2) on or after July 1, 1995, in the case of gasoline used for off-road operation of off-road vehicles.

Section 11 is effective for informational reports due on or after August 10, 1994.

Sections 12 to 21, and 23 are effective the day following final enactment.

Section 22 is effective the day following final enactment and applies to the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington."

Delete the title and insert:

"A bill for an act relating to the financing and operation of state and local government; conforming with certain changes in the federal income tax law; changing tax brackets, rates, bases, exemptions, withholding, payments, and refunds; allowing tax credits; changing the subtraction for the elderly and disabled; altering taconite production tax rates and distributions; providing for use of taconite economic development funds; altering procedures of the board of government innovation and cooperation and appropriating money to the board; providing aids to local governments; changing the calculation of property tax refunds; modifying property tax provisions relating to appeals, petitions, procedures, valuation, levies, classifications, homesteads, credits, and exemptions; changing certain tax return or report requirements; changing operation of the local government trust fund and providing for its future repeal; authorizing special assessments; authorizing a local lodging tax; enacting provisions relating to certain cities, counties, special taxing districts, and towns; changing certain redemption provisions; reforming state budget procedures; changing certain bonding provisions and authorizing bonding; creating a bond guarantee fund; modifying tax increment financing requirements; eliminating certain conditions relating to the contamination tax; providing for creation and operation of the Cross Lake area water and sewer board and the Chisholm/Hibbing airport authority; giving the commissioner of revenue certain authority; requiring certain permits and permit fees; requiring studies; appropriating money and limiting appropriations; amending Minnesota Statutes 1992, sections 16A.711, subdivisions 4 and 5; 60A.02, by adding a subdivision; 60A.15, by adding a subdivision; 124.196; 256E.06, subdivision 5, and by adding a subdivision; 271.06, subdivision 7; 273.061, by adding a subdivision; 273.111, subdivision 11; 273.138, by adding a subdivision; 273.1398, 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 subdivisions; 290.05, subdivision 3, and by adding a subdivision; 290.06, subdivision 2c; 290.067, subdivision 1; 290.068, subdivision 2; 290.0802, subdivisions 1 and 2; 290.091, subdivision 3; 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; 297A.135, subdivision 1; 297A.15, subdivision 5; 297A.25, by adding subdivisions; 297A.256; 297A.44, subdivision 1; 297C.03, subdivision 6; 298.017, subdivision 2; 298.24, subdivision 1; 298.26; 298.28, by adding a subdivision; 298.296, subdivision 2, and by adding a subdivision; 360.036, subdivisions 2 and 3; 360.037, subdivision 2; 360.042, subdivision 10; 466A.02, subdivision 3; 469.004, subdivision 1a; 473.341; 473H.05, by adding a subdivision; 473H.18; 477A.014, subdivision 5; 477A.03, as amended; and 580.23, as amended; Minnesota Statutes 1993 Supplement, sections 16A.712; 84.794, subdivision 1; 84.803, subdivision 1; 256E.06, subdivision 12; 270.78; 270.91, subdivision 4; 270.94; 273.11, subdivisions 1a, 16, and by adding a subdivision; 273.112, subdivision 3; 273.124, subdivisions 1 and 13; 273.13, subdivisions 23 and 24; 273.166, by adding a subdivision; 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.04, subdivisions 2h, as amended, and 6; 290A.23, subdivision 1, and by adding a subdivision; 296.02, subdivision 1a; 296.025, subdivision 1a; 297A.01, subdivision 16; 297B.03; 298.227; 298.28, subdivision 9a; 383A.75, subdivision 3; 465.795, subdivision 7; 465.796, subdivision 2; 465.797, subdivisions 1, 2, 3, 4, and 5; 465.798; 465.799; 477A.013, subdivisions 1, 8, as amended, and 9; Laws 1969, chapter 499, section 2; and Laws 1993, chapters 55, section 1; and 375, article 9, section 51; proposing coding for new law in Minnesota Statutes, chapters 16A; 275; 296; 297A; 297B; 462C; 465; 469; 473; and 477A; repealing Minnesota Statutes 1992, sections 3.862; 16A.711; 273.1381; 273.1398, subdivision 7; 290.05, subdivision 6; 290.067, subdivision 6; 297A.021; 297A.44, subdivision 4; 297B.09, subdivision 3; 465.80, subdivision 3; 477A.012, subdivision 6; and 477A.0132, as amended; Minnesota Statutes 1993 Supplement, sections 16A.712; 82.19, subdivision 9; 256E.06, subdivision 12; 273.166, subdivision 4; 289A.25, subdivision 5a; 290A.23; 465.80, subdivisions 1, 2, 4, and 5; and 477A.03, subdivision 1; Laws 1973, chapter 650, article 24, section 6, as amended."

We request adoption of this report and repassage of the bill.

House Conferees: ANN H. REST, JOEL JACOBS, TOM RUKAVINA, ANDY DAWKINS AND KEVIN GOODNO.

Senate Conferees: DOUGLAS J. JOHNSON, CAROL FLYNN, EMBER D. REICHGOTT JUNGE, JOHN C. HOTTINGER AND WILLIAM V. BELANGER, JR.

Rest moved that the report of the Conference Committee on H. F. No. 3209 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 117 yeas and 16 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Asch	Evans	Holsten	Limmer	McCollum	Pawlenty
Commers	Farrell	Knight	Lindner	Neary	
Erhardt	Gutknecht	Krinkie	Macklin	Orenstein	

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

CALL OF THE HOUSE LIFTED

Bishop moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

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.

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. 2064, A bill for an act relating to housing; modifying programs of the housing finance agency for low-income and tribal housing and for accessibility loans; amending Minnesota Statutes 1992, sections 462A.05, subdivision 14d, and by adding subdivisions; 462A.10, by adding a subdivision; 462A.201, by adding a subdivision; 462A.21, by adding a subdivision; 462A.30, subdivision 9; and 462A.31, subdivision 4; Minnesota Statutes 1993 Supplement, sections 462A.07, subdivision 14; 462A.202, subdivision 7; and 462A.222, subdivision 3.

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. 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 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. 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 repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Steensma moved that the House refuse to concur in the Senate amendments to H. F. No. 3211, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Bauerly moved that the House refuse to concur in the Senate amendments to H. F. No. 2493, 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. 2625, A bill for an act relating to the metropolitan waste control commission; reducing the salary range of the chair; providing for a part-time chair; applying the uniform municipal contracting law to the metropolitan waste control commission; amending Minnesota Statutes 1992, sections 15A.081, subdivision 7; 473.503; and 473.523, subdivisions 1 and 2.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mahon moved that the House refuse to concur in the Senate amendments to H. F. No. 2625, 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. 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, subdivision 1.

PATRICK E. FLAHAVEN, Secretary of the Senate

Lieder moved that the House refuse to concur in the Senate amendments to H. F. No. 3230, 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. 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.

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

Ms. Flynn, Mrs. Pariseau and Mr. Mondale.

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

Orfield 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. 2015. 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. 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.

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

Messrs. Berg, Janezich and Neuville.

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

Kahn 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. 103. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. No. 2742.

H. F. No. 2742 was reported to the House.

Gutknecht moved to amend H. F. No. 2742, the second engrossment, as follows:

Page 5, after line 10, insert:

"Subd. 6. National Volleyball Center 190,000

For planning and designing the national volleyball center at Rochester to be constructed adjacent to the recreation center."

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

The question was taken on the Gutknecht amendment and the roll was called. There were 19 yeas and 113 nays as follows:

Those who voted in the affirmative were:

Bettermann	Gutknecht	Johnson, V.	Lindner	Olson, M.	Swenson	Worke
Davids	Haukoos	Knickerbocker	Lynch	Seagren	Vickerman	
Frerichs	Hugoson	Koppendrayer	Morrison	Sviggum	Waltman	

Those who voted in the negative were:

Abrams	Bauerly	Bertram	Brown, K.	Clark	Dauner	Delmont
Asch	Beard	Bishop	Carlson	Commers	Dawkins	Dempsey
Battaglia	Bergson	Brown, C.	Carruthers	Cooper	Dehler	Dorn

Erhardt	Jacobs	Krueger	Molnau	Ostrom	Sekhon	Wagenius
Evans	Jaros	Lasley	Mosel	Pauly	Simoneau	Weaver
Farrell	Jefferson	Leppik	Munger	Pawlenty	Skoglund	Wejcman
Finseth	Jennings	Lieder	Murphy	Pelowski	Smith	Wenzel
Garcia	Johnson, A.	Limmer	Neary	Perlt	Solberg	Winter
Girard	Johnson, R.	Long	Nelson	Peterson	Stanius	Wolf
Goodno	Kahn	Lourey	Ness	Pugh	Steensma	Workman
Greenfield	Kalis	Luther	Olson, E.	Reding	Tomassoni	Spk. Anderson, I.
Greiling	Kelley	Macklin	Olson, K.	Rest	Tompkins	
Gruenes	Kelso	Mahon	Onnen	Rhodes	Trimble	
Hasskamp	Kinkel	Mariani	Opatz	Rice	Tunheim	
Hausman	Klinzing	McCollum	Orenstein	Rodosovich	Van Dellen	
Holsten	Knight	McGuire	Orfield	Rukavina	Van Engen	
Huntley	Krinkie	Milbert	Osthoff	Sarna	Vellenga	

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

Johnson, R., and Kinkel moved to amend H. F. No. 2742, the second engrossment, as follows:

Page 12, after line 19, insert:

"$270,000 for planning additional classroom and instructional facilities, media center, child care, and conference center."

Correct the subdivision and section totals and the summaries by fund accordingly

The question was taken on the Johnson, R., and Kinkel amendment and the roll was called. There were 18 yeas and 115 nays as follows:

Those who voted in the affirmative were:

Bettermann	Davids	Johnson, R.	Kinkel	Olson, M.	Sviggum
Brown, K.	Holsten	Johnson, V.	Lindner	Osthoff	Swenson
Cooper	Jaros	Kelley	Morrison	Rukavina	Tomassoni

Those who voted in the negative were:

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

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

Frerichs and Vickerman moved to amend H. F. No. 2742, the second engrossment, as follows:

Page 36, after line 19, insert:

"Subd. 3. [TRUNK HIGHWAY BONDS.] The commissioner of finance is authorized and directed, on request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, sections 167.50 to 167.52, and of the Minnesota Constitution, article XI, sections 4 to 6, and article

XIV, section 11, at the time in calendar years 1994 and 1995, and in the amounts requested by the commissioner of transportation. Bonds issued under this section are authorized in an aggregate principal amount of $73,500,000. The bonds shall mature within 15 years from their issuance."

Adjust the totals accordingly

Amend the title accordingly

The question was taken on the Frerichs and Vickerman amendment and the roll was called. There were 48 yeas and 85 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Gutknecht	Krinkie	Morrison	Seagren	Vickerman
Bauerly	Dempsey	Haukoos	Leppik	Ness	Smith	Waltman
Bettermann	Erhardt	Holsten	Limmer	Olson, M.	Sviggum	Weaver
Brown, K.	Finseth	Hugoson	Lindner	Onnen	Swenson	Wolf
Commers	Frerichs	Johnson, V.	Lynch	Ozment	Tompkins	Worke
Cooper	Goodno	Knickerbocker	Macklin	Pauly	Van Dellen	Workman
Davids	Gruenes	Koppendrayer	Molnau	Pawlenty	Van Engen	

Those who voted in the negative were:

Anderson, R.	Delmont	Jefferson	Lieder	Nelson	Rhodes	Tunheim
Asch	Dorn	Jennings	Long	Olson, E.	Rice	Vellenga
Battaglia	Evans	Johnson, A.	Lourey	Opatz	Rodosovich	Wagenius
Beard	Farrell	Johnson, R.	Luther	Orenstein	Rukavina	Wejcman
Bergson	Garcia	Kahn	Mahon	Orfield	Sarna	Wenzel
Bertram	Girard	Kalis	Mariani	Osthoff	Sekhon	Winter
Bishop	Greenfield	Kelley	McCollum	Ostrom	Simoneau	Spk. Anderson, I.
Brown, C.	Greiling	Kelso	McGuire	Pelowski	Skoglund	
Carlson	Hasskamp	Kinkel	Milbert	Perlt	Solberg	
Carruthers	Hausman	Klinzing	Mosel	Peterson	Stanius	
Clark	Huntley	Knight	Munger	Pugh	Steensma	
Dauner	Jacobs	Krueger	Murphy	Reding	Tomassoni	
Dawkins	Jaros	Lasley	Neary	Rest	Trimble	

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

The Speaker called Kahn to the Chair.

Van Engen moved to amend H. F. No. 2742, the second engrossment, as follows:

Page 30, after line 58, insert:

"Subd. 19. Prairie Woods Environmental Learning Center 250,000

This appropriation is for a grant to Kandiyohi county to plan, design, and construct a residential environmental learning center.

Appropriations must be used for qualified capital expenditures."

Adjust totals accordingly

Renumber or reletter in sequence

Correct internal references

Amend the title accordingly

The question was taken on the Van Engen amendment and the roll was called. There were 16 yeas and 116 nays as follows:

Those who voted in the affirmative were:

Bettermann	Holsten	Knickerbocker	Olson, M.	Swenson	Workman
Davids	Hugoson	Lindner	Onnen	Van Engen	
Gutknecht	Johnson, V.	Lynch	Sviggum	Vickerman	

Those who voted in the negative were:

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

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

Osthoff was excused for the remainder of today's session.

Olson, M., moved to amend H. F. No. 2742, the second engrossment, as follows:

Page 2, line 14, delete "21,000,000" and insert "30,770,000"

Page 2, line 20, delete "$476,923,000" and insert "$486,693,000"

Page 2, after line 21, insert:

"Maximum effort school loan fund 9,770,000"

Page 26, after line 60, insert:

"Sec. 26. MAXIMUM EFFORT LOANS 9,770,000

To the commissioner of education to make debt service loans and capital loans to school districts as provided in Minnesota Statutes, sections 124.36 to 124.46.

The commissioner shall review the proposed plans and budgets of the projects and may reduce the amount of a loan to ensure that a project is economical. The commissioner may recover the cost incurred by the commissioner for any professional services associated with the final review by reducing the proceeds of the loan paid to the district.

$9,770,000 is approved for a capital loan to independent school district No. 727, Big Lake, to construct a new high school; for remodeling, acquisition of equipment, and improvements to the existing elementary school; and for conversion of the present high school to a middle school with related improvements and equipment."

Page 36, after line 19, insert:

"Subd. 3. [MAXIMUM EFFORT SCHOOL LOAN FUND.] To provide the money appropriated in this act from the maximum effort school loan fund, the commissioner of finance, on request of the governor, shall sell and issue bonds of the state in an amount up to $9,770,000 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. The proceeds of the bonds, except accrued interest and any premium received on the sale of the bonds, must be credited to a bond proceeds account in the maximum effort school loan fund."

Renumber subsequent sections

Correct cross references

Amend the title accordingly

The question was taken on the Olson, M., amendment and the roll was called. There were 47 yeas and 81 nays as follows:

Those who voted in the affirmative were:

Bauerly	Finseth	Holsten	Krinkie	Olson, M.	Sviggum	Waltman
Bettermann	Frerichs	Hugoson	Leppik	Onnen	Swenson	Weaver
Commers	Girard	Johnson, V.	Lindner	Ozment	Tompkins	Wolf
Davids	Goodno	Klinzing	Lynch	Pauly	Van Dellen	Worke
Dehler	Gruenes	Knickerbocker	Molnau	Pawlenty	Van Engen	Workman
Dempsey	Gutknecht	Knight	Morrison	Seagren	Vellenga	
Erhardt	Haukoos	Koppendrayer	Ness	Smith	Vickerman	

Those who voted in the negative were:

Abrams	Cooper	Jacobs	Lieder	Murphy	Pugh	Steensma
Anderson, R.	Dauner	Jefferson	Long	Neary	Reding	Tomassoni
Asch	Dawkins	Jennings	Lourey	Nelson	Rest	Trimble
Battaglia	Delmont	Johnson, A.	Luther	Olson, E.	Rhodes	Tunheim
Beard	Dorn	Johnson, R.	Macklin	Olson, K.	Rice	Wagenius
Bergson	Evans	Kahn	Mahon	Opatz	Rodosovich	Wejcman
Bertram	Farrell	Kalis	Mariani	Orenstein	Rukavina	Wenzel
Bishop	Garcia	Kelley	McCollum	Orfield	Sarna	Winter
Brown, K.	Greiling	Kelso	McGuire	Ostrom	Sekhon	Spk. Anderson, I.
Carlson	Hasskamp	Kinkel	Milbert	Pelowski	Simoneau	
Carruthers	Hausman	Krueger	Mosel	Perlt	Skoglund	
Clark	Huntley	Lasley	Munger	Peterson	Solberg	

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

Lindner and Limmer moved to amend H. F. No. 2742, the second engrossment, as follows:

Page 29, line 17, before the period, insert "and $200,000 for development of the metropolitan regional trail linking Elm Creek regional park and Fish Lake regional park"

The question was taken on the Lindner and Limmer amendment and the roll was called. There were 27 yeas and 102 nays as follows:

Those who voted in the affirmative were:

Bergson	Frerichs	Holsten	Limmer	Olson, M.	Swenson	Weaver
Bettermann	Goodno	Johnson, V.	Lindner	Onnen	Van Dellen	Worke
Davids	Gruenes	Knickerbocker	Luther	Smith	Van Engen	Workman
Dehler	Gutknecht	Koppendrayer	Molnau	Sviggum	Vickerman	

Those who voted in the negative were:

Abrams	Delmont	Huntley	Krueger	Murphy	Peterson	Steensma
Anderson, R.	Dempsey	Jacobs	Lasley	Neary	Pugh	Tomassoni
Asch	Dorn	Jaros	Leppik	Nelson	Reding	Tompkins
Battaglia	Erhardt	Jefferson	Lieder	Ness	Rest	Trimble
Bauerly	Evans	Jennings	Long	Olson, E.	Rhodes	Tunheim
Beard	Farrell	Johnson, A.	Lourey	Olson, K.	Rice	Vellenga
Bertram	Finseth	Johnson, R.	Macklin	Opatz	Rodosovich	Wagenius
Bishop	Garcia	Kahn	Mahon	Orenstein	Rukavina	Wejcman
Brown, K.	Girard	Kalis	Mariani	Orfield	Sarna	Wenzel
Carlson	Greenfield	Kelley	McCollum	Ostrom	Seagren	Winter
Clark	Greiling	Kelso	McGuire	Ozment	Sekhon	Wolf
Commers	Hasskamp	Kinkel	Milbert	Pauly	Simoneau	Spk. Anderson, I.
Cooper	Haukoos	Klinzing	Morrison	Pawlenty	Skoglund	
Dauner	Hausman	Knight	Mosel	Pelowski	Solberg	
Dawkins	Hugoson	Krinkie	Munger	Perlt	Stanius	

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

Holsten, Sviggum, Vickerman, Hugoson and Van Engen moved to amend H. F. No. 2742, the second engrossment, as follows:

Page 21, delete lines 37 to 48

Page 32, line 7, delete "4,000,000" and insert "14,000,000"

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 Holsten et al amendment and the roll was called. There were 55 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Commers	Erhardt	Gruenes	Hugoson	Koppendrayer	Lindner
Asch	Cooper	Finseth	Gutknecht	Johnson, R.	Krinkie	Long
Bergson	Davids	Frerichs	Hasskamp	Johnson, V.	Lasley	Lynch
Bettermann	Dehler	Girard	Haukoos	Knickerbocker	Leppik	Macklin
Brown, K.	Dempsey	Goodno	Holsten	Knight	Limmer	Molnau

Mosel	Onnen	Rhodes	Stanius	Tompkins	Vickerman	Worke
Ness	Pauly	Seagren	Sviggum	Van Dellen	Waltman	Workman
Olson, M.	Pawlenty	Smith	Swenson	Van Engen	Weaver	

Those who voted in the negative were:

Anderson, R.	Dorn	Jennings	Mahon	Orenstein	Rukavina	Wagenius
Battaglia	Evans	Johnson, A.	Mariani	Orfield	Sarna	Wejcman
Bauerly	Farrell	Kahn	McCollum	Ostrom	Sekhon	Wenzel
Beard	Garcia	Kalis	McGuire	Pelowski	Simoneau	Winter
Bertram	Greenfield	Kelley	Milbert	Perlt	Skoglund	Wolf
Carlson	Greiling	Kinkel	Murphy	Peterson	Solberg	Spk. Anderson, I.
Carruthers	Hausman	Klinzing	Neary	Pugh	Steensma	
Clark	Huntley	Krueger	Nelson	Reding	Tomassoni	
Dauner	Jacobs	Lieder	Olson, E.	Rest	Trimble	
Dawkins	Jaros	Lourey	Olson, K.	Rice	Tunheim	
Delmont	Jefferson	Luther	Opatz	Rodosovich	Vellenga	

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

Knight moved to amend H. F. No. 2742, the second engrossment, as follows:

Page 2, line 33, to page 33, line 11, reduce the authorized amount in each subdivision by 5.8 percent

Correct the totals and adjust the figures accordingly

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

H. F. No. 2742, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; authorizing assessments for debt service; reducing certain earlier project authorizations and appropriations; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.85, subdivision 1; 85.015, subdivision 4; 136.651; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; Laws 1993, chapter 373, sections 18; and 25, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 116J; 124C; 134; 135A; and 241.

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

The question was taken on the passage of the bill and the roll was called. There were 116 yeas and 16 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Goodno	Johnson, A.	Leppik	Mosel	Pawlenty
Anderson, R.	Dauner	Greenfield	Johnson, R.	Lieder	Munger	Pelowski
Battaglia	Davids	Greiling	Johnson, V.	Long	Murphy	Perlt
Bauerly	Dehler	Gruenes	Kahn	Lourey	Neary	Peterson
Beard	Delmont	Hasskamp	Kalis	Luther	Nelson	Pugh
Bergson	Dempsey	Haukoos	Kelley	Lynch	Ness	Reding
Bertram	Dorn	Hausman	Kelso	Mahon	Olson, E.	Rest
Bettermann	Erhardt	Holsten	Kinkel	Mariani	Olson, K.	Rhodes
Bishop	Evans	Huntley	Klinzing	McCollum	Opatz	Rice
Brown, K.	Farrell	Jacobs	Knickerbocker	McGuire	Orenstein	Rodosovich
Carlson	Frerichs	Jaros	Koppendrayer	Milbert	Ostrom	Rukavina
Carruthers	Garcia	Jefferson	Krueger	Molnau	Ozment	Sarna
Clark	Girard	Jennings	Lasley	Morrison	Pauly	Seagren

Sekhon	Solberg	Tomassoni	Van Dellen	Waltman	Winter	Spk. Anderson, I.
Simoneau	Stanius	Tompkins	Vellenga	Weaver	Wolf	
Skoglund	Steensma	Trimble	Vickerman	Wejcman	Worke	
Smith	Swenson	Tunheim	Wagenius	Wenzel	Workman	

Those who voted in the negative were:

Asch	Dawkins	Hugoson	Limmer	Olson, M.	Van Engen
Brown, C.	Finseth	Knight	Lindner	Onnen	
Commers	Gutknecht	Krinkie	Macklin	Sviggum	

The bill was passed and its title agreed to.

The Speaker resumed the Chair.

SPECIAL ORDERS

S. F. No. 1735 was reported to the House.

Wejcman and Garcia moved to amend S. F. No. 1735 as follows:

Page 4, line 19, after "under" insert "section 245A.04,"

Page 4, line 20, after "under" insert "section 245A.04,"

Page 8, line 17, delete "and the child is not adoptable"

Page 8, lines 32 and 33, reinstate the stricken language

Page 8, line 33, delete "semiannual reviews"

Page 10, strike lines 11 to 13

The motion prevailed and the amendment was adopted.

The Speaker called Kahn to the Chair.

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 third time, as amended, and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 107 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bertram	Carlson	Commers	Dawkins	Evans
Anderson, R.	Beard	Brown, C.	Carruthers	Cooper	Delmont	Farrell
Battaglia	Bergson	Brown, K.	Clark	Dauner	Erhardt	Finseth

Garcia	Johnson, R.	Lieder	Murphy	Pelowski	Simoneau	Vickerman
Goodno	Johnson, V.	Limmer	Neary	Perlt	Skoglund	Wagenius
Greenfield	Kahn	Lourey	Nelson	Peterson	Smith	Weaver
Greiling	Kalis	Luther	Ness	Pugh	Solberg	Wejcman
Hasskamp	Kelley	Macklin	Olson, E.	Reding	Stanius	Wenzel
Hausman	Kelso	Mahon	Olson, K.	Rest	Steensma	Wolf
Holsten	Kinkel	Mariani	Onnen	Rhodes	Swenson	Worke
Huntley	Klinzing	McGuire	Opatz	Rice	Tomassoni	Spk. Anderson, I.
Jacobs	Knickerbocker	Milbert	Orenstein	Rodosovich	Trimble	
Jaros	Koppendrayer	Molnau	Orfield	Rukavina	Tunheim	
Jefferson	Krueger	Morrison	Ozment	Sarna	Van Dellen	
Jennings	Lasley	Mosel	Pauly	Seagren	Van Engen	
Johnson, A.	Leppik	Munger	Pawlenty	Sekhon	Vellenga	

Those who voted in the negative were:

Asch	Dempsey	Gruenes	Knight	Lynch	Sviggum
Bettermann	Dorn	Gutknecht	Krinkie	McCollum	Waltman
Davids	Frerichs	Haukoos	Lindner	Olson, M.	Winter
Dehler	Girard	Hugoson	Long	Ostrom	Workman

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

S. F. No. 1996 was reported to the House.

Wolf moved to amend S. F. No. 1996 as follows:

Page 3, after line 7, insert:

"Sec. 4. [EFFECTIVE DATE; LOCAL APPROVAL.]

Section 3 is effective the day after compliance by the governing body of St. Louis county with Minnesota Statutes, section 645.021, subdivision 3."

The motion prevailed and the amendment was adopted.

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 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	Bettermann	Dauner	Evans	Gruenes	Jacobs	Kalis
Anderson, R.	Bishop	Davids	Farrell	Gutknecht	Jaros	Kelley
Asch	Brown, C.	Dawkins	Finseth	Hasskamp	Jefferson	Kelso
Battaglia	Brown, K.	Dehler	Frerichs	Haukoos	Jennings	Kinkel
Bauerly	Carlson	Delmont	Girard	Hausman	Johnson, A.	Klinzing
Beard	Carruthers	Dempsey	Goodno	Holsten	Johnson, R.	Knickerbocker
Bergson	Clark	Dorn	Greenfield	Hugoson	Johnson, V.	Knight
Bertram	Commers	Erhardt	Greiling	Huntley	Kahn	Koppendrayer

Krinkie	Mahon	Nelson	Pawlenty	Seagren	Tompkins	Wenzel
Krueger	Mariani	Ness	Pelowski	Sekhon	Trimble	Winter
Lasley	McCollum	Olson, E.	Perlt	Simoneau	Tunheim	Wolf
Leppik	McGuire	Olson, K.	Peterson	Skoglund	Van Dellen	Worke
Lieder	Milbert	Olson, M.	Pugh	Smith	Van Engen	Workman
Limmer	Molnau	Onnen	Reding	Solberg	Vellenga	Spk. Anderson, I.
Lindner	Morrison	Opatz	Rest	Stanius	Vickerman	
Long	Mosel	Orenstein	Rhodes	Steensma	Wagenius	
Luther	Munger	Ostrom	Rodosovich	Sviggum	Waltman	
Lynch	Murphy	Ozment	Rukavina	Swenson	Weaver	
Macklin	Neary	Pauly	Sarna	Tomassoni	Wejcman	

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

S. F. No. 2858 was reported to the House.

Wejcman moved to amend S. F. No. 2858 as follows:

Page 3, lines 20 to 33, delete the new language and insert ", to enable the appointing authority to determine whether employees are fit and suitable for the position to which they have been appointed, transferred, or promoted. The appointing authority may discharge a newly appointed employee during the probationary period without specifying cause or granting a hearing, except as provided by section 197.46. The appointing authority may, during the probationary period, demote an employee appointed to a position as a result of a promotion without specifying cause or granting a hearing, except as provided by section 197.46. The employee so demoted shall be returned to a position in the class previously held by the affected employee. The appointing authority may, during the probationary period, return a transferred employee back to a position in the classification and organizational unit the employee previously held without specifying cause or granting a hearing, except as provided by section 197.46"

Page 8, line 23, delete "by" and insert "to"

Page 8, line 24, delete "A preliminary"

Page 8, line 25, delete "showing by the" and insert "Any such" and after "attorney" insert "ruling"

Page 16, line 10, after the period, insert "Except as provided by section 197.46,"

Page 17, delete section 13

Renumber the sections in sequence

Correct internal references

Amend the title accordingly

The motion prevailed and the amendment was adopted.

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 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 17 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bergson	Frerichs	Hugoson	Krinkie	Olson, M.	Vickerman
Davids	Girard	Knight	Lindner	Tompkins	Worke
Dehler	Haukoos	Koppendrayer	Ness	Van Engen	

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

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

May 2, 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. 1919, 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. 1919 be further amended as follows:

Page 3, after line 30, insert:

"Sec. 6. [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 as follows:

Page 1, line 4, after the semicolon, insert "requiring a study;"

We request adoption of this report and repassage of the bill.

House Conferees: GERI EVANS, KAREN CLARK AND DENNIS OZMENT.

Senate Conferees: JANE KRENTZ, DON BETZOLD AND LINDA RUNBECK.

Evans moved that the report of the Conference Committee on H. F. No. 1919 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 98 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Holsten	Klinzing	Milbert	Pelowski	Solberg
Asch	Delmont	Huntley	Knickerbocker	Morrison	Perlt	Stanius
Battaglia	Dempsey	Jacobs	Krueger	Mosel	Peterson	Steensma
Bauerly	Dorn	Jaros	Lasley	Munger	Pugh	Swenson
Beard	Evans	Jefferson	Leppik	Murphy	Reding	Tomassoni
Bergson	Farrell	Jennings	Lieder	Neary	Rest	Tompkins
Bertram	Finseth	Johnson, A.	Long	Nelson	Rhodes	Trimble
Bishop	Garcia	Johnson, R.	Lourey	Olson, E.	Rice	Tunheim
Brown, K.	Goodno	Johnson, V.	Luther	Olson, K.	Rodosovich	Vellenga
Carlson	Greenfield	Kahn	Macklin	Opatz	Rukavina	Wagenius
Carruthers	Greiling	Kalis	Mahon	Orenstein	Sarna	Wejcman
Clark	Gruenes	Kelley	Mariani	Ostrom	Sekhon	Wenzel
Cooper	Hasskamp	Kelso	McCollum	Ozment	Simoneau	Winter
Dauner	Hausman	Kinkel	McGuire	Pauly	Skoglund	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Erhardt	Hugoson	Lindner	Onnen	Van Dellen	Wolf
Bettermann	Frerichs	Knight	Lynch	Pawlenty	Van Engen	Worke
Commers	Girard	Koppendrayer	Molnau	Seagren	Vickerman	Workman
Davids	Gutknecht	Krinkie	Ness	Smith	Waltman	
Dehler	Haukoos	Limmer	Olson, M.	Sviggum	Weaver	

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 2365

A bill for an act relating to traffic regulations; making technical changes; removing requirement for auxiliary low beam lights to be removed or covered when snowplow blade removed; requiring seat belts for commercial motor vehicles; allowing transportation within state of raw farm and forest products exceeding maximum weight limitation

by not more than ten percent; amending Minnesota Statutes 1992, sections 169.743; and 169.851, subdivision 5; Minnesota Statutes 1993 Supplement, sections 169.122, subdivision 5; 169.47, subdivision 1; 169.522, subdivision 1; 169.56, subdivision 5; and 169.686, subdivision 1.

April 29, 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. 2365, report that we have agreed upon the items in dispute and recommend as follows:

That the House concur in the Senate amendments and that H. F. No. 2365 be further amended as follows:

Delete everything after the enacting clause and insert:

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

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

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

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

Sec. 2. Minnesota Statutes 1993 Supplement, section 169.47, subdivision 1, is amended to read:

Subdivision 1. [MISDEMEANOR; EXCEPTIONS.] (a) It is unlawful and punishable as hereinafter provided for any person to drive or for the owner to cause or knowingly permit to be driven on any highway any vehicle or combination of vehicles which is in such unsafe condition as to endanger any person, or which does not contain those parts or is not at all times equipped with such lamps and other equipment in proper condition and adjustment as required in this chapter, or which is equipped in any manner in violation of this chapter, or for any person to do any act forbidden or fail to perform any act required under this chapter.

(b) The provisions of this chapter with respect to equipment on vehicles do not apply to implements of husbandry, road machinery, or road rollers except as otherwise provided in this chapter.

(c) For purposes of this section, a specialized vehicle resembling a low-slung ~~two-wheel~~ trailer having a short bed or platform shall be deemed to be an implement of husbandry when such vehicle is used exclusively to transport implements of husbandry, provided, however, that no such vehicle shall operate on the highway before sunrise or after sunset unless proper lighting is affixed to the implement being drawn.

Sec. 3. Minnesota Statutes 1993 Supplement, section 169.522, subdivision 1, is amended to read:

Subdivision 1. [DISPLAYING EMBLEM; RULES.] (a) All animal-drawn vehicles, motorized golf carts when operated on designated roadways pursuant to section 169.045, implements of husbandry ~~with load~~, and other machinery, including all road construction machinery, which are designed for operation at a speed of 25 miles per hour or less shall display a triangular slow-moving vehicle emblem, except (1) when being used in actual construction and maintenance work and traveling within the limits of a construction area which is marked in accordance with requirements of the manual of uniform traffic control devices, as set forth in section 169.06, or (2) for a towed implement of husbandry that is empty and that is not self-propelled, in which case it may be towed at lawful speeds greater than 25 miles per hour without removing the slow-moving vehicle emblem. The emblem shall consist of a fluorescent yellow-orange triangle with a dark red reflective border and be mounted so as to be visible from a distance of not less than 600 feet to the rear. When a primary power unit towing an implement of husbandry or other machinery displays a slow-moving vehicle emblem visible from a distance of 600 feet to the rear, it shall not be necessary to display a similar emblem on the secondary unit. After January 1, 1975, all slow-moving vehicle emblems

sold in this state shall be so designed that when properly mounted they are visible from a distance of not less than 600 feet to the rear when directly in front of lawful lower beam of head lamps on a motor vehicle. The commissioner of public safety shall adopt standards and specifications for the design and position of mounting the slow-moving vehicle emblem. Such standards and specifications shall be adopted by rule in accordance with the administrative procedure act. A violation of this section shall not be admissible evidence in any civil cause of action arising prior to January 1, 1970.

(b) An alternate slow-moving vehicle emblem consisting of a dull black triangle with a white reflective border may be used after obtaining a permit from the commissioner under rules of the commissioner. A person with a permit to use an alternate slow-moving vehicle emblem must:

(1) carry in the vehicle a regular slow-moving vehicle emblem and display the emblem when operating a vehicle between sunset and sunrise, and at any other time when visibility is impaired by weather, smoke, fog, or other conditions; and

(2) permanently affix to the rear of the slow-moving vehicle at least 72 square inches of reflective tape that reflects the color red.

Sec. 4. Minnesota Statutes 1993 Supplement, section 169.56, subdivision 5, is amended to read:

Subd. 5. [EXCEPTION FOR LIGHTS OBSTRUCTED ~~LIGHTS~~ BY SNOWPLOW BLADE.] (a) The auxiliary lamps permitted in ~~subdivisions~~ subdivision 3 ~~and 4~~ may be mounted more than 42 inches high on any truck equipped with a snowplow blade that obstructs the required headlights. The lights may not be illuminated when a snowplow blade is not mounted ~~so as to obstruct the required headlights, the auxiliary lamps permitted in subdivisions 3 and 4 and mounted above 42 inches high must be removed or the lens must be covered with an opaque material~~ on the vehicle.

(b) No other vehicle may be operated on a public highway unless the auxiliary lamps permitted in subdivisions 3 and 4 comply with the height requirements or are completely covered with an opaque material.

Sec. 5. Minnesota Statutes 1993 Supplement, section 169.686, subdivision 1, is amended to read:

Subdivision 1. [SEAT BELT REQUIREMENT.] A properly adjusted and fastened seat belt, including both the shoulder and lap belt when the vehicle is so equipped, shall be worn by:

(1) the driver of a passenger vehicle or commercial motor vehicle;

(2) a passenger riding in the front seat of a passenger vehicle or commercial motor vehicle; and

(3) a passenger riding in any seat of a passenger vehicle who is older than three but younger than 11 years of age.

A person who is 15 years of age or older and who violates clause (1) or (2) is subject to a fine of $25. The driver of the passenger vehicle or commercial motor vehicle in which the violation occurred is subject to a $25 fine for a violation of clause (2) or (3) by a child of the driver under the age of 15 or any child under the age of 11. A peace officer may not issue a citation for a violation of this section unless the officer lawfully stopped or detained the driver of the motor vehicle for a moving violation other than a violation involving motor vehicle equipment. The department of public safety shall not record a violation of this subdivision on a person's driving record.

Sec. 6. Minnesota Statutes 1992, section 169.743, is amended to read:

169.743 [BUG DEFLECTORS.]

Bug deflectors shall be permitted but not required on motor vehicles. No bug deflector shall be sold, offered for sale, or used which is composed of other than nonilluminated material. No person shall operate any motor vehicle equipped with a bug deflector of nontransparent material having more than one inch of material extending above the highest part of the ~~front of the~~ hood, excluding any decorative ornament, and no person shall operate any motor vehicle equipped with a bug deflector of transparent material having more than three inches of material extending above the highest part of the ~~front of the~~ hood, excluding any decorative ornament; provided that trucks and truck-tractors of 12,000 pounds gross vehicle weight or larger may be operated with a clear, uncolored bug deflector extending no more than six inches above the highest part of the ~~front of the~~ hood, excluding any decorative ornament.

Sec. 7. Minnesota Statutes 1992, section 169.851, subdivision 5, is amended to read:

Subd. 5. [EXCEPTION FOR FARM AND FOREST PRODUCTS.] The maximum weight provisions of this section do not apply to the first haul of unprocessed or raw farm products and the transportation of raw and *unfinished* forest products when the prescribed maximum weight limitation is not exceeded by more than ten percent.

Sec. 8. Minnesota Statutes 1993 Supplement, section 221.0314, subdivision 10, is amended to read:

Subd. 10. [INSPECTION, REPAIR, AND MAINTENANCE.] Code of Federal Regulations, title 49, part 396, is incorporated by reference, except that sections 396.1, 396.9, and 396.17 to ~~396.25~~ 396.23 of that part are not incorporated."

Delete the title and insert:

"A bill for an act relating to traffic regulations; making technical changes; removing requirement for auxiliary low beam lights to be removed or covered when snowplow blade removed; requiring seat belts for commercial motor vehicles; allowing transportation within state of raw farm and forest products exceeding maximum weight limitation by not more than ten percent; amending Minnesota Statutes 1992, sections 169.743; and 169.851, subdivision 5; Minnesota Statutes 1993 Supplement, sections 169.122, subdivision 5; 169.47, subdivision 1; 169.522, subdivision 1; 169.56, subdivision 5; 169.686, subdivision 1; and 221.0314, subdivision 10."

We request adoption of this report and repassage of the bill.

House Conferees: CONNIE MORRISON, TOM OSTHOFF AND BERNARD L. "BERNIE" LIEDER.

Senate Conferees: KEITH LANGSETH, TERRY D. JOHNSTON AND JOE BERTRAM, SR.

Morrison moved that the report of the Conference Committee on H. F. No. 2365 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 2365, A bill for an act relating to traffic regulations; making technical changes; removing requirement for auxiliary low beam lights to be removed or covered when snowplow blade removed; requiring seat belts for commercial motor vehicles; allowing transportation within state of raw farm and forest products exceeding maximum weight limitation by not more than ten percent; amending Minnesota Statutes 1992, sections 169.743; and 169.851, subdivision 5; Minnesota Statutes 1993 Supplement, sections 169.122, subdivision 5; 169.47, subdivision 1; 169.522, subdivision 1; 169.56, subdivision 5; and 169.686, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 2 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, K.	Dempsey	Gruenes	Jennings	Koppendrayer	Lynch
Anderson, R.	Carlson	Dorn	Gutknecht	Johnson, R.	Krinkie	Macklin
Asch	Carruthers	Erhardt	Hasskamp	Johnson, V.	Krueger	Mahon
Battaglia	Clark	Evans	Haukoos	Kahn	Lasley	Mariani
Bauerly	Commers	Farrell	Hausman	Kalis	Leppik	McCollum
Beard	Cooper	Finseth	Holsten	Kelley	Lieder	McGuire
Bergson	Dauner	Frerichs	Hugoson	Kelso	Limmer	Milbert
Bertram	Davids	Garcia	Huntley	Kinkel	Lindner	Molnau
Bettermann	Dawkins	Goodno	Jacobs	Klinzing	Long	Morrison
Bishop	Dehler	Greenfield	Jaros	Knickerbocker	Lourey	Mosel
Brown, C.	Delmont	Greiling	Jefferson	Knight	Luther	Munger

Murphy	Opatz	Perlt	Rukavina	Stanius	Van Engen	Winter
Neary	Orenstein	Peterson	Sarna	Steensma	Vellenga	Wolf
Nelson	Orfield	Pugh	Seagren	Sviggum	Vickerman	Worke
Ness	Ostrom	Reding	Sekhon	Swenson	Wagenius	Workman
Olson, E.	Ozment	Rest	Simoneau	Tomassoni	Waltman	Spk. Anderson, I.
Olson, K.	Pauly	Rhodes	Skoglund	Tompkins	Weaver	
Olson, M.	Pawlenty	Rice	Smith	Trimble	Wejcman	
Onnen	Pelowski	Rodosovich	Solberg	Van Dellen	Wenzel	

Those who voted in the negative were:

Girard Tunheim

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 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. 3011, A bill for an act relating to transportation; defining terms; making technical changes; ensuring safety is factor in standards for scenic highways and park roads; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; allowing horse trailer to be component of a recreational vehicle combination; increasing length limitations for recreational vehicle combinations; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing self-propelled implement of husbandry to display flashing amber light; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; requiring use of mileage-recording equipment on motor vehicles after 1999; establishing youth charter carrier permit system; allowing rail carriers to participate in rail user loan guarantee program; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; modifying highway fund apportionment to counties and changing composition of screening board; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.07, subdivisions 1, 3, 5, and 6; 162.09, subdivision 1; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, by adding a subdivision; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63,

subdivision 8; Minnesota Statutes 1993 Supplement, sections 169.01, subdivision 78; 169.18, subdivision 5; 169.685, subdivision 5; 169.81, subdivision 3c; and 221.111; proposing coding for new law in Minnesota Statutes, chapters 161; 169; and 471; repealing Minnesota Statutes 1992, sections 162.07, subdivision 4; 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3; and 4; Minnesota Rules, part 8810.1300, subpart 6.

PATRICK E. FLAHAVEN, Secretary of the Senate

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 3011, 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. 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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Ms. Lesewski, Mr. Vickerman and Ms. Johnson, J. B.

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

Jacobs 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. 2540. The motion prevailed.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of S. F. No. 2354.

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

The bill was passed 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 Speaker pro tempore Kahn.

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. 2742, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; authorizing assessments for debt service; reducing certain earlier project authorizations and appropriations; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.85, subdivision 1; 85.015, subdivision 4; 136.651; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; Laws 1993, chapter 373, sections 18; and 25, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 116J; 124C; 134; 135A; and 241.

PATRICK E. FLAHAVEN, Secretary of the Senate

Kalis moved that the House refuse to concur in the Senate amendments to H. F. No. 2742, 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. 2493:

Bauerly, Wenzel and Nelson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 2742:

Kalis, Solberg, Rice, Simoneau and Pauly.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3011:

Osthoff, Asch, Lieder, Long and Hugoson.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3211:

Steensma, Trimble, Hasskamp, Molnau and Morrison.

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3230:

Lieder; Osthoff; McCollum; Johnson, A., and Johnson, V.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 103:

Kahn, Osthoff and Abrams.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2015:

Orfield, Carruthers and Weaver.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2540:

Jacobs; Brown, C., and Gruenes.

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.

MOTIONS AND RESOLUTIONS

Brown, K., 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 29, 1994, when the vote was taken on the Seagren and Swenson amendment to S. F. No. 103, the second unofficial engrossment, as amended." The motion prevailed.

McCollum 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 29, 1994, when the vote was taken on the first Swenson amendment to S. F. No. 103, the second unofficial engrossment, as amended." The motion prevailed.

Hausman 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 29, 1994, when the vote was taken on the final passage of S. F. No. 309." The motion prevailed.

Hasskamp 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 29, 1994, when the vote was taken on the final passage of S. F. No. 1948, as amended." The motion prevailed.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 9:30 a.m., Tuesday, May 3, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and Speaker pro tempore Kahn declared the House stands adjourned until 9:30 a.m., Tuesday, May 3, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

ONE HUNDRED-THIRD DAY

SAINT PAUL, MINNESOTA, TUESDAY, MAY 3, 1994

The House of Representatives convened at 9:30 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by the Reverend Dr. James W. Battle, Mt. Olivet Baptist Church, St. Paul, Minnesota.

The roll was called and the following members were present:

Abrams	Dawkins	Hausman	Koppendrayer	Mosel	Perlt	Tomassoni
Anderson, R.	Dehler	Holsten	Krinkie	Munger	Peterson	Tompkins
Asch	Delmont	Hugoson	Lasley	Murphy	Pugh	Trimble
Battaglia	Dempsey	Huntley	Leppik	Neary	Reding	Tunheim
Bauerly	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	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	Steensma	Workman
Dauner	Hasskamp	Knickerbocker	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Davids	Haukoos	Knight	Morrison	Pelowski	Swenson	

A quorum was present.

Krueger and Stanius were excused until 10:30 a.m.

The Chief Clerk proceeded to read the Journal of the preceding day. Dawkins 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 29, 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. 1985, relating to partnerships; providing for the registration and operation of limited liability partnerships; appropriating money.

H. F. No. 2839, 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.

H. F. No. 2478, 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.

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*
2246		537	2:40 p.m. April 29	April 29
1898		538	2:42 p.m. April 29	April 29
	1985	539	2:35 p.m. April 29	April 29
	2839	541	2:32 p.m. April 29	April 29
	2478	542	2:34 p.m. April 29	April 29

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

REPORTS OF STANDING COMMITTEES

Carruthers from the Committee on Rules and Legislative Administration to which was referred:

Senate Concurrent Resolution No. 7, A senate concurrent resolution relating to the delivery of bills to the governor after final adjournment.

Reported the same back with the recommendation that the senate concurrent resolution be adopted.

Carruthers moved that the report be adopted. The report was adopted.

Carruthers moved that Senate Concurrent Resolution No. 7 be now adopted.

SENATE CONCURRENT RESOLUTION NO. 7

A senate concurrent resolution relating to the delivery of bills to the governor after final adjournment.

Whereas, the Minnesota Constitution, Article IV, Section 23, authorizes the presentation to the Governor after sine die adjournment of bills that passed in the last three days of the Session; *Now, Therefore,*

Be It Resolved by the Senate of the State of Minnesota, the House of Representatives concurring, that upon adjournment sine die of the 78th regular session of the Legislature, bills shall be presented to the Governor as follows:

(a) The Speaker of the House of Representatives, the Chief Clerk of the House of Representatives, the President of the Senate, and the Secretary of the Senate shall certify and sign each bill in the same manner and upon the same certification as each bill is signed for presentation to the Governor prior to adjournment sine die, and each of those officers shall continue in his designated capacity during the three days following the date of final adjournment.

(b) The Chief Clerk of the House of Representatives and the Secretary of the Senate, in accordance with the rules of the respective bodies and under the supervision and direction of the standing Committee on Rules and Legislative Administration and the standing Committee on Rules and Administration, shall carefully enroll each bill and present them to the Governor in the same manner as each bill is enrolled and presented to the Governor prior to the adjournment of the Legislature sine die.

(c) The Revisor of Statutes shall continue to assist in all of the functions relating to enrollment of bills of the House of Representatives and of the Senate under the supervision of the Chief Clerk of the House of Representatives and the Secretary of the Senate in the same manner that his assistance was rendered prior to the adjournment of the Legislature sine die.

Be It Further Resolved that the Secretary of the Senate is directed to deliver copies of this resolution to the Governor and the Secretary of State.

The motion prevailed and Senate Concurrent Resolution No. 7 was adopted.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House Files were introduced:

Bettermann introduced:

H. F. No. 3241, A bill for an act relating to workers' compensation; modifying provisions relating to attorney fees; amending Minnesota Statutes 1992, sections 176.081, subdivisions 1, 7a, and 9; 176.135, subdivision 1; and 176.191, subdivision 8; repealing Minnesota Statutes 1992, sections 176.081, subdivisions 2, 5, 7, and 8; and 176.133.

The bill was read for the first time and referred to the Committee on Labor-Management Relations.

Bettermann introduced:

H. F. No. 3242, A bill for an act relating to workers' compensation; modifying provisions relating to benefits and fraud; providing penalties; amending Minnesota Statutes 1992, sections 176.011, subdivision 25; 176.021, subdivisions 3 and 3a; 176.061, subdivision 10; 176.101, subdivisions 1, 2, 4, 5, 6, 8, and by adding a subdivision; 176.105, subdivision 4; 176.111, subdivisions 6, 7, 8, 12, 14, 15, 18, and 20; 176.179; 176.221, subdivision 6a; 176.645, subdivision 1; 176.66, subdivision 11; and 176.82; Minnesota Statutes 1993 Supplement, section 268.08, subdivision 3; repealing Minnesota Statutes 1992, sections 176.011, subdivision 26; 176.101, subdivisions 3a, 3b, 3c, 3d, 3e, 3f, 3g, 3h, 3i, 3j, 3k, 3l, 3m, 3n, 3o, 3p, 3q, 3r, 3s, 3t, and 3u; and 176.132.

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 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. 2742, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; authorizing assessments for debt service; reducing certain earlier project authorizations and appropriations; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.85, subdivision 1; 85.015, subdivision 4; 136.651; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; Laws 1993, chapter 373, sections 18; and 25, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 116J; 124C; 134; 135A; and 241.

The Senate has appointed as such committee:

Messrs. Merriam, Laidig, Stumpf; Ms. Ranum and Mr. Finn.

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. 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, subdivision 1.

The Senate has appointed as such committee:

Mr. Langseth; Ms. Flynn; Mr. Chmielewski; Ms. Johnston and Mr. Vickerman.

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Sarna moved that the House concur in the Senate amendments to H. F. No. 2512 and that the bill be repassed as amended by the Senate. 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; 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, 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	Krinkie	Munger	Peterson	Tompkins
Anderson, R.	Dehler	Hugoson	Lasley	Murphy	Pugh	Trimble
Asch	Delmont	Huntley	Leppik	Neary	Reding	Tunheim
Battaglia	Dempsey	Jacobs	Lieder	Nelson	Rest	Van Dellen
Bauerly	Dorn	Jaros	Limmer	Ness	Rhodes	Van Engen
Beard	Erhardt	Jefferson	Lindner	Olson, E.	Rice	Vickerman
Bergson	Evans	Jennings	Long	Olson, K.	Rodosovich	Wagenius
Bertram	Farrell	Johnson, A.	Lourey	Olson, M.	Rukavina	Waltman
Bettermann	Finseth	Johnson, R.	Luther	Onnen	Sarna	Weaver
Bishop	Frerichs	Johnson, V.	Lynch	Opatz	Seagren	Wejcman
Brown, C.	Garcia	Kahn	Macklin	Orenstein	Sekhon	Wenzel
Brown, K.	Girard	Kalis	Mahon	Orfield	Simoneau	Winter
Carlson	Goodno	Kelley	Mariani	Osthoff	Skoglund	Wolf
Carruthers	Greiling	Kelso	McCollum	Ostrom	Smith	Worke
Clark	Gruenes	Kinkel	McGuire	Ozment	Solberg	Workman
Commers	Gutknecht	Klinzing	Milbert	Pauly	Steensma	Spk. Anderson, I.
Cooper	Hasskamp	Knickerbocker	Molnau	Pawlenty	Sviggum	
Dauner	Haukoos	Knight	Morrison	Pelowski	Swenson	
Davids	Hausman	Koppendrayer	Mosel	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. 2762, A bill for an act relating to traffic regulations; regulating use and operation of Head Start school buses; amending Minnesota Statutes 1992, sections 169.01, by adding a subdivision; 169.28, subdivision 1; 169.441, subdivisions 2 and 4; 169.442, subdivision 5; 169.443, subdivisions 5 and 6; 169.447; 169.448, subdivisions 1 and 3;

169.451; 169.64, subdivision 8; 169.781, subdivision 1; 169.87, subdivision 3; 171.01, by adding a subdivision; 171.3215; 221.011, subdivision 21; and 631.40, subdivision 1a; Minnesota Statutes 1993 Supplement, sections 171.321, subdivision 2; 221.025; and 221.031, subdivision 3b.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Wagenius moved that the House concur in the Senate amendments to H. F. No. 2762 and that the bill be repassed as amended by the Senate. The motion prevailed.

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

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	Krinkie	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	Jennings	Lourey	Olson, M.	Rukavina	Wagenius
Bertram	Farrell	Johnson, A.	Luther	Onnen	Sarna	Waltman
Bettermann	Finseth	Johnson, R.	Lynch	Opatz	Seagren	Weaver
Bishop	Frerichs	Johnson, V.	Macklin	Orenstein	Sekhon	Wejcman
Brown, C.	Garcia	Kahn	Mahon	Orfield	Simoneau	Wenzel
Brown, K.	Girard	Kalis	Mariani	Osthoff	Skoglund	Winter
Carlson	Goodno	Kelley	McCollum	Ostrom	Smith	Wolf
Carruthers	Greiling	Kelso	McGuire	Ozment	Solberg	Worke
Clark	Gruenes	Kinkel	Milbert	Pauly	Steensma	Workman
Commers	Gutknecht	Klinzing	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Knickerbocker	Morrison	Pelowski	Swenson	
Dauner	Haukoos	Knight	Mosel	Perlt	Tomassoni	
Davids	Hausman	Koppendrayer	Munger	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. 2420, A bill for an act relating to retirement; providing for terms on which surviving spouse benefits are granted to members of the Minneapolis fire department relief association; amending Minnesota Statutes 1992, section 353B.11, subdivision 1; and Laws 1965, chapter 519, section 1, as amended.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Rice moved that the House concur in the Senate amendments to H. F. No. 2420 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2420, A bill for an act relating to retirement; providing for terms on which surviving spouse benefits are granted to members of the Minneapolis fire department relief association; amending Minnesota Statutes 1992, section 353B.11, subdivision 1; Laws 1965, chapter 519, section 1, as amended.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Holsten	Krinkie	Munger	Pugh	Trimble
Anderson, R.	Dehler	Hugoson	Lasley	Murphy	Reding	Tunheim
Asch	Delmont	Huntley	Leppik	Neary	Rest	Van Dellen
Battaglia	Dempsey	Jacobs	Lieder	Nelson	Rhodes	Van Engen
Bauerly	Dorn	Jaros	Limmer	Ness	Rice	Vellenga
Beard	Erhardt	Jefferson	Lindner	Olson, K.	Rodosovich	Vickerman
Bergson	Evans	Jennings	Long	Olson, M.	Rukavina	Wagenius
Bertram	Farrell	Johnson, A.	Lourey	Onnen	Sarna	Waltman
Bettermann	Finseth	Johnson, R.	Luther	Opatz	Seagren	Weaver
Bishop	Frerichs	Johnson, V.	Lynch	Orenstein	Sekhon	Wejcman
Brown, C.	Garcia	Kahn	Macklin	Orfield	Simoneau	Wenzel
Brown, K.	Girard	Kalis	Mahon	Osthoff	Skoglund	Winter
Carlson	Goodno	Kelley	Mariani	Ostrom	Smith	Wolf
Carruthers	Greiling	Kelso	McCollum	Ozment	Solberg	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	Koppendrayer	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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Johnson, R., moved that the House concur in the Senate amendments to H. F. No. 392 and that the bill be repassed as amended by the Senate.

Long moved that the House refuse to concur in the Senate amendments to H. F. No. 392, 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.

A roll call was requested and properly seconded.

The question was taken on the Long motion and the roll was called. There were 51 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Finseth	Hugoson	Lindner	Neary	Sekhon	Wenzel
Bettermann	Garcia	Johnson, A.	Long	Olson, M.	Skoglund	Worke
Brown, K.	Girard	Kelley	Lynch	Onnen	Stanius	Workman
Clark	Goodno	Klinzing	Mahon	Orenstein	Van Dellen	
Davids	Greenfield	Knickerbocker	Mariani	Orfield	Vickerman	
Dawkins	Greiling	Knight	McGuire	Ostrom	Wagenius	
Dehler	Gruenes	Krinkie	Molnau	Pauly	Weaver	
Erhardt	Hausman	Leppik	Munger	Seagren	Wejcman	

Those who voted in the negative were:

Abrams	Dauner	Jaros	Lourey	Opatz	Rodosovich	Tunheim
Asch	Delmont	Johnson, R.	Luther	Osthoff	Rukavina	Van Engen
Battaglia	Dempsey	Johnson, V.	Macklin	Ozment	Sarna	Vellenga
Bauerly	Dorn	Kahn	McCollum	Pawlenty	Simoneau	Waltman
Beard	Evans	Kalis	Milbert	Pelowski	Smith	Winter
Bergson	Farrell	Kelso	Morrison	Perlt	Solberg	Wolf
Bertram	Frerichs	Kinkel	Mosel	Peterson	Steensma	Spk. Anderson, I.
Bishop	Gutknecht	Koppendrayer	Murphy	Pugh	Sviggum	
Brown, C.	Haukoos	Krueger	Nelson	Reding	Swenson	
Carlson	Holsten	Lasley	Ness	Rest	Tomassoni	
Carruthers	Huntley	Lieder	Olson, E.	Rhodes	Tompkins	
Cooper	Jacobs	Limmer	Olson, K.	Rice	Trimble	

The motion did not prevail.

The question recurred on the Johnson, R., motion that the House concur in the Senate amendments to H. F. No. 392 and that the bill be repassed as amended by the Senate. The motion prevailed.

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 by the Senate, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 98 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Huntley	Lasley	Murphy	Reding	Tomassoni
Asch	Dempsey	Jacobs	Lieder	Nelson	Rest	Tompkins
Battaglia	Dorn	Jaros	Limmer	Ness	Rhodes	Trimble
Bauerly	Erhardt	Jennings	Lourey	Olson, E.	Rice	Tunheim
Beard	Evans	Johnson, A.	Luther	Olson, K.	Rodosovich	Van Dellen
Bergson	Farrell	Johnson, R.	Macklin	Opatz	Rukavina	Van Engen
Bertram	Finseth	Johnson, V.	Mahon	Osthoff	Sarna	Vellenga
Bishop	Frerichs	Kahn	Mariani	Ostrom	Sekhon	Wagenius
Brown, C.	Goodno	Kalis	McCollum	Ozment	Simoneau	Waltman
Brown, K.	Greenfield	Kelso	McGuire	Pawlenty	Skoglund	Weaver
Carlson	Gutknecht	Kinkel	Milbert	Pelowski	Smith	Wenzel
Carruthers	Hasskamp	Knickerbocker	Morrison	Perlt	Solberg	Winter
Cooper	Haukoos	Koppendrayer	Mosel	Peterson	Steensma	Wolf
Dauner	Holsten	Krueger	Munger	Pugh	Swenson	Spk. Anderson, I.

Those who voted in the negative were:

Anderson, R.	Garcia	Hugoson	Leppik	Neary	Pauly	Wejcman
Bettermann	Girard	Kelley	Lindner	Olson, M.	Seagren	Worke
Davids	Greiling	Klinzing	Long	Onnen	Stanius	Workman
Dawkins	Gruenes	Knight	Lynch	Orenstein	Sviggum	
Dehler	Hausman	Krinkie	Molnau	Orfield	Vickerman	

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Kahn moved that the House concur in the Senate amendments to H. F. No. 2658 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2658, A bill for an act relating to retirement; waiving the annuity reduction for certain faculty in the state university and community college systems 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 by the Senate, and placed upon its repassage.

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

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Koppendrayer	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	Vellenga
Bishop	Frerichs	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Brown, C.	Garcia	Johnson, V.	Luther	Onnen	Sarna	Waltman
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 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. 1829, A bill for an act relating to housing; requiring copies of evacuation plans for residents of manufactured home parks; amending Minnesota Statutes 1992, sections 290A.19; and 327C.02, subdivision 5, and by adding a subdivision; Minnesota Statutes 1993 Supplement, section 327.20, subdivision 1.

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. 1829 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1829, A bill for an act relating to housing; requiring copies of evacuation plans for residents of manufactured home parks; amending Minnesota Statutes 1992, sections 290A.19; 327C.01, by adding a subdivision; and 327C.02, subdivision 5; Minnesota Statutes 1993 Supplement, section 327.20, 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 133 yeas and 0 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Koppendrayer	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	Vellenga
Bishop	Frerichs	Johnson, R.	Lourey	Olson, M.	Rukavina	Vickerman
Brown, C.	Garcia	Johnson, V.	Luther	Onnen	Sarna	Waltman
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 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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Evans moved that the House concur in the Senate amendments to H. F. No. 1918 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 1918, A bill for an act relating to licensing; directing an expansion of the operations of the bureau of business licenses and of the master application procedure.

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

The question was taken on the repassage of the bill and the roll was called. There were 121 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Krueger	Munger	Pugh	Tompkins
Anderson, R.	Delmont	Holsten	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	Vellenga
Beard	Evans	Jefferson	Long	Olson, E.	Rodosovich	Waltman
Bergson	Farrell	Jennings	Lourey	Olson, K.	Rukavina	Weaver
Bertram	Finseth	Johnson, A.	Luther	Opatz	Sarna	Wejcman
Bishop	Frerichs	Johnson, R.	Lynch	Orenstein	Seagren	Wenzel
Brown, C.	Garcia	Johnson, V.	Macklin	Orfield	Sekhon	Winter
Brown, K.	Girard	Kahn	Mahon	Osthoff	Simoneau	Wolf
Carlson	Goodno	Kalis	Mariani	Ostrom	Skoglund	Worke
Carruthers	Greenfield	Kelley	McCollum	Ozment	Smith	Spk. Anderson, I.
Clark	Greiling	Kelso	McGuire	Pauly	Solberg	
Commers	Gruenes	Kinkel	Milbert	Pawlenty	Steensma	
Cooper	Gutknecht	Klinzing	Molnau	Pelowski	Sviggum	
Dauner	Hasskamp	Knickerbocker	Morrison	Perlt	Swenson	
Davids	Haukoos	Koppendrayer	Mosel	Peterson	Tomassoni	

Those who voted in the negative were:

Bettermann	Hugoson	Krinkie	Olson, M.	Stanius	Vickerman
Dehler	Knight	Lindner	Onnen	Van Engen	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. 2171, 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Orfield moved that the House concur in the Senate amendments to H. F. No. 2171 and that the bill be repassed as amended by the Senate. The motion prevailed.

H. F. No. 2171, 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.

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 79 yeas and 54 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Jacobs	Lieder	Neary	Rest	Tunheim
Battaglia	Dawkins	Jaros	Long	Nelson	Rhodes	Vellenga
Bauerly	Delmont	Jefferson	Lourey	Olson, K.	Rice	Wagenius
Beard	Dorn	Jennings	Luther	Opatz	Rukavina	Wejcman
Bergson	Evans	Johnson, A.	Mahon	Orenstein	Sarna	Wenzel
Bertram	Farrell	Kahn	Mariani	Orfield	Sekhon	Winter
Brown, C.	Garcia	Kalis	McCollum	Ostrom	Simoneau	Spk. Anderson, I.
Brown, K.	Greenfield	Kelley	McGuire	Pelowski	Skoglund	
Carlson	Greiling	Kinkel	Milbert	Perlt	Solberg	
Carruthers	Hasskamp	Klinzing	Mosel	Peterson	Steensma	
Clark	Hausman	Krueger	Munger	Pugh	Tomassoni	
Cooper	Huntley	Lasley	Murphy	Reding	Trimble	

Those who voted in the negative were:

Abrams	Erhardt	Holsten	Krinkie	Ness	Seagren	Vickerman
Asch	Finseth	Hugoson	Leppik	Olson, E.	Smith	Waltman
Bettermann	Frerichs	Johnson, R.	Limmer	Olson, M.	Stanius	Weaver
Bishop	Girard	Johnson, V.	Lindner	Onnen	Sviggum	Wolf
Commers	Goodno	Kelso	Lynch	Ozment	Swenson	Worke
Davids	Gruenes	Knickerbocker	Macklin	Pauly	Tompkins	Workman
Dehler	Gutknecht	Knight	Molnau	Pawlenty	Van Dellen	
Dempsey	Haukoos	Koppendrayer	Morrison	Rodosovich	Van Engen	

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

Mses. Piper, Kiscaden and Mr. Betzold.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Rest moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 2129. The motion prevailed.

Mr. Speaker:

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

S. F. No. 1944.

PATRICK E. FLAHAVEN, Secretary of the Senate

FIRST READING OF SENATE BILLS

S. F. No. 1944, A bill for an act relating to employment; restoring the purchasing power of a minimum wage salary; appropriating money; amending Minnesota Statutes 1992, section 177.24, subdivision 1.

The bill was read for the first time.

Rukavina moved that S. F. No. 1944 and H. F. No. 2243, now on General Orders, be referred to the Chief Clerk for comparison. The motion prevailed.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 2129:

Rest, Skoglund and Macklin.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of S. F. No. 1961.

S. F. No. 1961 was reported to the House.

Wejcman moved to amend S. F. No. 1961 as follows:

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 medical examiner 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 medical examiner 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.

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 medical examiner 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 medical examiner 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.

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) The attorney in the jurisdiction in which the violation occurred who is responsible for prosecution of misdemeanor violations of this section shall also be responsible for prosecution of gross misdemeanor violations of this section.

(e) The court must impose consecutive sentences when it sentences a person for a violation of this section or section 169.29 arising out of separate behavioral incidents. The court also must impose a consecutive sentence when it sentences a person for a violation of this section or section 169.129 and the person, at the time of sentencing, is on probation for, or serving, an executed sentence for a violation of this section or section 169.29 and the prior sentence involved a separate behavioral incident. The court also may order that the sentence imposed for a violation of this section or section 169.29 shall run consecutively to a previously imposed misdemeanor, gross misdemeanor or felony sentence for a violation other than this section or section 169.129.

(f) When an attorney responsible for prosecuting 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.

(g) 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) ~~If~~ Except as otherwise provided in paragraph (b), 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, at least 48 hours of which must be served consecutively, 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, at least 48 hours of which must be served consecutively, 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) A person must be sentenced to a minimum of one year of incarceration, at least 48 hours of which must be served consecutively, or of intensive probation using an electronic alcohol monitoring system, or a combination thereof, if the person is convicted of violating this section, section 169.129, or an ordinance in conformity with either of them: (1) within 10 years of the first of five, or within 15 years of the first of seven, prior license revocations, as defined in subdivision 3, paragraph (a), clause (2), or (2) within 10 years of the first of five, or within 15 years of the first of seven, prior convictions under this section, section 169.129, or an ordinance in conformity with either of them.

~~(b)~~ (c) 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)~~ (d) 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)~~ (e) 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)~~ (f) 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), (child endangerment), 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).

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 is amended by adding a section to read:

[169.991] [TAB CHARGES.]

The supreme court is requested to consider adding to the offenses listed in rule 17.01 of the Rules of Criminal Procedures a gross misdemeanor violation of section 171.24 (driving without a license) so that that offense may be prosecuted by tab charge in lieu of indictment or complaint.

Sec. 19. 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. 20. 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) 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.

(e) 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. 21. 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~~ drink 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).

(d) As used in this paragraph, "consume" includes the ingestion of an alcoholic beverage and the physical condition of having ingested an alcoholic beverage.

Sec. 22. Minnesota Statutes 1993 Supplement, section 487.25, subdivision 10, is amended to read:

Subd. 10. [PROSECUTING ATTORNEYS.] Except as otherwise provided by law, violations of state law that are petty misdemeanors or misdemeanors must be prosecuted by the attorney of the statutory or home rule charter city where the violation is alleged to have occurred, if the city has a population greater than ~~500~~ 600. If a city has a population of ~~500~~ 600 or less, it may, by resolution of the city council, and with the approval of the board of county commissioners, give the duty to the county attorney. In cities of the first, second, and third class, gross misdemeanor violations of sections 609.52, 609.535, 609.595, 609.631, and 609.821 must be prosecuted by the attorney of the city where the violation is alleged to have occurred. The statutory or home rule charter city may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other petty misdemeanors, misdemeanors, and gross misdemeanors must be prosecuted by the county attorney of the county in which the alleged violation occurred. All violations of a municipal ordinance, charter provision, rule, or regulation must be prosecuted by the attorney for the governmental unit that promulgated the municipal ordinance, charter provision, rule, or regulation, regardless of its population, or by the county attorney with whom it has contracted to prosecute these matters.

In the counties of Anoka, Carver, Dakota, Scott, and Washington, violations of state law that are petty misdemeanors, misdemeanors, or gross misdemeanors except as provided in section 388.051, subdivision 2, must be prosecuted by the attorney of the statutory or home rule charter city where the violation is alleged to have occurred. The statutory or home rule charter city may enter into an agreement with the county board and the county attorney to provide prosecution services for any criminal offense. All other petty misdemeanors, misdemeanors, or gross misdemeanors must be prosecuted by the county attorney of the county in which the alleged violation occurred. All violations of a municipal ordinance, charter provision, rule, or regulation must be prosecuted by the attorney for the governmental unit that promulgated the municipal ordinance, charter provision, rule, or regulation or by the county attorney with whom it has contracted to prosecute these matters.

Sec. 23. Minnesota Statutes 1993 Supplement, section 609.035, is amended to read:

609.035 [CRIME PUNISHABLE UNDER DIFFERENT PROVISIONS.]

Subdivision 1. Except as provided in subdivision 2, and in sections 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.

Subd. 2. (a) When a person is being sentenced for a violation of a provision listed in paragraph (f), the court may sentence the person to a consecutive term of imprisonment for a violation of any other provision listed in paragraph (f), notwithstanding the fact that the offenses arose out of the same course of conduct, subject to the limitation on consecutive sentences contained in section 609.15, subdivision 2, and except as provided in paragraphs (b), (c), and (d) of this subdivision.

(b) When a person is being sentenced for a violation of section 169.129 the court may not impose a consecutive sentence for a violation of a provision of section 169.121, subdivision 1, or for a violation of a provision of section 171.20, 171.24, or 171.30.

(c) When a person is being sentenced for a violation of section 171.20, 171.24, or 171.30, the court may not impose a consecutive sentence for another violation of a provision in chapter 171.

(d) When a person is being sentenced for a violation of section 169.791 or 169.797, the court may not impose a consecutive sentence for another violation of a provision of sections 169.79 to 169.7995.

(e) This subdivision does not limit the authority of the court to impose consecutive sentences for crimes arising on different dates or to impose a consecutive sentence when a person is being sentenced for a crime and is also in violation of the conditions of a stayed or otherwise deferred sentence under section 609.135.

(f) This subdivision applies to misdemeanor and gross misdemeanor violations of the following if the offender has two or more prior impaired driving convictions as defined in section 169.121, subdivision 3:

(1) section 169.121, subdivision 1, driving while intoxicated;

(2) section 169.121, subdivision 1a, testing refusal;

(3) section 169.129, aggravated driving while intoxicated;

(4) section 169.791, failure to provide proof of insurance;

(5) section 169.797, failure to provide vehicle insurance;

(6) section 171.20, subdivision 2, operation after revocation, suspension, cancellation, or disqualification;

(7) section 171.24, driving without valid license;

(8) section 171.30, violation of condition of limited license; and

(9) section 609.487, fleeing a peace officer.

Sec. 24. Minnesota Statutes 1993 Supplement, section 609.135, subdivision 2, is amended to read:

Subd. 2. (a) If the conviction is for a felony the stay shall be for not more than ~~three~~ four years or the maximum period for which the sentence of imprisonment might have been imposed, whichever is longer.

(b) If the conviction is for a gross misdemeanor violation of section 169.121 or 169.129, the stay shall be for not more than ~~three~~ four years. The court shall provide for unsupervised probation for the last one year of the stay unless the court finds that the defendant needs supervised probation for all or part of the last one year.

(c) If the conviction is for a gross misdemeanor not specified in paragraph (b), the stay shall be for not more than two years.

(d) If the conviction is for any misdemeanor under section 169.121; 609.746, subdivision 1; 609.79; or 617.23; or for a misdemeanor under section 609.224, subdivision 1, in which the victim of the crime was a family or household member as defined in section 518B.01, the stay shall be for not more than two years. The court shall provide for unsupervised probation for the second year of the stay unless the court finds that the defendant needs supervised probation for all or part of the second year.

(e) If the conviction is for a misdemeanor not specified in paragraph (d), the stay shall be for not more than one year.

(f) The defendant shall be discharged six months after the term of the stay expires, unless the stay has been revoked or extended under paragraph (g), or the defendant has already been discharged.

(g) Notwithstanding the maximum periods specified for stays of sentences under paragraphs (a) to (f), a court may extend a defendant's term of probation for up to one year if it finds, at a hearing conducted under subdivision 1a, that:

(1) the defendant has not paid court-ordered restitution or a fine in accordance with the payment schedule or structure; and

(2) the defendant is likely to not pay the restitution or fine the defendant owes before the term of probation expires.

This one-year extension of probation for failure to pay restitution or a fine may be extended by the court for up to one additional year if the court finds, at another hearing conducted under subdivision 1a, that the defendant still has not paid the court-ordered restitution or fine that the defendant owes.

Sec. 25. Minnesota Statutes 1993 Supplement, section 609.15, subdivision 2, is amended to read:

Subd. 2. [LIMIT ON SENTENCES; MISDEMEANOR AND GROSS MISDEMEANOR.] If the court specifies that the sentence shall run consecutively and all of the sentences are for misdemeanors, the total of the sentences shall not exceed one year. If the sentences are for a gross misdemeanor and one or more misdemeanors, the total of the sentences shall not exceed two years. If all of the sentences are for gross misdemeanors, the total of the sentences shall not exceed ~~three~~ four years.

Sec. 26. 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. 27. [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), (criminal vehicular homicide) in severity level VII of the sentencing guidelines grid.

Sec. 28. [REPEALER.]

Minnesota Statutes 1992, sections 84.87, subdivision 2b; and 84.928, subdivision 3, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 1 to 28 are effective August 1, 1994 and apply to crimes committed on or after that date."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

The Speaker called Kahn to the Chair.

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 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 2 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R. Stanius

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

SPECIAL ORDERS

H. F. No. 1809 was reported to the House.

Skoglund moved that H. F. No. 1809 be continued on Special Orders. The motion prevailed.

S. F. No. 2309 was reported to the House.

Pugh moved that S. F. No. 2309 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 preceding printed Special Orders for today:

S. F. Nos. 788, 2297 and 2011; H. F. No. 1830; S. F. Nos. 2232 and 2197; H. F. No. 2287; and S. F. No. 1483.

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.

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. 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.

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. 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 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. 2365, A bill for an act relating to traffic regulations; making technical changes; removing requirement for auxiliary low beam lights to be removed or covered when snowplow blade removed; requiring seat belts for commercial motor vehicles; allowing transportation within state of raw farm and forest products exceeding maximum weight limitation by not more than ten percent; amending Minnesota Statutes 1992, sections 169.743; and 169.851, subdivision 5; Minnesota Statutes 1993 Supplement, sections 169.122, subdivision 5; 169.47, subdivision 1; 169.522, subdivision 1; 169.56, subdivision 5; and 169.686, subdivision 1.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate 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. 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 Senate has appointed as such committee:

Messrs. Sams, Bertram 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. 3011, A bill for an act relating to transportation; defining terms; making technical changes; ensuring safety is factor in standards for scenic highways and park roads; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; allowing horse trailer to be component of a recreational vehicle combination; increasing length limitations for recreational vehicle combinations; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing self-propelled implement of husbandry to display flashing amber light; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; requiring use of mileage-recording equipment on motor vehicles after 1999; establishing youth charter carrier permit system; allowing rail carriers to participate in rail user loan guarantee program; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; modifying highway fund apportionment to counties and changing composition of screening board; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.07, subdivisions 1, 3, 5, and 6; 162.09, subdivision 1; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, by adding a subdivision; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63, subdivision 8; Minnesota Statutes 1993 Supplement, sections 169.01, subdivision 78; 169.18, subdivision 5; 169.685, subdivision 5; 169.81, subdivision 3c; and 221.111; proposing coding for new law in Minnesota Statutes, chapters 161; 169; and 471; repealing Minnesota Statutes 1992, sections 162.07, subdivision 4; 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3; and 4; Minnesota Rules, part 8810.1300, subpart 6.

The Senate has appointed as such committee:

Messrs. Langseth, Chmielewski; Mses. Hanson, Pappas and Johnston.

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. 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 Senate has appointed as such committee:

Mr. Kelly; Ms. Johnston; Mr. Hottinger; Ms. Johnson, J. B., and Mr. Beckman.

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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Munger moved that the House refuse to concur in the Senate amendments to H. F. No. 3179, 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.

CONSIDERATION UNDER RULE 1.10

Pursuant to rule 1.10, Solberg requested immediate consideration of H. F. No. 3041 and S. F. No. 1736.

H. F. No. 3041 was reported to the House.

Jefferson moved to amend H. F. No. 3041, the fourth engrossment, as follows:

Page 13, line 5, delete "the metrodome or"

Page 13, line 6, delete the second comma

Page 13, line 7, delete "respectively, for metrodome debt service or" and insert "for"

Page 13, line 8, delete ", as the case may be"

Page 14, line 1, delete "or metrodome"

Page 47, line 27, delete "metrodome or"

The motion prevailed and the amendment was adopted.

Jefferson and Van Dellen moved to amend H. F. No. 3041, the fourth engrossment, as amended, as follows:

Page 16, line 34, strike everything after "hereunder"

Page 16, line 35, strike everything before the semicolon

Page 22, line 31, strike everything before the second "and"

The motion prevailed and the amendment was adopted.

Milbert, Evans, Murphy, Reding, Stanius, Solberg, Holsten, Neary, Pugh, Osthoff, Kahn, McGuire, Lourey, Luther and McCollum moved to amend H. F. No. 3041, the fourth engrossment, as amended, as follows:

Page 1, after line 15, insert:

"ARTICLE 1"

Page 14, line 1, delete "50" and insert "10"

Page 26, line 23, delete everything after "be"

Page 26, line 24, delete "revenues must be"

Page 26, line 26, delete the semicolon and insert a period

Page 26, delete lines 27 to 36

Page 27, delete lines 1 to 15

Page 27, line 16, delete "subclause (iii)."

Page 30, line 17, delete "$1" and insert "$1.50"

Page 30, line 30, after the period, insert "After the initial $1 of surcharge, the proceeds of the next 50 cents of the surcharge shall be designated as the investment recapture surcharge and must be deposited in the state ice facilities development account."

Page 48, line 5, delete "act" and insert "article"

Page 48, after line 11, insert:

"ARTICLE 2

Section 1. [PLAN DEVELOPMENT; CRITERIA.]

The Minnesota amateur sports commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, 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 for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. 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 all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(e) To the extent possible, all proposed facilities must be dispersed equitably and must be located to maximize potential for full utilization and profitable operation.

(f) The Minnesota amateur sports commission may also use the funds to upgrade current facilities, purchase girl's ice time, or conduct amateur women's hockey and other ice sport tournaments.

Sec. 2. [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. 3. [ICE FACILITIES DEVELOPMENT ACCOUNT.]

The ice facilities development account is established in the general fund to receive money resulting from the surcharge imposed under Minnesota Statutes, section 473.595, subdivision 1a, to the extent provided in that section. 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 to buy ice time for girl's sports, and for amateur women's hockey and other ice sport tournaments.

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1994."

Amend the title as follows:

Page 1, line 2, delete "metropolitan"

A roll call was requested and properly seconded.

The question was taken on the Milbert et al amendment and the roll was called. There were 95 yeas and 35 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Jennings	Limmer	Munger	Reding	Tomassoni
Anderson, R.	Delmont	Johnson, R.	Lindner	Murphy	Rest	Tompkins
Asch	Dorn	Johnson, V.	Long	Neary	Rhodes	Trimble
Battaglia	Evans	Kahn	Lourey	Nelson	Rukavina	Tunheim
Beard	Farrell	Kalis	Luther	Olson, K.	Sarna	Vellenga
Bergson	Finseth	Kelley	Lynch	Orenstein	Seagren	Weaver
Bishop	Garcia	Kelso	Macklin	Orfield	Sekhon	Wejcman
Brown, C.	Greenfield	Kinkel	Mahon	Osthoff	Simoneau	Wenzel
Brown, K.	Greiling	Klinzing	Mariani	Ozment	Skoglund	Winter
Carlson	Hasskamp	Knickerbocker	McCollum	Pawlenty	Smith	Workman
Carruthers	Hausman	Krueger	McGuire	Pelowski	Solberg	Spk. Anderson, I.
Clark	Holsten	Lasley	Milbert	Perlt	Stanius	
Commers	Jacobs	Leppik	Morrison	Peterson	Steensma	
Dauner	Jaros	Lieder	Mosel	Pugh	Swenson	

Those who voted in the negative were:

Bauerly	Dempsey	Gruenes	Johnson, A.	Ness	Ostrom	Vickerman
Bertram	Erhardt	Gutknecht	Knight	Olson, E.	Rodosovich	Wagenius
Bettermann	Frerichs	Haukoos	Koppendrayer	Olson, M.	Sviggum	Waltman
Davids	Girard	Hugoson	Krinkie	Onnen	Van Dellen	Wolf
Dehler	Goodno	Huntley	Molnau	Opatz	Van Engen	Worke

The motion prevailed and the amendment was adopted.

Wejcman and Kahn moved to amend H. F. No. 3041, the fourth engrossment, as amended, as follows:

Page 26, line 20, before the period insert "until the bonds issued under section 473.599 have been retired"

The motion prevailed and the amendment was adopted.

Reding, Greiling, Knickerbocker and Kahn moved to amend H. F. No. 3041, the fourth engrossment, as amended, as follows:

Page 2, line 26, after "municipalities" insert "other than the city of Minneapolis"

Page 2, line 29, after the period insert "Payment of amortization state aid to the city of Minneapolis must be made directly to the city in three equal installments on July 15, September 15, and November 15 annually."

The motion prevailed and the amendment was adopted.

Dawkins, Sviggum and Lasley moved to amend H. F. No. 3041, the fourth engrossment, as amended, as follows:

Page 7, after line 18, insert:

"Sec. 5. Minnesota Statutes 1992, section 473.553, is amended to read:

473.553 [COMMISSION; MEMBERSHIP; ADMINISTRATION.]

Subdivision 1. [GENERAL.] The metropolitan sports facilities commission is established and shall be organized, structured, and administered as provided in this section and section 473.141, subdivisions 6 to 11, 13, and 14.

Subd. 2. [MEMBERSHIP.] The commission shall consist of ~~six~~ eight members, ~~appointed by the governor during the period before substantial completion of construction of sports facilities pursuant to sections 473.551 to 473.595 and thereafter as hereinafter provided,~~ plus a chair appointed as provided in subdivision 3. ~~Initial appointments of members shall be made within 30 days of May 17, 1977. One member shall be appointed from each of the following combinations of metropolitan commission precincts defined in section 473.141, subdivision 2: A and B; C and G; D and E; F and H. Two members shall be appointed from outside the metropolitan area. Upon substantial completion of construction of the sports facility, vacancies occurring on the commission, whether at the completion of or prior to the completion of a member's term, shall be filled~~ Six members shall be appointed by the Minneapolis city council ~~of the city in which the stadium is located~~. Two members, other than the chair, shall be appointed by the governor, neither of whom shall reside in the city of Minneapolis, and one of whom must reside outside the metropolitan area.

Subd. 3. [CHAIR.] The chair shall be appointed by the governor as the ~~seventh~~ ninth voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the ~~metropolitan area~~ city of Minneapolis. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Subd. 4. [QUALIFICATIONS.] ~~Each member appointed prior to substantial completion of construction of a sports facility constructed pursuant to sections 473.551 to 473.595 shall be a resident of the precincts or area of the state for which appointed.~~ A member ~~appointed at any time~~ shall not during a term of office hold the office of metropolitan council member or be a member of another metropolitan agency that is subject to section 473.141 or hold any judicial office or office of state government. Each member shall qualify by taking and subscribing the oath of office prescribed by the Minnesota Constitution, article V, section 6. The oath, duly certified by the official administering it, shall be filed with the chair of the metropolitan council.

Subd. 4a. [ADDITIONAL QUALIFICATION.] None of the members appointed by the Minneapolis city council ~~of the city in which the stadium is located~~ shall be an elected public official of that city or of another political subdivision any part of whose territory is shared with that city.

Subd. 5. [TERMS.] The terms of three of the members ~~representing precincts A and B and C and G and the term of one of the members from outside the metropolitan area~~ appointed by the Minneapolis city council shall end the first Monday in January, ~~1981~~ 1989. The terms of the other members and the chair shall end the first Monday in January, ~~1983~~ 1991. ~~After the initial term provided for in this subdivision,~~ The term of one of the members other than the chair appointed by the governor shall end the first Monday in January, 1995 and the term of the other member

appointed by the governor shall end the first monday in January, 1997. Thereafter, the term of each member and the chair shall be four years. The terms shall continue until a successor is appointed and qualified. Members and the chair may be removed in the manner specified in chapter 351."

Renumber the sections in sequence

Correct the internal references

Amend the title accordingly

A roll call was requested and properly seconded.

The question was taken on the Dawkins et al amendment and the roll was called. There were 95 yeas and 36 nays as follows:

Those who voted in the affirmative were:

Abrams	Dorn	Johnson, A.	Lourey	Olson, K.	Rhodes	Tunheim
Anderson, R.	Farrell	Johnson, R.	Lynch	Olson, M.	Rodosovich	Van Dellen
Asch	Finseth	Johnson, V.	Macklin	Onnen	Rukavina	Van Engen
Beard	Frerichs	Kelley	Mahon	Opatz	Seagren	Vickerman
Bettermann	Goodno	Kinkel	Mariani	Orenstein	Sekhon	Waltman
Bishop	Greiling	Knickerbocker	McCollum	Osthoff	Smith	Weaver
Brown, K.	Gutknecht	Knight	McGuire	Ostrom	Solberg	Wenzel
Carlson	Hasskamp	Koppendrayer	Molnau	Ozment	Stanius	Winter
Commers	Haukoos	Krinkie	Morrison	Pawlenty	Steensma	Wolf
Cooper	Hausman	Lasley	Mosel	Perlt	Sviggum	Worke
Dauner	Holsten	Leppik	Munger	Peterson	Swenson	Workman
Davids	Hugoson	Lieder	Neary	Pugh	Tomassoni	
Dawkins	Jacobs	Limmer	Nelson	Reding	Tompkins	
Dempsey	Jaros	Lindner	Ness	Rest	Trimble	

Those who voted in the negative were:

Battaglia	Clark	Girard	Kalis	Milbert	Sarna
Bauerly	Dehler	Gruenes	Kelso	Murphy	Simoneau
Bergson	Delmont	Huntley	Klinzing	Olson, E.	Skoglund
Bertram	Erhardt	Jefferson	Krueger	Orfield	Wagenius
Brown, C.	Evans	Jennings	Long	Pelowski	Wejcman
Carruthers	Garcia	Kahn	Luther	Rice	Spk. Anderson, I.

The motion prevailed and the amendment was adopted.

Krueger, Neary, Kinkel, Osthoff, Frerichs and Pelowski moved to amend H. F. No. 3041, the fourth engrossment, as amended, as follows:

Page 44, after line 24, insert:

"Subd. 8. [REIMBURSEMENT TO STATE.] The commission shall compensate the state for its contribution from the general fund under section 19, 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. Compensation paid to the state shall occur at the same time that

compensation is paid to the city of Minneapolis, as provided in paragraph (n) of subdivision 4, on a basis proportionate to the amount of forbearance of the entertainment tax on surcharge as provided in paragraph (n) to that date, and the amount of general fund appropriations paid by the state under section 19 to that date."

Amend the title accordingly

The motion prevailed and the amendment was adopted.

CALL OF THE HOUSE

On the motion of Gutknecht and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

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.

Macklin, Gutknecht, Smith, Limmer, Worke, Onnen, Workman, Van Engen and Bettermann moved to amend H. F. No. 3041, the fourth engrossment, as amended, as follows:

Pages 1 to 4, delete sections 1 to 3

Delete page 13

Page 14, delete lines 1 to 5 and insert:

"Subd. 16. [AGREEMENT WITH CITY.] The commission may agree with the city of Minneapolis that the city will provide money to support the acquisition, improvement, or operation of the basketball and hockey arena. The agreement may cover a term of one or more years and may be contingent upon other revenues being insufficient to meet specified levels. In addition, the agreement may provide for city or other public use of the facility under specified circumstances or conditions. The commission may pledge the money received under an agreement entered into under this subdivision to pay debt service on obligations issued to acquire or improve the basketball and hockey arena."

Page 26, delete line 23

Page 26, line 24, delete "revenues"

Page 26, line 26, delete the semicolon and insert a period

Page 26, delete lines 27 to 36

Page 27, delete lines 1 to 15

Page 27, line 16, delete "subclause (iii)."

Pages 44 to 47, delete sections 16 and 17

Page 47, delete section 19 and insert:

"Sec. 14. [MINNEAPOLIS; AUTHORITY TO APPROPRIATE AND PLEDGE SALES TAX REVENUE.]

Notwithstanding any limitation in Laws 1986, chapter 396, or other law to the contrary, the city of Minneapolis may, by resolution, appropriate the proceeds of sales and use taxes collected or received by the city under Laws 1986, chapter 396, section 4, under an agreement with the metropolitan sports facilities commission to fund an agreement entered into under Minnesota Statutes, section 473.556, subdivision 16. The city may irrevocably pledge these revenues. The amount of the appropriation may not exceed the amount of revenue accruing to the city as a result of the advance refunding of bonds issued under Laws 1986, chapter 396. Providing financial assistance for a basketball and hockey arena under this act is an authorized use of the tax revenues under Laws 1986, chapter 396."

Page 48, line 5, delete "(a)"

Page 48, delete lines 8 to 11

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 6, delete everything after "sections"

Page 1, delete line 7

Page 1, line 10, delete everything after the semicolon

Page 1, delete line 11

Page 1, line 13, delete "chapters 240A; and" and insert "chapter"

A roll call was requested and properly seconded.

The question was taken on the Macklin et al amendment and the roll was called. There were 44 yeas and 90 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Johnson, V.	Mahon	Opatz	Seagren	Worke
Asch	Finseth	Kelso	Molnau	Orenstein	Steensma	Workman
Bauerly	Goodno	Koppendrayer	Mosel	Ostrom	Sviggum	
Bergson	Gruenes	Krinkie	Neary	Pauly	Tompkins	
Bertram	Gutknecht	Limmer	Nelson	Pawlenty	Van Engen	
Bettermann	Haukoos	Lindner	Ness	Perlt	Vickerman	
Commers	Holsten	Macklin	Olson, M.	Rhodes	Waltman	

Those who voted in the negative were:

Anderson, R.	Bishop	Carlson	Cooper	Dawkins	Dorn	Farrell
Battaglia	Brown, C.	Carruthers	Dauner	Delmont	Erhardt	Frerichs
Beard	Brown, K.	Clark	Davids	Dempsey	Evans	Garcia

Girard	Jennings	Krueger	McGuire	Ozment	Sekhon	Van Dellen
Greenfield	Johnson, A.	Lasley	Milbert	Pelowski	Simoneau	Vellenga
Greiling	Johnson, R.	Leppik	Morrison	Peterson	Skoglund	Wagenius
Hasskamp	Kahn	Lieder	Munger	Pugh	Smith	Weaver
Hausman	Kalis	Long	Murphy	Reding	Solberg	Wejcman
Hugoson	Kelley	Lourey	Olson, E.	Rest	Stanius	Wenzel
Huntley	Kinkel	Luther	Olson, K.	Rice	Swenson	Winter
Jacobs	Klinzing	Lynch	Onnen	Rodosovich	Tomassoni	Wolf
Jaros	Knickerbocker	Mariani	Orfield	Rukavina	Trimble	Spk. Anderson, I.
Jefferson	Knight	McCollum	Osthoff	Sarna	Tunheim	

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

H. F. No. 3041, A bill for an act relating to 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; 473.553; 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.

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 65 nays as follows:

Those who voted in the affirmative were:

Battaglia	Dawkins	Huntley	Krueger	Murphy	Rodosovich	Tunheim
Bauerly	Dempsey	Jacobs	Leppik	Olson, E.	Rukavina	Van Dellen
Bishop	Dorn	Jaros	Long	Olson, K.	Sarna	Wagenius
Brown, C.	Erhardt	Jefferson	Lourey	Onnen	Sekhon	Weaver
Brown, K.	Evans	Jennings	Lynch	Orfield	Simoneau	Wejcman
Carruthers	Frerichs	Kahn	Mariani	Ozment	Skoglund	Wenzel
Clark	Girard	Kelley	McGuire	Pelowski	Solberg	Winter
Cooper	Greiling	Kinkel	Milbert	Peterson	Stanius	Wolf
Dauner	Hasskamp	Klinzing	Morrison	Reding	Swenson	Spk. Anderson, I.
Davids	Hugoson	Knickerbocker	Munger	Rice	Tomassoni	

Those who voted in the negative were:

Abrams	Delmont	Holsten	Lieder	Nelson	Pugh	Vellenga
Anderson, R.	Farrell	Johnson, A.	Limmer	Ness	Rest	Vickerman
Asch	Finseth	Johnson, R.	Lindner	Olson, M.	Rhodes	Waltman
Beard	Garcia	Johnson, V.	Luther	Opatz	Seagren	Worke
Bergson	Goodno	Kalis	Macklin	Orenstein	Smith	Workman
Bertram	Greenfield	Kelso	Mahon	Osthoff	Steensma	
Bettermann	Gruenes	Knight	McCollum	Ostrom	Sviggum	
Carlson	Gutknecht	Koppendrayer	Molnau	Pauly	Tompkins	
Commers	Haukoos	Krinkie	Mosel	Pawlenty	Trimble	
Dehler	Hausman	Lasley	Neary	Perlt	Van Engen	

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.

ANNOUNCEMENT BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3179:

Munger, Trimble and Jaros.

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 third time and placed upon its final passage.

The question was taken on the passage of the bill and the roll was called. There were 127 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Knight	Olson, M.	Orfield	Perlt

The bill was passed and its title agreed to.

SPECIAL ORDERS

S. F. No. 788 was reported to the House.

McCollum, Goodno and Reding moved to amend S. F. No. 788, the unofficial engrossment, as follows:

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1992, section 117.042, is amended to read:

117.042 [POSSESSION.]

Subdivision 1. [QUICK TAKE PROCEDURE.] Except as provided in subdivision 2, whenever the petitioner shall require title and possession of all or part of the owner's property prior to the filing of an award by the court appointed commissioners, the petitioner shall, at least 90 days prior to the date on which possession is to be taken,

notify the owner of the intent to possess by notice served by certified mail and before taking title and possession shall pay to the owner or deposit with the court an amount equal to petitioner's approved appraisal of value. Amounts deposited with the court shall be paid out under the direction of the court. If it is deemed necessary to deposit the above amount with the court the petitioner may apply to the court for an order transferring title and possession of the property or properties involved from the owner to the petitioner. In all other cases, petitioner has the right to the title and possession after the filing of the award by the court appointed commissioners as follows:

(a) if appeal is waived by the parties upon payment of the award;

(b) if appeal is not waived by the parties upon payment or deposit of three-fourths of the award. The amount deposited shall be deposited by the court administrator in an interest bearing account no later than the business day next following the day on which the amount was deposited with the court. All interest credited to the amount deposited from the date of deposit shall be paid to the ultimate recipient of the amount deposited.

Subd. 2. [LIMITATION ON COOPERATIVE ELECTRIC ASSOCIATION.] Notwithstanding subdivision 1, a cooperative electric association seeking to acquire the property of a public utility or municipal electric utility in eminent domain proceedings is excluded from acquiring any right to furnish electric service until the proceedings conducted under the other sections of this chapter are concluded.

Subd. 3. [APPLICABILITY TO PUBLIC ASSISTANCE ELIGIBILITY.] Nothing in this section shall limit rights granted in section 117.155.

Sec. 2. Minnesota Statutes 1992, section 308A.201, subdivision 13, is amended to read:

Subd. 13. [UTILITY COOPERATIVE CONDEMNATION POWER.] Except as otherwise provided in section 117.042, subdivision 2, or other law, a cooperative that is engaged in the electrical, heat, light, power, or telephone business may exercise the power of eminent domain in the manner provided by state law for the exercise of the power by other corporations engaged in the same business.

Sec. 3. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, line 2, delete "municipality" and insert "cooperative electric association"

Page 1, line 6, delete "section 216B.47" and insert "sections 216B.47; and 308A.201, subdivision 13"

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Bishop and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Carlson	Finseth	Holsten	Knight	Lynch	Olson, E.
Anderson, R.	Carruthers	Frerichs	Huntley	Koppendrayer	Mahon	Olson, K.
Asch	Commers	Garcia	Jacobs	Krinkie	McCollum	Olson, M.
Battaglia	Cooper	Girard	Jaros	Krueger	McGuire	Onnen
Bauerly	Dauner	Goodno	Johnson, A.	Lasley	Milbert	Opatz
Beard	Davids	Greenfield	Johnson, R.	Leppik	Molnau	Orenstein
Bergson	Dehler	Greiling	Johnson, V.	Lieder	Morrison	Orfield
Bertram	Dempsey	Gruenes	Kahn	Limmer	Mosel	Osthoff
Bettermann	Dorn	Gutknecht	Kelley	Lindner	Munger	Ostrom
Bishop	Erhardt	Hasskamp	Kelso	Long	Neary	Ozment
Brown, C.	Evans	Haukoos	Klinzing	Lourey	Nelson	Pauly
Brown, K.	Farrell	Hausman	Knickerbocker	Luther	Ness	Pawlenty

Pelowski	Rhodes	Smith	Swenson	Vellenga	Wejcman	Spk. Anderson, I.
Perlt	Rodosovich	Solberg	Tomassoni	Vickerman	Wenzel	
Peterson	Rukavina	Stanius	Tompkins	Wagenius	Winter	
Pugh	Seagren	Steensma	Tunheim	Waltman	Wolf	
Reding	Sekhon	Sviggum	Van Engen	Weaver	Workman	

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.

POINT OF ORDER

Bertram raised a point of order pursuant to rule 3.09 that the McCollum et al amendment was not in order. The Speaker ruled the point of order not well taken and the amendment in order.

MOTION TO LAY ON THE TABLE

Bishop moved to lay S. F. No. 788, the unofficial engrossment, on the table.

A roll call was requested and properly seconded.

The question was taken on the Bishop motion and the roll was called. There were 58 yeas and 69 nays as follows:

Those who voted in the affirmative were:

Asch	Dorn	Huntley	Lourey	Ness	Rice	Wagenius
Battaglia	Farrell	Jefferson	Luther	Orenstein	Rukavina	Wejcman
Bergson	Finseth	Johnson, A.	Mariani	Osthoff	Seagren	Wenzel
Bishop	Garcia	Johnson, R.	McCollum	Ostrom	Sekhon	Spk. Anderson, I.
Brown, K.	Goodno	Kahn	Milbert	Pelowski	Solberg	
Carlson	Greenfield	Kelso	Munger	Perlt	Tomassoni	
Cooper	Greiling	Klinzing	Murphy	Peterson	Trimble	
Dauner	Hausman	Knickerbocker	Neary	Pugh	Vellenga	
Dawkins	Holsten	Krinkie	Nelson	Reding	Vickerman	

Those who voted in the negative were:

Abrams	Davids	Hasskamp	Krueger	Morrison	Rhodes	Tunheim
Anderson, R.	Dehler	Haukoos	Lasley	Mosel	Rodosovich	Van Dellen
Bauerly	Delmont	Hugoson	Leppik	Olson, E.	Sarna	Van Engen
Beard	Dempsey	Jacobs	Lieder	Olson, K.	Simoneau	Waltman
Bertram	Erhardt	Jaros	Limmer	Olson, M.	Smith	Weaver
Bettermann	Evans	Johnson, V.	Lindner	Onnen	Stanius	Winter
Brown, C.	Frerichs	Kelley	Long	Opatz	Steensma	Wolf
Carruthers	Girard	Kinkel	Lynch	Ozment	Sviggum	Worke
Clark	Gruenes	Knight	Mahon	Pawlenty	Swenson	Workman
Commers	Gutknecht	Koppendrayer	Molnau	Rest	Tompkins	

The motion did not prevail.

The Speaker called Kahn to the Chair.

The question recurred on the McCollum et al amendment and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 35 yeas and 91 nays as follows:

Those who voted in the affirmative were:

Asch	Dawkins	Goodno	Johnson, R.	McGuire	Orenstein	Rukavina
Battaglia	Dorn	Greiling	Kahn	Milbert	Osthoff	Tomassoni
Bergson	Evans	Huntley	Kelso	Murphy	Pauly	Wagenius
Bishop	Farrell	Jefferson	Mahon	Neary	Pugh	Wejcman
Clark	Garcia	Johnson, A.	McCollum	Ness	Reding	Worke

Those who voted in the negative were:

Abrams	Davids	Jacobs	Leppik	Nelson	Rhodes	Trimble
Anderson, R.	Dehler	Jaros	Lieder	Olson, E.	Rodosovich	Tunheim
Bauerly	Delmont	Johnson, V.	Limmer	Olson, K.	Sarna	Van Dellen
Beard	Dempsey	Kalis	Lindner	Olson, M.	Seagren	Van Engen
Bertram	Erhardt	Kelley	Long	Onnen	Sekhon	Vellenga
Bettermann	Finseth	Kinkel	Lourey	Opatz	Simoneau	Vickerman
Brown, C.	Frerichs	Klinzing	Luther	Ostrom	Smith	Waltman
Brown, K.	Girard	Knickerbocker	Lynch	Ozment	Solberg	Weaver
Carlson	Gruenes	Knight	Mariani	Pawlenty	Stanius	Wenzel
Carruthers	Gutknecht	Koppendrayer	Molnau	Pelowski	Steensma	Winter
Commers	Haukoos	Krinkie	Morrison	Perlt	Sviggum	Wolf
Cooper	Holsten	Krueger	Mosel	Peterson	Swenson	Workman
Dauner	Hugoson	Lasley	Munger	Rest	Tompkins	Spk. Anderson, I.

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

CALL OF THE HOUSE LIFTED

Bishop moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

S. F. No. 788, A bill for an act relating to energy; clarifying maximum energy consumption requirements for certain exit lamps; eliminating advance forecast reporting requirements for public electric utilities submitting advance forecasts in an integrated resource plan; updating the municipal energy conservation loan program; eliminating the district heating loan program; providing for certain energy related matters with respect to rental property; amending Minnesota Statutes 1992, sections 16B.61, subdivision 3; 116C.54; 216B.16, by adding a subdivision; 216B.241, subdivisions 1b and 2; 216C.17, subdivision 3; 216C.19, subdivisions 17 and 19; 216C.31; 216C.37, subdivision 1; 299F.011, subdivision 4c; 446A.10, subdivision 2; 504.185, subdivision 1, and by adding a subdivision; and 504.22, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 216C; repealing Minnesota Statutes 1992, sections 216C.36; and 327C.04, subdivision 4; Minnesota Rules, parts 7665.0200; 7665.0210; 7665.0220; 7665.0230; 7665.0240; 7665.0250; 7665.0300; 7665.0310; 7665.0320; 7665.0330; 7665.0340; 7665.0350; 7665.0360; 7665.0370; and 7665.0380.

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

The question was taken on the passage of the bill and the roll was called. There were 85 yeas and 42 nays as follows:

Those who voted in the affirmative were:

Abrams	Beard	Carruthers	Dauner	Dempsey	Garcia	Haukoos
Anderson, R.	Bertram	Clark	Davids	Erhardt	Girard	Holsten
Battaglia	Bettermann	Commers	Dehler	Evans	Gruenes	Hugoson
Bauerly	Brown, C.	Cooper	Delmont	Frerichs	Gutknecht	Jacobs

Jaros	Knight	Luther	Olson, K.	Rodosovich	Tompkins	Worke
Johnson, A.	Koppendrayer	Lynch	Olson, M.	Sarna	Tunheim	Workman
Johnson, R.	Krueger	Molnau	Onnen	Seagren	Van Dellen	Spk. Anderson, I.
Johnson, V.	Lasley	Morrison	Opatz	Simoneau	Vellenga	
Kalis	Leppik	Mosel	Ozment	Smith	Vickerman	
Kelley	Lieder	Murphy	Pelowski	Solberg	Waltman	
Kelso	Lindner	Nelson	Peterson	Stanius	Wenzel	
Kinkel	Long	Ness	Rest	Steensma	Winter	
Knickerbocker	Lourey	Olson, E.	Rhodes	Sviggum	Wolf	

Those who voted in the negative were:

Asch	Dorn	Huntley	Mariani	Osthoff	Reding	Tomassoni
Bergson	Farrell	Kahn	McCollum	Ostrom	Rice	Trimble
Bishop	Finseth	Klinzing	Milbert	Pauly	Rukavina	Van Engen
Brown, K.	Goodno	Krinkie	Neary	Pawlenty	Sekhon	Wagenius
Carlson	Greiling	Limmer	Orenstein	Perlt	Skoglund	Weaver
Dawkins	Hasskamp	Mahon	Orfield	Pugh	Swenson	Wejcman

The bill was passed and its title agreed to.

Trimble moved that the remaining 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

Rodosovich moved that the name of Knickerbocker be added as an author on H. F. No. 2602. The motion prevailed.

Rodosovich moved that the name of Knickerbocker be added as an author on H. F. No. 2672. The motion prevailed.

Peterson moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Monday, May 2, 1994, when the vote was taken on the repassage of H. F. No. 2234, 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 Monday, May 2, 1994, when the vote was taken on the Frerichs and Vickerman amendment to H. F. No. 2742." 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, May 2, 1994, when the vote was taken on the repassage of H. F. No. 3209, as amended by Conference." The motion prevailed.

Mahon 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 Friday, April 29, 1994, when the vote was taken on the final passage of H. F. No. 3230, as amended." The motion prevailed.

Goodno moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative, while I was excused while in Conference, on Friday, April 29, 1994, when the vote was taken on the Frerichs appeal of the decision of the Chair on the Carruthers point of order on the Frerichs amendment to H. F. No. 3230, the first engrossment, as amended." The motion prevailed.

Goodno moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative, while I was excused while in Conference, on Friday, April 29, 1994, when the vote was taken on the second Sviggum amendment to H. F. No. 3230, the first engrossment, as amended." The motion prevailed.

Goodno moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative, while I was excused while in Conference, on Friday, April 29, 1994, when the vote was taken on the final passage of H. F. No. 3230, as amended." The motion prevailed.

Mahon 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 Friday, April 29, 1994, when the vote was taken on the final passage of S. F. No. 103, as amended." The motion prevailed.

Carlson 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 29, 1994, when the vote was taken on the final passage of S. F. No. 309." The motion prevailed.

ADJOURNMENT

Trimble moved that when the House adjourns today it adjourn until 9:30 a.m., Wednesday, May 4, 1994. The motion prevailed.

Trimble moved that the House adjourn. The motion prevailed, and Speaker pro tempore Kahn declared the House stands adjourned until 9:30 a.m., Wednesday, May 4, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

ONE HUNDRED-FOURTH DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, MAY 4, 1994

The House of Representatives convened at 9:30 a.m. and was called to order by Irv Anderson, Speaker of the House.

Prayer was offered by Chris Leith, Spiritual Leader, Prairie Island, Minnesota.

The roll was called and the following members were present:

Abrams	Dawkins	Hausman	Koppendrayer	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	Rest	Van Dellen
Beard	Erhardt	Jaros	Lieder	Nelson	Rhodes	Van Engen
Bergson	Evans	Jefferson	Limmer	Ness	Rice	Vellenga
Bertram	Farrell	Jennings	Lindner	Olson, K.	Rodosovich	Vickerman
Bettermann	Finseth	Johnson, A.	Long	Olson, M.	Rukavina	Wagenius
Bishop	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	Macklin	Orfield	Simoneau	Wenzel
Carruthers	Greenfield	Kelley	Mahon	Osthoff	Skoglund	Winter
Clark	Greiling	Kelso	Mariani	Ostrom	Smith	Wolf
Commers	Gruenes	Kinkel	McCollum	Ozment	Solberg	Worke
Cooper	Gutknecht	Klinzing	McGuire	Pauly	Steensma	Workman
Dauner	Hasskamp	Knickerbocker	Milbert	Pawlenty	Sviggum	Spk. Anderson, I.
Davids	Haukoos	Knight	Molnau	Pelowski	Swenson	

A quorum was present.

Olson, E., and Stanius were excused until 10:30 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. 1944 and H. F. No. 2243, 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. 1944 be substituted for H. F. No. 2243 and that the House File be indefinitely postponed. The motion prevailed.

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 2, 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. 1788, relating to marriage; providing for postnuptial 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*
	1788	545	1:40 p.m. May 2	May 2
1712		546	1:45 p.m. May 2	May 2
2303		547	1:47 p.m. May 2	May 2

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

SECOND READING OF SENATE BILLS

S. F. No. 1944 was read for the second time.

HOUSE ADVISORIES

The following House Advisories were introduced:

Long, Clark, Morrison, Dawkins and Mariani introduced:

H. A. No. 40, A proposal to study the fiscal implications of installing automatic sprinkler systems.

The advisory was referred to the Committee on Housing.

Olson, M.; Koppendrayer; Simoneau; Dehler and Worke introduced:

H. A. No. 41, A proposal to study automobile insurance noneconomic detriment claims.

The advisory was referred to the Committee on Financial Institutions and Insurance.

Olson, M.; Pauly; Munger; Trimble and Ozment introduced:

H. A. No. 42, A proposal to study the return of used tires.

The advisory was referred to the Committee on Environment and Natural Resources.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

May 3, 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. 2617, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2617 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 325B.02, is amended to read:

325B.02 [NO INDUCEMENT OR COERCION.]

No brewer shall:

(1) Induce or coerce, or attempt to induce or coerce, any beer wholesaler to accept delivery of any alcoholic beverage or any other commodity which shall not have been ordered by the beer wholesaler.

(2) Induce or coerce, or attempt to induce or coerce, any beer wholesaler to do any illegal act or thing by threatening to amend, cancel, terminate, or refuse to renew any agreement existing between a brewer and a beer wholesaler.

(3) Require a wholesaler to assent to any condition, stipulation or provision limiting the wholesaler's right to sell the product of any other brewer anywhere in the state of Minnesota, provided that the acquisition of the product of another brewer does not materially impair the quality of service or quantity of sales of the existing brand or brands of the brewer seeking to impose the condition, stipulation or provision.

(4) Refuse to supply, in reasonable quantities and within a reasonable time after receipt of the wholesaler's order, beer ordered by a wholesaler who has an agreement with the brewer for sale and distribution of the brewer's beer, unless the refusal to supply is due to:

(i) the brewer's prudent and reasonable restrictions on extension of credit to the wholesaler;

(ii) weather or other natural events;

(iii) a work stoppage or delay resulting from a strike or other labor dispute;

(iv) a bona fide shortage of materials;

(v) a freight embargo; or

(vi) any other cause over which the brewer or the brewer's agents have no control.

Sec. 2. [325B.031] [BRANDS; BRAND EXTENSIONS.]

Subdivision 1. [DEFINITIONS.] For purposes of this section:

(a) "Brand" is any word, name, group of letters, symbol, or combination thereof, that is adopted and used by a brewer or importer to identify a specific beer product, and to distinguish that beer product from another beer product.

(b) "Brand extension" is any brand that (1) incorporates all or a substantial part of the unique features of a preexisting brand of the same brewer or importer, and (2) which relies to a significant extent on the goodwill associated with that preexisting brand.

Subd. 2. [BRAND EXTENSION TO BE ASSIGNED.] A brewer or importer who assigns a brand extension to a wholesaler must assign the brand extension to the wholesaler to whom the brewer or importer granted the exclusive sales territory to the brand from which the brand extension resulted. This requirement does not apply to assignments of brand extensions to wholesalers that were made by a brewer or importer before the effective date of this section.

Subd. 3. [ADDITIONAL BRAND EXTENSION.] In the event that prior to the effective date of this section a brewer or importer had assigned a brand extension to a wholesaler who was not the appointed wholesaler for the brand from which the brand extension was made, then any additional brand extension must be assigned to the wholesaler who first had the brand.

Sec. 3. Minnesota Statutes 1992, section 325B.04, is amended to read:

325B.04 [~~CANCELLATION~~ TERMINATION OF AGREEMENTS.]

Subdivision 1. [TERMINATIONS.] Notwithstanding the terms, provisions or conditions of any agreement, no brewer shall amend, cancel, terminate or refuse to continue to renew any agreement, or cause a wholesaler to resign from an agreement, unless ~~good cause exists for amendment, termination, cancellation, nonrenewal, noncontinuation or causing a resignation. "Good cause" shall not include the sale or purchase of a brewer. "Good cause" shall include, but not be limited to, the following:~~

~~(1) Revocation of the wholesaler's license to do business in the state.~~

~~(2) Bankruptcy or insolvency of the wholesaler.~~

~~(3) Assignment for the benefit of creditors or similar disposition of the assets of the wholesaler.~~

~~(4) Failure by the wholesaler to substantially comply, without reasonable excuse or justification, with any reasonable and material requirement imposed upon the wholesaler by the brewer.~~ the brewer:

(1) has satisfied the notice and opportunity to cure requirements of section 325B.05;

(2) has acted in good faith; and

(3) has good cause for the cancellation, termination, nonrenewal, discontinuance, or forced resignation.

Subd. 2. [GOOD CAUSE.] For purposes of subdivision 1:

(a) "Good cause" includes, but is not limited to, the following:

(1) revocation of the wholesaler's license under section 340A.304;

(2) the wholesaler's bankruptcy or insolvency;

(3) assignment of the assets of the wholesaler for the benefit of creditors, or a similar disposition of the wholesaler's assets; or

(4) a failure by the wholesaler to substantially comply, without reasonable excuse or justification, with any reasonable and material requirement imposed on the wholesaler by the brewer, where the failure was discovered by the brewer not more than one year before the date on which the brewer gave notice to the wholesaler under section 325B.05.

(b) "Good cause" does not include the sale or purchase of a brewer.

Sec. 4. Minnesota Statutes 1992, section 325B.05, is amended to read:

325B.05 [NOTICE OF INTENT TO TERMINATE.]

~~Except as provided in this section, a brewer shall provide a wholesaler at least 90 days prior written notice of any intent to amend, terminate, cancel or not renew any agreement. The notice shall state all the reasons for the intended amendment, termination, cancellation or nonrenewal. The wholesaler shall have 90 days in which to rectify any~~

~~claimed deficiency. If the deficiency shall be rectified within 90 days of notice, then the proposed amendment, termination, cancellation or nonrenewal shall be null and void and without legal effect. The notice provisions of this section shall not apply if the reason for the amendment, termination, cancellation, or nonrenewal is:~~

~~(1) The bankruptcy or insolvency of the wholesaler.~~

~~(2) An assignment for the benefit of creditors or similar disposition of the assets of the business.~~

~~(3) Revocation of the wholesaler's license.~~

~~(4) Conviction or a plea of guilty or no contest to a charge of violating a law relating to the business that materially affects the wholesaler's ability to remain in business.~~

Subdivision 1. [NOTICES; TIME LIMIT.] (a) Notwithstanding any provision to the contrary in any agreement between a brewer and a wholesaler, a brewer who intends to terminate, cancel, discontinue, or refuse to renew an agreement with a wholesaler must furnish written notice to that effect to the wholesaler not less than 90 days before the effective date of the intended action and must provide the wholesaler with a bona fide opportunity to substantially cure any claimed deficiency within the 90 days.

(b) The notice must be sent by certified mail and must contain, at a minimum, (1) the effective date of the intended action, and (2) a statement of the nature of the intended action and the brewer's reasons therefor.

(c) In no event may a termination, cancellation, discontinuance, or nonrenewal be effective until at least 90 days from the wholesaler's receipt of written notice under this section, unless the wholesaler has consented in writing to a shorter period.

Subd. 2. [NOTICES; OTHER PROVISIONS.] Notwithstanding subdivision 1 or section 325B.04, a brewer may terminate or refuse to renew an agreement on not less than 15 days' written notice to the wholesaler, upon any of the following occurrences:

(1) the bankruptcy or insolvency of the wholesaler;

(2) an assignment of the wholesaler's assets for the benefit of creditors, or a similar disposition of those assets;

(3) revocation of the wholesaler's license under section 340A.304; or

(4) conviction or a plea of guilty or no contest to a charge of violating any state or federal law, where the violation materially affects the wholesaler's right to remain in business. A notice under this subdivision must meet the requirements of subdivision 1, paragraph (b).

Sec. 5. Minnesota Statutes 1992, section 325B.12, is amended to read:

325B.12 [NO DISCRIMINATION.]

Subdivision 1. [DISCRIMINATION PROHIBITED.] No brewer shall discriminate among its wholesalers in any business dealings including, but not limited to, the price of beer sold to the wholesaler, unless the classification among its wholesalers is based upon reasonable grounds. Nothing in this section shall be construed to prohibit the sale or offer of sale of beer at a volume discount.

Subd. 2. [SALES; REBATES.] No brewer may:

(1) sell or offer to sell any beer to any Minnesota wholesaler at a price lower than the actual price offered to any other Minnesota wholesaler for the same product;

(2) utilize any method, including but not limited to, a sales promotion plan or program:

(i) that constitutes or results in a different offer being made to wholesalers for the same product;

(ii) that relates in any way to the price being charged or to be charged by a wholesaler to a retailer, including without limitation, any arrangement whereby the wholesale price is connected with any reduction from or addition to the wholesaler's normal price to retail; or

(iii) that results in a fixed retail price predetermined by a brewer; or

(3) utilize any rebate plan or program in connection with the sale of beer to a Minnesota wholesaler, unless:

(i) the brewer pays rebates to a wholesaler, pursuant to a rebate plan or program, within ten days after the wholesaler provides the brewer with appropriate documentation as reasonably required by the brewer;

(ii) the rebate plan or program guarantees that the brewer will make a rebate payment no later than 45 days after the initiation of a rebate plan or program, provided that a wholesaler timely submits appropriate documentation as reasonably required by a brewer; and

(iii) in the event of an audit, other examination, or claim by a brewer regarding the propriety of rebate payments made to a wholesaler, a brewer shall only be permitted to examine a wholesaler's records going back one year from the date of the audit, other examination, or claim and shall only be permitted to seek reimbursement for rebate payments made to the wholesaler during the one-year period.

Sec. 6. Minnesota Statutes 1992, section 340A.101, subdivision 13, is amended to read:

Subd. 13. [HOTEL.] "Hotel" is an establishment where food and lodging are regularly furnished to transients and which has:

(1) ~~a resident proprietor or manager;~~

~~(2)~~ a dining room serving the general public at tables and having facilities for seating at least 30 guests at one time; and

~~(3)~~ (2) guest rooms in the following minimum numbers: in first class cities, 50; in second class cities, 25; in all other cities and unincorporated areas, 10.

Sec. 7. Minnesota Statutes 1992, section 340A.301, subdivision 6, is amended to read:

Subd. 6. [FEES.] The annual fees for licenses under this section are as follows:

(a) Manufacturers (except as provided in clauses (b) and (c))	$ 15,000
Duplicates	$ 3,000
(b) Manufacturers of wines of not more than 25 percent alcohol by volume	$ 500
(c) Brewers other than those described in ~~clause~~ clauses (d) and (i)	$ 2,500
(d) Brewers who also hold a retail on-sale license and who manufacture fewer than ~~2,000~~ 3,500 barrels of malt liquor in a year, except as provided in subdivision 10, the entire production of which is solely for consumption on tap on the licensed premises	$ 500
(e) Wholesalers (except as provided in clauses (f), (g), and (h))	$ 15,000
Duplicates	$ 3,000
(f) Wholesalers of wines of not more than 25 percent alcohol by volume	$ 2,000
(g) Wholesalers of intoxicating malt liquor	$ 600
Duplicates	$ 25
(h) Wholesalers of 3.2 percent malt liquor	$ 10
(i) Brewers who manufacture fewer than 2000 barrels of malt liquor in a year	$ 150

If a business licensed under this section is destroyed, or damaged to the extent that it cannot be carried on, or if it ceases because of the death or illness of the licensee, the commissioner may refund the license fee for the balance of the license period to the licensee or to the licensee's estate.

Sec. 8. Minnesota Statutes 1992, section 340A.301, subdivision 7, is amended to read:

Subd. 7. [INTEREST IN OTHER BUSINESS.] (a) Except as provided in this subdivision, a holder of a license as a manufacturer, brewer, or wholesaler may not have any ownership, in whole or in part, in a business holding a retail intoxicating liquor or 3.2 percent malt liquor license. The commissioner may not issue a license under this section

to a manufacturer, brewer, or wholesaler if a retailer of intoxicating liquor has a direct or indirect interest in the manufacturer, brewer, or wholesaler. A manufacturer or wholesaler of intoxicating liquor may use or have property rented for retail intoxicating liquor sales only if the manufacturer or wholesaler has owned the property continuously since November 1, 1933. A retailer of intoxicating liquor may not use or have property rented for the manufacture or wholesaling of intoxicating liquor.

(b) A licensed brewer of malt liquor described in subdivision 6, clause (d) may be issued an on-sale intoxicating liquor or 3.2 percent malt liquor license by a municipality for a restaurant operated in or immediately adjacent to the place of manufacture. Malt liquor brewed by such a licensee may not be removed from the licensed premises unless the malt liquor is entered in a tasting competition where none of the malt liquor so removed is sold.

Sec. 9. Minnesota Statutes 1992, section 340A.301, is amended by adding a subdivision to read:

Subd. 10. [BREWERY-RESTAURANTS; PERMITS.] A licensed brewer of malt liquor described in subdivision 6, clause (d), may apply to the commissioner for a permit to manufacture more than 3,500 barrels of malt liquor in a calendar year. The commissioner shall issue the permit if the commissioner determines that (1) the brewer will manufacture at least 3,500 barrels of malt liquor in that year, and (2) all malt liquor manufactured by the brewer will be consumed on the licensed premises only, except as provided in subdivision 7, paragraph (b). The permit authorizes the permit holder to manufacture more than 3,500 barrels of malt liquor in the year in which the permit is issued, for consumption on the licensed premises only. A permit under this subdivision expires on December 31 of the year of issuance.

Sec. 10. Minnesota Statutes 1992, section 340A.307, subdivision 4, is amended to read:

Subd. 4. [EXCEPTIONS.] Nothing in this section applies to:

~~(a)~~ (1) wine or malt liquor of any alcohol content; ~~or~~

~~(b)~~ (2) intoxicating liquor which is:

~~(1)~~ (i) further distilled, refined, rectified, or blended within the state; and

~~(2)~~ (ii) bottled within the state and labeled with the importer's own labels after importation into the state; or

(3) any brand of intoxicating liquor which is offered for sale only in this state. No such brand shall vary from an existing or new brand sold in another state in any manner as to brand name, age, or proof of the product.

Sec. 11. Minnesota Statutes 1992, section 340A.308, is amended to read:

340A.308 [PROHIBITED TRANSACTIONS.]

(a) No brewer or malt liquor wholesaler may directly or indirectly, or through an affiliate or subsidiary company, or through an officer, director, stockholder, or partner:

(1) give, or lend money, credit, or other thing of value to a retailer;

(2) give, lend, lease, or sell furnishing or equipment to a retailer;

(3) have an interest in a retail license; or

(4) be bound for the repayment of a loan to a retailer.

(b) No retailer may solicit any equipment, fixture, supplies, money, or other thing of value from a brewer or malt liquor wholesaler if furnishing of these items by the brewer or wholesaler is prohibited by law and the retailer knew or had reason to know that the furnishing is prohibited by law.

(c) This section does not prohibit a manufacturer or wholesaler from:

(1) furnishing, lending, or renting to a retailer outside signs, of a cost of up to $400 excluding installation and repair costs;

(2) furnishing, lending, or renting to a retailer inside signs and other promotional material, of a cost of up to $300 in a year;

(3) furnishing to or maintaining for a retailer equipment for dispensing malt liquor, including tap trailers, cold plates and other dispensing equipment, of a cost of up to $100 per tap in a year;

(4) using or renting property owned continually since November 1, 1933, for the purpose of selling intoxicating or 3.2 percent malt liquor at retail; ~~or~~

(5) extending customary commercial credit to a retailer in connection with a sale of nonalcoholic beverages only, or engaging in cooperative advertising agreements with a retailer in connection with the sale of nonalcoholic beverages only; or

(6) in the case of a wholesaler, with the prior written consent of the commissioner, selling beer on consignment to a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10.

Sec. 12. Minnesota Statutes 1992, section 340A.311, is amended to read:

340A.311 [BRAND REGISTRATION.]

(a) A brand of intoxicating liquor or 3.2 percent malt liquor may not be manufactured, imported into, or sold in the state unless the brand label has been registered with and approved by the commissioner. A brand registration must be renewed every three years in order to remain in effect. The fee for an initial brand registration is $30. The fee for brand registration renewal is $20. The brand label of a brand of intoxicating liquor or 3.2 percent malt liquor for which the brand registration has expired, is conclusively deemed abandoned by the manufacturer or importer.

(b) In this section "brand" and "brand label" include trademarks and designs used in connection with labels.

(c) The label of any brand of wine or intoxicating or nonintoxicating malt beverage may be registered only by the brand owner or authorized agent. No such brand may be imported into the state for sale without the consent of the brand owner or authorized agent. This section does not limit the provisions of section 340A.307.

(d) The commissioner shall refuse to register a malt liquor brand label, and shall revoke the registration of a malt liquor brand label already registered, if the brand label states or implies in a false or misleading manner a connection with an actual living or dead American Indian leader. This paragraph does not apply to a brand label registered for the first time in Minnesota before January 1, 1992.

Sec. 13. [340A.318] [REPORTS BY BREWERS.]

The commissioner may require a brewer that manufactures 25,000 or fewer barrels of malt liquor in any year to report to the commissioner, on a form and at the frequency the commissioner prescribes, on the total amount of malt liquor brewed by the brewer.

Sec. 14. [340A.32] [TRANSPORTATION OF ALCOHOLIC BEVERAGES.]

Subdivision 1. [PERMIT REQUIRED.] No person other than the holder of a valid retailer's identification card issued by the commissioner may transport distilled spirits or wine intended for resale to consumers without possessing a valid alcoholic beverage transporter's permit issued under this section.

Subd. 2. [ISSUANCE OF PERMIT.] (a) A person seeking a transporter's permit must submit an application, on a form the commissioner prescribes, that contains the applicant's name and address, and if a corporation, the names and addresses of the corporation's officers and such other information as the commissioner deems necessary.

(b) A permit under this section is valid for one year. The annual fee for the permit is $20.

Subd. 3. [SUSPENSION; REVOCATION.] The commissioner may revoke, or suspend for up to 60 days, a permit under this subdivision, or impose on the permit holder a civil fine of not more than $2,000 for each violation, on a finding that the permit holder has violated a provision of this chapter or a rule of the commissioner. A suspension or revocation is a contested case under the administrative procedure act.

Subd. 4. [PREMISES.] For purposes of inspection of premises of transporter permit holders under section 340A.907, "premises" includes any vehicle the transporter uses to transport distilled spirits or wine.

Sec. 15. Minnesota Statutes 1993 Supplement, section 340A.402, is amended to read:

340A.402 [PERSONS ELIGIBLE.]

No retail license may be issued to:

(1) ~~a person not a citizen of the United States or a resident alien;~~

~~(2)~~ a person under 21 years of age;

~~(3)~~ (2) a person who has had an intoxicating liquor or nonintoxicating liquor license revoked within five years of the license application, or to any person who at the time of the violation owns any interest, whether as a holder of more than five percent of the capital stock of a corporation licensee, as a partner or otherwise, in the premises or in the business conducted thereon, or to a corporation, partnership, association, enterprise, business, or firm in which any such person is in any manner interested;

~~(4)~~ (3) a person not of good moral character and repute; or

~~(5)~~ (4) a person who has a direct or indirect interest in a manufacturer, brewer, or wholesaler.

In addition, no new retail license may be issued to, and the governing body of a municipality may refuse to renew the license of, a person who, within five years of the license application, has been convicted of a felony or a willful violation of a federal or state law or local ordinance governing the manufacture, sale, distribution, or possession for sale or distribution of an alcoholic beverage.

Sec. 16. Minnesota Statutes 1992, section 340A.404, subdivision 6, is amended to read:

Subd. 6. [COUNTIES.] (a) A county board may issue an annual on-sale intoxicating liquor license within the area of the county that is unorganized or unincorporated to a bowling center, restaurant, ~~or~~ club, or hotel with the approval of the commissioner.

(b) A county board may also with the approval of the commissioner issue up to ten seasonal on-sale licenses to restaurants and clubs for the sale of intoxicating liquor within the area of the county that is unorganized or unincorporated. Notwithstanding section 340A.412, subdivision 8, a seasonal license is valid for a period specified by the board, not to exceed nine months. Not more than one license may be issued for any one premises during any consecutive 12-month period.

Sec. 17. Minnesota Statutes 1992, section 340A.404, subdivision 10, is amended to read:

Subd. 10. [TEMPORARY ON-SALE LICENSES.] The governing body of a municipality may issue to a club or charitable, religious, or other nonprofit organization in existence for at least three years, or to a political committee registered under section 10A.14, a temporary license for the on-sale of intoxicating liquor in connection with a social event within the municipality sponsored by the licensee. The license may authorize the on-sale of intoxicating liquor for not more than three consecutive days, and may authorize on-sales on premises other than premises the licensee owns or permanently occupies. The license may provide that the licensee may contract for intoxicating liquor catering services with the holder of a full-year on-sale intoxicating liquor license issued by any municipality. The licenses are subject to the terms, including a license fee, imposed by the issuing municipality. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except section 340A.409 and those laws and ordinances which by their nature are not applicable. Licenses under this subdivision are not valid unless first approved by the commissioner of public safety.

A county under this section may issue a temporary license only to a premises located in the unincorporated or unorganized territory of the county.

Sec. 18. Minnesota Statutes 1992, section 340A.405, subdivision 1, is amended to read:

Subdivision 1. [CITIES.] (a) A city other than a city of the first class may issue with the approval of the commissioner, an off-sale intoxicating liquor license to an exclusive liquor store, or to a drugstore to which an off-sale license had been issued on or prior to May 1, 1994.

(b) A city of the first class may issue an off-sale license to an exclusive liquor store, a general food store to which an off-sale license had been issued on August 1, 1989, or a drugstore to which an off-sale license had been issued on or prior to May 1, 1994.

Sec. 19. Minnesota Statutes 1992, section 340A.405, subdivision 2, is amended to read:

Subd. 2. [COUNTIES.] (a) A county may issue an off-sale intoxicating license with the approval of the commissioner to exclusive liquor stores located within unorganized territory of the county.

(b) A county board of any county except Ramsey county containing a town exercising powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town with the approval of the commissioner. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(c) A county board of any county except Ramsey county containing a town that may not exercise powers under section 368.01, subdivision 1, may issue an off-sale license to an exclusive liquor store within that town, or a combination off-sale and on-sale license to ~~restaurants~~ a restaurant within that town, with the approval of the commissioner pursuant to section 340A.404, subdivision 6. No license may be issued under this paragraph unless the town board adopts a resolution supporting the issuance of the license.

(d) No license may be issued under this subdivision unless a public hearing is held on the issuance of the license. Notice must be given to all interested parties and to any city located within three miles of the premises proposed to be licensed. At the hearing the county board shall consider testimony and exhibits presented by interested parties and may base its decision to issue or deny a license upon the nature of the business to be conducted and its impact upon any municipality, the character and reputation of the applicant, and the propriety of the location. Any hearing held under this paragraph is not subject to chapter 14.

(e) A county board may not issue a license under this subdivision to a person for an establishment located less than one mile by the most direct route from the boundary of any statutory or home rule city that had established a municipal liquor store before August 1, 1991, provided, that a county board may not issue a new license under this subdivision to a person for an establishment located less than three miles by the most direct route from the boundary of a city that (1) is located outside the metropolitan area as defined in section 473.121, subdivision 2, (2) has a population over 5,000 according to the most recent federal decennial census, and (3) had established a municipal liquor store before August 1, 1991.

(f) The town board may impose an additional license fee in an amount not to exceed 20 percent of the county license fee.

(g) Notwithstanding any provision of this subdivision or Laws 1973, chapter 566, as amended by Laws 1974, chapter 200, a county board may transfer or renew a license that was issued by a town board under Minnesota Statutes 1984, section 340.11, subdivision 10b, prior to January 1, 1985.

Sec. 20. Minnesota Statutes 1992, section 340A.405, subdivision 4, is amended to read:

Subd. 4. [TEMPORARY OFF-SALE LICENSES; WINE AUCTIONS.] (a) The governing body of a city or county may issue a temporary license for the off-sale of wine at an auction with the approval of the commissioner. A license issued under this subdivision authorizes the sale of only vintage wine of a brand and vintage that is not commonly being offered for sale by any wholesaler in Minnesota. The license may authorize the off-sale of wine for not more than three consecutive days provided not more than 600 cases of wine are sold at any auction. The licenses are subject to the terms, including license fee, imposed by the issuing city or county. Licenses issued under this subdivision are subject to all laws and ordinances governing the sale of intoxicating liquor except section 340A.409 and those laws and ordinances which by their nature are not applicable.

(b) As used in the subdivision, "vintage wine" means bottled wine which is at least five years old.

Sec. 21. Minnesota Statutes 1992, section 340A.410, is amended by adding a subdivision to read:

Subd. 10. [TEMPORARY LICENSES; RESTRICTION ON NUMBER.] A municipality may not issue more than three temporary licenses for the sale of alcoholic beverages to any one organization or registered political committee, or for any one location, within a 12-month period. This restriction applies to temporary licenses issued under sections 340A.403, subdivision 2, and 340A.404, subdivision 10.

Sec. 22. Minnesota Statutes 1992, section 340A.412, subdivision 3, is amended to read:

Subd. 3. [LIMITATIONS ON ISSUANCE OF LICENSES TO ONE PERSON OR PLACE.] (a) A municipality may not issue more than one off-sale intoxicating liquor license to any one person or for any one place.

(b) A municipality may not allow the same business name to be used by more than one of its off-sale intoxicating liquor licensees.

(c) For purposes of this subdivision, "person" means:

(1) a holder of an off-sale intoxicating liquor license;

(2) an officer, director, agent, or employee of a holder of an off-sale intoxicating liquor license; or

(3) an affiliate of a holder of an off-sale intoxicating liquor license, regardless of whether the affiliation is corporate or by management, direction, or control.

Sec. 23. Minnesota Statutes 1993 Supplement, section 340A.415, is amended to read:

340A.415 [LICENSE REVOCATION OR SUSPENSION; CIVIL PENALTY.]

~~The authority issuing any retail license or permit under this chapter or the commissioner shall either suspend for up to 60 days or revoke the license or permit or impose a civil penalty not to exceed $2,000 for each violation~~ On a finding that the license or permit holder has (1) sold alcoholic beverages to another retail licensee for the purpose of resale, (2) purchased alcoholic beverages from another retail licensee for the purpose of resale, (3) conducted or permitted the conduct of gambling on the licensed premises in violation of the law, (4) failed to remove or dispose of alcoholic beverages when ordered by the commissioner to do so under section 340A.508, subdivision 3, or (5) failed to comply with an applicable statute, rule, or ordinance relating to alcoholic beverages, the commissioner or the authority issuing a retail license or permit under this chapter may revoke the license or permit, suspend the license or permit for up to 60 days, impose a civil penalty of up to $2,000 for each violation, or impose any combination of these sanctions. No suspension or revocation takes effect until the license or permit holder has been given an opportunity for a hearing under sections 14.57 to 14.69 of the administrative procedure act. This section does not require a political subdivision to conduct the hearing before an employee of the office of administrative hearings. Imposition of a penalty or suspension by either the issuing authority or the commissioner does not preclude imposition of an additional penalty or suspension by the other so long as the total penalty or suspension does not exceed the stated maximum.

Sec. 24. Minnesota Statutes 1992, section 340A.416, subdivision 3, is amended to read:

Subd. 3. [EFFECT OF ELECTION RESULTS.] If a majority of persons voting on the referendum question ~~the~~ vote "against license," the city may not issue intoxicating liquor licenses until the results of the referendum have been reversed at a subsequent election where the question has been submitted as provided in this section.

Sec. 25. [340A.417] [WINE TASTINGS.]

Subdivision 1. [DEFINITION.] For purposes of this section, a "wine tasting" is an event of not more than four hours' duration at which persons pay a fee or donation to participate, and are allowed to consume wine by the glass without paying a separate charge for each glass.

Subd. 2. [TASTINGS AUTHORIZED.] (a) A charitable, religious, or other nonprofit organization may conduct a wine tasting on premises the organization owns or leases or has use donated to it, or on the licensed premises of a holder of an on-sale intoxicating liquor license that is not a temporary license, if the organization holds a temporary on-sale intoxicating liquor license under section 340A.404, subdivision 10, and complies with this section. An organization holding a temporary license may be assisted in conducting the wine tasting by another nonprofit organization.

(b) An organization that conducts a wine tasting under this section may use the net proceeds from the wine tasting only for:

(1) the organization's primary nonprofit purpose; or

(2) donation to another nonprofit organization assisting in the wine tasting, if the other nonprofit organization uses the donation only for that organization's primary nonprofit purpose.

(c) No wine at a wine tasting under this section may be sold, or orders taken, for off-premise consumption.

(d) Notwithstanding any other law, an organization may purchase or otherwise obtain wine for a wine tasting conducted under this section from a wholesaler licensed to sell wine, and the wholesaler may sell or give wine to an organization for a wine tasting conducted under this section and may provide personnel to assist in the wine tasting. A wholesaler who sells or gives wine to an organization for a wine tasting under this section must deliver the wine directly to the location where the wine tasting is conducted.

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 a.m. and 8:00 a.m. on the days of Monday through Saturday;

(2) after 1:00 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.~~

Sec. 27. [340A.5071] [COUPONS PROHIBITED.]

A retailer of alcoholic beverages may not accept as full or partial payment for any product any coupons that are redeemed directly or indirectly from a manufacturer or wholesaler of alcoholic beverages.

Sec. 28. Minnesota Statutes 1992, section 340A.907, is amended to read:

340A.907 [INSPECTION.]

The commissioner of public safety or any duly authorized employee may, at all reasonable hours, enter in and upon the premises of any licensee or permit holder under this chapter to inspect the premises and examine the books, papers, and records of a manufacturer, wholesaler, importer, or retailer for the purpose of determining whether the provisions of this chapter are being complied with. If the commissioner or any duly authorized employee is denied free access or is hindered or interfered with in making an inspection or examination, the licensee or permit holder is subject to revocation pursuant to section 340A.304 in the case of a wholesaler, manufacturer, or importer, and section 340A.415 in the case of a retailer. For a holder of a temporary license under section 340A.403, subdivision 2, or 340A.404, subdivision 10, the commissioner's authority under this section extends for two years beyond the expiration of the temporary license or the permit.

Sec. 29. [ST. LOUIS COUNTY; OFF-SALE LICENSE.]

Notwithstanding Minnesota Statutes, section 340A.405, subdivision 2, paragraph (c), the St. Louis county board may issue one off-sale intoxicating liquor license to a premises located in Embarrass township.

Sec. 30. [ST. PAUL; LICENSE AUTHORIZED.]

(a) Notwithstanding any state or local law or charter provision, the city of St. Paul may issue an on-sale license to the College of St. Catherine catering service for the sale of wine and 3.2 percent malt liquor at O'Shaughnessy auditorium and St. Joseph's hall on the campus of the College of St. Catherine. The license may only authorize the licensee to dispense wine and 3.2 percent malt liquor to persons attending social events or performances at O'Shaughnessy auditorium or St. Joseph's hall.

(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.

Sec. 31. [EDEN PRAIRIE; ON-SALE LICENSES.]

The Eden Prairie city council may issue eight on-sale intoxicating liquor licenses in addition to the number authorized by Minnesota Statutes, section 340A.413. The licenses are subject to all other provisions of Minnesota Statutes, chapter 340A.

Sec. 32. [EAGAN; LICENSES AUTHORIZED.]

The city of Eagan may issue not more than three on-sale intoxicating liquor licenses in addition to the number authorized by Minnesota Statutes, section 340A.413. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section, apply to the licenses authorized by this section.

Sec. 33. [CLAY COUNTY; OFF-SALE LICENSE.]

Notwithstanding any state or local law or charter provision, the Clay county board may issue one off-sale intoxicating liquor license to a premises located in Elkton township. The license is subject to all other provisions of Minnesota Statutes, chapter 340A.

Sec. 34. [BURNSVILLE; ADDITIONAL LICENSES.]

The city of Burnsville may issue up to three on-sale intoxicating liquor licenses in addition to the number authorized by law. All provisions of Minnesota Statutes, chapter 340A, not inconsistent with this section apply to the licenses authorized by this section.

Sec. 35. [EFFECTIVE DATE.]

Sections 2, 7, 8, 9, 10, 18, and 25 are effective the day following final enactment. Section 29 is effective on approval by the St. Louis county board and compliance with Minnesota Statutes, section 645.021, subdivision 3. Section 30 is effective on approval by the St. Paul city council and compliance with section 645.021, subdivision 3. Section 31 is effective on approval by the Eden Prairie city council and compliance with section 645.021, subdivision 3. Section 32 is effective on approval by the Eagan city council and compliance with section 645.021, subdivision 3. Section 33 is effective on approval by the Clay county board and compliance with section 645.021, subdivision 3. Section 34 is effective on approval by the Burnsville city council and compliance with sections 645.021, subdivision 3."

Delete the title and insert:

"A bill for an act relating to alcoholic beverages; prohibiting brewer refusal to supply; regulating brand extensions and termination of agreements; prohibiting discrimination in sales and rebates; setting license fees; providing for amounts of malt liquor that may be brewed in a brewery-restaurant; providing exemption from law regulating nondiscrimination in liquor wholesaling; prohibiting registration brand label stating or implying a false or misleading connection with an American Indian leader; requiring monthly reports by microbrewers; removing restriction on sale of intoxicating liquor on Christmas Eve and Christmas day; providing for inspection of premises of temporary on-sale licenses; authorizing issuance of licenses by certain counties and cities; defining terms; prohibiting certain solicitations by retailers; authorizing consignment sales of beer by wholesalers to temporary licensees; removing requirement that retail licensees be citizens or resident aliens; authorizing counties to issue on-sale licenses to hotels; allowing registered political committees in existence for less than three years to obtain temporary on-sale licenses; placing restrictions on the number of temporary licenses issued to any organization or for any location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating certain wine tastings; restricting use of coupons by retailers, wholesalers, and manufacturers; providing penalties; 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.504, subdivision 2; 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."

We request adoption of this report and repassage of the bill.

House Conferees: JOEL JACOBS, JIM TUNHEIM AND JERRY DEMPSEY.

Senate Conferees: SAM G. SOLON, JAMES P. METZEN AND DICK DAY.

Jacobs moved that the report of the Conference Committee on H. F. No. 2617 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 107 yeas and 9 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Knight	Molnau	Reding	Van Engen
Anderson, R.	Delmont	Hugoson	Koppendrayer	Morrison	Rest	Vellenga
Battaglia	Dempsey	Huntley	Krinkie	Mosel	Rhodes	Vickerman
Bauerly	Dorn	Jacobs	Krueger	Munger	Rodosovich	Weaver
Beard	Erhardt	Jaros	Lasley	Murphy	Rukavina	Wejcman
Bergson	Evans	Jefferson	Leppik	Neary	Sarna	Wenzel
Bertram	Finseth	Jennings	Lieder	Nelson	Seagren	Winter
Bettermann	Frerichs	Johnson, A.	Limmer	Ness	Sekhon	Wolf
Brown, K.	Garcia	Johnson, R.	Long	Opatz	Smith	Worke
Carlson	Girard	Johnson, V.	Luther	Orenstein	Solberg	Workman
Carruthers	Goodno	Kahn	Lynch	Ostrom	Steensma	Spk. Anderson, I.
Commers	Greenfield	Kalis	Macklin	Ozment	Sviggum	
Cooper	Greiling	Kelley	Mahon	Pawlenty	Swenson	
Dauner	Gruenes	Kinkel	McCollum	Perlt	Tomassoni	
Davids	Hasskamp	Klinzing	McGuire	Peterson	Tompkins	
Dawkins	Hausman	Knickerbocker	Milbert	Pugh	Tunheim	

Those who voted in the negative were:

Asch	Haukoos	Olson, M.	Skoglund	Waltman
Gutknecht	Lindner	Onnen	Wagenius	

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

CONFERENCE COMMITTEE REPORT ON 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.

May 3, 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. 3193, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3193 be further amended as follows:

Delete everything after the enacting clause and 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.

Sec. 2. 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 any public agency established by general or special law that is responsible for the administration of a low-income housing program.

Sec. 3. Minnesota Statutes 1993 Supplement, section 272.02, subdivision 1, is amended to read:

Subdivision 1. All property described in this section to the extent herein limited shall be exempt from taxation:

(1) all public burying grounds;

(2) all public schoolhouses;

(3) all public hospitals;

(4) all academies, colleges, and universities, and all seminaries of learning;

(5) all churches, church property, and houses of worship;

(6) institutions of purely public charity except parcels of property containing structures and the structures described in section 273.13, subdivision 25, paragraph (c), clauses (1), (2), and (3), or paragraph (d), other than those that qualify for exemption under clause (25);

(7) all public property exclusively used for any public purpose;

(8) except for the taxable personal property enumerated below, all personal property and the property described in section 272.03, subdivision 1, paragraphs (c) and (d), shall be exempt.

The following personal property shall be taxable:

(a) personal property which is part of an electric generating, transmission, or distribution system or a pipeline system transporting or distributing water, gas, crude oil, or petroleum products or mains and pipes used in the distribution of steam or hot or chilled water for heating or cooling buildings and structures;

(b) railroad docks and wharves which are part of the operating property of a railroad company as defined in section 270.80;

(c) personal property defined in section 272.03, subdivision 2, clause (3);

(d) leasehold or other personal property interests which are taxed pursuant to section 272.01, subdivision 2; 273.124, subdivision 7; or 273.19, subdivision 1; or any other law providing the property is taxable as if the lessee or user were the fee owner;

(e) manufactured homes and sectional structures, including storage sheds, decks, and similar removable improvements constructed on the site of a manufactured home, sectional structure, park trailer or travel trailer as provided in section 273.125, subdivision 8, paragraph (f); and

(f) flight property as defined in section 270.071.

(9) Personal property used primarily for the abatement and control of air, water, or land pollution to the extent that it is so used, and real property which is used primarily for abatement and control of air, water, or land pollution as part of an agricultural operation, as a part of a centralized treatment and recovery facility operating under a permit issued by the Minnesota pollution control agency pursuant to chapters 115 and 116 and Minnesota Rules, parts 7001.0500 to 7001.0730, and 7045.0020 to 7045.1260, as a wastewater treatment facility and for the treatment, recovery, and stabilization of metals, oils, chemicals, water, sludges, or inorganic materials from hazardous industrial wastes, or as part of an electric generation system. For purposes of this clause, personal property includes ponderous machinery and equipment used in a business or production activity that at common law is considered real property.

Any taxpayer requesting exemption of all or a portion of any real property or any equipment or device, or part thereof, operated primarily for the control or abatement of air or water pollution shall file an application with the commissioner of revenue. The equipment or device shall meet standards, rules, or criteria prescribed by the Minnesota pollution control agency, and must be installed or operated in accordance with a permit or order issued by that agency. The Minnesota pollution control agency shall upon request of the commissioner furnish information or advice to the commissioner. On determining that property qualifies for exemption, the commissioner shall issue an order exempting the property from taxation. The equipment or device shall continue to be exempt from taxation as long as the permit issued by the Minnesota pollution control agency remains in effect.

(10) Wetlands. For purposes of this subdivision, "wetlands" means: (i) land described in section 103G.005, subdivision 18; (ii) land which is mostly under water, produces little if any income, and has no use except for wildlife or water conservation purposes, provided it is preserved in its natural condition and drainage of it would be legal, feasible, and economically practical for the production of livestock, dairy animals, poultry, fruit, vegetables, forage and grains, except wild rice; or (iii) land in a wetland preservation area under sections 103F.612 to 103F.616. "Wetlands" under items (i) and (ii) include adjacent land which is not suitable for agricultural purposes due to the presence of the wetlands, but do not include woody swamps containing shrubs or trees, wet meadows, meandered water, streams, rivers, and floodplains or river bottoms. Exemption of wetlands from taxation pursuant to this section shall not grant the public any additional or greater right of access to the wetlands or diminish any right of ownership to the wetlands.

(11) Native prairie. The commissioner of the department of natural resources shall determine lands in the state which are native prairie and shall notify the county assessor of each county in which the lands are located. Pasture land used for livestock grazing purposes shall not be considered native prairie for the purposes of this clause. Upon receipt of an application for the exemption provided in this clause for lands for which the assessor has no determination from the commissioner of natural resources, the assessor shall refer the application to the commissioner of natural resources who shall determine within 30 days whether the land is native prairie and notify the county assessor of the decision. Exemption of native prairie pursuant to this clause shall not grant the public any additional or greater right of access to the native prairie or diminish any right of ownership to it.

(12) Property used in a continuous program to provide emergency shelter for victims of domestic abuse, provided the organization that owns and sponsors the shelter is exempt from federal income taxation pursuant to section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1986, notwithstanding the fact that the sponsoring organization receives funding under section 8 of the United States Housing Act of 1937, as amended.

(13) If approved by the governing body of the municipality in which the property is located, property not exceeding one acre which is owned and operated by any senior citizen group or association of groups that in general limits membership to persons age 55 or older and is organized and operated exclusively for pleasure, recreation, and other nonprofit purposes, no part of the net earnings of which inures to the benefit of any private shareholders; provided the property is used primarily as a clubhouse, meeting facility, or recreational facility by the group or association and the property is not used for residential purposes on either a temporary or permanent basis.

(14) To the extent provided by section 295.44, real and personal property used or to be used primarily for the production of hydroelectric or hydromechanical power on a site owned by the state or a local governmental unit which is developed and operated pursuant to the provisions of section 103G.535.

(15) If approved by the governing body of the municipality in which the property is located, and if construction is commenced after June 30, 1983:

(a) a "direct satellite broadcasting facility" operated by a corporation licensed by the federal communications commission to provide direct satellite broadcasting services using direct broadcast satellites operating in the 12-ghz. band; and

(b) a "fixed satellite regional or national program service facility" operated by a corporation licensed by the federal communications commission to provide fixed satellite-transmitted regularly scheduled broadcasting services using satellites operating in the 6-ghz. band.

An exemption provided by clause (15) shall apply for a period not to exceed five years. When the facility no longer qualifies for exemption, it shall be placed on the assessment rolls as provided in subdivision 4. Before approving a tax exemption pursuant to this paragraph, the governing body of the municipality shall provide an opportunity to the members of the county board of commissioners of the county in which the facility is proposed to be located and

the members of the school board of the school district in which the facility is proposed to be located to meet with the governing body. The governing body shall present to the members of those boards its estimate of the fiscal impact of the proposed property tax exemption. The tax exemption shall not be approved by the governing body until the county board of commissioners has presented its written comment on the proposal to the governing body or 30 days have passed from the date of the transmittal by the governing body to the board of the information on the fiscal impact, whichever occurs first.

(16) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used in the generation and distribution of hot water for heating buildings and structures.

(17) Notwithstanding section 273.19, state lands that are leased from the department of natural resources under section 92.46.

(18) Electric power distribution lines and their attachments and appurtenances, that are used primarily for supplying electricity to farmers at retail.

(19) Transitional housing facilities. "Transitional housing facility" means a facility that meets the following requirements. (i) It provides temporary housing to individuals, couples, or families. (ii) It has the purpose of reuniting families and enabling parents or individuals to obtain self-sufficiency, advance their education, get job training, or become employed in jobs that provide a living wage. (iii) It provides support services such as child care, work readiness training, and career development counseling; and a self-sufficiency program with periodic monitoring of each resident's progress in completing the program's goals. (iv) It provides services to a resident of the facility for at least three months but no longer than three years, except residents enrolled in an educational or vocational institution or job training program. These residents may receive services during the time they are enrolled but in no event longer than four years. (v) It is owned and operated or under lease from a unit of government or governmental agency under a property disposition program and operated by one or more organizations exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1987. This exemption applies notwithstanding the fact that the sponsoring organization receives financing by a direct federal loan or federally insured loan or a loan made by the Minnesota housing finance agency under the provisions of either Title II of the National Housing Act or the Minnesota housing finance agency law of 1971 or rules promulgated by the agency pursuant to it, and notwithstanding the fact that the sponsoring organization receives funding under Section 8 of the United States Housing Act of 1937, as amended.

(20) Real and personal property, including leasehold or other personal property interests, owned and operated by a corporation if more than 50 percent of the total voting power of the stock of the corporation is owned collectively by: (i) the board of regents of the University of Minnesota, (ii) the University of Minnesota Foundation, an organization exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1990, and (iii) a corporation organized under chapter 317A, which by its articles of incorporation is prohibited from providing pecuniary gain to any person or entity other than the regents of the University of Minnesota; which property is used primarily to manage or provide goods, services, or facilities utilizing or relating to large-scale advanced scientific computing resources to the regents of the University of Minnesota and others.

(21) Wind energy conversion systems, as defined in section 216C.06, subdivision 12, installed after January 1, 1991, and used as an electric power source.

(22) Containment tanks, cache basins, and that portion of the structure needed for the containment facility used to confine agricultural chemicals as defined in section 18D.01, subdivision 3, as required by the commissioner of agriculture under chapter 18B or 18C.

(23) Photovoltaic devices, as defined in section 216C.06, subdivision 13, installed after January 1, 1992, and used to produce or store electric power.

(24) Real and personal property owned and operated by a private, nonprofit corporation exempt from federal income taxation pursuant to United States Code, title 26, section 501(c)(3), primarily used for an ice arena or ice rink, and used primarily for youth and high school programs.

(25) A structure that is situated on real property that is used for:

(i) housing for the elderly or for low- and moderate-income families as defined in Title II of the National Housing Act, as amended through December 31, 1990, and funded by a direct federal loan or federally insured loan made pursuant to Title II of the act; or

(ii) housing lower income families or elderly or handicapped persons, as defined in section 8 of the United States Housing Act of 1937, as amended; and which meets each of the following criteria:

(A) is owned by an entity which is operated as a nonprofit corporation organized under chapter 317A;

(B) is owned by an entity which has not entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, or, if the entity which owns the structure has entered into a housing assistance payments contract under section 8 of the United States Housing Act of 1937, the contract provides assistance for less than 90 percent of the dwelling units in the structure, excluding dwelling units intended for management or maintenance personnel;

(C) operates an on-site congregate dining program in which participation by residents is mandatory, and provides assisted living or similar social and physical support services for residents; and

(D) was not assessed and did not pay tax under chapter 273 prior to the 1991 levy, while meeting the other conditions of this clause.

An exemption under this clause remains in effect for taxes levied in each year or partial year of the term of its permanent financing.

(26) Real and personal property that is located in the Superior National Forest, and owned or leased and operated by a nonprofit organization that is exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code of 1986, as amended through December 31, 1992, and primarily used to provide recreational opportunities for disabled veterans and their families.

(27) Manure pits and appurtenances, which may include slatted floors and pipes, installed or operated in accordance with a permit, order, or certificate of compliance issued by the Minnesota pollution control agency. The exemption shall continue for as long as the permit, order, or certificate issued by the Minnesota pollution control agency remains in effect.

(28) Real property acquired by a home rule charter city, statutory city, county, town, or school district under a lease purchase agreement or an installment purchase contract during the term of the lease purchase agreement as long as and to the extent that the property is used by the city, county, town, or school district and devoted to a public use and to the extent it is not subleased to any private individual, entity, association, or corporation in connection with a business or enterprise operated for profit.

Sec. 4. Minnesota Statutes 1992, section 383.06, subdivision 2, is amended to read:

Subd. 2. [TAX ANTICIPATION CERTIFICATES.] The county board of any county may, by resolution, issue and sell as many certificates of indebtedness as may be needed in anticipation of the collection of taxes levied for any fund named in the tax levy for the purpose of raising money for such fund, but the certificates outstanding for any such separate funds shall not ~~at any time~~ on the date on which the certificates are issued exceed ~~50~~ 75 percent of the amount of taxes previously levied for such fund remaining uncollected. No certificate shall be issued to become due and payable later than 15 months after the deadline for the certification of the property tax levy under section 275.07, subdivision 1, and the certificates shall not be sold for less than par and accrued interest. The certificates of indebtedness may be issued at any time after the levy has been finally made and certified to the county auditor. ~~Each certificate shall state upon its face for which fund the proceeds thereof shall be used, the total amount of certificates so issued, and the whole amount embraced in the levy for that particular purpose.~~ They shall be numbered consecutively, be in denominations of $100 or a multiple thereof, may have interest coupons attached, shall be otherwise of such form and terms, and may be made payable at such place, as will best aid in their negotiation, and the proceeds of the tax assessed and collected on account of the fund and the full faith and credit of the county shall be irrevocably pledged for the redemption and payment of the certificates so issued. Such certificates shall be payable primarily from the moneys derived from the levy for the years against which such certificates were issued, but shall constitute unlimited general obligations of the county. Money derived from the sale of such certificates shall be credited to the fund or funds the taxes for which are so anticipated.

Sec. 5. Minnesota Statutes 1992, section 429.011, is amended by adding a subdivision to read:

Subd. 16. "On-site water contaminant improvements" means pipes, wells, and other devices and equipment installed in or outside a building for the primary purpose of eliminating water contamination caused by lead or other toxic or health threatening substances in the water, whether the improvements so installed are publicly or privately owned.

Sec. 6. Minnesota Statutes 1992, section 429.031, subdivision 3, is amended to read:

Subd. 3. [PETITION BY ALL OWNERS.] Whenever all owners of real property abutting upon any street named as the location of any improvement shall petition the council to construct the improvement and to assess the entire cost against their property, the council may, without a public hearing, adopt a resolution determining such fact and ordering the improvement. The validity of the resolution shall not be questioned by any taxpayer or property owner or the municipality unless an action for that purpose is commenced within 30 days after adoption of the resolution as provided in section 429.036. Nothing herein prevents any property owner from questioning the amount or validity of the special assessment against the owner's property pursuant to section 429.081. In the case of a petition for the ~~installation of~~ municipality to own and install a fire protection ~~or~~ system, a pedestrian skyway system, or on-site water contaminant improvements, the petition must contain or be accompanied by an undertaking satisfactory to the city by the petitioner that the petitioner will grant the municipality the necessary property interest in the building to permit the city to enter upon the property and the building to construct, maintain, and operate the fire protection ~~or~~ system, pedestrian skyway system, or on-site water contaminant improvements. In the case of a petition for the installation of a privately owned fire protection ~~or~~ system, a privately owned pedestrian skyway system ~~which will be privately owned~~, or privately owned on-site water contaminant improvements, the petition shall ~~also~~ contain the plans and specifications for the improvement, the estimated cost of the improvement and a statement indicating whether the city or the owner will contract for the construction of the improvement. If the owner is contracting for the construction of the improvement, the city shall not approve the petition until it has reviewed and approved the plans, specifications, and cost estimates contained in the petition. The construction cost financed under section 429.091 shall not exceed the amount of the cost estimate contained in the petition. In the case of a petition for the installation of a fire protection ~~or~~ system, a pedestrian skyway system, or on-site water contaminant improvements, the petitioner may request abandonment of the improvement at any time after it has been ordered pursuant to subdivision 1 and before contracts have been awarded for the construction of the improvement under section 429.041, subdivision 2. If such a request is received, the city council shall abandon the proceedings but in such case the petitioner shall reimburse the city for any and all expenses incurred by the city in connection with the improvement.

Sec. 7. Minnesota Statutes 1992, section 469.006, subdivision 1, is amended to read:

Subdivision 1. [COUNTY COMMISSIONERS.] When the governing body of a county adopts a resolution under section 469.004, the governing body shall appoint five persons or the number of commissioners for the governing body as commissioners of the county authority. The membership of the commission will reflect an areawide distribution on a representative basis. The commissioners who are first appointed shall be designated to serve for terms of one, two, three, four, and five years respectively, from the date of their appointment. Thereafter commissioners shall be appointed for a term of office of five years except that all vacancies shall be filled for the unexpired term. Persons may be appointed as commissioners if they reside within the boundaries or area, and are otherwise eligible for the appointments under sections 469.001 to 469.047.

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 in which at least 75 percent of the useable square footage 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.

Sec. 9. Minnesota Statutes 1993 Supplement, section 469.033, subdivision 6, is amended to read:

Subd. 6. [OPERATION AREA AS TAXING DISTRICT, SPECIAL TAX.] All of the territory included within the area of operation of any authority shall constitute a taxing district for the purpose of levying and collecting special benefit taxes as provided in this subdivision. All of the taxable property, both real and personal, within that taxing district shall be deemed to be benefited by projects to the extent of the special taxes levied under this subdivision. Subject to the consent by resolution of the governing body of the city in and for which it was created, an authority may levy ~~each year~~ a tax upon all taxable property within that taxing district. ~~The authority shall certify the tax to the auditor of the county in which the taxing district is located on or before five working days after December 20 in each year.~~ The tax shall be extended, spread, and included with and as a part of the general taxes for state, county, and municipal purposes by the county auditor, to be collected and enforced therewith, together with the penalty, interest, and costs. As the tax, including any penalties, interest, and costs, is collected by the county treasurer it shall be accumulated and kept in a separate fund to be known as the "housing and redevelopment project fund." The money in the fund shall be turned over to the authority at the same time and in the same manner that the tax collections for the city are turned over to the city, and shall be expended only for the purposes of sections 469.001 to 469.047. It shall be paid out upon vouchers signed by the chair of the authority or an authorized representative. The amount of the levy shall be an amount approved by the governing body of the city, but shall not exceed 0.0131 percent of taxable market value. The authority may levy an additional levy, not to exceed 0.0013 percent of taxable market value, to be used to defray costs of providing informational service and relocation assistance as set forth in section 469.012, subdivision 1. The authority shall each year formulate and file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city or, if no budgets are required to be filed, by August 1. The amount of the tax levy for the following year shall be based on that budget ~~and shall be approved by the governing body~~.

Sec. 10. Minnesota Statutes 1992, section 469.158, is amended to read:

469.158 [MANNER OF ISSUANCE OF BONDS; INTEREST RATE.]

Bonds authorized under sections 469.152 to 469.165 must be issued in accordance with the provisions of chapter 475 relating to bonds payable from income of revenue producing conveniences, except that public sale is not required, the provisions of sections 475.62 and 475.63 do not apply, and the bonds may mature at the time or times, in the

amount or amounts, within 30 years from date of issue, and may be sold at a price equal to the percentage of the par value thereof, plus accrued interest, and bearing interest at the rate or rates agreed by the contracting party, the purchaser, and the municipality or redevelopment agency, notwithstanding any limitation of interest rate or cost or of the amounts of annual maturities contained in any other law. Bonds issued to refund bonds previously issued pursuant to sections 469.152 to 469.165 may be issued in amounts determined by the municipality or redevelopment agency notwithstanding the provisions of section 475.67, subdivision 3.

Sec. 11. Minnesota Statutes 1992, section 469.184, is amended by adding a subdivision to read:

Subd. 12. [SECONDARY MARKET.] A city may sell, at private or public sale, at the price or prices determined by the city, a note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan made under this section.

Sec. 12. [469.192] [ECONOMIC DEVELOPMENT LOANS.]

A statutory city, a home rule charter city, an economic development authority, a housing and redevelopment authority, or a port authority may make a loan to a business, a for-profit or nonprofit organization, or an individual for any purpose that the entity is otherwise authorized to carry out under sections 116N.08, 469.001 to 469.068, 469.090 to 469.1081, 469.124 to 469.134, 469.152 to 469.165, or any special law.

Sec. 13. Minnesota Statutes 1992, section 471.56, subdivision 5, is amended to read:

Subd. 5. In addition to other authority granted by this section, a county containing a city of the first class, a statutory or home rule charter city of the first or second class, and a metropolitan agency, as defined in section 473.121, may:

(1) sell futures contracts but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the futures contract; ~~and~~

(2) enter into option agreements to buy or sell securities described in section 475.66, subdivision 3, clause (a), but only with respect to securities owned by it, including securities which are the subject of reverse repurchase agreements under section 475.76 which expire at or before the due date of the option agreement; and

(3) enter into interest rate swap agreements or interest rate cap agreements with respect to notional principal amounts that are not greater than one-half of the previous fiscal year's average investable cash, with counterparties whose equivalent obligations are rated A+ or better by a nationally recognized rating agency.

Sec. 14. Minnesota Statutes 1992, section 471.562, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY.] "Municipality" means ~~any city, however organized~~ a statutory city, a home rule charter city, a housing and redevelopment authority created pursuant to, or exercising the powers of such an authority contained in, chapter ~~462~~ 469, ~~or~~ a port authority created pursuant to, or exercising the powers of such an authority contained in, chapter ~~458~~ 469, or an economic development authority created pursuant to or exercising the powers of such an authority contained in chapter 469.

Sec. 15. Minnesota Statutes 1992, section 471.562, is amended by adding a subdivision to read:

Subd. 5. [SECONDARY MARKET.] A municipality may sell, at private or public sale, at the price or prices determined by the municipality, a note, mortgage, lease, sublease, lease purchase, or other instrument or obligation evidencing or securing a loan described in subdivision 2.

Sec. 16. Minnesota Statutes 1992, section 475.53, subdivision 5, is amended to read:

Subd. 5. [CERTAIN INDEPENDENT SCHOOL DISTRICTS.] No independent school district located wholly or partly within a city of the first class ~~shall issue any obligations unless first authorized by a two-thirds vote of the governing body of such city. No such school district~~ shall issue obligations ~~running~~ with a term of more than two years, whenever the aggregate of the outstanding obligations of the district equals or exceeds 0.7 percent of the market value of the taxable property within the school district.

Sec. 17. Minnesota Statutes 1992, section 475.54, subdivision 16, is amended to read:

Subd. 16. A municipality may enter into an agreement ~~with a bank or dealer described in section 475.66, subdivision 1,~~ for an exchange of interest rates pursuant to this subdivision if the agreement either is with or is guaranteed by a party whose equivalent obligations are rated A+ or better by a nationally recognized rating agency. A municipality with outstanding obligations ~~bearing interest at a variable rate~~ or a municipality which has determined to issue obligations it is authorized to issue may agree to pay sums equal to interest at a fixed rate or at a ~~different~~ variable rate determined pursuant to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations at the time of payment, in exchange for an agreement by the ~~bank or dealer~~ counterparty to pay sums equal to interest on a like amount at a fixed rate or a variable rate determined pursuant to a formula set out in the agreement or to provide for an interest rate cap or floor. ~~A municipality with outstanding obligations bearing interest at a fixed rate or rates may agree to pay sums equal to interest at a variable rate determined pursuant to a formula set out in the agreement on an amount not exceeding the outstanding principal amount of the obligations, in exchange for an agreement by the bank or dealer to pay sums equal to interest on a like amount at a fixed rate or rates set out in the agreement.~~ The agreement to pay the ~~bank or dealer~~ counterparty is not an obligation of the municipality as defined in section 475.51, subdivision 3. For purposes of calculation of a debt service levy, determination of a rate of interest on a special assessment or other calculation based on the rate of interest on an obligation, a municipality which has entered into an interest rate swap agreement described in this subdivision may determine to treat the amount or rate of interest on the obligation as the net rate or amount of interest payable after giving effect to the swap agreement. Subject to any applicable ~~bonds~~ bond covenants, ~~any payments required to be made by the municipality under the swap agreement may be made from sums secured~~ the municipality may pledge to the payment of amounts due or to become due under the swap agreement, including termination payments, sources of payment pledged or available to pay debt service on the obligations with respect to which the swap agreement was made or from any other available source of the municipality. A municipality may issue obligations under section 475.67 to provide for any payment, including a termination payment, due or to become due under a swap agreement.

Sec. 18. 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.

Sec. 19. [EFFECTIVE DATE.]

Section 2 is effective for claims submitted by a claimant agency after June 30, 1994. Section 3 is effective for taxes levied in 1994, payable in 1995, and subsequent years. The remainder of this act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to public finance; providing conditions and requirements for the issuance of debt; allowing school districts to make and levy for certain contract or lease purchases; authorizing the use of revenue recapture by certain housing agencies; clarifying a property tax exemption; 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; 475.53, subdivision 5; 475.54, subdivision 16; and 475.66, subdivision 1; 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."

We request adoption of this report and repassage of the bill.

House Conferees: ANN H. REST, RON ABRAMS AND BOB MILBERT.

Senate Conferees: LAWRENCE J. POGEMILLER, EMBER D. REICHGOTT JUNGE AND WILLIAM V. BELANGER, JR.

Rest moved that the report of the Conference Committee on H. F. No. 3193 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, 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	Cooper	Goodno	Johnson, A.	Leppik	Munger	Perlt
Anderson, R.	Dauner	Greenfield	Johnson, R.	Lieder	Murphy	Peterson
Asch	Davids	Greiling	Johnson, V.	Limmer	Neary	Pugh
Battaglia	Dawkins	Gruenes	Kahn	Lindner	Nelson	Reding
Bauerly	Dehler	Gutknecht	Kalis	Long	Ness	Rest
Beard	Delmont	Hasskamp	Kelley	Luther	Olson, K.	Rhodes
Bergson	Dempsey	Haukoos	Kelso	Lynch	Olson, M.	Rodosovich
Bertram	Dorn	Hausman	Kinkel	Macklin	Onnen	Rukavina
Bettermann	Erhardt	Holsten	Klinzing	Mahon	Opatz	Sarna
Brown, C.	Evans	Hugoson	Knickerbocker	McCollum	Orenstein	Seagren
Brown, K.	Farrell	Huntley	Knight	McGuire	Orfield	Sekhon
Carlson	Finseth	Jacobs	Koppendrayer	Milbert	Ostrom	Simoneau
Carruthers	Frerichs	Jaros	Krinkie	Molnau	Ozment	Skoglund
Clark	Garcia	Jefferson	Krueger	Morrison	Pawlenty	Smith
Commers	Girard	Jennings	Lasley	Mosel	Pelowski	Solberg

Steensma	Tomassoni	Tunheim	Vellenga	Waltman	Wenzel	Worke
Sviggum	Tompkins	Van Dellen	Vickerman	Weaver	Winter	Workman
Swenson	Trimble	Van Engen	Wagenius	Wejcman	Wolf	Spk. Anderson, I.

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

SPECIAL ORDERS

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

The bill was passed and its title agreed to.

S. F. No. 2011, A bill for an act relating to elections; providing for simulated elections for minors; proposing coding for new law in Minnesota Statutes, chapter 204B.

The bill was read for the third 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 18 nays as follows:

Those who voted in the affirmative were:

Abrams	Battaglia	Bergson	Brown, C.	Carruthers	Cooper	Dawkins
Anderson, R.	Bauerly	Bertram	Brown, K.	Clark	Dauner	Dehler
Asch	Beard	Bettermann	Carlson	Commers	Davids	Delmont

Dorn	Huntley	Klinzing	McCollum	Orenstein	Rodosovich	Van Dellen
Erhardt	Jacobs	Knickerbocker	McGuire	Orfield	Rukavina	Van Engen
Evans	Jaros	Koppendrayer	Milbert	Ostrom	Sarna	Vellenga
Farrell	Jefferson	Krueger	Molnau	Ozment	Sekhon	Wagenius
Finseth	Jennings	Lasley	Morrison	Pauly	Simoneau	Weaver
Garcia	Johnson, A.	Leppik	Mosel	Pawlenty	Skoglund	Wejcman
Greenfield	Johnson, R.	Lieder	Munger	Pelowski	Smith	Wenzel
Greiling	Johnson, V.	Limmer	Murphy	Perlt	Solberg	Winter
Gruenes	Kahn	Long	Neary	Peterson	Steensma	Wolf
Gutknecht	Kalis	Lourey	Nelson	Pugh	Swenson	Worke
Hasskamp	Kelley	Luther	Ness	Reding	Tomassoni	Spk. Anderson, I.
Hausman	Kelso	Macklin	Olson, K.	Rest	Trimble	
Holsten	Kinkel	Mahon	Opatz	Rhodes	Tunheim	

Those who voted in the negative were:

Dempsey	Goodno	Knight	Lynch	Seagren	Vickerman
Frerichs	Haukoos	Krinkie	Olson, M.	Sviggum	Waltman
Girard	Hugoson	Lindner	Onnen	Tompkins	Workman

The bill was passed and its title agreed to.

H. F. No. 1830 was reported to the House.

Anderson, R., moved that H. F. No. 1830 be continued on Special Orders. The motion prevailed.

S. F. No. 2232 was reported to the House.

Sviggum moved that S. F. No. 2232 be re-referred to the Committee on General Legislation, Veterans Affairs and Elections.

A roll call was requested and properly seconded.

The question was taken on the Sviggum motion and the roll was called. There were 57 yeas and 72 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Haukoos	Krinkie	Olson, M.	Solberg	Wenzel
Beard	Finseth	Holsten	Leppik	Onnen	Stanius	Wolf
Bettermann	Frerichs	Hugoson	Limmer	Ozment	Steensma	Worke
Commers	Garcia	Jacobs	Lindner	Pawlenty	Sviggum	
Cooper	Girard	Johnson, V.	Lynch	Pelowski	Swenson	
Dauner	Goodno	Kinkel	Molnau	Perlt	Van Dellen	
Davids	Gruenes	Knickerbocker	Mosel	Peterson	Van Engen	
Dehler	Gutknecht	Knight	Nelson	Rukavina	Vickerman	
Dempsey	Hasskamp	Koppendrayer	Ness	Seagren	Waltman	

Those who voted in the negative were:

Anderson, R.	Bishop	Dawkins	Greiling	Johnson, R.	Lasley	Mahon
Asch	Brown, C.	Delmont	Hausman	Kalis	Lieder	Mariani
Battaglia	Brown, K.	Dorn	Huntley	Kelley	Long	McCollum
Bauerly	Carlson	Evans	Jaros	Kelso	Lourey	McGuire
Bergson	Carruthers	Farrell	Jefferson	Klinzing	Luther	Milbert
Bertram	Clark	Greenfield	Jennings	Krueger	Macklin	Morrison

Munger	Opatz	Pugh	Sekhon	Tompkins	Weaver
Murphy	Orenstein	Reding	Simoneau	Trimble	Wejcman
Neary	Osthoff	Rest	Skoglund	Tunheim	Winter
Olson, E.	Ostrom	Rhodes	Smith	Vellenga	Workman
Olson, K.	Pauly	Rodosovich	Tomassoni	Wagenius	Spk. Anderson, I.

The motion did not prevail.

Dehler moved to amend S. F. No. 2232 as follows:

Page 1, line 24, delete "; and"

Page 1, line 25, delete everything before the period

Page 2, delete lines 9 to 12

Page 2, line 13, delete "(c)" and insert "(b)"

A roll call was requested and properly seconded.

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

Those who voted in the affirmative were:

Abrams	Finseth	Holsten	Krinkie	Ozment	Stanius	Wolf
Bettermann	Frerichs	Hugoson	Limmer	Pauly	Sviggum	Worke
Commers	Girard	Johnson, R.	Lindner	Pawlenty	Swenson	Workman
Dauner	Goodno	Johnson, V.	Molnau	Pelowski	Van Dellen	
Davids	Gruenes	Kinkel	Morrison	Perlt	Van Engen	
Dehler	Gutknecht	Knickerbocker	Ness	Rukavina	Vickerman	
Dempsey	Hasskamp	Knight	Olson, M.	Smith	Waltman	
Erhardt	Haukoos	Koppendrayer	Onnen	Solberg	Wenzel	

Those who voted in the negative were:

Anderson, R.	Clark	Jacobs	Long	Murphy	Reding	Vellenga
Asch	Cooper	Jefferson	Lourey	Neary	Rest	Wagenius
Battaglia	Dawkins	Jennings	Luther	Nelson	Rhodes	Weaver
Bauerly	Delmont	Johnson, A.	Lynch	Olson, E.	Rodosovich	Wejcman
Beard	Dorn	Kalis	Macklin	Olson, K.	Seagren	Winter
Bergson	Evans	Kelley	Mahon	Opatz	Sekhon	Spk. Anderson, I.
Bertram	Farrell	Kelso	Mariani	Orenstein	Skoglund	
Bishop	Garcia	Klinzing	McCollum	Orfield	Steensma	
Brown, C.	Greenfield	Krueger	McGuire	Osthoff	Tomassoni	
Brown, K.	Greiling	Lasley	Milbert	Ostrom	Tompkins	
Carlson	Hausman	Leppik	Mosel	Peterson	Trimble	
Carruthers	Huntley	Lieder	Munger	Pugh	Tunheim	

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

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 third time 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 65 nays as follows:

Those who voted in the affirmative were:

Asch	Dawkins	Johnson, A.	Lourey	Murphy	Pelowski	Solberg
Battaglia	Delmont	Johnson, V.	Luther	Neary	Pugh	Tomassoni
Bergson	Dorn	Kahn	Lynch	Olson, E.	Reding	Trimble
Bertram	Evans	Kelley	Macklin	Olson, K.	Rest	Vellenga
Bishop	Farrell	Kelso	Mahon	Opatz	Rhodes	Wagenius
Brown, C.	Greenfield	Klinzing	Mariani	Orenstein	Rodosovich	Weaver
Brown, K.	Greiling	Krueger	McCollum	Orfield	Rukavina	Wejcman
Carlson	Hausman	Leppik	McGuire	Osthoff	Sekhon	Winter
Carruthers	Huntley	Lieder	Milbert	Ostrom	Simoneau	Spk. Anderson, I.
Clark	Jaros	Long	Morrison	Pauly	Skoglund	

Those who voted in the negative were:

Abrams	Dempsey	Haukoos	Knight	Ness	Smith	Waltman
Anderson, R.	Erhardt	Holsten	Koppendrayer	Olson, M.	Stanius	Wenzel
Bauerly	Finseth	Hugoson	Krinkie	Onnen	Steensma	Wolf
Beard	Frerichs	Jacobs	Lasley	Ozment	Sviggum	Worke
Bettermann	Garcia	Jefferson	Limmer	Pawlenty	Swenson	Workman
Commers	Girard	Jennings	Lindner	Perlt	Tompkins	
Cooper	Goodno	Johnson, R.	Molnau	Peterson	Tunheim	
Dauner	Gruenes	Kalis	Mosel	Rice	Van Dellen	
Davids	Gutknecht	Kinkel	Munger	Sarna	Van Engen	
Dehler	Hasskamp	Knickerbocker	Nelson	Seagren	Vickerman	

The bill was passed and its title agreed to.

There being no objection, the order of business advanced to Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Solberg; Anderson, I.; Battaglia; Bettermann and Kinkel introduced:

House Resolution No. 14, A house resolution congratulating Al Brodie on his retirement and thanking him for his many years of meritorious service.

SUSPENSION OF RULES

Solberg moved that the rules be so far suspended that House Resolution No. 14 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 14

A house resolution congratulating Al Brodie on his retirement and thanking him for his many years of meritorious service.

Whereas, the Minnesota Tourism industry has grown and prospered, and it has enriched the lives of Minnesota's residents during the last three decades; and

Whereas, during Al Brodie's tenure, the Minnesota Tourism industry has been well served and represented with distinction at the State Capitol for nearly 30 years; and

Whereas, hundreds of Minnesota's Representatives and Senators and their staff have been honorably lobbied and positively impacted; and

Whereas, upon Al's retirement, tobacco futures will plummet and the world cigar industry will suffer an immediate loss of sales; and

Whereas, Minnesota's natural aquatic life will notice no change in population; *Now, Therefore,*

Be It Resolved by the House of Representatives of the State of Minnesota that it bids a fond farewell to Al Brodie on his retirement, thanks him for his many years of meritorious service, and wishes him the best in years to come.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare a copy of this resolution, to be authenticated by his signature and that of the Speaker, and transmit it to Al Brodie.

Solberg moved that House Resolution No. 14 be now adopted. The motion prevailed and House Resolution No. 14 was adopted.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Greenfield moved that the House concur in the Senate amendments to H. F. No. 3210 and that the bill be repassed as amended by the Senate. The motion prevailed.

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, housing finance, 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 13.42, subdivision 3; 16B.75; 62A.046; 62A.048; 62A.27; 62A.31, by adding a subdivision; 62J.05, subdivision 2; 126A.02, subdivision 2; 144.0723, subdivisions 1, 2, 3, 4, and 6; 144.414, subdivision 3; 144.417, subdivision 1; 144.804, subdivision 1; 144A.073, subdivisions 1, 3a, 4, 8, and by adding a subdivision; 144A.46, subdivision 2; 144A.47; 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; 246.18, by adding a subdivision; 246.50, subdivision 5; 246.53, subdivision 1; 246.57, subdivision 1; 252.025, subdivision 1, and by adding subdivisions; 252.275, subdivisions 3, 4, and by adding a subdivision; 253.015, by adding a subdivision; 253B.03, subdivisions 6b and 6c; 253B.05, subdivisions 2 and 3; 253B.07, subdivisions 1, 2, 4, and by adding a subdivision; 253B.09, subdivision 2; 253B.12, subdivision 1; 253B.17, subdivision 1; 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; 256.9657, subdivision 4; 256.969, subdivisions 10, 16, and by adding a subdivision; 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; 256B.0915, subdivision 5; 256B.15, subdivision 1a; 256B.431, subdivision 17; 256B.432, subdivisions 1, 2, 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, subdivision 3; 256D.16; 256D.425, by adding a subdivision; 256F.09; 256G.09, subdivision 1; 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; 525.56, subdivision 3; 528.08; 626.556, subdivisions 4, 10e, and by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 13.46, subdivision 2; 62A.045; 144.651, subdivisions 21 and 26; 144.99, subdivisions 1 and 6; 144A.071, subdivisions 3 and 4a; 144A.073, subdivisions 2 and 3; 153A.14, by adding a subdivision; 157.08; 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; 246.18, subdivision 4; 252.46, subdivision 6, and by adding subdivisions; 253B.03, subdivisions 3 and 4; 256.9657, subdivision 2; 256.9685, subdivision 1; 256.969, subdivision 24; 256.9695, subdivision 3; 256B.059, subdivisions 3 and 5; 256B.0595, subdivisions 1, 2, 3, and 4; 256B.0625, subdivisions 19a, 20, and 37; 256B.0626; 256B.0911, subdivisions 2 and 7; 256B.0913, subdivisions 5 and 12; 256B.0915, subdivisions 1 and 3; 256B.15, subdivision 2; 256B.19, subdivision 1d; 256B.431, subdivisions 15, 23, 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; 626.556, subdivision 11; proposing coding for new law in Minnesota Statutes, chapters 62A; 144; 145; 148; 245; 252; 253; 256; 256D; 461; 518; 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; 252.275, subdivisions 4a and 10; 256B.501, subdivisions 3d, 3e, and 3f; 256D.065; Minnesota Statutes 1993 Supplement, sections 157.082; 157.09.

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

The question was taken on the repassage of the bill and the roll was called. There were 105 yeas and 28 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Delmont	Jefferson	Lieder	Nelson	Pugh	Swenson
Asch	Dempsey	Jennings	Long	Ness	Reding	Tomassoni
Battaglia	Dorn	Johnson, A.	Lourey	Olson, E.	Rest	Tompkins
Bauerly	Evans	Johnson, R.	Luther	Olson, K.	Rhodes	Trimble
Beard	Farrell	Kahn	Macklin	Opatz	Rice	Tunheim
Bergson	Finseth	Kalis	Mahon	Orenstein	Rodosovich	Vellenga
Bertram	Garcia	Kelley	Mariani	Orfield	Rukavina	Vickerman
Brown, C.	Goodno	Kelso	McCollum	Osthoff	Sarna	Wagenius
Brown, K.	Greenfield	Kinkel	McGuire	Ostrom	Seagren	Weaver
Carlson	Greiling	Klinzing	Milbert	Ozment	Sekhon	Wejcman
Carruthers	Hasskamp	Knickerbocker	Morrison	Pauly	Simoneau	Wenzel
Clark	Hausman	Koppendrayer	Mosel	Pawlenty	Skoglund	Winter
Cooper	Huntley	Krueger	Munger	Pelowski	Smith	Wolf
Dauner	Jacobs	Lasley	Murphy	Perlt	Solberg	Worke
Dawkins	Jaros	Leppik	Neary	Peterson	Steensma	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Dehler	Gruenes	Hugoson	Limmer	Olson, M.	Van Dellen
Bettermann	Erhardt	Gutknecht	Johnson, V.	Lindner	Onnen	Van Engen
Commers	Frerichs	Haukoos	Knight	Lynch	Stanius	Waltman
Davids	Girard	Holsten	Krinkie	Molnau	Sviggum	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. 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

Lourey moved that the House concur in the Senate amendments to H. F. No. 1316 and that the bill be repassed as amended by the Senate. The motion prevailed.

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 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 107 yeas and 24 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Jacobs	Limmer	Olson, E.	Rodosovich	Tunheim
Anderson, R.	Dempsey	Jaros	Long	Olson, K.	Rukavina	Vellenga
Asch	Dorn	Jefferson	Lourey	Opatz	Sarna	Vickerman
Battaglia	Erhardt	Johnson, A.	Luther	Orenstein	Seagren	Wagenius
Bauerly	Evans	Johnson, R.	Macklin	Orfield	Sekhon	Weaver
Beard	Farrell	Kahn	Mahon	Osthoff	Simoneau	Wejcman
Bergson	Finseth	Kalis	Mariani	Ostrom	Skoglund	Wenzel
Bertram	Garcia	Kelley	McCollum	Ozment	Smith	Winter
Brown, K.	Goodno	Kelso	McGuire	Pelowski	Solberg	Wolf
Carlson	Greenfield	Kinkel	Milbert	Perlt	Stanius	Worke
Carruthers	Greiling	Klinzing	Morrison	Peterson	Steensma	Spk. Anderson, I.
Clark	Hasskamp	Knickerbocker	Mosel	Pugh	Sviggum	
Cooper	Haukoos	Koppendrayer	Munger	Reding	Swenson	
Dauner	Hausman	Krueger	Murphy	Rest	Tomassoni	
Dawkins	Holsten	Leppik	Neary	Rhodes	Tompkins	
Dehler	Huntley	Lieder	Nelson	Rice	Trimble	

Those who voted in the negative were:

Bettermann	Girard	Jennings	Lasley	Ness	Van Dellen
Commers	Gruenes	Johnson, V.	Lindner	Olson, M.	Van Engen
Davids	Gutknecht	Knight	Lynch	Onnen	Waltman
Frerichs	Hugoson	Krinkie	Molnau	Pawlenty	Workman

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

SPECIAL ORDERS

S. F. No. 2197, A bill for an act relating to elections; codifying and recodifying the legislative district boundaries used for the 1992 election, with adjustments to avoid dividing the cities of Willernie and New Hope and simplify the division of Ham Lake; providing for distribution and correction of redistricting plans; amending Minnesota Statutes 1992, sections 2.031, subdivision 2; 2.043; 2.053; 2.063; 2.073; 2.083; 2.093, subdivision 2; 2.103; 2.113; 2.123; 2.133; 2.143; 2.153, subdivision 2; 2.163; 2.173; 2.183; 2.193; 2.203, subdivision 1; 2.213; 2.223; 2.233; 2.243; 2.253; 2.263; 2.273; 2.283; 2.293; 2.313; 2.323; 2.333; 2.343; 2.353; 2.363; 2.373; 2.383; 2.393; 2.403; 2.413; 2.433; 2.443; 2.453, subdivision 1; 2.463; 2.473, subdivision 2; 2.483, subdivision 2; 2.493; 2.503; 2.513, subdivision 1; 2.523; 2.533; 2.543, subdivision 1; 2.553; 2.563; 2.573; 2.583; 2.593, subdivision 2; 2.603; 2.613, subdivision 2; 2.623; 2.633, subdivision 2; 2.643; 2.653, subdivision 1; 2.663; 2.673; 2.683, subdivision 1; 2.693; and 2.703, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 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 121 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Delmont	Jacobs	Leppik	Murphy	Rest	Van Dellen
Asch	Dempsey	Jaros	Lieder	Neary	Rhodes	Van Engen
Battaglia	Dorn	Jefferson	Limmer	Nelson	Rodosovich	Vickerman
Bauerly	Erhardt	Jennings	Lindner	Ness	Rukavina	Wagenius
Beard	Evans	Johnson, A.	Long	Olson, E.	Sarna	Waltman
Bergson	Farrell	Johnson, R.	Lourey	Olson, K.	Seagren	Weaver
Bertram	Finseth	Johnson, V.	Luther	Onnen	Sekhon	Wejcman
Bettermann	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	Stanius	Workman
Commers	Gutknecht	Klinzing	McGuire	Pawlenty	Steensma	Spk. Anderson, I.
Cooper	Hasskamp	Knickerbocker	Milbert	Pelowski	Sviggum	
Dauner	Hausman	Knight	Molnau	Perlt	Swenson	
Davids	Holsten	Koppendrayer	Morrison	Peterson	Tomassoni	
Dawkins	Hugoson	Krueger	Mosel	Pugh	Trimble	
Dehler	Huntley	Lasley	Munger	Reding	Tunheim	

Those who voted in the negative were:

Abrams	Frerichs	Gruenes	Haukoos	Krinkie	Olson, M.	Tompkins

The bill was passed 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.

CALL OF THE HOUSE

On the motion of Bauerly and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Dauner	Greenfield	Johnson, V.	Lindner	Neary	Pugh
Anderson, R.	Davids	Greiling	Kalis	Long	Nelson	Reding
Battaglia	Dawkins	Gruenes	Kelley	Lourey	Olson, K.	Rest
Bauerly	Dehler	Gutknecht	Kelso	Luther	Olson, M.	Rhodes
Beard	Delmont	Hasskamp	Kinkel	Lynch	Onnen	Rodosovich
Bergson	Dempsey	Haukoos	Klinzing	Macklin	Opatz	Rukavina
Bertram	Dorn	Hausman	Knickerbocker	Mahon	Orfield	Seagren
Bettermann	Erhardt	Holsten	Knight	McCollum	Osthoff	Sekhon
Brown, K.	Evans	Hugoson	Koppendrayer	McGuire	Ostrom	Skoglund
Carlson	Farrell	Huntley	Krueger	Molnau	Pauly	Stanius
Carruthers	Finseth	Jacobs	Lasley	Morrison	Pawlenty	Steensma
Clark	Garcia	Jefferson	Leppik	Mosel	Pelowski	Sviggum
Commers	Girard	Johnson, A.	Lieder	Munger	Perlt	Swenson
Cooper	Goodno	Johnson, R.	Limmer	Murphy	Peterson	Tomassoni

Tompkins	Van Dellen	Waltman	Wenzel	Worke
Trimble	Van Engen	Weaver	Winter	Workman
Tunheim	Vickerman	Wejcman	Wolf	Spk. Anderson, I.

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.

SPECIAL ORDERS, Continued

H. F. No. 2287 was reported to the House.

Lasley moved that H. F. No. 2287 be continued on Special Orders. 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.

REPORTS FROM THE COMMITTEE ON RULES AND LEGISLATIVE ADMINISTRATION

Carruthers, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Be It Resolved, that the House of Representatives retain parts of parking lots B, C, D, Q, and W, and the State Office Building parking ramp during the period of time between adjournment sine die in 1994 and the convening of the House of Representatives in 1995 which are necessary for use of members and employees of the House of Representatives.

The motion prevailed and the report was adopted.

Carruthers, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Be It Resolved, that during the period of time between adjournment sine die in 1994 and the convening of the House of Representatives in 1995 the House Chamber, House Retiring Room, House Hearing and Conference Rooms, House Offices, and the Chief Clerk's offices shall be reserved for use by the House of Representatives as the Speaker of the House may authorize. The House Chamber and House Retiring Room may be available for the annual meeting of the YMCA Youth in Government program and Girls' State, provided these organizations confirm dates with the Speaker of the House at least 30 days in advance.

The motion prevailed and the report was adopted.

Carruthers, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Be It Resolved, that the Committee on Rules and Legislative Administration is assigned all the functions within its usual jurisdiction during the interim following adjournment sine die in 1994.

Be It Further Resolved, that the Committee on Rules and Legislative Administration or a duly appointed subcommittee of that committee shall contract for necessary printing of the House of Representatives for the 79th Regular Session and any special session held prior to the 80th Regular Session.

The motion prevailed and the report was adopted.

Carruthers, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Be It Resolved, that the Chief Clerk of the House of Representatives be authorized and is directed to correct and approve the Journal of the House for the last day of the 78th Regular Session.

Be It Further Resolved, that the Chief Clerk of the House of Representatives is authorized to include in the Journal of the House for the last day of the 78th Regular Session any subsequent proceedings and any appointments to legislative interim committees or commissions.

The motion prevailed and the report was adopted.

Carruthers, for the Committee on Rules and Legislative Administration, offered the following report and moved its adoption:

Be It Resolved, that the Chief Clerk of the House of Representatives is directed to give service recognition awards to House members and House employees who have served at least one complete legislative session who do not return to the 1995 Session. The award shall recognize and thank them for their service to the State of Minnesota and may not be in the form of compensation or a monetary gift. The award shall be given to the appropriate family member if the legislator or staff member is deceased. It will be presented early in 1995.

The motion prevailed and the report was adopted.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON 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.

May 3, 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. 2028, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2028 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1992, section 13.03, subdivision 4, is amended to read:

Subd. 4. [CHANGE IN CLASSIFICATION OF DATA.] (a) The classification of data in the possession of an agency shall change if it is required to do so to comply with either judicial or administrative rules pertaining to the conduct of legal actions or with a specific statute applicable to the data in the possession of the disseminating or receiving agency.

(b) If data on individuals is classified as both private and confidential by this chapter, or any other statute or federal law, the data is private.

(c) To the extent that government data is disseminated to state agencies, political subdivisions, or statewide systems by another state agency, political subdivision, or statewide system, the data disseminated shall have the same classification in the hands of the agency receiving it as it had in the hands of the entity providing it.

Sec. 2. Minnesota Statutes 1992, section 13.03, is amended by adding a subdivision to read:

Subd. 11. [TREATMENT OF DATA CLASSIFIED AS NOT PUBLIC; PUBLIC MEETINGS.] Not public data may be discussed at a meeting open to the public to the extent provided in section 471.705, subdivision 1d.

Sec. 3. Minnesota Statutes 1992, section 13.05, subdivision 4, is amended to read:

Subd. 4. [LIMITATIONS ON COLLECTION AND USE OF DATA.] Private or confidential data on an individual shall not be collected, stored, used, or disseminated by political subdivisions, statewide systems, or state agencies for any purposes other than those stated to the individual at the time of collection in accordance with section 13.04, except as provided in this subdivision.

(a) Data collected prior to August 1, 1975, and which have not been treated as public data, may be used, stored, and disseminated for the purposes for which the data was originally collected or for purposes which are specifically approved by the commissioner as necessary to public health, safety, or welfare.

(b) Private or confidential data may be used and disseminated to individuals or agencies specifically authorized access to that data by state, local, or federal law enacted or promulgated after the collection of the data.

(c) Private or confidential data may be used and disseminated to individuals or agencies subsequent to the collection of the data when the responsible authority maintaining the data has requested approval for a new or different use or dissemination of the data and that request has been specifically approved by the commissioner as necessary to carry out a function assigned by law.

(d) Private data may be used by and disseminated to any person or agency if the individual subject or subjects of the data have given their informed consent. Whether a data subject has given informed consent shall be determined by rules of the commissioner. Informed consent shall not be deemed to have been given by an individual subject of the data by the signing of any statement authorizing any person or agency to disclose information about the individual to an insurer or its authorized representative, unless the statement is:

(1) in plain language;

(2) dated;

(3) specific in designating the particular persons or agencies the data subject is authorizing to disclose information about the data subject;

(4) specific as to the nature of the information the subject is authorizing to be disclosed;

(5) specific as to the persons or agencies to whom the subject is authorizing information to be disclosed;

(6) specific as to the purpose or purposes for which the information may be used by any of the parties named in clause (5), both at the time of the disclosure and at any time in the future;

(7) specific as to its expiration date which should be within a reasonable period of time, not to exceed one year except in the case of authorizations given in connection with applications for life insurance or noncancelable or guaranteed renewable health insurance and identified as such, two years after the date of the policy.

The responsible authority may require a person requesting copies of data under this paragraph to pay the actual costs of making, certifying, and compiling the copies.

(e) Private or confidential data on an individual may be discussed at a meeting open to the public to the extent provided in section 471.705, subdivision 1d.

Sec. 4. Minnesota Statutes 1992, section 13.32, is amended by adding a subdivision to read:

Subd. 7. [USES OF DATA.] School officials who receive data on juveniles, as authorized under section 260.161, may use and share that data within the school district or educational entity as necessary to protect persons and property or to address the educational and other needs of students.

Sec. 5. Minnesota Statutes 1992, section 13.38, is amended by adding a subdivision to read:

Subd. 4. [TRANSITION PLANS.] Transition plans that are submitted to the commissioner of health by health care providers as required by section 62J.23, subdivision 2, are classified as private data on individuals or nonpublic data not on individuals.

Sec. 6. Minnesota Statutes 1992, section 13.39, subdivision 2, is amended to read:

Subd. 2. [CIVIL ACTIONS.] (a) Except as provided in paragraph (b), data collected by state agencies, political subdivisions or statewide systems as part of an active investigation undertaken for the purpose of the commencement or defense of a pending civil legal action, or which are retained in anticipation of a pending civil legal action, are classified as protected nonpublic data pursuant to section 13.02, subdivision 13 in the case of data not on individuals and confidential pursuant to section 13.02, subdivision 3 in the case of data on individuals. Any agency, political subdivision or statewide system may make any data classified as confidential or protected nonpublic pursuant to this subdivision accessible to any person, agency or the public if the agency, political subdivision or statewide system determines that the access will aid the law enforcement process, promote public health or safety or dispel widespread rumor or unrest.

(b) A complainant has access to a statement provided by the complainant to a state agency, statewide system, or political subdivision under paragraph (a).

Sec. 7. Minnesota Statutes 1992, section 13.39, is amended by adding a subdivision to read:

Subd. 2a. [DISCLOSURE OF DATA.] During the time when a civil legal action is determined to be pending under subdivision 1, any person may bring an action in the district court in the county where the data is maintained to obtain disclosure of data classified as confidential or protected nonpublic under subdivision 2. The court may order that all or part of the data be released to the public or to the person bringing the action. In making the determination whether data shall be disclosed, the court shall consider whether the benefit to the person bringing the action or to the public outweighs any harm to the public, the agency, or any person identified in the data. The data in dispute shall be examined by the court in camera.

Sec. 8. Minnesota Statutes 1992, section 13.41, subdivision 2, is amended to read:

Subd. 2. [PRIVATE DATA.] (a) The following data collected, created or maintained by any licensing agency are classified as private, pursuant to section 13.02, subdivision 12: data, other than their names and designated addresses, submitted by applicants for licenses; the identity of complainants who have made reports concerning licensees or applicants which appear in inactive complaint data unless the complainant consents to the disclosure; the nature or content of unsubstantiated complaints when the information is not maintained in anticipation of legal action; the identity of patients whose medical records are received by any health licensing agency for purposes of review or in anticipation of a contested matter; inactive investigative data relating to violations of statutes or rules; and the record of any disciplinary proceeding except as limited by subdivision 4.

(b) An applicant for a license shall designate on the application a residence or business address at which the applicant can be contacted in connection with the license application.

Sec. 9. Minnesota Statutes 1993 Supplement, section 13.43, subdivision 2, is amended to read:

Subd. 2. [PUBLIC DATA.] (a) Except for employees described in subdivision 5, the following personnel data on current and former employees, volunteers, and independent contractors of a state agency, statewide system, or political subdivision and members of advisory boards or commissions is public: name; actual gross salary; salary range; contract fees; actual gross pension; the value and nature of employer paid fringe benefits; the basis for and the amount of any added remuneration, including expense reimbursement, in addition to salary; job title; job description; education and training background; previous work experience; date of first and last employment; the existence and status of any complaints or charges against the employee, whether or not the complaint or charge resulted in a disciplinary action; the final disposition of any disciplinary action together with the specific reasons for the action and data documenting the basis of the action, excluding data that would identify confidential sources who are employees of the public body; the terms of any agreement settling any dispute arising out of the employment relationship; work location; a work telephone number; badge number; honors and awards received; payroll time sheets or other comparable data that are only used to account for employee's work time for payroll purposes, except to the extent that release of time sheet data would reveal the employee's reasons for the use of sick or other medical leave or other not public data; and city and county of residence.

(b) For purposes of this subdivision, a final disposition occurs when the state agency, statewide system, or political subdivision makes its final decision about the disciplinary action, regardless of the possibility of any later proceedings or court proceedings. In the case of arbitration proceedings arising under collective bargaining agreements, a final disposition occurs at the conclusion of the arbitration proceedings, or upon the failure of the employee to elect arbitration within the time provided by the collective bargaining agreement. Final disposition includes a resignation by an individual when the resignation occurs after the final decision of the state agency, statewide system, political subdivision, or arbitrator.

(c) The state agency, statewide system, or political subdivision may display a photograph of a current or former employee to a prospective witness as part of the state agency's, statewide system's, or political subdivision's investigation of any complaint or charge against the employee.

(d) A complainant has access to a statement provided by the complainant to a state agency, statewide system, or political subdivision in connection with a complaint or charge against an employee.

Sec. 10. 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 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. 11. Minnesota Statutes 1993 Supplement, section 13.46, subdivision 4, is amended to read:

Subd. 4. [LICENSING DATA.] (a) As used in this subdivision:

(1) "licensing data" means all data collected, maintained, used, or disseminated by the welfare system pertaining to persons licensed or registered or who apply for licensure or registration or who formerly were licensed or registered under the authority of the commissioner of human services;

(2) "client" means a person who is receiving services from a licensee or from an applicant for licensure; and

(3) "personal and personal financial data" means social security numbers, identity of and letters of reference, insurance information, reports from the bureau of criminal apprehension, health examination reports, and social/home studies.

(b) Except as provided in paragraph (c), the following data on current and former licensees are public: name, address, telephone number of licensees, licensed capacity, type of client preferred, variances granted, type of dwelling, name and relationship of other family members, previous license history, class of license, and the existence and status of complaints. When disciplinary action has been taken against a licensee or the complaint is resolved, the following data are public: the substance of the complaint, the findings of the investigation of the complaint, the record of informal resolution of a licensing violation, orders of hearing, findings of fact, conclusions of law, and specifications of the final disciplinary action contained in the record of disciplinary action.

The following data on persons ~~licensed~~ subject to disqualification under section 245A.04 in connection with a license to provide family day care for children, child care center services, foster care for children in the provider's home, or foster care or day care services for adults in the provider's home, are public: the nature of any disqualification set aside under section 245A.04, subdivision 3b, and the reasons for setting aside the disqualification; and the reasons for granting any variance under section 245A.04, subdivision 9.

(c) The following are private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9: personal and personal financial data on family day care program and family foster care program applicants and licensees and their family members who provide services under the license.

(d) The following are private data on individuals: the identity of persons who have made reports concerning licensees or applicants that appear in inactive investigative data, and the records of clients or employees of the licensee or applicant for licensure whose records are received by the licensing agency for purposes of review or in anticipation of a contested matter. The names of reporters under sections 626.556 and 626.557 may be disclosed only as provided in section 626.556, subdivision 11, or 626.557, subdivision 12.

(e) Data classified as private, confidential, nonpublic, or protected nonpublic under this subdivision become public data if submitted to a court or administrative law judge as part of a disciplinary proceeding in which there is a public hearing concerning the disciplinary action.

(f) Data generated in the course of licensing investigations that relate to an alleged violation of law are investigative data under subdivision 3.

(g) Data that are not public data collected, maintained, used, or disseminated under this subdivision that relate to or are derived from a report as defined in section 626.556, subdivision 2, are subject to the destruction provisions of section 626.556, subdivision 11.

Sec. 12. [13.49] [SOCIAL SECURITY NUMBERS.]

The social security numbers of individuals collected or maintained by a state agency, statewide system, or political subdivision are private data on individuals, except to the extent that access to the social security number is specifically authorized by law.

Sec. 13. Minnesota Statutes 1992, section 13.57, is amended to read:

13.57 [SOCIAL RECREATIONAL DATA.]

The following data collected and maintained by political subdivisions for the purpose of enrolling individuals in recreational and other social programs are classified as private, pursuant to section 13.02, subdivision 12: the name, address, telephone number, any other data that identifies the individual, and any data which describes the health or medical condition of the individual, family relationships and living arrangements of an individual or which are opinions as to the emotional makeup or behavior of an individual.

Sec. 14. Minnesota Statutes 1992, section 13.82, is amended by adding a subdivision to read:

Subd. 3a. [AUDIO RECORDING OF 911 CALL.] The audio recording of a call placed to a 911 system for the purpose of requesting service from a law enforcement, fire, or medical agency is private data on individuals with respect to the individual making the call, except that a written transcript of the audio recording is public, unless it reveals the identity of an individual otherwise protected under subdivision 10. A transcript shall be prepared upon request. The person requesting the transcript shall pay the actual cost of transcribing the call, in addition to any other applicable costs provided under section 13.03, subdivision 3. The audio recording may be disseminated to law enforcement agencies for investigative purposes. The audio recording may be used for public safety dispatcher training purposes.

Sec. 15. Minnesota Statutes 1993 Supplement, section 13.82, subdivision 4, is amended to read:

Subd. 4. [RESPONSE OR INCIDENT DATA.] The following data created or collected by law enforcement agencies which documents the agency's response to a request for service including, but not limited to, responses to traffic accidents, or which describes actions taken by the agency on its own initiative shall be public government data:

(a) date, time and place of the action;

(b) agencies, units of agencies and individual agency personnel participating in the action unless the identities of agency personnel qualify for protection under subdivision 10;

(c) any resistance encountered by the agency;

(d) any pursuit engaged in by the agency;

(e) whether any weapons were used by the agency or other individuals;

(f) a brief factual reconstruction of events associated with the action;

(g) names and addresses of witnesses to the agency action or the incident unless the identity of any witness qualifies for protection under subdivision 10;

(h) names and addresses of any victims or casualties unless the identities of those individuals qualify for protection under subdivision 10;

(i) the name and location of the health care facility to which victims or casualties were taken;

(j) response or incident report number;

(k) dates of birth of the parties involved in a traffic accident; ~~and~~

(l) whether the parties involved were wearing seat belts; and

(m) the alcohol concentration of each driver.

Sec. 16. Minnesota Statutes 1992, section 13.84, subdivision 5a, is amended to read:

Subd. 5a. [PUBLIC BENEFIT DATA.] (a) The responsible authority or its designee of a parole or probation authority or correctional agency may release private or confidential court services data related to: (1) criminal acts to any law enforcement agency, if necessary for law enforcement purposes; and (2) criminal acts or delinquent acts to the victims of criminal or delinquent acts to the extent that the data are necessary for the victim to assert the victim's legal right to restitution. ~~In the case of delinquent acts, the data that may be released include only the juvenile's name, address, date of birth, and place of employment; the name and address of the juvenile's parents or guardians; and the factual part of police reports related to the investigation of the delinquent act.~~

(b) A parole or probation authority, a correctional agency, or agencies that provide correctional services under contract to a correctional agency may release to a law enforcement agency the following data on defendants, parolees, or probationers: current address, dates of entrance to and departure from agency programs, and dates and times of any absences, both authorized and unauthorized, from a correctional program.

(c) The responsible authority or its designee of a juvenile correctional agency may release private or confidential court services data to a victim of a delinquent act to the extent the data are necessary to enable the victim to assert the victim's right to request notice of release under section 611A.06. The data that may be released include only the name, home address, and placement site of a juvenile who has been placed in a juvenile correctional facility as a result of a delinquent act.

Sec. 17. 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 1b.

Sec. 18. Minnesota Statutes 1993 Supplement, section 121.8355, is amended by adding a subdivision to read:

Subd. 3a. [INFORMATION SHARING.] (a) The school district, county, and public health entity members of a family services collaborative may inform each other as to whether an individual or family is being served by the member, without the consent of the subject of the data. If further information sharing is necessary in order for the collaborative to carry out duties under subdivision 2 or 3, the collaborative may share data if the individual, as defined in section 13.02, subdivision 8, gives written informed consent. Data on individuals shared under this subdivision retain the original classification as defined under section 13.02, as to each member of the collaborative with whom the data is shared.

(b) If a federal law or regulation impedes information sharing that is necessary in order for a collaborative to carry out duties under subdivision 2 or 3, the appropriate state agencies shall seek a waiver or exemption from the applicable law or regulation.

Sec. 19. Minnesota Statutes 1993 Supplement, section 144.335, subdivision 3a, is amended to read:

Subd. 3a. [PATIENT CONSENT TO RELEASE OF RECORDS; LIABILITY.] (a) A provider, or a person who receives health records from a provider, may not release a patient's health records to a person without a signed and dated consent from the patient or the patient's legally authorized representative authorizing the release, unless the release is specifically authorized by law. Except as provided in paragraph (c), a consent is valid for one year or for a lesser period specified in the consent or for a different period provided by law.

(b) This subdivision does not prohibit the release of health records for a medical emergency when the provider is unable to obtain the patient's consent due to the patient's condition or the nature of the medical emergency.

(c) Notwithstanding paragraph (a), if a patient explicitly gives informed consent to the release of health records for the purposes and pursuant to the restrictions in clauses (1) and (2), the consent does not expire after one year for:

(1) the release of health records to a provider who is being advised or consulted with in connection with the current treatment of the patient;

(2) the release of health records to an accident and health insurer, health service plan corporation, health maintenance organization, or third-party administrator for purposes of payment of claims, fraud investigation, or quality of care review and studies, provided that:

(i) the use or release of the records complies with sections 72A.49 to 72A.505;

(ii) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited; and

(iii) the recipient establishes adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient.

(d) Until June 1, ~~1994~~ 1996, paragraph (a) does not prohibit the release of health records to qualified personnel solely for purposes of medical or scientific research, if the patient has not objected to a release for research purposes and the provider who releases the records makes a reasonable effort to determine that:

(i) the use or disclosure does not violate any limitations under which the record was collected;

(ii) the use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which the use or disclosure is to be made;

(iii) the recipient has established and maintains adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient; and

(iv) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited.

(e) A person who negligently or intentionally releases a health record in violation of this subdivision, or who forges a signature on a consent form, or who obtains under false pretenses the consent form or health records of another person, or who, without the person's consent, alters a consent form, is liable to the patient for compensatory damages caused by an unauthorized release, plus costs and reasonable attorney's fees.

(f) Upon the written request of a spouse, parent, child, or sibling of a patient being evaluated for or diagnosed with mental illness, a provider shall inquire of a patient whether the patient wishes to authorize a specific individual to receive information regarding the patient's current and proposed course of treatment. If the patient so authorizes, the provider shall communicate to the designated individual the patient's current and proposed course of treatment. Paragraph (a) applies to consents given under this paragraph.

Sec. 20. [144.3352] [HEPATITIS B MATERNAL CARRIER DATA; INFANT IMMUNIZATION.]

The commissioner of health or a local board of health may inform the physician attending a newborn of the hepatitis B infection status of the biological mother.

Sec. 21. 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 unless the expenditure is directly related to specific marketing activities and contracts described in paragraph (a) at a closed meeting.

Sec. 22. [145.90] [FETAL, INFANT, AND MATERNAL DEATH STUDIES.]

Subdivision 1. [PURPOSE.] The commissioner of health may conduct fetal, infant, and maternal death studies in order to assist the planning, implementation, and evaluation of medical, health, and welfare service systems, and to improve pregnancy outcomes and reduce the numbers of preventable fetal, infant, and maternal deaths in Minnesota.

Subd. 2. [ACCESS TO DATA.] (a) Until July 1, 1997, the commissioner of health has access to medical data as defined in section 13.42, subdivision 1, paragraph (b), medical examiner data as defined in section 13.83, subdivision 1, and health records created, maintained, or stored by providers as defined in section 144.335, subdivision 1, paragraph (b), without the consent of the subject of the data, and without the consent of the parent, spouse, other guardian, or legal representative of the subject of the data, when the subject of the data is:

(1) a fetus that showed no signs of life at the time of delivery, was 20 or more weeks of gestation at the time of delivery, and was not delivered by an induced abortion;

(2) a liveborn infant that died within the first two years of life;

(3) a woman who died during a pregnancy or within 12 months of a fetal death, a live birth, or other termination of a pregnancy; or

(4) the biological mother of a fetus or infant as described in clause (1) or (2).

The commissioner only has access to medical data and health records related to deaths or stillbirths that occur on or after July 1, 1994. With respect to data under clause (4), the commissioner only has access to medical data and health records that contain information that bears upon the pregnancy and the outcome of the pregnancy.

(b) The provider or responsible authority that creates, maintains, or stores the data shall furnish the data upon the request of the commissioner. The provider or responsible authority may charge a fee for providing data, not to exceed the actual cost of retrieving and duplicating the data.

(c) The commissioner shall make a good faith reasonable effort to notify the subject of the data, or the parent, spouse, other guardian, or legal representative of the subject of the data, before collecting data on the subject. For purposes of this paragraph, "reasonable effort" includes:

(1) one visit by a public health nurse to the last known address of the data subject, or the parent, spouse, or guardian; and

(2) if the public health nurse is unable to contact the data subject, or the parent, spouse, or guardian, one notice by certified mail to the last known address of the data subject, or the parent, spouse, or guardian.

(d) The commissioner does not have access to coroner or medical examiner data that are part of an active investigation as described in section 13.83.

Subd. 3. [MANAGEMENT OF RECORDS.] After the commissioner has collected all data about a subject of a fetal, infant, or maternal death study needed to perform the study, the data from source records obtained under subdivision 2, other than data identifying the subject, must be transferred to separate records to be maintained by the commissioner. Notwithstanding section 138.17, after the data have been transferred, all source records obtained under subdivision 2 in the hands of the commissioner must be destroyed.

Subd. 4. [CLASSIFICATION OF DATA.] Data provided to or created by the commissioner for the purpose of carrying out fetal, infant, or maternal death studies, including identifying information on individual providers or patients, are classified as private data on individuals or nonpublic data on deceased individuals, as defined in section 13.02, with the following exceptions:

(1) summary data created by the commissioner, as defined in section 13.02, subdivision 19; and

(2) data provided by the commissioner of human services, which retains the classification it held when in the hands of the commissioner of human services.

Sec. 23. Minnesota Statutes 1993 Supplement, section 148B.04, subdivision 6, is amended to read:

Subd. 6. [CLASSIFICATION OF CERTAIN RESIDENCE ADDRESSES AND TELEPHONE NUMBERS.] Notwithstanding section 13.41, subdivision 2 or 4, the residence address and telephone number of an applicant or licensee are private data on individuals as defined in section 13.02, subdivision 12, if the applicant or licensee so requests and provides an alternative address and telephone number.

Sec. 24. Minnesota Statutes 1993 Supplement, section 168.346, is amended to read:

168.346 [PRIVACY OF NAME OR RESIDENCE ADDRESS.]

The registered owner of a motor vehicle may request in writing that the owner's residence address or name and residence 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 owner that the classification is

required for the safety of the owner or the owner's family, if the statement also provides a valid, existing address where the owner consents to receive service of process. The commissioner shall use the mailing address in place of the residence address in all documents and notices pertaining to the motor vehicle. The residence address or name and residence address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9.

Sec. 25. Minnesota Statutes 1992, section 171.12, subdivision 7, is amended to read:

Subd. 7. [PRIVACY OF RESIDENCE ADDRESS.] An applicant for a driver's license or a Minnesota identification card may request that the applicant's residence 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 individual that the classification is required for the safety of the applicant or the applicant's family, if the statement also provides a valid, existing address where the applicant consents to receive service of process. The commissioner shall use the mailing address in place of the residence address in all documents and notices pertaining to the driver's license or identification card. The residence address and any information provided in the classification request, other than the mailing address, are private data on individuals and may be provided to requesting law enforcement agencies, probation and parole agencies, and public authorities, as defined in section 518.54, subdivision 9.

Sec. 26. [245.041] [PROVISION OF FIREARMS BACKGROUND CHECK INFORMATION.]

Notwithstanding section 253B.23, subdivision 9, the commissioner of human services shall provide commitment information to local law enforcement agencies for the sole purpose of facilitating a firearms background check under section 624.7131, 624.7132, or 624.714. The information to be provided is limited to whether the person has been committed under chapter 253B and, if so, the type of commitment.

Sec. 27. Minnesota Statutes 1993 Supplement, section 245.493, is amended by adding a subdivision to read:

Subd. 3. [INFORMATION SHARING.] (a) The members of a local children's mental health collaborative may share data on individuals being served by the collaborative or its members if the individual, as defined in section 13.02, subdivision 8, gives written informed consent and the information sharing is necessary in order for the collaborative to carry out duties under subdivision 2. Data on individuals shared under this subdivision retain the original classification as defined under section 13.02, as to each member of the collaborative with whom the data is shared.

(b) If a federal law or regulation impedes information sharing that is necessary in order for a collaborative to carry out duties under subdivision 2, the appropriate state agencies shall attempt to get a waiver or exemption from the applicable law or regulation.

Sec. 28. [253B.091] [REPORTING JUDICIAL COMMITMENTS INVOLVING PRIVATE TREATMENT PROGRAMS OR FACILITIES.]

Notwithstanding section 253B.23, subdivision 9, 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 commissioner of human services for purposes of providing commitment information for firearm background checks under section 245.041.

Sec. 29. Minnesota Statutes 1992, section 253B.23, subdivision 4, is amended to read:

Subd. 4. [IMMUNITY.] All persons acting in good faith, upon either actual knowledge or information thought by them to be reliable, who act pursuant to any provision of this chapter or who procedurally or physically assist in the commitment of any individual, pursuant to this chapter, are not subject to any civil or criminal liability under this chapter. Any privilege otherwise existing between patient and physician ~~or between~~, patient and examiner, or patient and social worker, is waived as to any physician ~~or~~, examiner, or social worker who provides information with respect to a patient pursuant to any provision of this chapter.

Sec. 30. Minnesota Statutes 1992, section 256.0361, is amended by adding a subdivision to read:

Subd. 3. [EVALUATION DATA.] The commissioner may access data maintained by the department of jobs and training under sections 268.03 to 268.231 for the purpose of evaluating the Minnesota family investment plan for persons randomly assigned to a test or comparison group as part of the evaluation. This subdivision authorizes access

to data concerning the three years before the time of random assignment for persons randomly assigned to a test or comparison group and data concerning the five years after random assignment.

Sec. 31. Minnesota Statutes 1992, section 260.161, is amended by adding a subdivision to read:

Subd. 1b. [DISPOSITION ORDER; COPY TO SCHOOL.] (a) If a juvenile is enrolled in school, the juvenile's probation officer shall transmit a copy of the court's disposition order to the principal or chief administrative officer of the juvenile's school if the juvenile has been adjudicated delinquent for committing an act on the school's property or an act:

(1) that would be a violation of section 609.185 (first-degree murder); 609.19 (second-degree murder); 609.195 (third-degree murder); 609.20 (first-degree manslaughter); 609.205 (second-degree manslaughter); 609.21 (criminal vehicular homicide and injury); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.3451 (fifth-degree criminal sexual conduct); 609.498 (tampering with a witness); 609.561 (first-degree arson); 609.582, subdivision 1 or 2 (burglary); 609.713 (terroristic threats); or 609.749 (harassment and stalking), if committed by an adult;

(2) that would be a violation of section 152.021 (first-degree controlled substance crime); 152.022 (second-degree controlled substance crime); 152.023 (third-degree controlled substance crime); 152.024 (fourth-degree controlled substance crime); 152.025 (fifth-degree controlled substance crime); 152.0261 (importing a controlled substance); or 152.027 (other controlled substance offenses), if committed by an adult; or

(3) that involved the possession or use of a dangerous weapon as defined in section 609.02, subdivision 6.

When a disposition order is transmitted under this paragraph, the probation officer shall notify the juvenile's parent or legal guardian that the disposition order has been shared with the juvenile's school.

(b) The disposition order must be accompanied by a notice to the school that the school may obtain additional information from the juvenile's probation officer with the consent of the juvenile or the juvenile's parents, as applicable. The disposition order must be maintained in the student's permanent education record but may not be released outside of the school district or educational entity, other than to another school district or educational entity to which the juvenile is transferring. Notwithstanding section 138.17, the disposition order must be destroyed when the juvenile graduates from the school or at the end of the academic year when the juvenile reaches age 23, whichever date is earlier.

(c) The juvenile's probation officer shall maintain a record of disposition orders released under this subdivision and the basis for the release.

(d) The criminal and juvenile justice information policy group, in consultation with representatives of probation officers and educators, shall prepare standard forms for use by juvenile probation officers in forwarding information to schools under this subdivision and in maintaining a record of the information that is released.

(e) As used in this subdivision, "school" means a public or private elementary, middle, or secondary school.

Sec. 32. Minnesota Statutes 1992, section 260.161, subdivision 2, is amended to read:

Subd. 2. [PUBLIC INSPECTION LIMITATIONS.] Except as otherwise provided in this ~~subdivision and in subdivision 1~~ section, and except for legal records arising from proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except (a) by order of a court or (b) as required by sections 245A.04, 611A.03, 611A.04, 611A.06, and 629.73. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. Court services data relating to delinquent acts that are contained in records of the juvenile court may be released as allowed under section 13.84, subdivision 5a. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain

the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95.

Sec. 33. 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 otherwise provided in ~~paragraph (d)~~ this subdivision. 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) A law enforcement agency shall notify the principal or chief administrative officer of a juvenile's school of an incident occurring within the agency's jurisdiction if:

(1) the agency has probable cause to believe that the juvenile has committed an offense that would be a crime if committed as an adult, that the victim of the offense is a student or staff member of the school, and that notice to the school is reasonably necessary for the protection of the victim; or

(2) the agency has probable cause to believe that the juvenile has committed an offense described in subdivision 1b, paragraph (a), clauses (1) to (3), that would be a crime if committed by an adult.

A law enforcement agency is not required to notify the school under this paragraph if the agency determines that notice would jeopardize an ongoing investigation. Notwithstanding section 138.17, data from a notice received from a law enforcement agency under this paragraph must be destroyed when the juvenile graduates from the school or at the end of the academic year when the juvenile reaches age 23, whichever date is earlier. For purposes of 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 the juvenile diversion program with data concerning a juvenile who is a participant in or is being considered for participation in the program.

(g) Upon request of a local social service agency, peace officer records of children who are or may be delinquent or who may be engaged in criminal acts may be disseminated to the agency to promote the best interests of the subject of the data.

Sec. 34. Minnesota Statutes 1992, section 260.161, is amended by adding a subdivision to read:

Subd. 5. [FURTHER RELEASE OF RECORDS.] A person who receives access to juvenile court or peace officer records of children that are not accessible to the public may not release or disclose the records to any other person except as authorized by law. This subdivision does not apply to the child who is the subject of the records or the child's parent or guardian.

Sec. 35. [325I.01] [DEFINITIONS.]

Subdivision 1. [GENERAL.] The definitions in this section apply to sections 325I.01 to 325I.03.

Subd. 2. [CONSUMER.] "Consumer" means a renter, purchaser, or subscriber of goods or services from a videotape service provider or videotape seller.

Subd. 3. [PERSONALLY IDENTIFIABLE INFORMATION.] "Personally identifiable information" means information that identifies a person as having requested or obtained specific video materials or services from a videotape service provider or videotape seller.

Subd. 4. [VIDEOTAPE SELLER.] "Videotape seller" means a person engaged in the business of selling prerecorded videocassette tapes or similar audiovisual materials, or a person to whom a disclosure is made by a videotape seller under section 325I.02, but only with respect to the information contained in the disclosure.

Subd. 5. [VIDEOTAPE SERVICE PROVIDER.] "Videotape service provider" means a person engaged in the business of rental of prerecorded videocassette tapes or similar audiovisual materials, or a person to whom a disclosure is made by a videotape service provider under section 325I.02, but only with respect to the information contained in the disclosure.

Sec. 36. [325I.02] [DISCLOSURE OF VIDEOTAPE RENTAL OR SALES RECORDS.]

Subdivision 1. [DISCLOSURE PROHIBITED.] Except as provided in subdivisions 2 and 3, a videotape service provider or videotape seller who knowingly discloses, to any person, personally identifiable information concerning any consumer of the provider or seller is liable to the consumer for the relief provided in section 325I.03.

Subd. 2. [DISCLOSURE REQUIRED.] (a) A videotape service provider or videotape seller shall disclose personally identifiable information concerning any consumer:

(1) to a grand jury pursuant to a grand jury subpoena;

(2) pursuant to a court order in a civil proceeding upon a showing of compelling need for the information that cannot be accommodated by other means, or in a criminal proceeding upon a showing of legitimate need for the information that cannot be accommodated by other means, if:

(i) the consumer is given reasonable notice by the person seeking the disclosure of the court proceeding relevant to the issuance of the court order;

(ii) the consumer is afforded the opportunity to appear and contest the disclosure; and

(iii) the court imposes appropriate safeguards against unauthorized disclosure; or

(3) to a law enforcement agency pursuant to a warrant lawfully obtained under the laws of this state or the United States.

(b) A videotape service provider or videotape seller may disclose personally identifiable information concerning any consumer to a court or law enforcement agency pursuant to a civil action or criminal investigation for conversion or theft commenced or initiated by the videotape service provider or videotape seller or to enforce collection of fines for overdue or unreturned videotapes or collection for unpaid videotapes, to the extent necessary to establish the fact of the rental or sale. In a court action, the court shall impose appropriate safeguards against unauthorized disclosure of the information. A law enforcement agency shall maintain the information as investigative data under section 13.82, except that when the investigation becomes inactive, the information is private data on individuals as defined in section 13.02, subdivision 12.

Subd. 3. [DISCLOSURE PERMITTED.] A videotape service provider or videotape seller may disclose personally identifiable information concerning any consumer:

(1) to the consumer;

(2) to a person in connection with a transfer of ownership of the videotape service provider or videotape seller;

(3) to any person with the written informed consent of the consumer, as provided in subdivision 4; or

(4) if a videotape is sold by mail or telephone and the videotape seller complies with United States Code, title 18, section 2710 (b)(2)(D).

Subd. 4. [PROCEDURE FOR WRITTEN INFORMED CONSENT OF THE CONSUMER.] For purposes of subdivision 3, clause (3), in order to obtain the written informed consent of the consumer, the videotape service provider or videotape seller must obtain a signed statement conforming to the notice contained in this subdivision. The notice must be in writing in at least ten-point bold-faced type, must be separate from any membership, subscriber, or rental or purchase agreement between the consumer and the videotape service provider or videotape seller, and must read as follows:

"This videotape service provider [videotape seller] from time to time provides to marketers of goods and services, the names and addresses of customers and a description or subject matter of materials rented or purchased by video customers. The videotape service provider [videotape seller] may not include your name, address, or the description or subject matter of any material rented or purchased in these lists without your written consent. This election may be changed by you, in writing, at any time.

I do not object to the release of my name, address, or the description or subject matter of the material rented or purchased.

.....

Signature

Subd. 5. [EXCLUSION FROM EVIDENCE.] Personally identifiable information obtained in any manner other than as provided in this section may not be received in evidence in any trial, hearing, arbitration, or other proceeding before any court, grand jury, officer, agency, regulatory body, legislative committee, or other authority of the state or any political subdivision.

Subd. 6. [DESTRUCTION OF INFORMATION.] A person subject to this section shall destroy personally identifiable information as soon as practicable, but no later than one year from the date the information is no longer necessary for the purpose for which it was collected and there are no pending requests or orders for access to the information under this section.

Subd. 7. [PROHIBITION ON REFUSAL OF SERVICES.] A videotape service provider or videotape seller may not require a consumer to execute a consent under subdivision 4 as a condition of providing videotape goods or services to the consumer.

Sec. 37. [325I.03] [ENFORCEMENT; CIVIL LIABILITY.]

The public and private remedies in section 8.31 apply to violations of section 325I.02. In addition, a consumer who prevails or substantially prevails in an action brought under this section is entitled to a minimum of $500 in damages, regardless of the amount of actual damage proved, plus costs, disbursements, and reasonable attorney fees. Sections 325I.01 to 325I.03 do not affect any rights or remedies available under other law.

Sec. 38. Minnesota Statutes 1992, section 403.07, subdivision 4, is amended to read:

Subd. 4. [USE OF FURNISHED INFORMATION.] Names, addresses, and telephone numbers provided to a 911 system under subdivision 3 are private data and may be used only for identifying the location or identity, or both, of a person calling a 911 public safety answering point. The information furnished under subdivision 3 may not be used or disclosed by 911 system agencies, their agents, or their employees for any other purpose except under a court order. A telephone company or telecommunications provider is not liable to any person for the good faith release to emergency communications personnel of information not in the public record, including, but not limited to, nonpublished or nonlisted telephone numbers.

Sec. 39. 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. ~~If a member intentionally violates the requirements of this subdivision, 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.~~

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 paragraph 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 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~~ one or more meetings 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 as a result of those specific charges or allegations, further meetings or hearings relating to those specific charges or allegations held after that conclusion is reached 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.

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 intentionally 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 may 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~~ If a person has been found to have intentionally violated this section in three or more actions brought under this section involving 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 reasonable attorney fees of up to $13,000 to any party in an action under this section. The court may award costs and attorney fees to a defendant only if the court finds that the action under this section was frivolous and without merit. A public body may pay any costs, disbursements, or attorney fees incurred by or awarded against any of its members in an action under this section.

(c) No monetary penalties or attorney fees may be awarded against a member of a public body unless the court finds that there was a specific intent to violate this section.

Subd. 3. [~~POPULAR NAME~~ CITATION.] This section may be cited as the "Minnesota open meeting law".

Sec. 40. Minnesota Statutes 1993 Supplement, section 595.02, subdivision 1, is amended to read:

Subdivision 1. [COMPETENCY OF WITNESSES.] Every person of sufficient understanding, including a party, may testify in any action or proceeding, civil or criminal, in court or before any person who has authority to receive evidence, except as provided in this subdivision:

(a) A husband cannot be examined for or against his wife without her consent, nor a wife for or against her husband without his consent, nor can either, during the marriage or afterwards, without the consent of the other, be examined as to any communication made by one to the other during the marriage. This exception does not apply to a civil action or proceeding by one against the other, nor to a criminal action or proceeding for a crime committed by one against the other or against a child of either or against a child under the care of either spouse, nor to a criminal action or proceeding in which one is charged with homicide or an attempt to commit homicide and the date of the marriage of the defendant is subsequent to the date of the offense, nor to an action or proceeding for nonsupport, neglect, dependency, or termination of parental rights.

(b) An attorney cannot, without the consent of the attorney's client, be examined as to any communication made by the client to the attorney or the attorney's advice given thereon in the course of professional duty; nor can any employee of the attorney be examined as to the communication or advice, without the client's consent.

(c) A member of the clergy or other minister of any religion shall not, without the consent of the party making the confession, be allowed to disclose a confession made to the member of the clergy or other minister in a professional character, in the course of discipline enjoined by the rules or practice of the religious body to which the member of the clergy or other minister belongs; nor shall a member of the clergy or other minister of any religion be examined as to any communication made to the member of the clergy or other minister by any person seeking religious or spiritual advice, aid, or comfort or advice given thereon in the course of the member of the clergy's or other minister's professional character, without the consent of the person.

(d) A licensed physician or surgeon, dentist, or chiropractor shall not, without the consent of the patient, be allowed to disclose any information or any opinion based thereon which the professional acquired in attending the patient in a professional capacity, and which was necessary to enable the professional to act in that capacity; after the decease of the patient, in an action to recover insurance benefits, where the insurance has been in existence two years or more, the beneficiaries shall be deemed to be the personal representatives of the deceased person for the purpose of waiving this privilege, and no oral or written waiver of the privilege shall have any binding force or effect except when made upon the trial or examination where the evidence is offered or received.

(e) A public officer shall not be allowed to disclose communications made to the officer in official confidence when the public interest would suffer by the disclosure.

(f) Persons of unsound mind and persons intoxicated at the time of their production for examination are not competent witnesses if they lack capacity to remember or to relate truthfully facts respecting which they are examined.

(g) A registered nurse, psychologist ~~or~~, consulting psychologist, or licensed social worker engaged in a psychological or social assessment or treatment of an individual at the individual's request shall not, without the consent of the professional's client, be allowed to disclose any information or opinion based thereon which the

professional has acquired in attending the client in a professional capacity, and which was necessary to enable the professional to act in that capacity. Nothing in this clause exempts licensed social workers from compliance with the provisions of sections 626.556 and 626.557.

(h) An interpreter for a person handicapped in communication shall not, without the consent of the person, be allowed to disclose any communication if the communication would, if the interpreter were not present, be privileged. For purposes of this section, a "person handicapped in communication" means a person who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which the person is required to participate. The presence of an interpreter as an aid to communication does not destroy an otherwise existing privilege.

(i) Licensed chemical dependency counselors shall not disclose information or an opinion based on the information which they acquire from persons consulting them in their professional capacities, and which was necessary to enable them to act in that capacity, except that they may do so:

(1) when informed consent has been obtained in writing, except in those circumstances in which not to do so would violate the law or would result in clear and imminent danger to the client or others;

(2) when the communications reveal the contemplation or ongoing commission of a crime; or

(3) when the consulting person waives the privilege by bringing suit or filing charges against the licensed professional whom that person consulted.

(j) A parent or the parent's minor child may not be examined as to any communication made in confidence by the minor to the minor's parent. A communication is confidential if made out of the presence of persons not members of the child's immediate family living in the same household. This exception may be waived by express consent to disclosure by a parent entitled to claim the privilege or by the child who made the communication or by failure of the child or parent to object when the contents of a communication are demanded. This exception does not apply to a civil action or proceeding by one spouse against the other or by a parent or child against the other, nor to a proceeding to commit either the child or parent to whom the communication was made or to place the person or property or either under the control of another because of an alleged mental or physical condition, nor to a criminal action or proceeding in which the parent is charged with a crime committed against the person or property of the communicating child, the parent's spouse, or a child of either the parent or the parent's spouse, or in which a child is charged with a crime or act of delinquency committed against the person or property of a parent or a child of a parent, nor to an action or proceeding for termination of parental rights, nor any other action or proceeding on a petition alleging child abuse, child neglect, abandonment or nonsupport by a parent.

(k) Sexual assault counselors may not be compelled to testify about any opinion or information received from or about the victim without the consent of the victim. However, a counselor may be compelled to identify or disclose information in investigations or proceedings related to neglect or termination of parental rights if the court determines good cause exists. In determining whether to compel disclosure, the court shall weigh the public interest and need for disclosure against the effect on the victim, the treatment relationship, and the treatment services if disclosure occurs. Nothing in this clause exempts sexual assault counselors from compliance with the provisions of sections 626.556 and 626.557.

"Sexual assault counselor" for the purpose of this section means a person who has undergone at least 40 hours of crisis counseling training and works under the direction of a supervisor in a crisis center, whose primary purpose is to render advice, counseling, or assistance to victims of sexual assault.

(l) A person cannot be examined as to any communication or document, including worknotes, made or used in the course of or because of mediation pursuant to an agreement to mediate. This does not apply to the parties in the dispute in an application to a court by a party to have a mediated settlement agreement set aside or reformed. A communication or document otherwise not privileged does not become privileged because of this paragraph. This paragraph is not intended to limit the privilege accorded to communication during mediation by the common law.

(m) A child under ten years of age is a competent witness unless the court finds that the child lacks the capacity to remember or to relate truthfully facts respecting which the child is examined. A child describing any act or event may use language appropriate for a child of that age.

(n) A communication assistant for a telecommunications relay system for communication-impaired persons shall not, without the consent of the person making the communication, be allowed to disclose communications made to the communication assistant for the purpose of relaying.

Sec. 41. 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 commitment information about the proposed transferee maintained by the commissioner 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; 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. The statement under clause (c) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Sec. 42. Minnesota Statutes 1992, section 624.7131, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION.] The chief of police or sheriff shall check criminal histories, records and warrant information relating to the applicant through the Minnesota crime information system. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.

Sec. 43. 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 commitment information about the proposed transferee maintained by the commissioner 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;

(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. The statement under clause (c) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Sec. 44. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION.] Upon receipt of a transfer report, the chief of police or sheriff shall check criminal histories, records and warrant information relating to the proposed transferee through the Minnesota crime information system. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.

Sec. 45. 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 commitment information about the applicant maintained by the commissioner 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;

(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. The statement under clause (3) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Sec. 46. Minnesota Statutes 1992, section 624.714, subdivision 4, is amended to read:

Subd. 4. [INVESTIGATION.] The application authority shall check criminal records, histories, and warrant information on each applicant through the Minnesota Crime Information System. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.

Sec. 47. Laws 1990, chapter 566, section 9, as amended by Laws 1992, chapter 569, section 36, is amended to read:

Sec. 9. [REPEALER.]

Section 2 is repealed effective July 31, ~~1994~~ 1995.

Sec. 48. [INFORMATION POLICY TRAINING PLAN.]

Subdivision 1. [GENERAL.] The commissioner of administration is responsible for the preparation of a plan for training state and local government officials and employees on data practices laws and procedures and other information policy statutes, including official records and records management statutes. The plan must include training models for state agencies, counties, cities, school districts, higher education agencies, and human service agencies. The plan must focus on the development of broad-based training expertise and responsibility for training within these entities. The plan must be developed in consultation with representatives of these entities, including:

(1) information policy council, commissioner of employee relations, and attorney general;

(2) association of counties, county attorneys' council, and counties insurance trust;

(3) league of Minnesota cities, city attorneys' association, and cities insurance trust;

(4) school board association, council of school attorneys, and school board association insurance trust;

(5) higher education agencies, University of Minnesota, and university attorneys' office; and

(6) commissioner of human services, county human service agencies, and private nonprofit agencies that provide social services.

Subd. 2. [MODELS.] The training models developed under subdivision 1 must:

(1) identify training needs within each group of entities, including the need for mandatory training for certain positions and continuing as well as initial training requirements;

(2) provide for assignment of training responsibility within the entities and procedures for training; and

(3) provide for training resources, including the use of electronic communications and other forms of technology, audiovisual materials, and the development of written materials and standard forms, such as consent forms.

Subd. 3. [REPORT.] The commissioner of administration shall report to the legislature by January 1, 1995, with the results of the plan prepared under this section and any other recommendations for information policy training.

Sec. 49. [APPROPRIATION.]

$50,000 is appropriated from the general fund to the commissioner of administration for the purpose of preparing the training plan under section 48.

Sec. 50. [EFFECTIVE DATE; APPLICATION.]

Sections 18, 19, 24, 25, and 27, are effective the day following final enactment. Section 30 is effective April 1, 1994. Section 31 is effective January 1, 1995.

Any increased civil penalties or awards of attorney fees provided under section 39 apply only to actions for violations occurring on or after August 1, 1994.

ARTICLE 2

Section 1. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 8. [CERTAIN DATA RECEIVED BY COMMISSIONER OF COMMERCE.] Certain data received because of the commissioner's participation in various organizations are classified under section 45.012.

Sec. 2. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 9. [BANK INCORPORATORS DATA.] Financial data on individuals submitted by incorporators proposing to organize a bank are classified under section 46.041, subdivision 1.

Sec. 3. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 10. [SURPLUS LINES INSURER DATA.] Reports and recommendations on the financial condition of eligible surplus lines insurers submitted to the commissioner of commerce are classified under section 60A.208, subdivision 7.

Sec. 4. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 11. [INSURER FINANCIAL CONDITION DATA.] Recommendations on the financial condition of an insurer submitted to the commissioner of commerce by the insurance guaranty association are classified under section 60C.15.

Sec. 5. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 12. [INSURER SUPERVISION DATA.] Data on insurers supervised by the commissioner of commerce under chapter 60G are classified under section 60G.03, subdivision 1.

Sec. 6. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 13. [LIFE AND HEALTH INSURER DATA.] A report on an insurer submitted by the life and health guaranty association to the commissioner is classified under section 61B.28, subdivision 2.

Sec. 7. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 14. [SOLICITOR OR AGENT DATA.] Data relating to suspension or revocation of a solicitor's or agent's license are classified under section 62C.17, subdivision 4.

Sec. 8. Minnesota Statutes 1992, section 13.71, is amended by adding a subdivision to read:

Subd. 15. [LEGAL SERVICE PLAN SOLICITOR OR AGENT DATA.] Information contained in a request by a legal service plan for termination of a solicitor's or agent's license is classified under section 62G.20, subdivision 3.

Sec. 9. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 6a. [AQUACULTURE DATA.] Data on aquatic farming held by the pollution control agency is classified under section 17.498.

Sec. 10. Minnesota Statutes 1992, section 13.99, subdivision 7, is amended to read:

Subd. 7. [PESTICIDE DEALER AND APPLICATOR RECORDS.] Records of pesticide dealers and applicators inspected or copied by the commissioner of agriculture are classified under ~~section~~ sections 18B.37, subdivision 5, and 18B.38.

Sec. 11. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 7a. [WHOLESALE PRODUCE DEALERS.] Financial data submitted by a license applicant is classified under section 27.04, subdivision 2.

Sec. 12. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 7b. [MEAT INSPECTION DATA.] Access to information obtained by the commissioner of agriculture under the meat inspection law is governed by section 31A.27, subdivision 3.

Sec. 13. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 8a. [DAIRY PRODUCT DATA.] Financial and production information obtained by the commissioner of agriculture to administer chapter 34 are classified under section 32.71, subdivision 2.

Sec. 14. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 17a. [HMO FINANCIAL STATEMENTS.] Unaudited financial statements submitted to the commissioner by a health maintenance organization are classified under section 62D.08, subdivision 6.

Sec. 15. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 19a. [HEALTH TECHNOLOGY DATA.] Data obtained by the health technology advisory committee about a specific technology are classified under section 62J.152, subdivision 7.

Sec. 16. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 19b. [PROVIDER CONFLICTS OF INTEREST.] Certain data in transition plans submitted by providers to comply with section 62J.23, subdivision 2, on conflicts of interest are classified under that section.

Sec. 17. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 19c. [HEALTH CARE ANALYSIS DATA.] Data collected by the health care analysis unit are classified under section 62J.30, subdivision 7.

Sec. 18. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 19d. [HEALTH CARRIER DATA.] Data received by the commissioner from health carriers under chapter 62L are classified under section 62L.10, subdivision 3.

Sec. 19. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 19e. [SMALL EMPLOYER REINSURANCE ASSOCIATION DATA.] Patient identifying data held by the reinsurance association are classified under section 62L.16, subdivision 6.

Sec. 20. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 21a. [MINERAL DEPOSIT EVALUATION DATA.] Data submitted in applying for a permit for mineral deposit evaluation are classified under section 103I.605, subdivision 2.

Sec. 21. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 21b. [TRANSFER STATION DATA.] Data received by a county or district from a transfer station under section 115A.84, subdivision 5, are classified under that section.

Sec. 22. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 21c. [CUSTOMER LISTS.] Customer lists provided to counties or cities by solid waste collectors are classified under section 115A.93, subdivision 5.

Sec. 23. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 27a. [MINNESOTA TECHNOLOGY, INC.] Data on a tape of a closed board meeting of Minnesota Technology, Inc. are classified under section 116O.03, subdivision 6. Certain data disclosed to the board or employees of Minnesota Technology, Inc. are classified under section 116O.03, subdivision 7.

Sec. 24. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 27b. [AIRLINES DATA.] Specified data about an airline submitted in connection with state financing of certain aircraft maintenance facilities are classified under section 116R.02, subdivision 3.

Sec. 25. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 27c. [MINNESOTA BUSINESS FINANCE, INC.] Various data held by Minnesota Business Finance, Inc. are classified under section 116S.02, subdivision 8.

Sec. 26. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 27d. [LEARNING READINESS PROGRAM.] Data on a child participating in a learning readiness program are classified under section 121.831, subdivision 9.

Sec. 27. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 29a. [PARENTS' SOCIAL SECURITY NUMBER; BIRTH CERTIFICATE.] Parents' social security numbers provided for a child's birth certificate are classified under section 144.215, subdivision 4.

Sec. 28. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 35a. [PUBLIC HOSPITAL MEETINGS.] Data from a closed meeting of a public hospital are classified under section 144.581, subdivision 5.

Sec. 29. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 35b. [EPIDEMIOLOGIC DATA.] Epidemiologic data that identify individuals are classified under section 144.6581.

Sec. 30. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 38a. [AMBULANCE SERVICE DATA.] Data required to be reported by ambulance services under section 144.807, subdivision 1, are classified under that section.

Sec. 31. Minnesota Statutes 1992, section 13.99, subdivision 39, is amended to read:

Subd. 39. [HOME CARE SERVICES.] Certain data from providers of home care services given to the commissioner of health are classified under ~~section~~ sections 144A.46, subdivision 5, and 144A.47.

Sec. 32. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 39a. [NURSING HOME EMPLOYEE DATA.] Certain data arising out of appeals from findings of neglect, abuse, or misappropriation of property are classified under section 144A.612.

Sec. 33. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 42a. [PHYSICIAN HEALTH DATA.] Physician health data obtained by the licensing board in connection with a disciplinary action are classified under section 147.091, subdivision 6.

Sec. 34. Minnesota Statutes 1992, section 13.99, subdivision 45, is amended to read:

Subd. 45. [CHIROPRACTIC REVIEW RECORDS.] Data of the board of chiropractic examiners and the peer review committee are classified under ~~section~~ sections 148.10, subdivision 1, and 148.106, subdivision 10.

Sec. 35. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 48a. [LICENSEE RESIDENCE ADDRESSES.] Residence addresses of certain professional licensees are classified under section 148B.04, subdivision 6.

Sec. 36. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 52a. [FUNERAL ESTABLISHMENT REPORTS.] Data on individuals in annual reports required of certain funeral establishments are classified under section 149.13, subdivision 7.

Sec. 37. Minnesota Statutes 1992, section 13.99, subdivision 53, is amended to read:

Subd. 53. [BOARD OF DENTISTRY.] Data obtained by the board of dentistry under section 150A.08, subdivision 6, are classified as provided in that subdivision. Data obtained under section 150A.081 are classified under that section.

Sec. 38. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 53a. [CONTROLLED SUBSTANCE CONVICTIONS.] Data on certain convictions for controlled substances offenses may be expunged under section 152.18, subdivisions 2 and 3.

Sec. 39. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 54a. [CHEMICAL USE ASSESSMENTS.] A report of an assessment conducted in connection with a conviction for driving while intoxicated is classified under section 169.126, subdivision 2.

Sec. 40. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 58a. [WORKERS' COMPENSATION MEDICAL DATA.] Access to medical data in connection with a workers' compensation claim is governed by section 176.138.

Sec. 41. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 59a. [EMPLOYEE DRUG AND ALCOHOL TESTS.] Results of employee drug and alcohol tests are classified under section 181.954, subdivision 2.

Sec. 42. Minnesota Statutes 1992, section 13.99, subdivision 60, is amended to read:

Subd. 60. [OCCUPATIONAL SAFETY AND HEALTH.] Certain data gathered or prepared by the commissioner of labor and industry as part of occupational safety and health inspections are classified under ~~section~~ sections 182.659, subdivision 8, and 182.668, subdivision 2.

Sec. 43. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 65a. [RAIL CARRIER DATA.] Certain data submitted to the commissioner of transportation and the attorney general by acquiring and divesting rail carriers are classified under section 222.86, subdivision 3.

Sec. 44. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 65b. [GRAIN BUYER LICENSEE DATA.] Financial data submitted to the commissioner by grain buyer's license applicants are classified under section 223.17, subdivision 6.

Sec. 45. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 65c. [PREDATORY OFFENDERS.] Data provided under section 243.166, subdivision 7, are classified under that section.

Sec. 46. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 68a. [OMBUDSMAN FOR MENTAL HEALTH AND RETARDATION.] Access by the ombudsman for mental health and mental retardation to private data on individuals is provided under section 245.94, subdivision 1.

Sec. 47. Minnesota Statutes 1992, section 13.99, subdivision 71, is amended to read:

Subd. 71. [RAMSEY HEALTH CARE.] Data maintained by Ramsey Health Care, Inc., are classified under ~~section~~ sections 246A.16, subdivision 3, and 246A.17.

Sec. 48. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 74a. [TECHNOLOGY ASSISTANCE REVIEW PANEL.] Data maintained by the technology assistance review panel under section 256.9691, subdivision 6, are classified under that section.

Sec. 49. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 74b. [MEDICAL ASSISTANCE COST REPORTS.] Medical records of medical assistance recipients obtained by the commissioner of human services for purposes of section 256B.27, subdivision 5, are classified under that section.

Sec. 50. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 79a. [COURT RECORDS.] Court records of dispositions involving placement outside this state are classified under section 260.195, subdivision 6.

Sec. 51. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 81a. [WAGE SUBSIDY PROGRAM.] Data on individuals collected under section 268.552, subdivision 7, are classified under that subdivision.

Sec. 52. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 91a. [HAZARDOUS SUBSTANCE EMERGENCIES.] Data collected by a fire department under sections 299F.091 to 299F.099 are classified under sections 299F.095 and 299F.096, subdivision 1.

Sec. 53. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 92b. [DATA ON VIDEOTAPE CONSUMERS.] Personally identifiable information on videotape consumers received by law enforcement agencies is classified under section 325I.02, subdivision 2.

Sec. 54. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 92c. [SPORTS BOOKMAKING TAX.] Disclosure of facts contained in a sports bookmaking tax return is prohibited by section 349.2115, subdivision 8.

Sec. 55. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 92d. [LOTTERY PRIZE WINNER.] Certain data on a lottery prize winner are classified under section 349A.08, subdivision 9.

Sec. 56. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 94a. [PROPERTY TAX ABATEMENT.] Certain data in an application for property tax abatement are classified under section 375.192, subdivision 2.

Sec. 57. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 96a. [SOLID WASTE COLLECTOR.] Data obtained in an audit of a solid waste collector under section 400.08, subdivision 4, are classified under that subdivision.

Sec. 58. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 96b. [EMERGENCY TELEPHONE SERVICES.] Public utility data and names, addresses, and telephone numbers provided to a 911 system under section 403.07, subdivisions 3 and 4, are classified under those subdivisions.

Sec. 59. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 96c. [PUBLIC FACILITIES AUTHORITY.] Financial information received or prepared by a public facilities authority are classified under section 446A.11, subdivision 11.

Sec. 60. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 96d. [HOUSING FINANCE AGENCY.] Financial information regarding a housing finance agency loan or grant recipient are classified under section 462A.065.

Sec. 61. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 97a. [ECONOMIC DEVELOPMENT DATA.] Access to preliminary information submitted to the commissioner of trade and economic development under sections 469.142 to 469.151 or sections 469.152 to 469.165 is limited under sections 469.150 and 469.154, subdivision 2.

Sec. 62. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 101a. [CUSTODY MEDIATION.] Child custody or visitation mediation records are classified under section 518.619, subdivision 5.

Sec. 63. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 101b. [INTERNATIONAL WILL REGISTRATION.] Information on the execution of international wills is classified under section 524.2-1010, subdivision 1.

Sec. 64. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 107a. [SEX OFFENDER HIV TESTS.] Results of HIV tests of sex offenders under section 611A.19, subdivision 2, are classified under that section."

Delete the title and insert:

"A bill for an act relating to privacy; classifying data; providing for sharing of certain data; clarifying treatment of not public data at an open meeting; permitting the commissioner of health to conduct fetal, infant, and maternal death studies; providing for release of certain information on juvenile offenders to schools and victims; limiting release of juvenile records; providing for the preparation of an information policy training plan; providing for the release of

commitment information for firearm background checks; limiting release of personal information on videotape consumers; limiting liability for 911 systems; providing for a social worker witness privilege; changing exceptions and other conditions of the open meeting law; appropriating money; amending Minnesota Statutes 1992, sections 13.03, subdivision 4, and by adding a subdivision; 13.05, subdivision 4; 13.32, by adding a subdivision; 13.38, by adding a subdivision; 13.39, subdivision 2, and by adding a subdivision; 13.41, subdivision 2; 13.57; 13.71, by adding subdivisions; 13.82, by adding a subdivision; 13.84, subdivision 5a; 13.99, subdivisions 7, 39, 45, 53, 60, 71, 79, and by adding subdivisions; 144.581, subdivision 5; 171.12, subdivision 7; 253B.23, subdivision 4; 256.0361, by adding a subdivision; 260.161, subdivision 2, and by adding subdivisions; 403.07, subdivision 4; 471.705; 624.7131, subdivision 2; and 624.714, subdivisions 3 and 4; Minnesota Statutes 1993 Supplement, sections 13.43, subdivision 2; 13.46, subdivisions 2 and 4; 13.82, subdivision 4; 121.8355, by adding a subdivision; 144.335, subdivision 3a; 148B.04, subdivision 6; 168.346; 245.493, by adding a subdivision; 260.161, subdivision 3; 595.02, subdivision 1; 624.7131, subdivision 1; and 624.7132, subdivisions 1 and 2; Laws 1990, chapter 566, section 9; proposing coding for new law in Minnesota Statutes, chapters 13; 144; 145; 245; and 253B; proposing coding for new law as Minnesota Statutes, chapter 325I."

We request adoption of this report and repassage of the bill.

House Conferees: MARY JO MCGUIRE, WESLEY J. "WES" SKOGLUND, WALTER E. PERLT, BILL MACKLIN AND DOUG SWENSON.

Senate Conferees: HAROLD R. "SKIP" FINN, GENE MERRIAM, DAVID L. KNUTSON, JANE KRENTZ AND PAT PIPER.

McGuire moved that the report of the Conference Committee on H. F. No. 2028 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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.

CALL OF THE HOUSE LIFTED

Carruthers moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

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 104 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Abrams	Bergson	Brown, C.	Clark	Dawkins	Erhardt	Girard
Anderson, R.	Bertram	Brown, K.	Commers	Dehler	Evans	Goodno
Battaglia	Bettermann	Carlson	Cooper	Delmont	Farrell	Greenfield
Bauerly	Bishop	Carruthers	Dauner	Dorn	Garcia	Hasskamp

Haukoos	Kalis	Lourey	Munger	Pawlenty	Sekhon	Tunheim
Hausman	Kelley	Luther	Neary	Pelowski	Simoneau	Van Dellen
Holsten	Kinkel	Lynch	Nelson	Perlt	Skoglund	Vellenga
Jacobs	Klinzing	Macklin	Ness	Peterson	Smith	Wagenius
Jaros	Koppendrayer	Mahon	Opatz	Pugh	Solberg	Weaver
Jefferson	Krinkie	Mariani	Orenstein	Reding	Stanius	Wejcman
Jennings	Krueger	McCollum	Orfield	Rest	Steensma	Wenzel
Johnson, A.	Leppik	McGuire	Osthoff	Rhodes	Sviggum	Winter
Johnson, R.	Lieder	Molnau	Ostrom	Rice	Swenson	Workman
Johnson, V.	Lindner	Morrison	Ozment	Rukavina	Tomassoni	Spk. Anderson, I.
Kahn	Long	Mosel	Pauly	Sarna	Trimble	

Those who voted in the negative were:

Asch	Finseth	Gutknecht	Lasley	Olson, K.	Seagren	Waltman
Beard	Frerichs	Hugoson	Limmer	Olson, M.	Tompkins	Wolf
Davids	Greiling	Huntley	Murphy	Onnen	Van Engen	Worke
Dempsey	Gruenes	Knight	Olson, E.	Rodosovich	Vickerman	

The bill was repassed, as amended by Conference, 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.

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	Delmont	Hugoson	Krueger	Murphy	Reding	Van Engen
Anderson, R.	Dempsey	Huntley	Lasley	Nelson	Rest	Vellenga
Battaglia	Dorn	Jacobs	Leppik	Ness	Rhodes	Wagenius
Bauerly	Farrell	Jaros	Lieder	Olson, E.	Rodosovich	Waltman
Beard	Frerichs	Jefferson	Lindner	Olson, M.	Rukavina	Weaver
Bergson	Garcia	Johnson, A.	Long	Onnen	Seagren	Wejcman
Bertram	Girard	Kalis	Luther	Opatz	Sekhon	Winter
Brown, K.	Goodno	Kelley	Lynch	Orenstein	Simoneau	Worke
Carlson	Greenfield	Kelso	Mahon	Orfield	Skoglund	Workman
Carruthers	Greiling	Kinkel	Mariani	Ostrom	Solberg	Spk. Anderson, I.
Commers	Gruenes	Klinzing	McGuire	Pauly	Sviggum	
Cooper	Gutknecht	Knickerbocker	Molnau	Pawlenty	Tomassoni	
Dauner	Hasskamp	Knight	Morrison	Pelowski	Trimble	
Davids	Haukoos	Koppendrayer	Mosel	Perlt	Tunheim	
Dehler	Hausman	Krinkie	Munger	Peterson	Van Dellen	

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.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 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 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. 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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 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 Senate has appointed as such committee:

Messrs. Stumpf, Price 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 has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2540.

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. 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.

May 3, 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. 2540, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment and that S. F. No. 2540 be further amended as follows:

Page 3, after line 17, insert:

"Sec. 10. [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. 11. [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."

Page 3, line 18, delete "6" and insert "12"

Delete the title and insert:

"A bill for an act relating to utilities; classifying and requiring information on applications for the municipal energy conservation investment loan program; authorizing fee to fund enhanced 911 emergency telephone service; appropriating money; amending Minnesota Statutes 1992, sections 13.99, by adding a subdivision; 216C.37, subdivision 3, and by adding subdivisions; 403.02, by adding a subdivision; 403.11, subdivisions 1 and 4; Minnesota Statutes 1993 Supplement, section 216C.37, subdivision 1; proposing coding for new law in Minnesota Statutes, chapter 403; repealing Minnesota Statutes 1992, section 216C.37, subdivision 8."

We request adoption of this report and repassage of the bill.

Senate Conferees: ARLENE J. LESEWSKI, JIM VICKERMAN AND JANET B. JOHNSON.

House Conferees: JOEL JACOBS, CHUCK BROWN AND DAVE GRUENES.

Jacobs moved that the report of the Conference Committee on S. F. No. 2540 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 third time, as amended by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 91 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Davids	Jacobs	Krueger	Mosel	Pugh	Tunheim
Battaglia	Delmont	Jaros	Lasley	Munger	Rest	Van Engen
Bauerly	Dorn	Jefferson	Leppik	Murphy	Rhodes	Vellenga
Bertram	Erhardt	Jennings	Lieder	Nelson	Rodosovich	Vickerman
Bettermann	Farrell	Johnson, A.	Lindner	Ness	Rukavina	Wagenius
Bishop	Frerichs	Johnson, R.	Lourey	Olson, E.	Sekhon	Waltman
Brown, C.	Garcia	Johnson, V.	Luther	Olson, K.	Solberg	Weaver
Brown, K.	Girard	Kalis	Lynch	Olson, M.	Steensma	Wenzel
Carlson	Goodno	Kelley	Mahon	Orfield	Sviggum	Winter
Carruthers	Gruenes	Kelso	Mariani	Ostrom	Swenson	Wolf
Clark	Hasskamp	Kinkel	Milbert	Pauly	Tomassoni	Worke
Cooper	Hugoson	Klinzing	Molnau	Pelowski	Tompkins	Workman
Dauner	Huntley	Koppendrayer	Morrison	Peterson	Trimble	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Dehler	Gutknecht	Knight	Neary	Perlt	Skoglund
Asch	Dempsey	Haukoos	Krinkie	Onnen	Reding	Van Dellen
Beard	Evans	Hausman	Long	Opatz	Sarna	Wejcman
Bergson	Greenfield	Holsten	McCollum	Orenstein	Seagren	
Commers	Greiling	Knickerbocker	McGuire	Pawlenty	Simoneau	

The bill was repassed, as amended by Conference, 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. 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 Senate respectfully requests that a Conference Committee be appointed thereon. The Senate has appointed as such committee:

Messrs. Kroening, Janezich and Johnson, D. E.

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

PATRICK E. FLAHAVEN, Secretary of the Senate

Simoneau moved that the House accede to the request of the Senate and that the Speaker appoint a Conference Committee of 3 members of the House to meet with a like committee appointed by the Senate on the disagreeing votes of the two houses on S. F. No. 180. The motion prevailed.

Mr. Speaker:

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

H. F. No. 3041, A bill for an act relating to 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; 473.553; 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.

PATRICK E. FLAHAVEN, Secretary of the Senate

Jefferson moved that the House refuse to concur in the Senate amendments to H. F. No. 3041, that the Speaker appoint a Conference Committee of 5 members of the House, and that the House requests that a like committee be appointed by the Senate to confer on the disagreeing votes of the two houses. The motion prevailed.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON 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.

May 3, 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. 2158, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2158 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [115.55] [INDIVIDUAL SEWAGE TREATMENT SYSTEMS.]

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section and section 2.

(b) "Advisory committee" means the advisory committee on individual sewage treatment systems established under the individual sewage treatment system rules.

(c) "Applicable requirements" means:

(1) local ordinances that comply with the individual sewage treatment system rules, as required in subdivision 2; or

(2) in areas not subject to the ordinances described in clause (1), the individual sewage treatment system rules.

(d) "City" means a statutory or home rule charter city.

(e) "Commissioner" means the commissioner of the pollution control agency.

(f) "Dwelling" means a building or place used or intended to be used by human occupants as a single-family or two-family unit.

(g) "Individual sewage treatment system" or "system" means a sewage treatment system, or part thereof, serving a dwelling, other establishment, or group thereof, that uses subsurface soil treatment and disposal.

(h) "Individual sewage treatment system professional" means an inspector, installer, site evaluator or designer, or pumper.

(i) "Individual sewage treatment system rules" means rules adopted by the agency that establish minimum standards and criteria for the design, location, installation, use, and maintenance of individual sewage treatment systems.

(j) "Inspector" means a person who inspects individual sewage treatment systems for compliance with the applicable requirements.

(k) "Installer" means a person who constructs or repairs individual sewage treatment systems.

(l) "Local unit of government" means a township, city, or county.

(m) "Pumper" means a person who maintains components of individual sewage treatment systems including, but not limited to, septic, aerobic, and holding tanks.

(n) "Seasonal dwelling" means a dwelling that is occupied or used for less than 180 days per year and less than 120 consecutive days.

(o) "Site evaluator or designer" means a person who:

(1) investigates soils and site characteristics to determine suitability, limitations, and sizing requirements; and

(2) designs individual sewage treatment systems.

Subd. 2. [LOCAL ORDINANCES.] (a) Any ordinance adopted by a local unit of government to regulate individual sewage treatment systems must be in compliance with the individual sewage treatment system rules by January 1, 1996.

(b) A copy of each ordinance adopted under this subdivision must be submitted to the commissioner upon adoption.

Subd. 3. [RULES.] (a) The agency shall adopt rules containing minimum standards and criteria for the design, location, installation, use, and maintenance of individual sewage treatment systems. The rules must include:

(1) how the agency will ensure compliance under subdivision 2;

(2) how local units of government shall enforce ordinances under subdivision 2, including requirements for permits and inspection programs;

(3) how the advisory committee will participate in review and implementation of the rules;

(4) provisions for alternative systems;

(5) provisions for handling and disposal of effluent;

(6) provisions for system abandonment;

(7) provisions allowing local units of government to adopt alternative standards and criteria, provided that:

(i) the alternative standards and criteria may not apply to new construction or replacement of systems, as defined by the agency; and

(ii) the commissioner must certify that the alternative standards and criteria adequately protect public health and the environment; and

(8) procedures for variances, including the consideration of variances based on cost and variances that take into account proximity of a system to other systems.

(b) The agency shall consult with the advisory committee before adopting rules under this subdivision.

Subd. 4. [COMPLIANCE WITH RULES REQUIRED; ENFORCEMENT.] (a) A person who designs, installs, alters, repairs, maintains, pumps, or inspects all or part of an individual sewage treatment system shall comply with the applicable requirements.

(b) Local units of government may enforce, under section 115.071, subdivisions 3 and 4, ordinances that are applicable requirements.

Subd. 5. [INSPECTION.] (a) Except as provided in paragraph (b), after December 31, 1995, a local unit of government may not issue a building permit or variance for new construction or replacement of a system, as defined by agency rule, or for the addition of a bedroom or bathroom on property served by a system unless the system is in compliance with the applicable requirements, as evidenced by a certificate of compliance issued by a licensed inspector or site evaluator or designer.

(b) In areas that are not subject to ordinances adopted under subdivision 2, a compliance inspection under this subdivision is required only for new construction or replacement of a system, as defined by agency rule.

(c) If a system inspected under this subdivision is not in compliance with the applicable requirements, the inspector or site evaluator or designer must issue a notice of noncompliance to the property owner and must provide a copy of the notice to the local unit of government to which application for the building permit or variance was made. If the inspector or site evaluator or designer finds that the system presents an imminent threat to public health or safety, the inspector or site evaluator or designer must include a statement to this effect in the notice and the property owner must upgrade, replace, or discontinue use of the system within ten months of receipt of the notice.

Subd. 6. [DISCLOSURE OF INDIVIDUAL SEWAGE TREATMENT SYSTEM TO BUYER.] After August 31, 1994, before signing an agreement to sell or transfer real property, the seller must disclose in writing to the buyer information about the status and location of individual sewage treatment systems on the property or serving the property. The disclosure must be made by delivering to the buyer either a statement by the seller that there is no individual sewage treatment system on or serving the property or a disclosure statement describing the system and indicating the legal description of the property, the county in which the property is located, and a map drawn from available information showing the location of the system on the property to the extent practicable. In the disclosure statement the seller must indicate whether the individual sewage treatment system is in use and, to the seller's knowledge, in compliance with applicable sewage treatment laws and rules. Unless the buyer and seller agree to the contrary in writing before the closing of the sale, a seller who fails to disclose the existence or known status of an individual sewage treatment system at the time of sale, and who knew or had reason to know of the existence or known status of the system, is liable to the buyer for costs relating to bringing the system into compliance with the individual sewage treatment system rules and for reasonable attorney fees for collection of costs from the seller. An action under this subdivision must be commenced within two years after the date on which the buyer closed the purchase of the real property where the system is located.

Subd. 7. [LOCAL ORDINANCE MAY BE MORE RESTRICTIVE.] (a) A local unit of government may adopt and enforce ordinances or rules affecting individual sewage treatment systems that are more restrictive than the agency's rules.

(b) If standards are adopted that are more restrictive than the agency's rules, the local unit of government must submit the more restrictive standards to the commissioner along with an explanation of the more restrictive provisions.

Sec. 2. [115.56] [MANDATORY LICENSING PROGRAM.]

Subdivision 1. [RULES.] (a) Pursuant to section 115.03, subdivision 1, by January 1, 1996, the agency shall adopt rules containing standards of licensure applicable to all individual sewage treatment system professionals.

The rules must include but are not limited to:

(1) training requirements that include both classroom and fieldwork components;

(2) examination content requirements and testing procedures;

(3) continuing education requirements;

(4) equivalent experience provisions;

(5) bonding and insurance requirements;

(6) schedules for submitting fees; and

(7) license revocation and suspension and other enforcement requirements.

(b) The agency shall consult with the advisory committee before proposing any rules under this subdivision.

Subd. 2. [LICENSE REQUIRED.] (a) Except as provided in paragraph (b), after March 31, 1996, a person may not design, install, maintain, pump, or inspect an individual sewage treatment system without a license issued by the commissioner.

(b) A license is not required for a person who complies with the applicable requirements if the person is:

(1) a qualified employee of state or local government who has passed the examination described in paragraph (d) or a similar examination;

(2) an individual who constructs an individual sewage treatment system on land that is owned or leased by the individual and functions solely as the individual's dwelling or seasonal dwelling; or

(3) an individual who performs labor or services for a person licensed under this section in connection with the design, installation, maintenance, pumping, or inspection of an individual sewage treatment system at the direction and under the personal supervision of a person licensed under this section.

A person constructing an individual sewage treatment system under clause (2) must consult with a site evaluator or designer before beginning construction. In addition, the system must be inspected before being covered and a compliance report must be provided to the local unit of government after the inspection.

(c) The commissioner, in conjunction with the University of Minnesota extension service or another higher education institution, shall ensure adequate training exists for individual sewage treatment system professionals.

(d) The commissioner shall conduct examinations to test the knowledge of applicants for licensing and shall issue documentation of licensing.

(e) Licenses may be issued only upon successful completion of the required examination and submission of proof of sufficient experience, proof of general liability insurance, and a corporate surety bond in the amount of at least $10,000.

(f) Notwithstanding paragraph (e), the examination and proof of experience are not required for an individual sewage treatment system professional who, on the effective date of the rules adopted under subdivision 1, holds a certification attained by examination and experience under a voluntary certification program administered by the agency.

(g) Local units of government may not require additional local licenses for individual sewage treatment system professionals.

Subd. 3. [ENFORCEMENT.] (a) The commissioner may deny, suspend, or revoke a license, or use any lesser remedy against an individual sewage treatment system professional, for any of the following reasons:

(1) failure to meet the requirements for a license;

(2) incompetence, negligence, or inappropriate conduct in the performance of the duties of an individual sewage treatment system professional;

(3) failure to comply with applicable requirements; or

(4) submission of false or misleading information or credentials in order to obtain or renew a license.

(b) Upon receiving a signed written complaint that alleges the existence of a ground for enforcement action against a person under paragraph (a), the commissioner shall initiate an investigation. Revocation, suspension, or other enforcement action may not be taken before written notice is given to the person and an opportunity is provided for a contested case hearing complying with the provisions of chapter 14.

Subd. 4. [LICENSE FEE.] The fee for a license required under subdivision 2 is $100 per year. Revenue from the fees must be credited to the environmental fund.

Sec. 3. [APPROPRIATION.]

(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.

Sec. 4. [EFFECTIVE DATE.]

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

We request adoption of this report and repassage of the bill.

House Conferees: DAVE BISHOP, KATHLEEN SEKHON AND HENRY J. KALIS.

Senate Conferees: LEONARD R. PRICE, STEVE DILLE AND STEVEN MORSE.

Bishop moved that the report of the Conference Committee on H. F. No. 2158 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, 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 110 yeas and 21 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Finseth	Holsten	Koppendrayer	Olson, E.	Ozment	Tompkins
Davids	Gruenes	Hugoson	Krinkie	Olson, M.	Stanius	Vickerman
Dehler	Haukoos	Knight	Nelson	Onnen	Sviggum	Waltman

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

ANNOUNCEMENTS BY THE SPEAKER

The Speaker announced the appointment of the following members of the House to a Conference Committee on H. F. No. 3041:

Jefferson; Brown, C.; Kahn; Milbert and Van Dellen.

The Speaker announced the appointment of the following members of the House to a Conference Committee on S. F. No. 180:

Simoneau, Kahn and Abrams.

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.

MOTIONS AND RESOLUTIONS

Rest 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 29, 1994, when the vote was taken on the Koppendrayer et al amendment to S. F. No. 103, the second unofficial engrossment, as amended." The motion prevailed.

Rest 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 29, 1994, when the vote was taken on the final passage of S. F. No. 103, the second unofficial engrossment, as amended." The motion prevailed.

Rest moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative, while I was excused while in Conference, on Friday, April 29, 1994, when the vote was taken on the first Sviggum amendment to H. F. No. 3230, the first engrossment, as amended." The motion prevailed.

Rest moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the negative, while I was excused while in Conference, on Friday, April 29, 1994, when the vote was taken on the second Sviggum amendment to H. F. No. 3230, the first engrossment, as amended." The motion prevailed.

Rest moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative, while I was excused while in Conference, on Friday, April 29, 1994, when the vote was taken on the final passage of H. F. No. 3230, the first engrossment, as amended." The motion prevailed.

Bishop moved that H. F. No. 2711 be returned to its author. The motion prevailed.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 9:30 a.m., Thursday, May 5, 1994. The motion prevailed.

Carruthers moved that the House adjourn. The motion prevailed, and the Speaker declared the House stands adjourned until 9:30 a.m., Thursday, May 5, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

ONE HUNDRED-FIFTH DAY

SAINT PAUL, MINNESOTA, THURSDAY, MAY 5, 1994

The House of Representatives convened at 9:30 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	Lasley	Murphy	Reding	Van Dellen
Anderson, R.	Dehler	Holsten	Leppik	Neary	Rest	Van Engen
Asch	Delmont	Hugoson	Lieder	Nelson	Rhodes	Vellenga
Battaglia	Dempsey	Huntley	Limmer	Ness	Rice	Vickerman
Bauerly	Dorn	Jacobs	Lindner	Olson, E.	Rodosovich	Wagenius
Beard	Erhardt	Jaros	Long	Olson, K.	Rukavina	Waltman
Bergson	Evans	Jefferson	Lourey	Olson, M.	Sarna	Weaver
Bertram	Farrell	Jennings	Luther	Onnen	Seagren	Wejcman
Bettermann	Finseth	Johnson, A.	Lynch	Opatz	Sekhon	Wenzel
Bishop	Frerichs	Johnson, R.	Macklin	Orenstein	Skoglund	Winter
Brown, C.	Garcia	Kahn	Mahon	Orfield	Smith	Wolf
Brown, K.	Girard	Kelley	Mariani	Osthoff	Solberg	Worke
Carlson	Goodno	Kelso	McCollum	Ostrom	Steensma	Workman
Carruthers	Greenfield	Kinkel	McGuire	Ozment	Sviggum	Spk. Anderson, I.
Clark	Greiling	Klinzing	Milbert	Pawlenty	Swenson	
Commers	Gruenes	Knight	Molnau	Pelowski	Tomassoni	
Cooper	Gutknecht	Koppendrayer	Morrison	Perlt	Tompkins	
Dauner	Hasskamp	Krinkie	Mosel	Peterson	Trimble	
Davids	Haukoos	Krueger	Munger	Pugh	Tunheim	

A quorum was present.

Kalis was excused until 10:00 a.m. Johnson, V., and Stanius were excused until 10:15 a.m. Knickerbocker was excused until 11:30 a.m. Simoneau and Pauly were excused until 12:00 noon.

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

Knight introduced:

H. F. No. 3243, A bill for an act relating to taxation; property; excluding the value of improvements made to certain residential property; amending Minnesota Statutes 1992, section 273.11, by adding a subdivision.

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

HOUSE ADVISORIES

The following House Advisories were introduced:

Asch, Davids, Bishop, McCollum and Johnson, A., introduced:

H. A. No. 43, A proposal for a study of fire insurance coverage for public school buildings.

The advisory was referred to the Committee on Financial Institutions and Insurance.

Murphy, Huntley and Lourey introduced:

H. A. No. 44, A proposal to study the composition of the sanitary sewer board of the Western Lake Superior Sanitary District.

The advisory was referred to the Committee on Local Government and Metropolitan Affairs.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

May 3, 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. 3211, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3211 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [3.749] [LEGISLATIVE CLAIMS; FILING FEE.]

A person filing a claim with the joint senate-house of representatives subcommittee on claims must pay a filing fee of $5. The money must be deposited by the clerk of the subcommittee in the state treasury and credited to the general fund. A claimant who is successful in obtaining an award from the subcommittee shall be reimbursed for the fee paid.

Sec. 2. Minnesota Statutes 1992, section 3.754, is amended to read:

3.754 [BUDGET REQUESTS; PROPERTY IMPROVEMENT CLAIMS.]

All state departments and agencies including the state university board and the state board for community colleges shall include in their budget requests the amounts necessary to reimburse counties and municipalities for claims involving assessments for improvements benefiting state owned property in their communities. Each department and agency shall pay the assessments when due or, if a department or agency feels that it was not fairly assessed, notify

the chairs of the committee on finance of the senate and the committee on ways and means of the house of representatives for a review of the assessment. Assessments on state owned property under the control of the state university board and the state board for community colleges are governed by section 135A.131. All agencies and departments should negotiate assessment costs with counties and municipalities prior to commencement of improvements benefitting state owned property.

Sec. 3. [DEPARTMENT OF ADMINISTRATION.]

Subdivision 1. [STATE OFFICE BUILDING PARKING RAMP.] The department of administration is directed to pay the following persons for damage to their cars by the automatic door in the state office building parking ramp, in full and final payment of their claims against the state:

(a) Judith Bernet, 5616 Upton Avenue, Minneapolis, MN 55410.....$330.89.

(b) Edgar Olson, RR3, Box 99, Fosston, MN 56542.....$854.60.

(c) Samuel Rankin, House Research Dept., 600 State Office Building, St. Paul, MN 55155.....$418.10.

Subd. 2. [MILL-SON, INC.] $44,855.45 is appropriated from the general fund to the commissioner of administration for payment to Mill-Son, Inc., 3106 West Lake Street, Minneapolis, MN 55416, in full and final payment of claims against the state for loss of income due to a bidding oversight and damage caused by vandals on a state construction project. This appropriation is available until June 30, 1995.

Sec. 4. [DEPARTMENT OF CORRECTIONS.]

The amounts in this section are appropriated from the general fund to the commissioner of corrections for payment to service providers as indicated in this section in full and final payment of claims against the state for medical services to individuals who were injured while performing community service work for correctional purposes under Minnesota Statutes, section 3.739. These appropriations are available until June 30, 1995.

(a) For claims under $500.00 each and other claims already paid.....$8,568.42.

(b) For medical services provided to Rochelle Bergman, who suffered an injury to her back while performing sentencing to service work in Lyon county.....$531.02.

(c) For medical services provided to Raymond Bredow, who suffered an injury to his back while performing sentencing to service work in Lake county.....$1,783.19.

(d) For medical services provided to Forrest Cole, who suffered an injury to his finger while performing sentencing to service work in Washington county.....$439.57.

(e) For medical services provided to Rocky E. Jacob, who suffered an injury to his knee while performing sentencing to service work in Wadena county.....$712.52.

(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.

(g) For medical services provided to Tanner J. Smith, who suffered an injury to his wrist while performing sentencing to service work in St. Louis county.....$458.55.

Sec. 5. [DEPARTMENT OF NATURAL RESOURCES.]

$3,704.63 is appropriated from the game and fish fund to the commissioner of natural resources for payment to Wal-Mart #1562, Attn: Glenn Miller, 13020 Riverdale Drive, Coon Rapids, MN 55448, in full and final payment of claims against the state for partial reimbursement for returned unsold hunting and fishing licenses. This appropriation is available until June 30, 1995.

Sec. 6. [DEPARTMENT OF TRANSPORTATION.]

Subdivision 1. [APPROPRIATION.] The amounts in this section are appropriated from the trunk highway fund to the commissioner of transportation for payment to the persons named in this section in full and final payment of claims against the state. These appropriations are available until June 30, 1995.

Subd. 2. [JOHNSON.] Lois Johnson, Route 5, Box 431, Detroit Lakes, MN 56501, for a wrist injury suffered at a travel information center.....$15,000.00.

Subd. 3. [BYERS.] Harris and Hilda Byers, Route 2, Box 250, Westbrook, MN 56183, for crop damage resulting from an inadequate highway culvert.....$13,401.96.

Subd. 4. [HOUDEK.] For a claim already paid to Kent Houdek, 717 Mechanic Street, Decorah, IA 52101, for being underpaid for state contract work.....$2,500.00.

Sec. 7. [DEPARTMENT OF VETERANS AFFAIRS.]

Subdivision 1. [APPROPRIATION.] The amounts in this section are appropriated from the general fund to the commissioner of veterans affairs for payment to the persons named in this section in full and final payment of claims against the state for adjusted compensation arising from World War II, the Korean Conflict, and Vietnam service. These appropriations are available until June 30, 1995.

Subd. 2. [WORLD WAR II.] Eric E. Aho, 106 Himango Road, Esko, MN 55723.....$195.00.

Warren C. Amlie, 5844 Fairfax Avenue South, Edina, MN 55424.....$255.00.

Burnce J. Anderson, 4547 Colorado Avenue North, Crystal, MN 55422.....$315.00.

Delmer E. Anderson, P.O. Box 44, Northome, MN 56661.....$135.00.

Ernest L. Anderson, 5919 Tacony Street, Duluth, MN 55807.....$165.00.

Robert H. Anderson, 600 McLean, Mora, MN 55051.....$45.00.

Robert T. Arbogast, 7008 60th Avenue North, Crystal, MN 55428.....$240.00.

Curtis E. Arneson, 4303 Webber Parkway, Minneapolis, MN 55412.....$105.00.

George J. Berg, 3608 Abbott Avenue North, Minneapolis, MN 55422.....$90.00.

Wallace A. Borgen, 5744 Stevens Avenue South, Minneapolis, MN 55419.....$400.00.

Vernon J. Brekke, 1512 27th Avenue South, Fargo, ND 58103.....$105.00.

Herbert D. Brugger, 117 11th Street NW, Faribault, MN 55021.....$225.00.

Richard J. Carpenter, 6733 Jones Avenue NW, Seattle, WA 98117.....$180.00.

John A. Cochrane, 24 East Fourth Street, St. Paul, MN 55101.....$400.00.

Peter R. Dahlen, R.R. 2, Box 38, Twin Valley, MN 56584.....$30.00.

James I. Dale, 985 Foxglove Drive, Salt Lake City, UT 84123.....$180.00.

James A. Danaher, 4420 43rd Avenue South, Minneapolis, MN 55406.....$315.00.

Gene R. Davis, 2415 33rd Avenue South, Minneapolis, MN 55406.....$105.00.

Clement S. Dove, 537 Quinmore Avenue North, Lakeland, MN 55082.....$330.00.

Gerald O. Draxten, HC2, Box 425, Fifty Lakes, MN 56448.....$120.00.

Bernard Drouillard, Dallesport Mobile Home Park #43, P.O. Box 121, Dallesport, WA 98614.....$255.00.

Charles S. Duncan, Route 3, Box 37, Fergus Falls, MN 56537.....$60.00.

Leonard L. Edel, 405 South First Street, Montgomery, MN 56069.....$150.00.

Peter Ege, P.O. Box 6953, South Lake Tahoe, CA 96157.....$225.00.

Reinert Ege, 1130 Pineview Lane, Plymouth, MN 55441.....$255.00.

Warren I. Freeman, 609 South Section Avenue, Spring Valley, MN 55975.....$225.00.

Clyde D. Garrett, 528 Third Street NW, Faribault, MN 55021.....$45.00.

Joseph A. Gawronski, 4437 Arthur Street NE, Columbia Heights, MN 55421.....$400.00.

Richard L. Gorham, 3407 Zenith Avenue North, Robbinsdale, MN 55422.....$195.00.

Royal W. Grayden, 357 Capitol View, St. Paul, MN 55113.....$75.00.

Kenneth R. Hall, 4054 Quail Avenue, Robbinsdale, MN 55422.....$240.00.

Joseph Hanf, 6101 Lee Avenue North, Brooklyn Center, MN 55429.....$270.00.

Gerald C. Hardy, 6513 Humboldt Avenue South, Richfield, MN 55423.....$105.00.

Leonard E. Horn, Box 153, Deer Creek, MN 56527.....$45.00.

Warren E. Johnson, 36 Field Road, Silver Bay, MN 55614.....$400.00.

James A. Jussila, R.R. 1, Box 268, New York Mills, MN 56567.....$45.00.

Martin J. Kinch, 324 Second Street NE, Minneapolis, MN 55413.....$120.00.

Harold R. Kinnunen, Route 4, Box 82, Menahga, MN 56464.....$75.00.

Thomas R. Krueger, 5005 Yvonne Terrace, Edina, MN 55436.....$255.00.

Norbert J. Kucala, 315 Waite Avenue South, #101, Waite Park, MN 56387.....$270.00.

Norman F. LaVigne, 2705 Kirkwood Lane North, Plymouth, MN 55441.....$165.00.

Robert J. Maas, Route 1, Box 107, Remer, MN 56672.....$15.00.

Gordon A. Mahoney, 4256 39th Avenue South, Minneapolis, MN 55406.....$400.00.

Kenneth R. Matti, 235 Viking Drive East, #156, St. Paul, MN 55117.....$210.00.

Gerald Mitchell, 2280 Knoll, Mounds View, MN 55112.....$210.00.

Bernhard J. Mossberg, P.O. Box 52, Villard, MN 56334.....$120.00.

David L. Nelson, 17805 Placida Octubre, Green Valley, AZ 85614...$135.00.

Alton H. Nordgren, Henning, MN 56551.....$30.00.

David L. Ohman, 18200 Priory Lane, Minnetonka, MN 55345.....$30.00.

Ervin W. Ojala, R.R. 3, P.O. Box 30, New York Mills, MN 56567.....$75.00.

Hubert E. Olson, 7127 Logan Avenue South, Richfield, MN 55423.....$255.00.

Calvin J. Oss, 4428 Abbott Avenue South, Minneapolis, MN 55410.....$315.00.

Charles W. Pederson, R.R. 1, P.O. Box 348A, Clearwater, MN 55320.....$15.00.

Theodore D. Peterson, 18 Nelson Drive, Silver Bay, MN 55614.....$240.00.

Warren J. Peterson, 4536 - 29th Avenue South, Minneapolis, MN 55406.....$330.00.

Eugene F. Poser, R.R. 2, P.O. Box 187, New York Mills, MN 56567.....$60.00.

Leroy A. Pumper, 4230 - 40th Street West, Webster, MN 55088.....$165.00.

Edward J. Richardson, 2308 West 96th Street, Bloomington, MN 55431.....$180.00.

Allen B. Roedecker, 3900 West 100th Street, Bloomington, MN 55437.....$120.00.

Raymond L. Roth, 3236 - 36th Avenue South, Minneapolis, MN 55406.....$105.00.

Percy G. Runia, R.R. 1, P.O. Box 67, Lake Wilson, MN 56151.....$75.00.

Edward M. Salo, 5766 North Pike Lake Road, Duluth, MN 55811.....$90.00.

John E. Sandberg, P.O. Box 55, Barrett, MN 56311.....$330.00.

Melvin S. Sanderson, R.R. 1, P.O. Box 505, Dent, MN 56528.....$400.00.

Donald W. Schultz, P.O. Box 236, Rothsay, MN 56579.....$45.00.

Walter Schwartz, 3319 McNair, Robbinsdale, MN 55422.....$150.00.

Carl A. Senarighi, 1663 Long Lake Road, Eveleth, MN 55734.....$150.00.

Donald J. Severson, 1625 Xenia Avenue North, Golden Valley, MN 55422.....$390.00.

John W. Sloan, 10901 - 27th Avenue South, Burnsville, MN 55337.....$345.00.

Charles E. Spooner, 3232 Minnehaha Avenue South, Minneapolis, MN 55406.....$210.00.

Edward L. Stellmach, 744 Delaware Avenue, St. Paul, MN 55107.....$45.00.

George Stone, 1417 West Minnehaha Avenue, St. Paul, MN 55104.....$400.00.

Brent M. Symonds, 6407 Westchester Circle, Golden Valley, MN 55427.....$270.00.

Glen G. Thune, R.R. 2, Twin Valley, MN 56584.....$60.00.

John E. Walkowiak, 13404 Garfield Avenue South, Burnsville, MN 55337.....$90.00.

Getchel Widdes, 924 Chester Park Drive, Duluth, MN 55812.....$195.00.

Howard V. Wilson, 4119 - 28th Avenue South, Minneapolis, MN 55406.....$240.00.

Henry J. Wollmering, 712 Ramsey Street, Hastings, MN 55033.....$210.00.

Deslove Zakula, 9411 Boyd Avenue, Duluth, MN 55808.....$210.00.

Subd. 3. [WORLD WAR II; BENEFICIARY.] Dorothea J. Stram, R.R. 2, P.O. Box 266, Cohasset, MN 55721.....$255.00.

Subd. 4. [KOREAN CONFLICT.] Richard J. Bigham, 5533 Rumsey, Riverside, CA 92506.....$180.00.

Charles W. Blanchard, c/o Betty McDonald, 384 Third Avenue S.E., New Brighton, MN 55112.....$150.00.

Robert Johnson, 2416 County Road B, Grand Rapids, MN 55744.....$90.00.

Walter F. Kelsey, 22111 Gates Avenue, Faribault, MN 55021.....$180.00.

Roy W. Meyer, 108 10th Street N.W., Faribault, MN 55021.....$60.00.

Richard F. Perry, 834 Second Street S.W., Faribault, MN 55021.....$225.00.

Alan E. Ruffcorn, 2048 County Road F, White Bear Lake, MN 55110.....$135.00.

Subd. 5. [KOREAN CONFLICT; BENEFICIARY.] Patricia Greer, 19197 Canby Way, Faribault, MN 55021.....$22.50.

Subd. 6. [VIETNAM SERVICE.] Bruce C. M. Bradach, R.R., P.O. Box 128D, Tenstrike, MN 56683.....$600.00.

David F. Bruns, 19100 Stratford Road, Minnetonka, MN 55345.....$500.00.

Janet T. Dalke, 148 Union Street, Tracy, MN 56175.....$300.00.

Arthur D. Gapinski, 412-1/2 S.W. 6th Street, Chisholm, MN 55719.....$300.00.

Stanley L. Jarmuzek, 6464 - 157th Avenue N.W., Clearwater, MN 55320.....$600.00.

Dennis L. Miller, Jr., 2350 - 177th Lane N.W., Andover, MN 55304.....$600.00.

Robert R. Rainville, 2737 - 18th Avenue South, Minneapolis, MN 55407.....$300.00.

Minerva B. Sims, 307 East Elmwood, Arlington, MN 55307.....$210.00.

Fred A. Strowbridge, 1589 Adams Avenue N.W., Bemidji, MN 56601.....$525.00.

Thomas A. Udovich, 2613 West 4th Street, Duluth, MN 55806.....$600.00.

Subd. 7. [VIETNAM SERVICE; BENEFICIARY.] Jane I. Richert, 2117 - 15th Street N.W., Faribault, MN 55021.....$100.00.

Sec. 8. [REIMBURSEMENT REQUIRED.]

(a) $32,220.40 of the money appropriated from the general fund to the attorney general for fiscal year 1994 must be used to reimburse businesses for legal costs described in paragraph (b).

(b) Legal costs that may be reimbursed are attorney fees and court costs incurred by a business as a result of offers made by an agent of the attorney general in 1993 to remove hazardous waste in an illegal manner. A business may not seek or receive reimbursement under this section if the business incurred an administrative, civil, or criminal penalty related to the hazardous waste removal offered by the agent of the attorney general. A business seeking reimbursement under this section must file a claim containing information requested by the commissioner of finance, and must, as a condition of receiving reimbursement under this section, waive any and all claims against the state or its agents arising from the offers to remove hazardous waste described above. Payment may be made only upon receipt of a written release by the claimant in a form approved by the attorney general.

Sec. 9. [EFFECTIVE DATE.]

This act is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to claims against the state; providing for payment of various claims; imposing a fee; appropriating money; amending Minnesota Statutes 1992, section 3.754; proposing coding for new law in Minnesota Statutes, chapter 3."

We request adoption of this report and repassage of the bill.

House Conferees: ANDY STEENSMA, STEVE TRIMBLE, KRIS HASSKAMP, CAROL MOLNAU AND CONNIE MORRISON.

Senate Conferees: RANDY C. KELLY, TERRY D. JOHNSTON, JANET B. JOHNSON AND TRACY L. BECKMAN.

Steensma moved that the report of the Conference Committee on H. F. No. 3211 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 90 yeas and 33 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Hausman	Klinzing	Morrison	Ozment	Solberg
Asch	Dehler	Huntley	Krueger	Mosel	Pelowski	Steensma
Battaglia	Delmont	Jacobs	Lasley	Munger	Perlt	Swenson
Bauerly	Dorn	Jaros	Leppik	Murphy	Peterson	Tomassoni
Beard	Evans	Jefferson	Lieder	Neary	Pugh	Trimble
Bergson	Farrell	Jennings	Long	Nelson	Reding	Tunheim
Bertram	Frerichs	Johnson, A.	Lourey	Olson, E.	Rest	Vellenga
Brown, C.	Garcia	Johnson, R.	Luther	Olson, K.	Rhodes	Wejcman
Brown, K.	Goodno	Kahn	Mahon	Opatz	Rodosovich	Wenzel
Carlson	Greenfield	Kalis	McCollum	Orenstein	Rukavina	Winter
Carruthers	Greiling	Kelley	McGuire	Orfield	Sarna	Wolf
Cooper	Gruenes	Kelso	Milbert	Osthoff	Sekhon	Spk. Anderson, I.
Dauner	Hasskamp	Kinkel	Molnau	Ostrom	Skoglund	

Those who voted in the negative were:

Abrams	Erhardt	Holsten	Limmer	Olson, M.	Sviggum	Weaver
Bettermann	Finseth	Hugoson	Lindner	Onnen	Tompkins	Worke
Commers	Girard	Knight	Lynch	Pawlenty	Van Engen	Workman
Davids	Gutknecht	Koppendrayer	Macklin	Seagren	Vickerman	
Dempsey	Haukoos	Krinkie	Ness	Smith	Waltman	

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

CONFERENCE COMMITTEE REPORT ON 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.

May 4, 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. 2493, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2493 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [17.136] [ANIMAL FEEDLOTS; POLLUTION CONTROL; 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. In establishing the committee, the commissioner shall give first consideration to members of the existing feedlot advisory group.

(b) The committee must include representation from beef, dairy, pork, chicken, and turkey producer organizations. The committee shall not exceed 18 members, but must include representatives from at least three environmental organizations, eight livestock producers, and four experts in soil and water science, nutrient management, and animal husbandry, one member from an organization representing local units of government, one member from the senate, and one member from the house of representatives. In addition, the department of agriculture, the pollution control agency, board of water and soil resources, soil and water conservation districts, the federal Soil Conservation Service, the association of Minnesota counties, and the Agricultural Stabilization and Conservation Service shall serve on the committee as ex-officio nonvoting members.

(c) Persons who participated in activities of the feedlot advisory group existing on and before the effective date of this section must be allowed to speak at proceedings of the advisory committee. These persons hold nonvoting status and are not eligible for reimbursement of expenses under paragraph (h).

(d) The advisory committee shall elect a chair from its members. The department and the agency shall provide staff support to the committee.

(e) 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.

(f) The commissioner of agriculture shall consult with the advisory committee on establishing a list of manure management research needs and priorities.

(g) The advisory committee shall advise the commissioners on other appropriate matters.

(h) Nongovernment members of the advisory committee shall receive expenses, in accordance with section 15.059, subdivision 6. The advisory committee expires on June 30, 1997.

Sec. 2. [17.138] [MANURE MANAGEMENT RESEARCH AND MONITORING PRIORITIES; COORDINATION OF RESEARCH.]

Subdivision 1. [PRIORITIES.] (a) The commissioner, in consultation with the commissioner of the pollution control agency and the feedlot and manure management advisory committee, shall develop and maintain a list of manure management research and monitoring needs and priorities.

(b) The commissioner shall solicit the needs and ideas of livestock producers and consult with producers in developing the list.

(c) The commissioner shall also consult with agricultural and environmental researchers, state and federal agencies, and other appropriate organizations to identify current efforts as well as to assist in the development of research and monitoring needs and priorities.

Subd. 2. [COORDINATION OF RESEARCH.] The commissioner shall coordinate manure management research and monitoring and make recommendations on manure management research and monitoring funding priorities to the legislature and other funding bodies.

Sec. 3. [17.139] [MEMORANDUM OF AGREEMENT AMONG STATE AGENCIES ON INSPECTIONS OF AGRICULTURAL OPERATIONS.]

The commissioner shall develop memorandums of agreement among all state and federal agencies that have authority to inspect property in agricultural use, as defined in section 17.81, subdivision 4, to ensure that reasonable and effective protocols are followed when inspecting sites in agricultural use. The memorandum shall specify procedures that address, but are not limited to, the following:

(1) when appropriate, advance notice to the agricultural use landowner or operator;

(2) procedures for notification of the inspection results or conclusions to the owner or operator; and

(3) special procedures as might be necessary, such as to prevent the introduction of diseases.

Sec. 4. Minnesota Statutes 1992, section 18B.07, subdivision 3, as amended by Laws 1994, chapter 482, section 1, is amended to read:

Subd. 3. [POSTING.] (a) All fields receiving applications of pesticide(s) bearing the label statement "Notify workers of the application by warning them orally and by posting signs at entrances to treated areas" must be posted in accordance with labeling and rules adopted under this chapter.

(b) Sites being treated with pesticides through irrigation systems must be posted throughout the period of pesticide treatment. The posting must be done in accordance with labeling and rules adopted under this chapter.

(c) If federal worker protection standards are not applicable, soil applied insecticides are exempt from posting requirements.

Sec. 5. Minnesota Statutes 1992, section 41B.02, is amended by adding a subdivision to read:

Subd. 10a. [LIVESTOCK EXPANSION.] "Livestock expansion" means improvements to a livestock operation, including the purchase and construction or installation of improvements to land, buildings, and other permanent structures, including equipment incorporated in or permanently affixed to the land, buildings, or structures, which are useful for and intended to be used for the purpose of raising livestock.

Sec. 6. Minnesota Statutes 1993 Supplement, section 41B.03, subdivision 3, is amended to read:

Subd. 3. [ELIGIBILITY FOR BEGINNING FARMER LOANS.] (a) In addition to the requirements under subdivision 1, a prospective borrower for a beginning farm loan in which the authority holds an interest, must:

(1) have sufficient education, training, or experience in the type of farming for which the loan is desired;

(2) have a total net worth, including assets and liabilities of the borrower's spouse and dependents, of less than $200,000 in 1991 and an amount in subsequent years which is adjusted for inflation by multiplying $200,000 by the cumulative inflation rate as determined by the United States All-Items Consumer Price Index;

(3) demonstrate a need for the loan;

(4) demonstrate an ability to repay the loan;

(5) certify that the agricultural land to be purchased will be used by the borrower for agricultural purposes;

(6) certify that farming will be the principal occupation of the borrower;

(7) agree to participate in a farm management program approved by the commissioner of agriculture for at least the first five years of the loan, if an approved program is available within 45 miles from the borrower's residence. The commissioner may waive this requirement for any of the programs administered by the authority if the participant requests a waiver and has either a four-year degree in an agricultural program or certification as an adult farm management instructor; and

(8) agree to file an approved soil and water conservation plan with the soil conservation service office in the county where the land is located.

(b) If a borrower fails to participate under paragraph (a), clause (7), the borrower is subject to penalty as determined by the authority.

Sec. 7. [41B.045] [LIVESTOCK EXPANSION LOAN PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] The authority may establish, adopt rules for, and implement a loan program to finance livestock expansions in the state.

Subd. 2. [LOAN PARTICIPATION.] The authority may participate in a livestock expansion loan with an eligible lender to a livestock farmer who meets the requirements of section 41B.03, subdivision 1, clauses (1) and (2), and who are actively engaged in a livestock operation. Participation is limited to 45 percent of the principal amount of the loan or $100,000, whichever is less. The interest rates and repayment terms of the authority's participation interest may be different from the interest rates and repayment terms of the lender's retained portion of the loan.

Subd. 3. [SPECIFICATIONS.] No loan may be made to refinance an existing debt. Each loan participation must be secured by a mortgage on real property and such other security as the authority may require.

Subd. 4. [APPLICATION AND ORIGINATION FEE.] The authority may impose a reasonable nonrefundable application fee for each application for a loan participation and an origination fee for each loan issued under the livestock expansion loan program. The origination fee initially shall be set at 1.5 percent and the application fee at $50. The authority may review the fees annually and make adjustments as necessary. The fees must be deposited in the state treasury and credited to an account in the special revenue fund. Money in this account is appropriated to the commissioner for administrative expenses of the livestock expansion loan program.

Subd. 5. [INTEREST RATE.] The interest rate per annum on the livestock expansion loan participation must be at the rate of interest determined by the authority to be necessary to provide for the timely payment of principal and interest when due on bonds or other obligations of the authority issued under this chapter, to provide financing for loan participations made under the livestock expansion loan program, and to provide for reasonable and necessary costs of issuing, carrying, administering, and securing the bonds or notes and to pay the costs incurred and to be incurred by the authority in the implementation of the livestock expansion loan program.

Sec. 8. Minnesota Statutes 1992, section 116.07, subdivision 7, is amended to read:

Subd. 7. [COUNTIES; PROCESSING OF APPLICATIONS FOR ANIMAL LOT PERMITS.] Any Minnesota county board may, by resolution, with approval of the pollution control agency, assume responsibility for processing applications for permits required by the pollution control agency under this section for livestock feedlots, poultry lots or other animal lots. The responsibility for permit application processing, if assumed by a county, may be delegated by the county board to any appropriate county officer or employee.

(a) For the purposes of this subdivision, the term "processing" includes:

~~(a)~~ (1) the distribution to applicants of forms provided by the pollution control agency;

~~(b)~~ (2) the receipt and examination of completed application forms, and the certification, in writing, to the pollution control agency either that the animal lot facility for which a permit is sought by an applicant will comply with applicable rules and standards, or, if the facility will not comply, the respects in which a variance would be required for the issuance of a permit; and

~~(c)~~ (3) rendering to applicants, upon request, assistance necessary for the proper completion of an application.

(b) For the purposes of this subdivision, the term "processing" may include, at the option of the county board:

~~(d),~~ issuing, denying, modifying, imposing conditions upon, or revoking permits pursuant to the provisions of this section or rules promulgated pursuant to it, subject to review, suspension, and reversal by the pollution control agency. The pollution control agency shall, after written notification, have 15 days to review, suspend, modify, or reverse the issuance of the permit. After this period, the action of the county board is final, subject to appeal as provided in chapter 14.

(c) For the purpose of administration of rules adopted under this subdivision, the commissioner and the agency may provide exceptions for cases where the owner of a feedlot has specific written plans to close the feedlot within five years. These exceptions include waiving requirements for major capital improvements.

(d) For purposes of this subdivision, a discharge caused by an extraordinary natural event such as a precipitation event of greater magnitude than the 25-year, 24-hour event, tornado, or flood in excess of the 100-year flood is not a "direct discharge of pollutants."

(e) In adopting and enforcing rules under this subdivision, the commissioner shall cooperate closely with other governmental agencies.

(f) The pollution control agency shall work with the Minnesota extension service, the department of agriculture, the board of water and soil resources, producer groups, local units of government, as well as with appropriate federal agencies such as the Soil Conservation Service and the Agricultural Stabilization and Conservation Service, to notify and educate producers of rules under this subdivision at the time the rules are being developed and adopted and at least every two years thereafter.

(g) The pollution control agency shall adopt rules governing the issuance and denial of permits for livestock feedlots, poultry lots or other animal lots pursuant to this section. These rules apply both to permits issued by counties and to permits issued by the pollution control agency directly.

(h) The pollution control agency shall exercise supervising authority with respect to the processing of animal lot permit applications by a county.

Sec. 9. Minnesota Statutes 1992, section 561.19, subdivision 1, is amended to read:

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

(a) "Agricultural operation" means a facility and its appurtenances for the production of crops, livestock, poultry, dairy products or poultry products, but not a facility primarily engaged in processing agricultural products.

(b) "Established date of operation" means the date on which the agricultural operation commenced. If the agricultural operation is subsequently expanded or significantly altered, the established date of operation for each expansion or alteration is deemed to be the date of commencement of the expanded or altered operation. As used in this paragraph, "expanded or significantly altered" means:

(1) an expansion by at least 25 percent in the amount of a particular crop grown or the number of a particular kind of animal or livestock located on an agricultural operation; or

(2) a distinct change in the kind of agricultural operation, as in changing from one kind of crop, livestock, animal, or product to another, but not merely a change from one generally accepted agricultural practice to another in producing the same crop or product.

~~(c) "Family farm" means an unincorporated farm unit owned by one or more persons or spouses of persons related to each other within the third degree of kindred according to the rules of the civil law at least one of whom is residing or actively engaged in farming on the farm unit, or a "family farm corporation," as that term is defined in section 500.24, subdivision 2.~~

Sec. 10. Minnesota Statutes 1992, section 561.19, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL OPERATION NOT A NUISANCE.] An agricultural operation ~~which is a part of a family farm~~ is not and shall not become a private or public nuisance after ~~six~~ two years from its established date of operation if the operation was not a nuisance at its established date of operation.

The provisions of this subdivision do not apply:

~~(a)~~ (1) to a condition or injury which results from the negligent or improper operation of an agricultural operation or from operations contrary to commonly accepted agricultural practices or to applicable state or local laws, ordinances, rules, or permits;

~~(b)~~ (2) when an agricultural operation causes injury or direct threat of injury to the health or safety of any person;

~~(c)~~ (3) to the pollution of, or change in the condition of, the waters of the state or the overflow of waters on the lands of any person;

~~(d)~~ (4) to an animal feedlot facility with a swine capacity of 1,000 or more animal units as defined in the rules of the pollution control agency for control of pollution from animal feedlots, or a cattle capacity of 2,500 animals or more; or

~~(e)~~ (5) to any prosecution for the crime of public nuisance as provided in section 609.74 or to an action by a public authority to abate a particular condition which is a public nuisance.

Sec. 11. [1994 and 1995 DEMONSTRATION PROGRAM; RESTRICTIONS.]

(a) During the years 1994 and 1995, loan participations under Minnesota Statutes, section 41B.045, must comply with the restrictions in this section.

(b) To the extent that herd health will not be jeopardized, farms receiving assistance from the authority must be available for tours within the first two years after completion of the expansion.

(c) All livestock expansion loans must be for expansions that include some of the most up-to-date, efficient systems available. Projects must be approved by a University of Minnesota extension livestock specialist prior to approval by the authority.

Sec. 12. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; changing the law on nuisance liability of agricultural operations; establishing an advisory committee; providing for research and memorandums of agreement; clarifying terms; authorizing a livestock expansion loan program; changing loan procedures; regulating animal lots; establishing a demonstration program; changing pesticide posting laws; amending Minnesota Statutes 1992, sections 18B.07, subdivision 3, as amended; 41B.02, by adding a subdivision; 116.07, subdivision 7; and 561.19, subdivisions 1 and 2; Minnesota Statutes 1993 Supplement, section 41B.03, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; and 41B."

We request adoption of this report and repassage of the bill.

House Conferees: GERALD J. "JERRY" BAUERLY, STEPHEN G. WENZEL AND SYDNEY G. NELSON.

Senate Conferees: DALLAS C. SAMS, JOE BERTRAM, SR., AND STEVE DILLE.

Bauerly moved that the report of the Conference Committee on H. F. No. 2493 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, 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 0 nays as follows:

Those who voted in the affirmative were:

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

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 bills as Special Orders to be acted upon immediately following printed Special Orders for today:

H. F. No. 2577; and S. F. Nos. 2885, 1872 and 1944.

Carruthers moved that S. F. No. 1944 be placed at the top of Special Orders for today. 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.

Stanius was excused between the hours of 11:45 a.m. and 3:10 p.m.

SPECIAL ORDERS

CALL OF THE HOUSE

On the motion of Rukavina and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

S. F. No. 1944, A bill for an act relating to employment; restoring the purchasing power of a minimum wage salary; appropriating money; amending Minnesota Statutes 1992, section 177.24, 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.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 74 yeas and 58 nays as follows:

Those who voted in the affirmative were:

Asch	Dorn	Jefferson	Lourey	Olson, K.	Rest	Tomassoni
Battaglia	Evans	Johnson, A.	Luther	Opatz	Rice	Trimble
Beard	Farrell	Johnson, R.	Mahon	Orenstein	Rodosovich	Vellenga
Bishop	Garcia	Kahn	Mariani	Orfield	Rukavina	Wagenius
Brown, C.	Greenfield	Kelley	McCollum	Osthoff	Sarna	Wejcman
Brown, K.	Greiling	Kelso	McGuire	Ostrom	Sekhon	Wenzel
Carlson	Hasskamp	Kinkel	Milbert	Ozment	Simoneau	Winter
Carruthers	Hausman	Klinzing	Munger	Pelowski	Skoglund	Spk. Anderson, I.
Clark	Huntley	Krueger	Murphy	Perlt	Smith	
Dawkins	Jacobs	Lasley	Neary	Pugh	Solberg	
Delmont	Jaros	Long	Olson, E.	Reding	Steensma	

Those who voted in the negative were:

Abrams	Bertram	Cooper	Dehler	Finseth	Goodno	Haukoos
Anderson, R.	Bettermann	Dauner	Dempsey	Frerichs	Gruenes	Holsten
Bauerly	Commers	Davids	Erhardt	Girard	Gutknecht	Hugoson

Jennings	Krinkie	Macklin	Olson, M.	Seagren	Van Engen	Workman
Johnson, V.	Leppik	Molnau	Onnen	Sviggum	Vickerman	
Kalis	Lieder	Morrison	Pauly	Swenson	Waltman	
Knickerbocker	Limmer	Mosel	Pawlenty	Tompkins	Weaver	
Knight	Lindner	Nelson	Peterson	Tunheim	Wolf	
Koppendrayer	Lynch	Ness	Rhodes	Van Dellen	Worke	

The bill was passed 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 has concurred in and adopted the report of the Conference Committee on:

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 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. 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 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. 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 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. 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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

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

H. F. No. 3041, A bill for an act relating to 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; 473.553; 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.

The Senate has appointed as such committee:

Messrs. Pogemiller and Luther; Ms. Wiener; Messrs. Terwilliger and Mondale.

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. 2429.

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. 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; 84.9691; 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.

May 3, 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. 2429, 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. 2429 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

NATURAL RESOURCES

Section 1. Minnesota Statutes 1992, section 18.317, subdivision 1, is amended to read:

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

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

Sec. 2. Minnesota Statutes 1992, section 18.317, subdivision 1a, is amended to read:

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

Sec. 3. Minnesota Statutes 1992, section 18.317, subdivision 2, is amended to read:

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

Sec. 4. Minnesota Statutes 1992, section 18.317, subdivision 3, is amended to read:

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

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

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

Sec. 5. Minnesota Statutes 1993 Supplement, section 18.317, subdivision 3a, is amended to read:

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

Sec. 6. Minnesota Statutes 1992, section 18.317, subdivision 4, is amended to read:

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

Sec. 7. Minnesota Statutes 1992, section 18.317, subdivision 5, is amended to read:

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

Sec. 8. 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. 9. 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 or water ~~under the jurisdiction of the commissioner~~ or grant-in-aid trail 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 and waters ~~under the jurisdiction of the commissioner~~ or a grant-in-aid trail if the person has in immediate possession a valid snowmobile safety certificate issued by the commissioner.

Subd. 2. [OWNER'S 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. 10. Minnesota Statutes 1992, section 84.966, subdivision 1, is amended to read:

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

Sec. 11. Minnesota Statutes 1992, section 84.967, is amended to read:

84.967 [ECOLOGICALLY HARMFUL SPECIES; ~~DEFINITION~~ DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 84.967 to ~~84.9691~~ 84.9692, the following terms have the meanings given them.

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

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

Sec. 12. Minnesota Statutes 1992, section 84.968, subdivision 2, is amended to read:

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

(1) detailed information on expenditures for administration, education, eradication, inspections, and research;

(2) an analysis of the effectiveness of management activities conducted in the state, including chemical eradication, harvesting, educational efforts, and inspections;

(3) information on the participation of other state agencies, local government units, and interest groups in control efforts;

(4) information on management efforts in other states;

(5) information on the progress made by species; and

(6) an estimate of future management needs; and

~~(7) an analysis of the financial impact on persons who transport weed harvesters of the prohibition in section 18.317, subdivision 1.~~

Sec. 13. 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. 14. Minnesota Statutes 1993 Supplement, section 84.9692, subdivision 1, is amended to read:

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

(1) unlawfully transport ecologically harmful exotic species on a public road;

(2) place a trailer or launch a watercraft with ecologically harmful species attached into waters of the state;

(3) operate a watercraft in a marked Eurasian water milfoil limited infestation area; or

(4) damage, remove, or sink a buoy marking a Eurasian water milfoil infestation area.

Sec. 15. Minnesota Statutes 1993 Supplement, section 84.9692, subdivision 2, is amended to read:

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

(1) $50 for transporting visible Eurasian water milfoil on a public road in each of the following locations:

(i) the exterior of the watercraft below the gunwales including the propulsion system;

(ii) any surface of a watercraft trailer;

(iii) any surface of a watercraft interior of the gunwales;

(iv) any water container including live wells, minnow buckets, or coolers which hold water; or

(v) any other area where visible Eurasian water milfoil is found not previously described in items (i) to (iv);

(2) $150 for transporting visible zebra mussels on a public road;

(3) $300 for transporting live ruffe or live rusty crayfish on a public road;

(4) for attempting to launch or launching into noninfested waters a watercraft with visible Eurasian water milfoil or adult zebra mussels attached, $500 for a first offense and $1,000 for a second or subsequent offense;

(5) $100 for operating a watercraft in a marked Eurasian water milfoil limited infestation area other than as provided by law;

(6) $150 for intentionally damaging, moving, removing, or sinking a milfoil buoy; or

(7) $150 for launching or attempting to launch into infested waters a watercraft with visible Eurasian water milfoil or visible zebra mussels attached.

Sec. 16. Minnesota Statutes 1993 Supplement, section 84.9695, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) The definitions in this subdivision apply to this section.

(b) "Commissioner" means the commissioner of ~~natural resources~~ agriculture.

(c) "Restricted species" means Eurasian wild pigs and their hybrids (Sus scrofa subspecies and Sus scrofa hybrids), excluding domestic hogs (S. scrofa domesticus).

(d) "Release" means an intentional introduction or escape of a species from the control of the owner or responsible party.

Sec. 17. Minnesota Statutes 1993 Supplement, section 84.9695, subdivision 8, is amended to read:

Subd. 8. [CONTAINMENT.] The commissioner, in consultation with the commissioner of natural resources, shall develop criteria for approved containment measures for restricted species with the assistance of producers of restricted species.

Sec. 18. Minnesota Statutes 1993 Supplement, section 84.9695, subdivision 10, is amended to read:

Subd. 10. [FEE.] The commissioner shall impose a fee for permits in an amount sufficient to cover the costs of issuing the permits and for facility inspections. The fee may not exceed $50. Fee receipts must be deposited in the state treasury and credited to the ~~game and fish~~ special revenue fund and are appropriated to the commissioner for the purposes of this section.

Sec. 19. Minnesota Statutes 1992, section 86B.401, subdivision 11, is amended to read:

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

Sec. 20. Minnesota Statutes 1992, section 97A.015, subdivision 24, is amended to read:

Subd. 24. [GAME BIRDS.] "Game birds" means migratory waterfowl, pheasant, ruffed grouse, sharp-tailed grouse, Canada spruce grouse, prairie chickens, ~~chukar partridge,~~ gray partridge, bob-white quail, turkeys, coots, gallinules, sora and Virginia rails, American woodcock, and common snipe.

Sec. 21. Minnesota Statutes 1992, section 97A.015, subdivision 52, is amended to read:

Subd. 52. [UNPROTECTED BIRDS.] "Unprotected birds" means English sparrow, blackbird, starling, magpie, cormorant, common pigeon, chukar partridge, quail other than bob-white quail, and great horned owl.

Sec. 22. Minnesota Statutes 1992, section 97A.115, subdivision 2, is amended to read:

Subd. 2. [~~GAME~~ SPECIES AVAILABLE.] ~~Game~~ Species that may be released and hunted in a licensed shooting preserve must be specified in the license and is limited to unprotected birds, adult pheasant, and bob-white quail~~, and chukar partridge~~ for private shooting preserves and adult pheasant, bob-white quail, ~~chukar partridge,~~ turkey, mallard duck, black duck, and other species designated by the commissioner for commercial shooting preserves. These game birds must be pen hatched and raised.

Sec. 23. Minnesota Statutes 1992, section 97A.441, is amended by adding a subdivision to read:

Subd. 6a. [TAKING SMALL GAME; DISABLED VETERANS.] A person authorized to issue licenses must issue, without a fee, a license to take small game to a resident who is a veteran, as defined in section 197.447, and who has a 100 percent service connected disability as defined by the United States Veterans Administration upon being furnished satisfactory evidence.

Sec. 24. 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. 25. 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. 26. Minnesota Statutes 1992, section 97A.501, is amended by adding a subdivision to read:

Subd. 3. [CONTRACEPTIVE CHEMICALS.] (a) A person may not administer contraceptive chemicals to noncaptive wild animals without a permit issued by the commissioner.

(b) The commissioner shall adopt rules establishing standards and guidelines for the administration of contraceptive chemicals to noncaptive wild animals. The rules may specify chemical delivery methods and devices and monitoring requirements.

Sec. 27. Minnesota Statutes 1993 Supplement, section 97A.531, subdivision 6, as added by Laws 1994, chapter 479, is amended to read:

Subd. 6. [BORDER WATER ENTERPRISE AGREEMENTS.] (a) The commissioner of natural resources in consultation with the commissioner of trade and economic development, in coordination with the federal government, may negotiate and, with the approval of the legislature, enter into agreements with authorized representatives of the province of Ontario and the "first nation" governments in Canada to provide for joint resource management, promotion of tourism, or economic development with respect to lakes through which the Ontario-Minnesota border runs. When negotiating with Ontario officials on game fish limits in Minnesota-Ontario border waters, the commissioner may not agree to more restrictive limits than are allowed in Ontario, unless the commissioner determines that more restrictive limits are necessary to protect Minnesota's fishery resource.

(b) Possession of fish taken by angling and imported into the state from Ontario by a Minnesota resident angler may not number more than the amount of the most restrictive Ontario possession limit by species placed on Minnesota-based anglers fishing in Ontario border waters unless Ontario is equally restrictive on Ontario-based anglers on the same border waters. This paragraph does not apply to fish taken from Ontario border waters on which limits on the number of fish that may be taken are the same for Minnesota-based anglers and Ontario-based anglers.

(c) Nothing in this section precludes the possession, importation into, or transportation in the state of one trophy fish of each species for the purpose of having the fish preserved by taxidermy, if the fish is transported whole.

(d) Paragraph (b) does not apply if the governor issues a waiver as provided in this paragraph. The governor may issue a waiver of the requirements of paragraph (b) and subdivisions 2, 3, and 4 if after negotiations with authorized representatives of Ontario, the governor determines that the waiver is in the best interest of the citizens of the state.

Sec. 28. Minnesota Statutes 1992, section 97B.035, is amended by adding a subdivision to read:

Subd. 4. [AUTHORITY OF COMMISSIONER.] The commissioner may not impose restrictions on the possession, transportation, or use of archery equipment except as specifically authorized by law.

Sec. 29. 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. 30. Minnesota Statutes 1993 Supplement, section 97B.071, is amended to read:

97B.071 [BLAZE ORANGE REQUIREMENTS.]

(a) Except as provided in paragraph (b), a person may not hunt or trap during the open season ~~in a zone or area~~ where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange. 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.~~

(b) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) would violate the Religious Freedom Restoration Act of 1993, public law number 103-141.

Sec. 31. Minnesota Statutes 1992, section 97B.075, is amended to read:

97B.075 [HUNTING RESTRICTED BETWEEN EVENING AND MORNING.]

A person may not take protected wild animals, except raccoon and fox, with a firearm ~~or by archery~~ between the evening and morning times established by commissioner's rule, or by archery from one-half hour after sunset until one-half hour before sunrise.

Sec. 32. 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 that meet the other requirements of this subdivision.

Sec. 33. [97B.667] [REMOVAL OF BEAVER DAMS AND LODGES BY ROAD AUTHORITIES.]

When a drainage watercourse is impaired by a beaver dam and the water damages or threatens to damage a public road, the road authority, as defined in section 160.02, subdivision 9, may remove the impairment and any associated beaver lodge within 300 feet of the road, if the commissioner approves.

Sec. 34. Minnesota Statutes 1992, section 97B.701, is amended by adding a subdivision to read:

Subd. 3. [RECAPTURE OF RELEASED BOB-WHITE QUAIL.] Released bob-white quail may be recaptured without a license. In Houston, Fillmore, and Winona counties, this subdivision applies only to birds that are banded or otherwise marked.

Sec. 35. Minnesota Statutes 1992, section 97B.711, subdivision 1, is amended to read:

Subdivision 1. [SEASONS FOR CERTAIN UPLAND GAME BIRDS.] (a) The commissioner may, by rule, prescribe an open season in designated areas between September 16 and December 31 for:

(1) pheasant;

(2) ruffed grouse;

(3) sharp tailed grouse;

(4) Canada spruce grouse;

(5) prairie chicken;

(6) gray partridge;

(7) ~~chukar partridge;~~

~~(8)~~ bob-white quail; and

~~(9)~~ (8) turkey.

(b) The commissioner may by rule prescribe an open season for turkey in the spring.

Sec. 36. Minnesota Statutes 1993 Supplement, section 97B.711, subdivision 2, is amended to read:

Subd. 2. [DAILY AND POSSESSION LIMITS FOR CERTAIN UPLAND GAME BIRDS.] (a) A person may not take more than five in one day or possess more than ten of each of the following:

(1) pheasant;

(2) ruffed grouse;

(3) sharp tailed grouse;

(4) Canada spruce grouse;

(5) prairie chicken; and

(6) gray partridge~~; and~~

~~(7) chukar partridge~~.

(b) A person may not take more than ten ~~quail~~ in one day or possess more than 15 bob-white quail.

(c) The commissioner may, by rule, reduce the daily and possession limits established in this subdivision.

Sec. 37. 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:

(1) 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

(2) 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. 38. 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. 39. Minnesota Statutes 1992, section 97C.325, is amended to read:

97C.325 [PROHIBITED METHODS OF TAKING FISH.]

(a) Except as specifically authorized, a person may not take fish with:

(1) explosives, chemicals, drugs, poisons, lime, medicated bait, fish berries, or other similar substances;

(2) substances or devices that kill, stun, or affect the nervous system of fish;

(3) nets, traps, trot lines, or snares; or

(4) spring devices that impale, hook, or capture fish.

(b) If a person possesses a substance or device listed in paragraph (a) on waters, shores, or islands, it is presumptive evidence that the person is in violation of this section.

(c) The commissioner may, by rule, allow the use of a nonmotorized device with a recoil mechanism to take fish through the ice.

Sec. 40. Minnesota Statutes 1992, section 344.03, subdivision 1, is amended to read:

Subdivision 1. [ADJOINING OWNERS.] If all or a part of adjoining Minnesota land is improved and used, and one or both of the owners of the land desires the land to be partly or totally fenced, the land owners or occupants shall build and maintain a partition fence between their lands in equal shares. The requirement in this section and the procedures in this chapter apply to the department of natural resources when it owns land adjoining privately owned land subject to this section and chapter and the landowner desires the land permanently fenced for the purpose of restraining livestock.

Sec. 41. Laws 1993, chapter 273, section 1, is amended to read:

Section 1. [AUTHORIZATION TO TAKE TWO DEER IN CERTAIN COUNTIES.]

Notwithstanding Minnesota Statutes, section 97B.301, subdivision 2, during the ~~1993 and~~ 1994, 1995, and 1996 hunting seasons in Kittleson, Lake of the Woods, Marshall, Pennington, and Roseau counties 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.

Sec. 42. Laws 1993, chapter 129, section 4, subdivision 4, is amended to read:

Subd. 4. [REPORT.] The task force shall submit a written report containing its recommendations and findings to the legislature by January 1, ~~1994~~ 1995.

Sec. 43. [EXPANDED SEASON FOR RACCOON AND RED FOX; NONRESIDENTS; REPORT.]

(a) Notwithstanding Minnesota Statutes, sections 97B.605 and 97B.621, subdivision 1, until June 1, 1996, the open season for taking raccoon and red fox is continuous and a person may possess raccoon and red fox in any quantity.

(b) Notwithstanding Minnesota Statutes, sections 97A.475, subdivision 3, clause (6), and 97B.601, subdivision 3, until June 1, 1996, a nonresident may take raccoon and red fox with a license issued under Minnesota Statutes, section 97A.475, subdivision 3, clause (1).

(c) By January 15, 1996, the commissioner of natural resources shall report to the legislative committees with jurisdiction over natural resources on the effects of paragraphs (a) and (b), including effects on the raccoon and red fox populations in the state, effects on populations in the state of protected species on which raccoon and red fox prey, and other effects. The report must include any recommendations the commissioner has for changes in the provisions of the game and fish laws relating to raccoon and red fox.

Sec. 44. [SHOOTING HOURS AND RESTRICTIONS RELATING TO FIREARMS AND ARCHERY EQUIPMENT; REPORT.]

The commissioner of natural resources shall seek public input and comment on the issues of shooting hours and the possession, transportation, and use of firearms and archery equipment. By April 1, 1995, the commissioner shall report to the environment and natural resources committees of the legislature with a summary of the public comments received and any recommendations for legislation.

Sec. 45. [ENFORCEMENT OF LAWS RELATED TO BUYING AND SELLING FISH; REPORT.]

By January 15, 1995, the commissioner of natural resources shall report to the environment and natural resources committees of the legislature with recommendations for legislation to improve enforcement of Minnesota Statutes, section 97C.391, including record keeping requirements, enhanced remedies, and inspection authorities.

Sec. 46. [INSTRUCTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall renumber section 84.9695 as section 17.457.

Sec. 47. [REPEALER.]

Minnesota Statutes 1992, section 97A.475, subdivision 17, is repealed.

Sec. 48. [EFFECTIVE DATE.]

Sections 1 to 7, 9 to 27, 29, 30, 32 to 36, and 40 to 47, are effective the day following final enactment.

Section 39 is effective January 1, 1995.

Sections 28 and 31 are effective July 1, 1995.

ARTICLE 2

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 3

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 ingesting 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 ingesting 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 or as a physician or certified athletic trainer for a sports team or athletic event sponsored by a public or private educational institution, 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, official, physician, or certified athletic trainer 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, or official who provides services or assistance as part of a public or private educational institution's athletic program;

(5) to a public or private educational institution for which a physician or certified athletic trainer provides services; or

(6) 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. The limitation in clause (5) does not affect the limitations on liability of a public educational institution under section 3.736 or chapter 466.

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 donating 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 man-made 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 willful or 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 4

ACTIVITIES INVOLVING A PUBLIC BENEFIT OR FUNCTION

Section 1. [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 sections 604A.20 to 604A.27 are enacted to that end.

Sec. 2. [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, including recreational trail use; nature study; water skiing; winter sports; and viewing or enjoying historical, archaeological, scenic, or scientific sites.

Subd. 6. [RECREATIONAL TRAIL USE.] "Recreational trail use" means use on or about a trail, including but not limited to, hunting; trapping; fishing; hiking; bicycling; skiing; horseback riding; snowmobile riding; and motorized trail riding.

Sec. 3. [604A.22] [OWNER'S DUTY OF CARE OR DUTY TO GIVE WARNINGS.]

Except as provided in section 604A.25, an owner who gives written or oral permission for the use of 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 purpose;

(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 purpose.

Sec. 4. [604A.23] [OWNER'S LIABILITY.]

An owner who gives written or oral permission for the use of 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. 5. [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 purpose; 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. 6. [604A.25] [OWNER'S LIABILITY; NOT LIMITED.]

Nothing in sections 604A.20 to 604A.27 limits liability that otherwise exists:

(1) for conduct which, at law, entitles a trespasser to maintain an action and obtain relief for the conduct complained of; or

(2) for injury suffered in any case where the owner charges the persons who enter or go on the land for the recreational purpose, 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.

Except for conduct set forth in section 3, clause (3), a person may not maintain an action and obtain relief at law for conduct referred to by clause (1) if the entry upon the land is incidental to or arises from access granted for the recreational trail use of land dedicated, leased, or permitted by the owners for recreational trail use.

Sec. 7. [604A.26] [LAND USER'S LIABILITY.]

Nothing in sections 604A.20 to 604A.27 relieves any person using the land of another for recreational purpose 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. 8. [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. 9. [604A.30] [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. 10. [604A.31] [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.

Sec. 11. [EFFECTIVE DATE; APPLICATION.]

Sections 1 to 8 are effective August 1, 1994, and apply to causes of action arising on or after that date.

ARTICLE 5

MISCELLANEOUS

Section 1. 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. 2. Minnesota Statutes 1992, section 469.091, is amended by adding a subdivision to read:

Subd. 3. [UNPAID OFFICERS, DIRECTORS, AND AGENTS; LIABILITY.] Section 317A.257 applies to an economic development authority or to a nonprofit corporation exercising the powers of an economic development authority.

Sec. 3. [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."

Delete the title and insert:

"A bill for an act relating to the use of public services and resources; modifying the list of protected game birds; authorizing nonresident multiple zone antlered deer licenses; exemptions from pest control licensing; purchase of archery deer licenses after the firearms season opens; limiting the authority of the commissioner of natural resources to regulate archery; administration of contraceptive chemicals to wild animals; 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; exemptions from fur buying and selling licensure; extending hours for tending traps; allowing released game birds to be recaptured without a license; allowing use of retractable broadhead arrows in taking big game; authorizing the commissioner of natural resources to allow use of 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; clarifying restrictions on importation of fish imported from Ontario; temporarily modifying provisions relating to raccoon and red fox; requiring reports; 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 18.317, subdivisions 1, 1a, 2, 3, 4, and 5; 84.966, subdivision 1; 84.967; 84.968, subdivision 2; 84.9691; 86B.401, subdivision 11; 97A.015, subdivisions 24 and 52; 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.035, by adding a subdivision; 97B.075; 97B.211, subdivision 2; 97B.701, by adding a subdivision; 97B.711, subdivision 1; 97B.905, subdivision 1; 97B.931; 97C.325; 144.761, subdivision 5; 344.03, subdivision 1; and 469.091, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 18.317, subdivision 3a; 18B.32, subdivision 1; 84.872; 84.9692, subdivisions 1 and 2; 84.9695, subdivisions 1, 8, and 10; 97A.531, subdivision 6, as added; 97B.041; 97B.071; 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; proposing coding for new law as Minnesota Statutes, chapter 604A; repealing Minnesota Statutes 1992, sections 31.50; 87.01; 87.021; 87.0221; 87.023; 87.024; 87.025; 87.026; 87.03; 97A.475, subdivision 17; 604.05; 604.08; 604.09; and 609.662, subdivision 5."

We request adoption of this report and repassage of the bill.

Senate Conferees: BOB LESSARD, CHARLES A. BERG AND GARY W. LAIDIG.

House Conferees: BOB MILBERT, THOMAS PUGH AND BRAD STANIUS.

Milbert moved that the report of the Conference Committee on S. F. No. 2429 be adopted and that the bill be repassed as amended by the Conference Committee. 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; 84.9691; 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 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	Koppendrayer	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	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	Steensma	Workman
Davids	Haukoos	Knight	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON 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.

May 4, 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. 2519, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2519 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [611A.80] [DEFINITIONS.]

Subdivision 1. [GENERAL.] The definitions in this section apply to sections 1 to 9.

Subd. 2. [COERCE.] "Coerce" means to use or threaten to use any form of domination, restraint, or control for the purpose of causing an individual to engage in or remain in prostitution or to relinquish earnings derived from prostitution. Coercion exists if the totality of the circumstances establish the existence of domination, restraint, or control that would have the reasonably foreseeable effect of causing an individual to engage in or remain in prostitution or to relinquish earnings from prostitution. Evidence of coercion may include, but is not limited to:

(1) physical force or actual or implied threats of physical force;

(2) physical or mental torture;

(3) implicitly or explicitly leading an individual to believe that the individual will be protected from violence or arrest;

(4) kidnapping;

(5) defining the terms of an individual's employment or working conditions in a manner that can foreseeably lead to the individual's use in prostitution;

(6) blackmail;

(7) extortion or claims of indebtedness;

(8) threat of legal complaint or report of delinquency;

(9) threat to interfere with parental rights or responsibilities, whether by judicial or administrative action or otherwise;

(10) promise of legal benefit, such as posting bail, procuring an attorney, protecting from arrest, or promising unionization;

(11) promise of financial rewards;

(12) promise of marriage;

(13) restraining speech or communication with others, such as exploiting a language difference, or interfering with the use of mail, telephone, or money;

(14) isolating an individual from others;

(15) exploiting a condition of developmental disability, cognitive limitation, affective disorder, or substance dependency;

(16) taking advantage of lack of intervention by child protection;

(17) exploiting victimization by previous sexual abuse or battering;

(18) exploiting pornographic performance;

(19) interfering with opportunities for education or skills training;

(20) destroying property;

(21) restraining movement;

(22) exploiting HIV status, particularly where the defendant's previous coercion led to the HIV exposure; or

(23) exploiting needs for food, shelter, safety, affection, or intimate or marital relationships.

Subd. 3. [PROMOTES THE PROSTITUTION OF AN INDIVIDUAL.] "Promotes the prostitution of an individual" has the meaning given in section 609.321, subdivision 7.

Subd. 4. [PROSTITUTION.] "Prostitution" has the meaning given in section 609.321, subdivision 9.

Sec. 2. [611A.81] [CAUSE OF ACTION FOR COERCION FOR USE IN PROSTITUTION.]

Subdivision 1. [CAUSE OF ACTION CREATED.] (a) An individual has a cause of action against a person who:

(1) coerced the individual into prostitution;

(2) coerced the individual to remain in prostitution;

(3) used coercion to collect or receive any of the individual's earnings derived from prostitution; or

(4) hired, offered to hire, or agreed to hire the individual to engage in prostitution, knowing or having reason to believe that the individual was coerced into or coerced to remain in prostitution by another person.

For purposes of clauses (1) and (2), money payment by a patron, as defined in section 609.321, subdivision 4, is not coercion under section 611A.80, subdivision 2, clause (5) or (11), or exploiting needs for food or shelter under section 611A.80, subdivision 2, clause (23).

Clause (3) does not apply to minor children who are dependent on the individual and who may have benefitted from or been supported by the individual's earnings derived from prostitution.

(b) An individual has a cause of action against a person who did the following while the individual was a minor:

(1) solicited or induced the individual to practice prostitution;

(2) promoted the prostitution of the individual;

(3) collected or received the individual's earnings derived from prostitution; or

(4) hired, offered to hire, or agreed to hire the individual to engage in prostitution.

Mistake as to age is not a defense to an action under this paragraph.

Subd. 2. [DAMAGES.] A person against whom a cause of action may be maintained under subdivision 1 is liable for the following damages that resulted from the plaintiff's being used in prostitution or to which the plaintiff's use in prostitution proximately contributed:

(1) economic loss, including damage, destruction, or loss of use of personal property; loss of past or future income or earning capacity; and income, profits, or money owed to the plaintiff from contracts with the person; and

(2) damages for death as may be allowed under section 573.02, personal injury, disease, and mental and emotional harm, including medical, rehabilitation, and burial expenses; and pain and suffering, including physical impairment.

Sec. 3. [611A.82] [ACTS NOT DEFENSES.]

None of the following shall alone or jointly be a sufficient defense to an action under section 2:

(1) the plaintiff consented to engage in acts of prostitution;

(2) the plaintiff was paid or otherwise compensated for acts of prostitution;

(3) the plaintiff engaged in acts of prostitution prior to any involvement with the defendant;

(4) the plaintiff apparently initiated involvement with the defendant;

(5) the plaintiff made no attempt to escape, flee, or otherwise terminate contact with the defendant;

(6) the defendant had not engaged in prior acts of prostitution with the plaintiff;

(7) as a condition of employment, the defendant required the plaintiff to agree not to engage in prostitution; or

(8) the defendant's place of business was posted with signs prohibiting prostitution or prostitution-related activities.

Sec. 4. [611A.83] [EVIDENCE.]

Subdivision 1. [USE IN OTHER PROCEEDINGS.] In the course of litigation under section 2, any transaction about which a plaintiff testifies or produces evidence does not subject the plaintiff to criminal prosecution or any penalty or forfeiture. Any testimony or evidence, documentary or otherwise, or information directly or indirectly derived from that testimony or evidence that is given or produced by a plaintiff or a witness for a plaintiff may not be used against that person in any other investigation or proceeding, other than a criminal investigation or proceeding for perjury committed while giving the testimony or producing the evidence.

Subd. 2. [CONVICTIONS.] Evidence of convictions for prostitution or prostitution-related offenses is inadmissible in a proceeding brought under section 2 for purposes of attacking the plaintiff's credibility. If the court admits evidence of prior convictions for purposes permitted under Minnesota Rules of Evidence, rule 404(b) with respect to motive, opportunity, intent, preparation, plan, knowledge, identity, or absence of mistake or accident, the fact finder may consider the evidence solely for those purposes and shall disregard details offered to prove any fact that is not relevant.

Sec. 5. [611A.84] [STATUTE OF LIMITATIONS.]

An action for damages under section 2 must be commenced not later than six years after the cause of action arises, except that the running of the limitation period is suspended during the time that coercion as defined in section 1 continues, or as otherwise provided by section 541.13 or 541.15.

Sec. 6. [611A.85] [OTHER REMEDIES PRESERVED.]

Sections 1 to 9 do not affect the right of any person to bring an action or use any remedy available under other law, including common law, to recover damages arising out of the use of the individual in prostitution or the coercion incident to the individual being used in prostitution; nor do sections 1 to 9 limit or restrict the liability of any person under other law.

Sec. 7. [611A.86] [DOUBLE RECOVERY PROHIBITED.]

A person who recovers damages under sections 1 to 9 may not recover the same costs or damages under any other law. A person who recovers damages under any other law may not recover for the same costs or damages under sections 1 to 9.

Sec. 8. [611A.87] [AWARD OF COSTS.]

Upon motion of a prevailing party in an action under sections 1 to 9, the court may award costs, disbursements, and reasonable attorney fees and witness fees to the party.

Sec. 9. [611A.88] [NO AVOIDANCE OF LIABILITY.]

No person may avoid liability under sections 1 to 9 by means of any conveyance of any right, title, or interest in real property, or by any indemnification, hold harmless agreement, or similar agreement that purports to show consent of the plaintiff.

Sec. 10. [EFFECTIVE DATE; APPLICATION.]

(a) Sections 1 to 9 are effective August 1, 1994, and apply to actions commenced on or after the effective date.

(b) For activities described in section 2, subdivision 1, that occurred between August 1, 1988, and July 31, 1994, an action for damages must be commenced not later than August 1, 1995, or six years after the cause of action arises, whichever is later; except that the running of the limitation period is suspended during the time that coercion continues."

We request adoption of this report and repassage of the bill.

House Conferees: CARLOS MARIANI, THOMAS PUGH, ANDY DAWKINS AND LINDA WEJCMAN.

Senate Conferees: EMBER D. REICHGOTT JUNGE, DAVID L. KNUTSON, SHEILA M. KISCADEN, ALLAN H. SPEAR AND JANE B. RANUM.

Mariani moved that the report of the Conference Committee on H. F. No. 2519 be adopted and that the bill be repassed as amended by the Conference Committee.

Bishop moved that the House refuse to adopt the Conference Committee report on H. F. No. 2519, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

The question was taken on the Bishop motion and the roll was called. There were 32 yeas and 96 nays as follows:

Those who voted in the affirmative were:

Abrams	Erhardt	Hugoson	Krinkie	Morrison	Solberg	Vickerman
Asch	Finseth	Huntley	Krueger	Ness	Sviggum	Workman
Bettermann	Frerichs	Johnson, V.	Lindner	Olson, E.	Swenson	
Bishop	Girard	Knickerbocker	Lynch	Pauly	Tompkins	
Davids	Gutknecht	Knight	Molnau	Seagren	Van Dellen	

Those who voted in the negative were:

Anderson, R.	Dawkins	Holsten	Limmer	Nelson	Pugh	Tunheim
Battaglia	Dehler	Jacobs	Long	Olson, K.	Reding	Van Engen
Bauerly	Delmont	Jefferson	Lourey	Olson, M.	Rest	Vellenga
Beard	Dempsey	Jennings	Luther	Onnen	Rhodes	Wagenius
Bergson	Dorn	Johnson, R.	Macklin	Opatz	Rice	Waltman
Bertram	Evans	Kalis	Mahon	Orenstein	Rodosovich	Weaver
Brown, C.	Farrell	Kelley	Mariani	Orfield	Sarna	Wejcman
Brown, K.	Garcia	Kelso	McCollum	Osthoff	Sekhon	Wenzel
Carlson	Goodno	Kinkel	McGuire	Ostrom	Simoneau	Winter
Carruthers	Greenfield	Klinzing	Milbert	Ozment	Skoglund	Wolf
Clark	Greiling	Koppendrayer	Mosel	Pawlenty	Smith	Worke
Commers	Gruenes	Lasley	Munger	Pelowski	Steensma	Spk. Anderson, I.
Cooper	Hasskamp	Leppik	Murphy	Perlt	Tomassoni	
Dauner	Haukoos	Lieder	Neary	Peterson	Trimble	

The motion did not prevail.

The question recurred on the Mariani motion that the report of the Conference Committee on H. F. No. 2519 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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

Those who voted in the negative were:

Bishop	Davids	Frerichs	Knight	Lynch	Pauly

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

MESSAGES FROM THE SENATE, Continued

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. 1948.

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. 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.

May 3, 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. 1948, 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. 1948 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 97A.135, subdivision 3, is amended to read:

Subd. 3. [COOPERATIVE FARMING AGREEMENTS.] On any public hunting, game refuge, ~~or~~ wildlife management area, or scientific and natural area lands, the commissioner may enter into written cooperative farming agreements ~~with nearby farmers~~ on a sharecrop basis, without competitive bidding, for the purpose of ~~establishing or maintaining~~ wildlife ~~food or cover for habitat purposes~~ and plant management. Cooperative farming agreements may also be used to allow pasturing of livestock. The agreements may provide for the bartering of a share of any crop, ~~not exceeding $1,500 in value and~~ produced from these lands, for services ~~such as weed control, planting, cultivation, or other wildlife habitat practices~~ or products that will enhance or benefit the management of state lands for plant and animal species. Cooperative farming agreements pursuant to this section shall not be considered leases for tax purposes under section 272.01, subdivision 2, or 273.19.

Sec. 2. 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 revenue from rent, royalties, dividends, interest and annuities does not exceed 20 percent of its gross receipts;

(v) shareholders holding 75 percent or more of the control and financial investment in the corporation must be farmers residing in Minnesota and at least 51 percent of the required percentage of farmers must be actively engaged in livestock production;

(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) 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; and

(viii) the corporation was formed for the production of livestock other than dairy cattle by natural persons or family farm corporations that provide 75 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.

(k) "Actively engaged in livestock production" means that a person performs day-to-day physical labor or day-to-day operations management that significantly contributes to livestock production and the functioning of a livestock operation.

Sec. 3. 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 that does not meet the definition requirement for an authorized farm corporation must:

(1) sell all castrated animals to be fed out or finished to 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. 4. Minnesota Statutes 1992, section 561.19, subdivision 1, is amended to read:

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

(a) "Agricultural operation" means a facility and its appurtenances for the production of crops, livestock, poultry, dairy products or poultry products, but not a facility primarily engaged in processing agricultural products.

(b) "Established date of operation" means the date on which the agricultural operation commenced. If the agricultural operation is subsequently expanded or significantly altered, the established date of operation for each expansion or alteration is deemed to be the date of commencement of the expanded or altered operation. As used in this paragraph, "expanded or significantly altered" means:

(1) an expansion by at least 25 percent in the amount of a particular crop grown or the number of a particular kind of animal or livestock located on an agricultural operation; or

(2) a distinct change in the kind of agricultural operation, as in changing from one kind of crop, livestock, animal, or product to another, but not merely a change from one generally accepted agricultural practice to another in producing the same crop or product.

~~(c) "Family farm" means an unincorporated farm unit owned by one or more persons or spouses of persons related to each other within the third degree of kindred according to the rules of the civil law at least one of whom is residing or actively engaged in farming on the farm unit, or a "family farm corporation," as that term is defined in section 500.24, subdivision 2.~~

Sec. 5. Minnesota Statutes 1992, section 561.19, subdivision 2, is amended to read:

Subd. 2. [AGRICULTURAL OPERATION NOT A NUISANCE.] (a) An agricultural operation ~~which is a part of a family farm~~ is not and shall not become a private or public nuisance after ~~six~~ two years from its established date of operation if the operation was not a nuisance at its established date of operation.

(b) An agricultural operation is operating according to generally accepted agricultural practices if it is located in an agriculturally zoned area and complies with the provisions of all applicable federal and state statutes and rules or any issued permits for the operation.

(c) The provisions of this subdivision do not apply:

~~(a)~~ (1) to a condition or injury which results from the negligent or improper operation of an agricultural operation or from operations contrary to commonly accepted agricultural practices or to applicable state or local laws, ordinances, rules, or permits;

~~(b)~~ (2) when an agricultural operation causes injury or direct threat of injury to the health or safety of any person;

~~(c)~~ (3) to the pollution of, or change in the condition of, the waters of the state or the overflow of waters on the lands of any person;

~~(d)~~ (4) to an animal feedlot facility with a swine capacity of 1,000 or more animal units as defined in the rules of the pollution control agency for control of pollution from animal feedlots, or a cattle capacity of 2,500 animals or more; or

~~(e)~~ (5) to any prosecution for the crime of public nuisance as provided in section 609.74 or to an action by a public authority to abate a particular condition which is a public nuisance.

Sec. 6. [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, partnership, and limited liability company 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. The task force shall also examine the issue of responsibility for potential pollution damage.

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 and the impacts of other potential legal structures of farming operations, 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 improvements in Minnesota Statutes that are in 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. 7. [EFFECTIVE DATE.]

Section 6 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to agriculture; providing for cooperative farming agreements on certain lands; changing the law limiting corporate farming; changing liability of certain agricultural operations; creating corporate farming law task force and requiring legislative report; amending Minnesota Statutes 1992, sections 97A.135, subdivision 3; 500.24, subdivisions 2 and 3; and 561.19, subdivisions 1 and 2."

We request adoption of this report and repassage of the bill.

Senate Conferees: CHARLES A. BERG, JIM VICKERMAN, STEVE DILLE, JOE BERTRAM, SR., AND EMBER D. REICHGOTT JUNGE.

House Conferees: TED WINTER, STEPHEN G. WENZEL, DOUG PETERSON, CHUCK BROWN AND GENE HUGOSON.

Winter moved that the report of the Conference Committee on S. F. No. 1948 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 126 yeas and 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Kalis	Munger	Sekhon

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. 2015.

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. 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.

May 4, 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. 2015, 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. 2015 be further amended as follows:

Delete page 2, line 31 to page 13, line 5, and insert:

"ARTICLE 1

METROPOLITAN COUNCIL ORGANIZATION

Section 1. Minnesota Statutes 1993 Supplement, section 15A.081, subdivision 1, is amended to read:

Subdivision 1. [SALARY RANGES.] The governor shall set the salary rate within the ranges listed below for positions specified in this subdivision, upon approval of the legislative commission on employee relations and the legislature as provided by section 43A.18, subdivisions 2 and 5:

Salary Range

Effective

July 1, 1987

$57,500-$78,500

Commissioner of finance;

Commissioner of education;

Commissioner of transportation;

Commissioner of human services;

Commissioner of revenue;

Commissioner of public safety;

Executive director, state board of investment;

$50,000-$67,500

Commissioner of administration;

Commissioner of agriculture;

Commissioner of commerce;

Commissioner of corrections;

Commissioner of jobs and training;

Commissioner of employee relations;

Commissioner of health;

Commissioner of labor and industry;

Commissioner of natural resources;

Commissioner of trade and economic development;

Chief administrative law judge; office of administrative hearings;

Commissioner, pollution control agency;

Director, office of waste management;

Commissioner, housing finance agency;

Executive director, public employees retirement association;

Executive director, teacher's retirement association;

Executive director, state retirement system;

~~Chair, metropolitan council;~~

Chair, regional transit board;

$42,500-$60,000

Commissioner of human rights;

Commissioner, department of public service;

Commissioner of veterans affairs;

Commissioner, bureau of mediation services;

Commissioner, public utilities commission;

Member, transportation regulation board;

Ombudsman for corrections;

Ombudsman for mental health and retardation.

Sec. 2. Minnesota Statutes 1992, section 15A.082, subdivision 3, is amended to read:

Subd. 3. [SUBMISSION OF RECOMMENDATIONS.] (a) By May 1 in each odd-numbered year, the compensation council shall submit to the speaker of the house of representatives and the president of the senate salary recommendations for constitutional officers, legislators, justices of the supreme court, and judges of the court of appeals, district court, county court, and county municipal court. The recommended salary for each office must take effect on July 1 of the next odd-numbered year, with no more than one adjustment, to take effect on July 1 of the year after that. The salary recommendations for legislators, judges, and constitutional officers take effect if an appropriation of money to pay the recommended salaries is enacted after the recommendations are submitted and before their effective date. Recommendations may be expressly modified or rejected. The salary recommendations for legislators are subject to additional terms that may be adopted according to section 3.099, subdivisions 1 and 3.

(b) The council shall also submit to the speaker of the house of representatives and the president of the senate recommendations for the salaries of members of the metropolitan council.

Sec. 3. Minnesota Statutes 1993 Supplement, section 352D.02, subdivision 1, is amended to read:

Subdivision 1. [COVERAGE.] (a) Employees enumerated in paragraph (b), if they are in the unclassified service of the state or metropolitan council and are eligible for coverage under the general state employees retirement plan under chapter 352, are participants in the unclassified program under this chapter unless the employee gives notice to the executive director of the Minnesota state retirement system within one year following the commencement of employment in the unclassified service that the employee desires coverage under the general state employees retirement plan. For the purposes of this chapter, an employee who does not file notice with the executive director is deemed to have exercised the option to participate in the unclassified plan.

(b) Enumerated employees are:

(1) an employee in the office of the governor, lieutenant governor, secretary of state, state auditor, state treasurer, attorney general, or an employee of the state board of investment;

(2) the head of a department, division, or agency created by statute in the unclassified service, an acting department head subsequently appointed to the position, or an employee enumerated in section 15A.081, subdivision 1 or 15A.083, subdivision 4;

(3) a permanent, full-time unclassified employee of the legislature or a commission or agency of the legislature or a temporary legislative employee having shares in the supplemental retirement fund as a result of former employment covered by this chapter, whether or not eligible for coverage under the Minnesota state retirement system;

(4) a person other than an employee of the state board of technical colleges who is employed in a position established under section 43A.08, subdivision 1, clause (3), or subdivision 1a, or in a position authorized under a statute creating or establishing a department or agency of the state, which is at the deputy or assistant head of department or agency or director level;

(5) the chair, chief administrator, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan waste control commission as designated by the commission; the chair, executive director, and not to exceed three positions at the division director or assistant to the chair level of the regional transit board; a chief administrator who is an employee of the metropolitan transit commission; ~~and the chair,~~ executive director, and not to exceed nine positions at the division director or administrative deputy level of the metropolitan council as designated by the council; provided that upon initial designation of all positions provided for in this clause, no further designations or redesignations may be made without approval of the board of directors of the Minnesota state retirement system;

(6) the executive director, associate executive director, and not to exceed nine positions of the higher education coordinating board in the unclassified service, as designated by the higher education coordinating board before January 1, 1992, or subsequently redesignated with the approval of the board of directors of the Minnesota state retirement system, unless the person has elected coverage by the individual retirement account plan under chapter 354B;

(7) the clerk of the appellate courts appointed under article VI, section 2, of the Constitution of the state of Minnesota;

(8) the chief executive officers of correctional facilities operated by the department of corrections and of hospitals and nursing homes operated by the department of human services;

(9) an employee whose principal employment is at the state ceremonial house;

(10) an employee of the Minnesota educational computing corporation;

(11) an employee of the world trade center board;

(12) an employee of the state lottery board who is covered by the managerial plan established under section 43A.18, subdivision 3;

(13) an employee of the state board of technical colleges employed in a position established under section 43A.08, subdivision 1, clause (3), or 1a, unless the person has elected coverage by the individual retirement account plan under chapter 354B; and

(14) an employee of the higher education board in a position established under section 136E.04, subdivision 2, unless the person has elected coverage by the individual retirement account plan under chapter 354B.

Sec. 4. Minnesota Statutes 1992, section 473.123, subdivision 1, is amended to read:

Subdivision 1. [CREATION.] A metropolitan council with jurisdiction in the metropolitan area is ~~created~~ established as a public corporation and political subdivision of the state. It shall be under the supervision and control of 17 members, all of whom shall be residents of the metropolitan area.

Sec. 5. Minnesota Statutes 1992, section 473.123, subdivision 2a, is amended to read:

Subd. 2a. [TERMS.] Following each apportionment of council districts, as provided under subdivision 3a, council members must be appointed from newly drawn districts as provided in subdivision 3a. Each council member, other than the chair, must reside in the council district represented. Each council district must be represented by one member of the council. The terms of members ~~are as follows: members representing even numbered districts for terms ending the first Monday in January of the year ending in the numeral "7"; members representing odd-numbered districts for terms ending the first Monday in January of the year ending in the numeral "5." Thereafter the term of each member is four years, with terms ending the first Monday in January~~ end with the term of the governor, except that all terms expire on the effective date of the next apportionment. A member serves at the pleasure of the governor. A member shall continue to serve the member's district until a successor is appointed and qualified; except that, following each apportionment, the member shall continue to serve at large until the governor appoints 16 council members, one from each of the newly drawn council districts as provided under subdivision 3a, to serve terms as provided under this section. The appointment to the council must be made by the first Monday in March of the year in which the term ends.

Sec. 6. Minnesota Statutes 1992, section 473.123, subdivision 4, is amended to read:

Subd. 4. [CHAIR; APPOINTMENT, OFFICERS, SELECTION; DUTIES AND COMPENSATION.] (a) The chair of the metropolitan council shall be appointed by the governor as the 17th voting member thereof by and with the advice and consent of the senate to serve at the pleasure of the governor to represent the metropolitan area at large. Senate confirmation shall be as provided by section 15.066. ~~The chair shall be a person experienced in the field of municipal and urban affairs with administrative training and executive ability.~~

~~(b)~~ The chair of the metropolitan council shall, if present, preside at ~~the~~ meetings of the ~~metropolitan~~ council ~~and shall act as principal executive officer. The chair shall organize the work of the metropolitan council, appoint all officers and employees thereof, subject to the approval of the metropolitan council, and be responsible for carrying out all policy decisions of the metropolitan council. The chair's salary shall be as provided in section 15A.081. The chair shall be eligible for expenses in the same manner and amount as state employees~~, have the primary responsibility for meeting with local elected officials, serve as the principal legislative liaison, present to the governor and the legislature, after council approval, the council's plans for regional governance and operations, serve as the principal spokesperson of the council, and perform other duties assigned by the council or by law.

(b) The metropolitan council shall elect other officers as it deems necessary for the conduct of its affairs for a one-year term. A secretary and treasurer need not be members of the metropolitan council. Meeting times and places shall be fixed by the metropolitan council and special meetings may be called by a majority of the members of the metropolitan council or by the chair. The chair and each metropolitan council member shall be reimbursed for actual and necessary expenses. The annual budget of the council shall provide as a separate account anticipated expenditures for compensation, travel, and associated expenses for the chair and members, and compensation or reimbursement shall be made to the chair and members only when budgeted.

(c) Each member of the council shall attend and participate in council meetings and meet regularly with local elected officials and legislative members from the council member's district. Each council member shall serve on at least one division committee for transportation, environment, or community development.

(d) In the performance of its duties the metropolitan council may adopt policies and procedures governing its operation, establish committees, and, when specifically authorized by law, make appointments to other governmental agencies and districts.

Sec. 7. Minnesota Statutes 1992, section 473.123, is amended by adding a subdivision to read:

Subd. 7. [PERFORMANCE AND BUDGET ANALYST.] The council, other than the chair, may hire a performance and budget analyst to assist the 16 council members with policy and budget analysis and evaluation of the council's performance. The analyst may recommend and the council may hire up to two additional analysts to assist the council with performance evaluation and budget analysis. The analyst and any additional analysts hired shall serve at the pleasure of the council members. The 16 members of the council may prescribe all terms and conditions for the employment of the analyst and any additional analysts hired, including, but not limited to, the fixing of compensation, benefits, and insurance. The analyst shall prepare the budget for the provisions of this section and submit the budget for council approval and inclusion in the council's overall budget.

Sec. 8. [SALARIES OF MEMBERS.]

Until changed in law after recommendation by the compensation council as provided in Minnesota Statutes, section 15A.082, the chair of the metropolitan council shall receive a salary of $52,500 per year, and the other members shall receive a salary of $20,000 per year.

Sec. 9. [METROPOLITAN COUNCIL EXECUTIVE DIRECTOR.]

The executive director of the metropolitan council, appointed as provided in Minnesota Statutes 1992, section 473.123, subdivision 6, shall serve as the regional administrator at the pleasure of the council.

Sec. 10. [REPEALER.]

Minnesota Statutes 1992, section 473.123, subdivisions 5 and 6, are repealed.

Sec. 11. [APPLICATION.]

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

Sec. 12. [EFFECTIVE DATE.]

This article is effective the first Monday in January 1995.

ARTICLE 2

REGIONAL ADMINISTRATOR; TRANSITIONAL ORGANIZATION

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

Subd. 8. [GENERAL COUNSEL.] The council may appoint a general counsel to serve at the pleasure of the council.

Sec. 2. [473.125] [REGIONAL ADMINISTRATOR.]

The metropolitan council shall appoint a regional administrator to serve at the council's pleasure as the principal administrative officer for the metropolitan council. The regional administrator shall organize the work of the council staff. The regional administrator shall appoint on the basis of merit and fitness, and discipline and discharge all employees in accordance with the council's personnel policy, except (1) the performance and budget analysts provided for in section 473.123, subdivision 7, (2) the general counsel, as provided in section 473.123, subdivision 8, (3) employees of the offices of wastewater services and transit operations, who are appointed, disciplined, and discharged in accordance with council personnel policies by their respective operations managers, and (4) as provided in sections 3 and 4. The regional administrator must ensure that all policy decisions of the council are carried out. The regional administrator shall attend meetings of the council and may take part in discussions but may not vote. The regional administrator shall recommend to the council for adoption measures deemed necessary for efficient administration of the council, keep the council fully apprised of the financial condition of the council, and prepare and submit an annual budget to the council for approval. The regional administrator shall prepare and submit for approval by the council an administrative code organizing and codifying the policies of the council, and perform other duties as prescribed by the council. The regional administrator may be chosen from among the citizens of the nation at large, and shall be selected on the basis of training and experience in public administration.

Sec. 3. [TRANSITIONAL ORGANIZATION.]

Subdivision 1. [PERIOD OF EFFECT.] Except as otherwise expressly provided in this section, this section is effective June 1, 1994, and expires the first Monday in January 1996.

Subd. 2. [DIVISIONS.] The metropolitan council has four divisions:

(1) transportation;

(2) environment;

(3) community development; and

(4) administration.

Subd. 3. [REGIONAL ADMINISTRATOR AND MANAGEMENT TEAM.] (a) The regional administrator must recommend for council approval persons to serve in the positions enumerated in this paragraph:

(1) the director of the transportation division;

(2) the director of the environment division;

(3) the director of the community development division;

(4) the director of the administration division;

(5) the manager of transit operations;

(6) the manager of wastewater services; and

(7) the general counsel.

(b) Except for the general counsel, the persons appointed to the positions enumerated in paragraph (a) may be removed by the regional administrator without the approval of the council.

(c) The regional administrator is the head of the metropolitan council's senior management team made up of the regional administrator and at least the persons serving in the positions enumerated in paragraph (a).

(d) The manager of transit operations and the manager of wastewater services appoints, disciplines, and discharges the employees of the manager's respective office in accordance with the council's personnel policy.

(e) The management team shall advise the regional administrator on the overall operation of the metropolitan council.

(f) This subdivision is effective the first Monday in January 1995.

Subd. 4. [COUNCIL COMMITTEES.] The council must have a transportation division committee, an environment division committee, a community development committee, and other committees it considers appropriate. Each division committee must meet regularly to oversee the operations of its respective division and recommend policy to the full council with respect to its division.

Subd. 5. [INTERAGENCY MONEY TRANSFERS.] Except to reimburse the council for costs incurred by the council in the discharge of its responsibilities relating to the office of wastewater services or the office of transit operations, no money may be transferred from a fund or account of a metropolitan agency abolished by section 4 or its successor fund or account, to a fund or account of another agency abolished by section 4, or its successor fund or account, or to a fund or account of the metropolitan council during the period this section is effective without ten days' written notice of the proposed action to each council member and approval of three-fourths of the full membership of the council.

Sec. 4. [ABOLISHED AGENCIES, SUCCESSORS, PERSONNEL.]

Subdivision 1. [REGIONAL TRANSIT BOARD.] The terms of the regional transit board members and chair expire October 1, 1994. Permanent or regular staff employed as of March 1, 1994, by the regional transit board may not be terminated by discharge, except for cause, or by layoff before the first Monday in January 1995. The regional transit board described in Minnesota Statutes 1992, section 473.373, is abolished. Its duties and responsibilities are transferred to the metropolitan council. Its activities are assumed by the transportation division of the metropolitan council. Policy with respect to those activities must be recommended by the transportation division committee of the metropolitan council to the full council. The metropolitan council is the successor entity to the regional transit board with respect to all of the board's property, interests, and obligations.

Subd. 2. [METROPOLITAN TRANSIT COMMISSION.] The terms of the metropolitan transit commission members expire July 1, 1994. Permanent or regular staff employed as of March 1, 1994, by the metropolitan transit commission may not be terminated by discharge, except for cause, or by layoff before the first Monday in January 1996. The metropolitan transit commission described in Minnesota Statutes 1992, section 473.404, is abolished. Its duties and responsibilities are transferred to the metropolitan council. Its activities are assumed by the transportation division of the metropolitan council. Policy with respect to those activities must be recommended by the transportation division committee of the metropolitan council to the full council. The metropolitan council is the successor entity to the metropolitan transit commission with respect to all of the commission's property, interests, and obligations. All of the operations managed by the commission are transferred to the office of transit operations of the transportation division of the metropolitan council.

Subd. 3. [METROPOLITAN WASTE CONTROL COMMISSION.] The terms of the metropolitan waste control commission members and chair expire July 1, 1994. Permanent or regular staff employed as of March 1, 1994, by the metropolitan waste control commission may not be terminated by discharge, except for cause, or by layoff before the first Monday in January 1996. The metropolitan waste control commission described in Minnesota Statutes 1992, section 473.503, is abolished. Its duties and responsibilities are transferred to the metropolitan council. Its activities are assumed by the environment division of the metropolitan council. Policy with respect to those activities must be recommended by the environment division committee of the metropolitan council to the full council. The metropolitan council is the successor entity to the metropolitan waste control commission with respect to all the commission's property, interests, obligations, and rules. All of the operations managed by the commission are transferred to the office of wastewater services of the environment division of the metropolitan council.

Subd. 4. [METROPOLITAN COUNCIL EMPLOYEES.] Permanent or regular staff employed by the metropolitan council as of March 1, 1994, may not be terminated by discharge, except for cause, or by layoff before the first Monday in January 1996. This act does not abrogate or change any rights enjoyed by the employees of the metropolitan council under the terms of a collective bargaining agreement that is authorized by Minnesota Statutes, section 179A.20, and that is in effect on March 1, 1994.

Subd. 5. [UNION RIGHTS PRESERVED.] This act does not abrogate or change any rights enjoyed by employees of agencies abolished by this section under the terms of a collective bargaining agreement that is authorized by Minnesota Statutes, section 179A.20 and that is in effect on March 1, 1994.

Sec. 5. [APPLICATION.]

This article applies in the counties of Anoka, Carver, Dakota, Ramsey, Scott, and Washington.

Sec. 6. [EFFECTIVE DATES.]

Sections 1 and 2 are effective the first Monday in January 1995. Section 3 is effective as provided in section 3. Section 4, subdivision 1, is effective October 1, 1994. The remainder of section 4 is effective July 1, 1994."

Page 51, line 14, strike "of the metropolitan council"

Page 73, after line 29, insert:

"Sec. 60. Minnesota Statutes 1992, section 473.373, subdivision 1a, is amended to read:

Subd. 1a. [DUTIES OF THE BOARD.] (a) The duties of the board are:

(1) to foster effective delivery of existing transit services and encourage innovation in transit service;

(2) to increase transit service in suburban areas;

(3) to prepare implementation and financial plans for the metropolitan transit system;

(4) to set policies and standards for implementing the transit policies and programs of the state and the transit policies of the metropolitan council in the metropolitan area;

(5) to advise and work cooperatively with local governments, regional rail authorities, and other public agencies, transit providers, developers, and other persons in order to coordinate all transit modes and to increase the availability of transit services;

(6) to conduct transit research and evaluation; and

(7) to administer state and metropolitan transit subsidies.

(b) Except as provided in section 473.386, the board shall arrange with others for the delivery and provision of transit services and facilities. To the greatest extent possible, the board shall avoid direct operational planning, administration, and management of specific transit services and facilities.

(c) The board shall advise the council, the council's transportation advisory board, the department of transportation, political subdivisions, and private developers on the transit aspects and effects of proposed transportation plans and development projects and on methods of improving the coordination, availability, and use of transit services as part of an efficient and effective overall transportation system.

Sec. 61. Minnesota Statutes 1992, section 473.375, subdivision 4, is amended to read:

Subd. 4. [PROPERTY.] The board may acquire by purchase, lease, gift, or grant property and interests in property necessary for the accomplishment of its purposes and may sell or otherwise dispose of property which it no longer requires. The board may not rent or lease any premises from a recipient of financial assistance from the board. Except for the rental or lease of its office space, the board may not acquire or hold any permanent or temporary right, title, or interest in or to real property, including easements or development rights. Except as provided in section 473.386, the board may not acquire or hold any permanent or temporary right, title, or interest in or to transit vehicles."

Page 75, after line 13, insert:

"Sec. 67. Minnesota Statutes 1992, section 473.375, subdivision 18, is amended to read:

Subd. 18. [OPERATIONS.] The board may not own or operate transit services, except as provided in section 473.386."

Pages 80 to 82, delete section 75, and insert:

"Sec. 78. Minnesota Statutes 1992, section 473.386, subdivision 2, is amended to read:

Subd. 2. [SERVICE CONTRACTS; MANAGEMENT; TRANSPORTATION ACCESSIBILITY ADVISORY COMMITTEE.] (a) The board ~~shall~~ may contract for services necessary for the provision of special transportation. ~~All~~ Transportation service ~~must be~~ provided under a contract ~~between the board and the provider which specifies~~ must specify the service to be provided, the standards that must be met, and the rates for operating and providing special transportation services.

(b) The board shall establish management policies for the service ~~but shall~~ and may contract with a service administrator for day-to-day administration and management of the service. ~~The~~ Any contract must delegate to the service administrator clear authority to administer and manage the delivery of the service pursuant to board management policies and must establish performance and compliance standards for the service administrator. The board may provide directly day to day administration and management of the service and may own or lease vehicles used to provide the service.

(c) The metropolitan council shall review and approve the board's proposed action under paragraph (a) or (b).

(d) The board shall ensure that the service administrator establishes a system for registering and expeditiously responding to complaints by users, informing users of how to register complaints, and requiring providers to report on incidents that impair the safety and well-being of users or the quality of the service. The board shall annually report to the commissioner of transportation and the legislature on complaints and provider reports, the response of the service administrator, and steps taken by the board and the service administrator to identify causes and provide remedies to recurring problems.

~~(d)~~ (e) ~~Within 90 days following August 1, 1987, the board shall hold a public hearing on standards for provider eligibility, selection, performance, compliance, and evaluation; the terms of provider contracts and the contract with the service administrator and related contract management policies and procedures of the board; fare policies; service areas, hours, standards, and procedures; and similar matters relating to implementation of the service.~~ Each year before renewing contracts with providers and the service administrator, the board shall provide an opportunity for the transportation accessibility advisory committee, users, and other interested persons to testify before the board concerning providers, contract terms, and other matters relating to board policies and procedures for implementing the service.

~~(e)~~ (f) The board shall establish a transportation accessibility advisory committee. The transportation accessibility advisory committee must include elderly and handicapped persons, other users of special transportation service, representatives of persons contracting to provide special transportation services, and representatives of appropriate agencies for elderly and handicapped persons to advise the board on management policies for the service. At least half the transportation accessibility advisory committee members must be disabled or elderly persons or the representatives of disabled or elderly persons. Two of the appointments to the transportation accessibility advisory committee shall be made by the council on disability in consultation with the chair of the regional transit board."

Page 149, after line 26, insert:

"Sec. 202. Minnesota Statutes 1993 Supplement, section 473.604, subdivision 1, is amended to read:

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

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

(2) eight members, ~~one appointed from each of the agency districts provided for in section 473.141, subdivision 2, for terms as provided in section 473.141, subdivision 4a~~ appointed by the governor from each of the following agency districts:

(i) district A, consisting of council districts 1 and 2;

(ii) district B, consisting of council districts 3 and 4;

(iii) district C, consisting of council districts 5 and 6;

(iv) district D, consisting of council districts 7 and 8;

(v) district E, consisting of council districts 9 and 10;

(vi) district F, consisting of council districts 11 and 12;

(vii) district G, consisting of council districts 13 and 14; and

(viii) district H, consisting of council districts 15 and 16.

Each member shall be a resident of the district represented. ~~The members shall be appointed by the governor.~~ Before making an appointment, the governor shall consult with each member of the legislature from the district for which the member is to be appointed, to solicit the legislator's recommendation on the appointment;

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

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

Page 152, after line 20, insert:

"Sec. 208. [REGIONAL PARKS APPROPRIATION; CONSULTATION.]

The metropolitan council must consult with the city of Eden Prairie and must consider using part of an appropriation, if made, to the council for regional parks, for the acquisition of 226 acres in Eden Prairie that contain oak savannah, native prairie, and maple basswood forest, for use as a regional nature preserve."

Page 152, delete lines 22 to 36

Page 153, delete lines 1 to 4, and insert:

"(a) Minnesota Statutes 1992, sections 115A.03, subdivision 20; 115A.33; 174.22, subdivision 4; 473.121, subdivisions 15 and 21; 473.122; 473.146, subdivisions 2, 2a, 2b, and 2c; 473.153; 473.161; 473.163; 473.181, subdivision 3; 473.325, subdivision 5; 473.384, subdivision 9; 473.388, subdivision 6; 473.404, as amended by Laws 1993, chapter 119, section 1; 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, are repealed.

(b) Minnesota Statutes 1992, sections 473.121, subdivision 14a; 473.141, as amended by Laws 1993, chapter 314, sections 3 and 4; 473.373, as amended by Laws 1993, chapter 314, section 5; 473.375, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 10, 16, 17, and 18; 473.377; 473.38; Minnesota Statutes 1993 Supplement, section 473.3996, are repealed."

Page 153, after line 7, insert:

"Sec. 211. [INSTRUCTION TO REVISOR.]

In the next publication of Minnesota Statutes after October 1, 1994, the revisor of statutes shall delete "board" and insert "council" wherever it appears in Minnesota Statutes, section 473.386, subdivision 2."

Page 153, delete lines 9 and 10, and insert:

"Sections 1, 4, 10, 11, 15, 16, 18 to 25, 32, 43, 48, 49, 52, 62 to 66, and 68 to 73, 75 to 77, 79 to 86, 88, 90, 97, 98, 100, 136, 138, 140, and 207 are effective October 1, 1994. Section 41 is effective January 1, 1995. Sections 60, 61, 67, and 78 are effective the day after final enactment. Section 209, paragraph (a) is effective July 1, 1994, except that the repeal of those provisions relating to the powers and duties of the regional transit board is not effective as applied to the regional transit board until October 1, 1994. Section 209, paragraph (b) is effective October 1, 1994. The remainder of this article is effective July 1, 1994, except that those provisions providing for changes in the powers and duties of the regional transit board are not effective as applied to the regional transit board until October 1, 1994."

Renumber the sections in sequence and correct internal references

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "abolishing certain agencies;"

Page 1, line 16, delete "and 4" and insert "4, and by adding subdivisions"

Page 1, line 21, after the second semicolon, insert "473.373, subdivision 1a;"

Page 1, line 22, after "subdivisions" insert "4," and delete "and 15" and insert "15, and 18"

Page 2, line 11, delete "and" and after "1;" insert "and 473.604, subdivision 1;"

Page 2, line 16, delete "3, 5," and insert "5"

We request adoption of this report and repassage of the bill.

Senate Conferees: CAROL FLYNN, PAT PARISEAU AND TED A. MONDALE.

House Conferees: MYRON ORFIELD, PHIL CARRUTHERS AND CHARLIE WEAVER.

Orfield moved that the report of the Conference Committee on S. F. No. 2015 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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.

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.

Pursuant to rule 2.05, Pawlenty requested that he be excused from voting on the repassage of S. F. No. 2015, as amended by Conference. The request was granted.

There were 105 yeas and 27 nays as follows:

Those who voted in the affirmative were:

Abrams	Dauner	Jacobs	Lasley	Murphy	Reding	Trimble
Anderson, R.	Dawkins	Jaros	Leppik	Neary	Rest	Tunheim
Asch	Dehler	Jefferson	Lieder	Nelson	Rhodes	Van Dellen
Battaglia	Delmont	Jennings	Long	Olson, E.	Rice	Van Engen
Bauerly	Dorn	Johnson, A.	Lourey	Opatz	Rukavina	Vellenga
Beard	Erhardt	Johnson, R.	Luther	Orenstein	Sarna	Vickerman
Bergson	Evans	Kahn	Lynch	Orfield	Seagren	Wagenius
Bertram	Farrell	Kalis	Mahon	Osthoff	Sekhon	Waltman
Bishop	Garcia	Kelley	Mariani	Ostrom	Simoneau	Weaver
Brown, C.	Greenfield	Kelso	McCollum	Ozment	Skoglund	Wejcman
Brown, K.	Greiling	Kinkel	McGuire	Pauly	Smith	Wenzel
Carlson	Gutknecht	Klinzing	Milbert	Pelowski	Solberg	Winter
Carruthers	Hasskamp	Knickerbocker	Morrison	Perlt	Steensma	Wolf
Clark	Hausman	Koppendrayer	Mosel	Peterson	Tomassoni	Worke
Cooper	Huntley	Krueger	Munger	Pugh	Tompkins	Spk. Anderson, I.

Those who voted in the negative were:

Bettermann	Finseth	Gruenes	Johnson, V.	Lindner	Olson, K.	Sviggum
Commers	Frerichs	Haukoos	Knight	Macklin	Olson, M.	Swenson
Davids	Girard	Holsten	Krinkie	Molnau	Onnen	Workman
Dempsey	Goodno	Hugoson	Limmer	Ness	Rodosovich	

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. 2192.

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. 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.

May 4, 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. 2192, 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. 2192 be further amended 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 growth limits 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 after rules have been adopted, but not before July 1, 1996. Statutes and rules for the entire restructured health care financing and delivery system must be enacted or adopted 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.] (a) "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, including enrollees who are residents of other states.

(b) Notwithstanding paragraph (a), an organization licensed as a community network that accepts payments for health care services on a capitated basis, or under another similar risk sharing agreement, from a program of self-insurance as described in section 60A.02, subdivision 3, paragraph (b), shall not be regulated as a community network with respect to the receipt of the payments. The payments are not premium revenues for the purpose of calculating the community network's liability for otherwise applicable state taxes, assessments, or surcharges, with the exception of:

(1) the MinnesotaCare provider tax;

(2) the one percent premium tax imposed in section 60A.15, subdivision 1, paragraph (d); and

(3) effective July 1, 1995, assessments by the Minnesota comprehensive health association.

This paragraph applies only where:

(1) the community network does not bear risk in excess of 110 percent of the self-insurance program's expected costs;

(2) the employer does not carry stop loss, excess loss, or similar coverage with an attachment point lower than 120 percent of the self-insurance program's expected costs;

(3) the community network and the employer comply with the data submission and administrative simplification provisions of chapter 62J;

(4) the community network and the employer comply with the provider tax pass-through provisions of section 295.582;

(5) the community network's required minimum reserves reflect the risk borne by the community network under this paragraph, with an appropriate adjustment for the 110 percent limit on risk borne by the community network;

(6) on or after July 1, 1994, but prior to January 1, 1995, the employer has at least 1,500 current employees, as defined in section 62L.02, or, on or after January 1, 1995, the employer has at least 750 current employees, as defined in section 62L.02;

(7) the employer does not exclude any eligible employees or their dependents, both as defined in section 62L.02, from coverage offered by the employer, under this paragraph or any other health coverage, insured or self-insured, offered by the employer, on the basis of the health status or health history of the person.

This paragraph expires December 31, 1997.

Sec. 4. Minnesota Statutes 1993 Supplement, section 62N.02, subdivision 8, is amended to read:

Subd. 8. [INTEGRATED SERVICE NETWORK.] (a) "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.

(b) Notwithstanding paragraph (a), an organization licensed as an integrated service network that accepts payments for health care services on a capitated basis, or under another similar risk sharing agreement, from a program of self-insurance 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 the payments. The payments are not premium revenues for the purpose of calculating the integrated service network's liability for otherwise applicable state taxes, assessments, or surcharges, with the exception of:

(1) the MinnesotaCare provider tax;

(2) the one percent premium tax imposed in section 60A.15, subdivision 1, paragraph (d); and

(3) effective July 1, 1995, assessments by the Minnesota comprehensive health association.

This paragraph applies only where:

(1) the integrated service network does not bear risk in excess of 110 percent of the self-insurance program's expected costs;

(2) the employer does not carry stop loss, excess loss, or similar coverage with an attachment point lower than 120 percent of the self-insurance program's expected costs;

(3) the integrated service network and the employer comply with the data submission and administrative simplification provisions of chapter 62J;

(4) the integrated service network and the employer comply with the provider tax pass-through provisions of section 295.582;

(5) the integrated service network's required minimum reserves reflect the risk borne by the integrated service network under this paragraph, with an appropriate adjustment for the 110 percent limit on risk borne by the integrated service network;

(6) on or after July 1, 1994, but prior to January 1, 1995, the employer has at least 1,500 current employees, as defined in section 62L.02, or, on or after January 1, 1995, the employer has at least 750 current employees, as defined in section 62L.02;

(7) the employer does not exclude any eligible employees or their dependents, both as defined in section 62L.02, from coverage offered by the employer, under this paragraph or any other health coverage, insured or self-insured, offered by the employer, on the basis of the health status or health history of the person.

This paragraph expires December 31, 1997.

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.] In addition to the requirements of 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. Community networks and chemical dependency facilities under contract with a community network shall use the assessment criteria in Minnesota Rules, parts 9530.6600 to 9530.6660, when assessing enrollees for chemical dependency treatment.

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. In applying sections 62N.27 to 62N.32, the commissioner is exempt from the rulemaking requirements of chapter 14. However, to the extent that there are analogous definitions or procedures in chapter 62D or in rules promulgated thereunder, the commissioner shall follow those existing provisions rather than adopting a contrary approach or interpretation. This rulemaking exemption shall expire on June 1, 1995.

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 (l), 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.] Each health plan company, with the exception of any health plan company with 50,000 or fewer enrollees and health plan companies that are exempt under subdivision 6, 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 preferred network shall be considered an expanded network if all allied independent health providers who meet the requirements of clauses (1), (2), and (3), are accepted into the preferred network. A community integrated service network may offer to its enrollees an expanded network of allied independent health providers as described under this section.

Subd. 2. [MANAGED CARE.] The managed care protocols used by the health plan company may include: (1) a requirement that an enrollee obtain a referral from the health plan company 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 health plan company 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 health plan company shall offer to enrollees the option of receiving covered services through the expanded network of allied independent health providers established under subdivisions 1 and 2. This expanded network option may be offered as a separate health plan. 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. This subdivision does not apply to Medicare, medical assistance, general assistance medical care, and MinnesotaCare. This subdivision is effective January 1, 1995, and applies to health plans issued or renewed, or offers of health plans to be issued or renewed, on or after January 1, 1995, except that this subdivision is effective January 1, 1996, for collective bargaining agreements of the department of employee relations and the University of Minnesota.

Subd. 4. [PROVIDER REIMBURSEMENT.] A health plan company 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. [DEFINITIONS.] (a) For purposes of this section, the following definitions apply.

(b) "Allied independent health provider" means an independently enrolled audiologist, chiropractor, dietitian, home health care provider, licensed 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 health plan company, physical therapist, podiatrist, licensed psychologist, psychological practitioner, licensed social worker, or speech therapist.

(c) "Home health care provider" means a provider of personal care assistance, home health aide, homemaker, respite care, adult day care, or home therapies and 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.

Subd. 6. [EXEMPTION.] A health plan company, 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, is exempt from this section.

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 integrated service 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 network's enrollees. For purposes of this section, a health care providing entity is "capitated" when its compensation arrangement with a 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, 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 or for the purpose of reducing the 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 network to which it is accredited for a period of 120 days.

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 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.

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.31] [STANDARDS FOR ACCREDITED CAPITATED PROVIDER ACCREDITATION.]

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 network for which it seeks accreditation (1) on an ongoing basis; and (2) for a period of 120 days 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 4. The applicant may establish 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, 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. 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. [ANNUAL REPORTING PERIOD.] Each accredited capitated provider shall submit to the commissioner annually, no later than April 15, the following information for each network to which it is accredited: the provider amount at risk for that year, the number of enrollees for the network, both for the prior year and estimated for the current year, any material change in the provider's operational or financial capacity since its last report, and any other information reasonably requested by the commissioner.

Subd. 3. [ADDITIONAL REPORTING.] Each accredited capitated provider shall provide the commissioner with 60 days' advance written notice of termination of the accredited capitated provider relationship with a network.

Subd. 4. [REVOCATION OF ACCREDITATION.] The commissioner may revoke the accreditation of an accredited capitated provider if the accredited capitated provider's ongoing operational or financial capabilities fail to meet the requirements of this section. The revocation shall be handled in the same fashion as placing a health maintenance organization under administrative supervision.

Sec. 12. [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. 13. [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 or health plan companies 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 plan companies 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 plan companies 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 plan company when their contracts expire, on the same basis as any other individual or group. The replacement health plan company 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. 14. [62N.34] [INSOLVENCY FUNDING.]

(a) In the event of an insolvency of a community network, all other community networks and health plan companies shall be assessed a surcharge, if necessary to pay expenses and claims set forth in paragraph (b), based on average annual premiums on health plans as defined in section 62A.011. For purposes of this section, "average annual premiums" means annual premiums averaged over the three most recent calendar years for which information is available preceding the calendar year in which the community network became insolvent. The total of all such surcharges upon a community network or health plan company shall not, in any one calendar year, exceed two percent of the community network's or health plan company's average annual premium in this state on health plans as defined in section 62A.011.

(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 plan companies 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. 15. [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. 16. [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 Minnesota Statutes, 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. 17. [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. 18. [REVISOR INSTRUCTIONS.]

The revisor of statutes shall recode section 6 establishing an expanded provider network from Minnesota Statutes, chapter 62N to Minnesota Statutes, chapter 62Q, and change all references to that section in Minnesota Statutes accordingly.

Sec. 19. [EFFECTIVE DATE.]

Sections 1 to 18 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. 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.] (a) 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 any 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.

(b) Data shall be collected by county and high-risk and special needs populations as well as by health plan but shall not be reported. The commissioner, in consultation with the data institute and counties, shall provide this data to a community health board as defined in section 145A.02 in a manner that would not allow the identification of individuals.

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. [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. 15. [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. 16. [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; homeless persons; chemically dependent persons; persons with serious and persistent mental illness and children with severe emotional disturbance; 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 other than a large managed care 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. For purposes of this paragraph, "large managed care plan company" means a health maintenance organization, integrated service network, or other health plan company that employs or contracts with health care providers, that has more than 50,000 enrollees in this state. If a health plan company employs or contracts with providers for some of its health plans and does not do so for other health plans that it offers, the health plan company is a large managed care plan company if it has more than 50,000 enrollees in this state in health plans for which it does employ or contract with providers.

Sec. 17. [62Q.09] [PROHIBITION ON EXCLUSIVE RELATIONSHIPS.]

Subdivision 1. [PROHIBITION ON EXCLUSIVE CONTRACTS.] No provider or health plan company shall restrict any person's right to provide health services or procedures to another provider or health plan company, unless the person is an employee.

Subd. 2. [PROHIBITION ON RESTRICTIVE CONTRACT TERMS.] No provider or person providing goods or health services to a provider shall enter into any contract or subcontract with any health plan company on terms that require the provider or person not to contract with any other health plan company, unless the provider or person is an employee.

Subd. 3. [ENFORCEMENT.] Either the commissioner of health or commerce shall periodically review contracts among health care providing entities and health plan companies to determine compliance with this section. Any provider may submit a contract to the commissioner for review if the provider believes this section has been violated. Any provision of a contract found to violate this section is null and void, and the commissioner may seek civil penalties in an amount not to exceed $25,000 for each such contract.

Subd. 4. [APPLICATION; VOLUNTARY RENEWAL.] This section applies to contracts entered into on or after the effective date of this section. This section does not prohibit the voluntary renewal of exclusive contracts entered into prior to the effective date of this section.

Subd. 5. [SUNSET.] This section expires January 1, 1997.

Sec. 18. [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.

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, health care provider, or applicant for network provider status 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, health care provider, or applicant for network provider status 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.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.

Sec. 21. [62Q.135] [CONTRACTING FOR CHEMICAL DEPENDENCY SERVICES.]

No health plan company shall contract with a chemical dependency treatment program, unless the program participates in the chemical dependency treatment accountability plan established by the commissioner of human services. The commissioner of human services shall make data on chemical dependency services and outcomes collected through this program available to health plan companies.

Sec. 22. [62Q.14] [RESTRICTIONS ON ENROLLEE SERVICES.]

No health plan company may restrict the choice of an enrollee as to where the enrollee receives services related to:

(1) the voluntary planning of the conception and bearing of children, provided that this clause does not refer to abortion services;

(2) the diagnosis of infertility;

(3) the testing and treatment of a sexually transmitted disease; and

(4) the testing for AIDS or other HIV-related conditions.

Sec. 23. [62Q.16] [MID-MONTH TERMINATION PROHIBITED.]

The termination of a person's coverage under any health plan as defined in section 62A.011, subdivision 3, with the exception of individual health plans, issued or renewed on or after January 1, 1995, must provide coverage until the end of the month in which coverage was terminated.

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. [EFFECTIVE DATE.]

Sections 1, 5, 6, 14 to 17, and 24 are effective the day following final enactment. Sections 7 to 13 and 23 are effective January 1, 1995. Section 2 to 4, and 18 to 21 are effective July 1, 1994. Section 22 is effective January 1, 1995, and applies to policies and contracts issued or renewed on or after that date.

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 physician and independent provider fee schedule, the Minnesota-specific hospital reimbursement 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.

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~~ INTERIM HEALTH PLAN COMPANY 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" 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.

(d) ~~"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~~ "Net expenditures" means total expenditures minus exempted 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~~

(e) "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 risk adjustment association, and any new assessments imposed by federal or state law.

(f) "Consumer cost-sharing or subscriber liability" means enrollee coinsurance, copayment, deductible payments, and amounts in excess of benefit plan maximums.

Subd. 2. [ESTABLISHMENT.] The commissioner of health shall establish limits on the increase in ~~total~~ net 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~~ September 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 the data submitted for calendar years 1994 and 1995. The commissioner may allow changes to accepted adjustment methodologies for data submitted for calendar years 1996 and 1997. Changes to the adjustment methodology must be received by September 1, 1996, and must be approved by the commissioner.

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 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~~, currently reviewed by the departments of health or commerce, 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.

(c) Health plan companies, except those licensed under chapter 60A to sell accident and sickness insurance under chapter 62A, shall annually before the end of the fourth fiscal quarter provide to the commissioner of health or commerce, as applicable, a projection of the level of reserves the company expects to attain during each quarter of the following fiscal year. These health plan companies shall submit with required quarterly financial statements a calculation of the actual reserve level attained by the company at the end of each quarter including identification of the sources of any significant changes in the reserve level and an updated projection of the level of reserves the health plan company expects to attain by the end of the fiscal year. In cases where the health plan company has been given a certificate to operate a new health maintenance organization under chapter 62D, or been licensed as an integrated service network or community integrated service network under chapter 62N, or formed an affiliation with one of these organizations, the health plan company shall also submit with its quarterly financial statement, total enrollment at the beginning and end of the quarter and enrollment changes within each service area of the new organization. The reserve calculations shall be maintained by the commissioners as trade secret information, except to the extent that such information is also required to be filed by another provision of state law and is not treated as trade secret information under such other provisions.

(d) Health plan companies in paragraph (c) whose reserves are less than the required minimum or more than the required maximum at the end of the fiscal year shall submit a plan of corrective action to the commissioner of health or commerce under subdivision 7.

(e) The commissioner of commerce, in consultation with the commissioner of health, shall report to the legislature no later than January 15, 1995, as to whether the concept of a reserve corridor or other mechanism for purposes of monitoring reserves is adaptable for use with indemnity health insurers that do business in multiple states and that must comply with their domiciliary state's reserves requirements.

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~~ limit 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~~ limit. 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~~ with expenditure limits for those health ~~carriers~~ plan companies.

Subd. 7. [ENFORCEMENT.] (a) 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~~ The plan of correction must address the following:

(1) actuarial assumptions used in forecasting future financial results;

(2) trend assumptions used in setting future premiums;

(3) demographic, geographic, and private and public sector mix of the population covered by the health plan company;

(4) proposed rate increases or decreases;

(5) growth limits applied under section 62J.04, subdivision 1, paragraph (b); and

(6) other factors deemed appropriate by the health plan company or commissioner.

If the health plan company's reserves exceed the required maximum, the plan of correction shall address how the health plan company will come into compliance and set forth a timetable within which compliance would be achieved. The plan of correction may propose premium refunds, credits for prior premiums paid, policyholder dividends, or any combination of these or other methods which will benefit enrollees and/or Minnesota residents and are such that the reserve requirements can reasonably be expected to be met. The commissioner's evaluation of the plan of correction must consider:

(1) whether implementation of the plan would provide the company with an unfair advantage in the market;

(2) the extent to which the reserve excess was created by any movement of enrolled persons to another organization formed by the company;

(3) whether any proposed premium refund, credit, and/or dividend represents an equitable allocation to policyholders covered in prior periods as determined using sound actuarial practice; and

(4) any other factors deemed appropriate by the applicable commissioner.

(b) The plan of correction is subject to approval by the commissioner of health or commerce, as applicable. If such a plan is not approved by the applicable commissioner, the applicable commissioner shall enter an order stating the steps that the health plan company must take to come into compliance. Within 30 days of the date of such order, the health plan company must file a notice of appeal with the applicable commissioner or comply with the commissioner's order. If an appeal is filed, such appeal is governed by chapter 14.

(c) Health plan companies that exceed the expenditure limits based on two-year average expenditure data ~~or whose reserves exceed the limits referenced in subdivision 4~~ (1994 and 1995, 1996 and 1997) shall be required by the appropriate commissioner to pay back the amount ~~overspent~~ exceeding the expenditure limit through an assessment on the ~~carrier~~ health plan company. A health plan company may appeal the commissioner's order to pay back the amount exceeding the expenditure limit 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 health care access 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 and amounts in excess of benefit plan maximums.

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~~ 1994. The commissioner shall also accept changes to methodologies already submitted. The adjustment methodology submitted and approved by the commissioner must apply to the data submitted for calendar years 1994 and 1995. The commissioner may allow changes to accepted adjustment methodologies for data submitted for calendar years 1996 and 1997. Changes to the adjustment methodology must be received by September 1, 1996, and must be approved by the commissioner. ~~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. For purposes of this section, definitions related to the implementation of limits for providers other than hospitals are included in Minnesota Rules, chapter 4650, and definitions related to the implementation of limits for hospitals are included in Minnesota Rules, chapter 4651. 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 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~~ exceeding the revenue limits during the following calendar year.

Pharmacists may adjust their revenue figures for increases in drug product costs that are set by the manufacturer. The commissioner shall consult with pharmacy groups, including pharmacies, wholesalers, drug manufacturers, health plans, and other interested parties, to determine the methodology for measuring and implementing the interim growth limits while taking into account the adjustments for drug product costs.

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 based on a weighted average across 12 months and compared to the weighted average for 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 may 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 of fees received exceeding the limit.

The commissioner shall notify each provider that has exceeded its revenue or fee limit, at least 30 days before taking action, and shall provide each provider with ten days to provide an explanation for exceeding the revenue or fee limit. 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, 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 exceeding the revenue or fee limit 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 health care access 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.

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, and regional treatment centers;

(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 revenues, 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, or upon the date rules for the all-payer option reimbursement system are adopted, whichever is later.

(c) The all-payer reimbursement system must be fully implemented by July 1, 1997.

Subd. 4. [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 may be incorporated in the implementation report due January 1, 1995.

Subd. 5. [RULEMAKING.] The commissioner shall adopt rules to establish and administer the all-payer option. The rules must include, but are not limited to: (1) the reimbursement methods used in the all-payer option reimbursement system; (2) a plan and implementation schedule to phase-in the all-payer reimbursement system,

beginning January 1, 1996; and (3) mechanisms to ensure compliance by all-payer insurers, health care providers, and patients with the all-payer reimbursement system and the growth limits established under section 62J.04. The commissioner shall seek to ensure that the rules for the all-payer option are adopted by January 1, 1996. The commissioner shall comply with section 62J.07, subdivision 3, when adopting rules for the all-payer option.

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 growth limits as defined in section 62J.04. 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 change 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 growth limits 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 aggregate 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 the 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 hospital reimbursement 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 Minnesota specific claims level data available to the commissioner. Rates must be consistent with the overall growth limit for health care spending. Payment rates may be adjusted for area wage rates and other factors, including 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 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 another facility licensed under sections 144.50 to 144.58 and operating as an acute care community 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. In setting rate of increase limits for institutional providers, the commissioner shall consider outcomes, comprehensiveness of services, and the special needs and severity of illness of patients treated by individual providers.

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. Preferred provider organizations may continue to provide care to their existing enrollees, without becoming licensed as an integrated service network, 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. Minnesota Statutes 1992, section 72A.20, is amended by adding a subdivision to read:

Subd. 30. [REASONABLE, ADEQUATE, AND NOT PREDATORY PREMIUMS.] Premiums charged by a health plan company, as defined in section 62Q.01, shall be reasonable, adequate, and not predatory in relation to the benefits, considering actuarial projection of the cost of providing or paying for the covered health services, considering the costs of administration, and in relation to the reserves and surplus required by law.

Sec. 21. [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 recommended 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. 22. [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. 23. [EFFECTIVE DATE.]

Sections 1 to 22 are effective the day following final enactment.

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 scheduled or prearranged air and ground ambulance transports must be reimbursed if requested by an attending physician or nurse, and, if the person is an enrollee in an integrated service network or community integrated service network, if approved by a designated representative of an integrated service network or a community service network who is immediately available on a 24-hour basis. The designated representative must be a registered nurse or a physician assistant with at least three years of critical care or trauma experience, or a licensed physician.

(2) Reimbursement must be provided for all emergency ambulance calls in which a patient is transported or medical treatment rendered.

(3) 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.

(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 SERVICES.]

Subdivision 1. [DUTIES.] Every integrated service network must have an office of consumer services which will be responsible for dealing with all enrollee complaints and inquiries. The integrated service network, through its office of consumer services, 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 including the fact-finding and dispute resolution process established under section 62Q.30.

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 commissioner shall periodically summarize the number, type, and resolution of complaints received by the health department from integrated service network enrollees, and shall make that information available through the office of consumer information. The commissioner may at any time inspect the integrated service network's office of consumer services 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 services;

(2) the telephone number of the state's office of consumer information; and

(3) the telephone number of the department of health or local ombudsperson.

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 services, 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 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, regional 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.

Subd. 5. [EXPIRATION.] This section expires July 1, 1996.

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 local government or 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 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 AND RULEMAKING ON ESSENTIAL COMMUNITY PROVIDERS.] (a) As part of the implementation plan due January 1, 1995, the commissioner shall present proposed rules and any necessary recommendations for 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.

(b) By January 1, 1996, the commissioner shall adopt rules for establishing essential community providers and for governing their relationship with health plan companies. The commissioner shall also identify and address any conflict of interest issues regarding essential community provider designation for local governments.

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 established in accordance with 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 of health, in consultation with the Minnesota health care commission and the commissioners of human services and commerce, shall develop the universal standard benefits set and report these recommendations to the legislature by January 1, 1995. The commissioners shall include in this report a definition for appropriate and necessary care, in terms of type, frequency, level, setting, and duration of services which address the enrollee's mental and physical condition. In developing this definition, the commissioners 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 care must be sufficiently broad to address the needs of those with chronic conditions or disabilities, including those who need health services to improve their functioning, and 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 commissioners 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 and available funding;

(9) 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;

(10) cost efficient and effective alternatives to inpatient health care services for acute or extended health care needs, such as home health care services; and

(11) the desirability of including coverage for all court-ordered mental health services for juveniles.

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, purchasers, consumers, health plan companies, and counties. 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.

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. 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 commissioner by October 1, 1994.

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.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.

Sec. 9. [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. 10. [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 severe financial hardship and to protect individuals with substantial health care needs;

(5) cost-sharing must not be applied to preventive health services as defined in Minnesota Rules, part 4685.0801, subpart 8;

(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 to the enrollee all or part of an enrollee's premium as an incentive for completing preventive care, and may return all or part of an enrollee's cost-sharing for participating in health education, improving health, or reducing health risks.

Sec. 11. [62Q.29] [STATE-ADMINISTERED PUBLIC PROGRAMS.]

Public agencies, in conjunction with the department of health and the department of human services, 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. 12. [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 shall issue an order only after consulting with appropriate experts knowledgeable, trained, and practicing in the area in dispute, reviewing pertinent literature, and considering the availability of satisfactory alternatives. The commissioner shall take steps including but not limited to fining, suspending, or revoking 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. 13. [COMPLAINT PROCEDURE.]

The commissioners of health and commerce shall develop an internal grievance procedure and appeals process to be used by all health plan companies. The commissioner shall make a report of recommendations to the legislature by January 1, 1995. In developing the report and recommendations, the commissioner shall consider the current prepaid medical assistance and health maintenance organization internal grievance procedure as models.

Sec. 14. [EFFECTIVE DATE.]

(a) Sections 2 and 7 are effective the day following final enactment.

(b) Sections 1, 3, 4, 6, 10, 12, and 13 are effective July 1, 1994.

(c) Section 5 is effective January 1, 1995.

(d) Sections 8, 9, and 11 are effective July 1, 1997.

ARTICLE 5

IMPLEMENTATION AND TRANSITION PLANS

Section 1. [62Q.41] [ANNUAL IMPLEMENTATION REPORT.]

The commissioner of health, in consultation with the Minnesota health care commission, shall develop an annual implementation report 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. [INTEGRATED STATE ADMINISTERED PUBLIC PROGRAM.]

The commissioner of human services in consultation with representatives of counties and consumer groups shall develop an implementation plan for the integration of MinnesotaCare and general assistance medical care into a single cost effective program by July 1, 1996, adding medical assistance into this integrated program under a federal demonstration project waiver by July 1, 1997. The commissioner shall submit the plan including necessary implementation legislation to the legislature by February 1, 1995. The legislation must include:

(1) a definition of services covered by the integrated program, excluding supplemental and long-term care benefits, and supporting actuarial data;

(2) a single set of criteria to determine eligibility for the integrated program;

(3) a request to seek a federal demonstration project waiver to include medical assistance in the integrated program; and

(4) a plan to define the scope and delivery of supplemental long-term care benefits to special populations.

The commissioner will present an update and an initial budget analysis to the legislative commission on health care access no later than December 1, 1994.

Sec. 4. [STATE ADMINISTERED PUBLIC PROGRAM PHASE-IN.]

(a) The commissioner of human services shall present to the legislature and the governor, as part of the implementation report 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 commissioners of human services and employee relations shall include with the plan required under paragraph (a) recommendations, including proposed legislation, for a coordinated program for purchasing health care services for the state employees group insurance program and recipients of state administered health programs, to be phased in beginning July 1, 1997.

(c) The recommendations shall include a requirement that health plan companies interested in contracting to serve enrollees or recipients of the programs 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 commissioners of human services and employee relations 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 the publicly paid health care programs, providers with substantial experience in providing services to recipients of these programs, county human services, exclusive representatives of state employees, and other affected persons.

(e) The commissioners of human services and employee relations may begin integrating administrative functions relating to the purchase of health care prior to July 1, 1997, that do not affect eligibility or coverage policy for medical assistance, general assistance medical care, or MinnesotaCare enrollees. All integration shall be included in the report required under paragraph (a).

Sec. 5. [RECODIFICATION AND HEALTH PLAN COMPANY REGULATORY REFORM.]

Subdivision 1. [PROPOSED LEGISLATION.] The commissioners of health and commerce, in consultation with 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 commissioners of health and commerce 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, counties, employers, labor unions, providers, and other affected persons.

Sec. 6. [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. 7. [24-HOUR COVERAGE.]

As part of the implementation report submitted on January 1, 1996, as required under Minnesota Statutes, section 62Q.41, the commissioners of health and labor and industry shall develop a 24-hour coverage plan incorporating and coordinating the health component of workers' compensation with health care coverage to be offered by an integrated service network. The commissioners shall also make recommendations of any legislative changes that may be needed to implement this plan.

Sec. 8. [AMBULANCE RATE STUDY.]

(a) The commissioner of health in consultation with the Minnesota ambulance association and the regional emergency medical services systems shall study the feasibility and desirability of establishing a system of ambulance rate regulation. The commissioner shall report findings, conclusions, and recommendations to the legislature by February 1, 1995, as part of the report on the financial condition of licensed ambulance services in Minnesota required in Laws 1993, First Special Session chapter 1, article 1, section 3, subdivision 4.

(b) If the commissioner, under paragraph (a), recommends establishing a system of ambulance rate regulation, the commissioner, in consultation with the Minnesota ambulance association and the regional emergency medical services systems, shall develop a system of ambulance rate regulations for the integrated service network and all-payer option systems. The commissioner shall present recommendations and an implementation plan for this rate regulation system to the legislature by January 1, 1996.

Sec. 9. [SINGLE PAYER STUDY.]

The legislative audit commission is requested to direct the legislative auditor to conduct an evaluation of 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 legislative auditor 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. 10. [CONTINUED STUDY OF MEDICAL EDUCATION AND RESEARCH COSTS.]

Subdivision 1. [PURPOSE.] The legislature finds that health care research and the preparation of future health care practitioners are of great importance to the quality of health care available to the citizens of this state; that medical education and research must be designed to meet the health needs of the population and the changing needs of the health care delivery system; and that the cost of medical education and research should not place institutions engaged in these activities at a competitive disadvantage in the marketplace.

Subd. 2. [SCOPE OF STUDY.] The commissioner of health shall continue the study developed as part of Minnesota Statutes, section 62J.045, on the impact of state health care reform on the financing of medical education and research activities in the state. The study shall address issues related to the institutions engaged in these activities, including hospitals, medical centers, and health plan companies, and will report on the need for alternative funding mechanisms for medical education and research activities. The commissioner shall monitor ongoing public and private sector activities related to the study of the financing of medical education and research activities and include a description of these activities in the final report as applicable. The commissioner shall submit a report on the study findings, including recommendations on mechanisms to finance medical education and research activities, to the legislature by February 15, 1995.

Subd. 3. [RECOMMENDATIONS.] The study shall explore both private and public alternatives for funding medical education and research activities. The study shall include recommendations which, when implemented, would:

(1) help to assure the coordination between federal and state funding mechanisms;

(2) help assure adequate funding to support medical education and research activities;

(3) create alternative funding mechanisms, if necessary, to assure that medical education and research are responsive to the health needs of the population and the needs of Minnesota's health delivery system;

(4) help to assure that any changes in funding for medical education and health care research do not destabilize institutions that currently conduct, sponsor, or otherwise engage in health care research and medical education; and

(5) allocate the costs of medical education and research fairly across the health care system.

Subd. 4. [TASK FORCE.] The commissioner may appoint an advisory task force to provide expertise and advice on the study. The task force may include up to 20 members. The commissioner shall take under consideration representation of the following groups: the Minnesota association of public teaching hospitals and other nonteaching hospitals; private academic medical centers; the University of Minnesota medical school and its primary care residency programs; payer organizations including managed care, nonprofit health service plan organizations, and commercial carriers; other providers including the Minnesota medical association, the Minnesota nurses association, and others; a representative of the health technology advisory committee; employers; consumers; and medical researchers. The task force shall include representation of rural areas in the state.

Sec. 11. [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. 12. [EFFECTIVE DATE.]

Sections 1 to 11 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, solely 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.

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.

(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.

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, 1995, 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 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. No public funds may be used to purchase private coverage available under this paragraph. 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. Portability coverage under this paragraph is subject to the provisions of section 62A.65, subdivision 5, clause (b).

(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 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. Subdivision 6 is not effective until an effective date is specified in 1995 legislation.

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) integrating workers' compensation and the medical component of automobile no-fault coverage with coverage purchased through a purchasing pool;

(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 funding, revenues may be raised by reducing other general fund spending or through a variety of funding options, including broad-based taxes such as income or payroll, as long as they can be adjusted to provide 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.

(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. The health care commission shall provide a written report, including recommendations on implementation, 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.]

County board or community health service agencies may establish an office of ombudsperson to provide a system of consumer advocacy for persons receiving health care services through a health plan company. The ombudsperson's functions may include, but are not limited to:

(a) mediation or advocacy on behalf of a person accessing the complaint and appeal procedures to ensure that necessary medical services are provided by the health plan company; 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. 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) Notwithstanding paragraph (a), capitation payments to a capitated entity by an employer that maintains a program of self-insurance described in this paragraph, do not constitute insurance with respect to the receipt of the payments. The payments are not premium revenues for the purpose of calculating liability for otherwise applicable state taxes, assessments, or surcharges, with the exception of:

(1) the MinnesotaCare provider tax;

(2) the one percent premium tax imposed in section 60A.15, subdivision 1, paragraph (d); and

(3) effective July 1, 1995, assessments by the Minnesota comprehensive health association.

This paragraph applies only where:

(1) the capitated entity does not bear risk in excess of 110 percent of the self-insurance program's expected costs;

(2) the employer does not carry stop loss, excess loss, or similar coverage with an attachment point lower than 120 percent of the self-insurance program's expected costs;

(3) the capitated entity and the employer comply with the data submission and administrative simplification provisions of chapter 62J;

(4) the capitated entity and the employer comply with the provider tax pass-through provisions of section 295.582;

(5) the capitated entity's required minimum reserves reflect the risk borne by the capitated entity under this paragraph, with an appropriate adjustment for the 110 percent limit on risk borne by the capitated entity;

(6) on or after July 1, 1994, but prior to January 1, 1995, the employer has at least 1,500 current employees, as defined in section 62L.02, or, on or after January 1, 1995, the employer has at least 750 current employees, as defined in section 62L.02;

(7) the employer does not exclude any eligible employees or their dependents, both as defined in section 62L.02, from coverage offered by the employer, under this paragraph or any other health coverage, insured or self-insured, offered by the employer, on the basis of the health status or health history of the person. For purposes of this subdivision, a capitated entity must be licensed as a health maintenance organization, integrated service network, or community integrated service network, or must be a preferred provider organization. For purposes of this section, a preferred provider organization is a health plan company that contracts with providers to provide health care to its enrollees. 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.

This paragraph expires December 31, 1997.

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 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. 4. 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. 5. Minnesota Statutes 1992, section 62D.02, subdivision 4, is amended to read:

Subd. 4. (a) "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.

(b) Notwithstanding paragraph (a), an organization licensed as a health maintenance organization that accepts payments for health care services on a capitated basis, or under another similar risk sharing agreement, from a program of self-insurance 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 the payments. The payments are not premium revenues for the purpose of calculating the health maintenance organization's liability for otherwise applicable state taxes, assessments, or surcharges, with the exception of:

(1) the MinnesotaCare provider tax;

(2) the one percent premium tax imposed in section 60A.15, subdivision 1, paragraph (d); and

(3) effective July 1, 1995, assessments by the Minnesota comprehensive health association.

This paragraph applies only where:

(1) the health maintenance organization does not bear risk in excess of 110 percent of the self-insurance program's expected costs;

(2) the employer does not carry stop loss, excess loss, or similar coverage with an attachment point lower than 120 percent of the self-insurance program's expected costs;

(3) the health maintenance organization and the employer comply with the data submission and administrative simplification provisions of chapter 62J;

(4) the health maintenance organization and the employer comply with the provider tax pass-through provisions of section 295.582;

(5) the health maintenance organization's required minimum reserves reflect the risk borne by the health maintenance organization under this paragraph, with an appropriate adjustment for the 110 percent limit on risk borne by the community network;

(6) on or after July 1, 1994, but prior to January 1, 1995, the employer has at least 1,500 current employees, as defined in section 62L.02, or, on or after January 1, 1995, the employer has at least 750 current employees, as defined in section 62L.02;

(7) the employer does not exclude any eligible employees or their dependents, both as defined in section 62L.02, from coverage offered by the employer, under this paragraph or any other health coverage, insured or self-insured, offered by the employer, on the basis of the health status or health history of the person.

This paragraph expires December 31, 1997.

Sec. 6. 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. 7. 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. 8. 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. 9. 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. 10. 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. 11. 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; fraternals; 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. 12. 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. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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~~ option. 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 growth limits, 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~~ option 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~~ amounts exceeding the limit 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~~ amounts over the limit 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.

(f) The commissioner shall report to the legislative commission on health care access by December 1, 1994, on trends in aggregate spending and premium revenue for health plan companies. The commissioner shall use data submitted under section 62P.04 and other available data to complete this report.

Sec. 18. Minnesota Statutes 1992, section 62J.04, is amended by adding a subdivision to read:

Subd. 9. [GROWTH LIMITS; FEDERAL PROGRAMS.] The commissioners of health and human services shall establish a rate methodology for Medicare and Medicaid risk-based contracting with health plan companies that is consistent with statewide growth limits. The methodology shall be presented for review by the Minnesota health care commission and the legislative commission on health care access prior to the submission of a waiver request to the health care financing administration and subsequent implementation of the methodology.

Sec. 19. 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~~ 27 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 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 rural physician appointed by the governor, and two members appointed by the governor to represent providers other than hospitals, physicians, and nurses.

(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~~ seven consumer members, including three members appointed by the governor, one of whom must represent persons over age 65; one member appointed by the consortium of citizens with disabilities to represent consumers with physical disabilities or chronic illness; one member appointed by the mental health association of Minnesota, in consultation with the Minnesota chapter of the society of Americans for recovery, to represent consumers with mental illness or chemical dependency; 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. 20. [62J.051] [DISTRIBUTION OF HEALTH CARE TECHNOLOGY, FACILITIES, AND FUNCTIONS; PUBLIC FORUMS.]

The commission may promote and facilitate an open, voluntary, nonregulatory, and public process for regional and statewide discussion regarding the appropriate distribution of health care technologies, facilities, and functions. The process must include the participation of consumers, employers and other group purchasers, providers, health plan companies, and the health care technology industry. The commission shall ensure opportunities for broadbased public input from other interested persons and organizations as well. The purpose of the process is to create an open public forum with the goal of facilitating collaboration for the distribution of a particular technology, facility, or function to achieve health reform goals. Participation in the forums is voluntary and agreements or distribution plans that may be recommended through this process are not mandatory or binding on any person or organization. The recommendations may be considered by the commissioner of health for purposes of the antitrust exception process under sections 62J.2911 to 62J.2921, and the process for reviewing major spending commitments under section 62J.17, but are not binding on the commissioner. The commission may develop criteria for selecting specific technologies, facilities, and functions for discussion and may establish procedures and ground rules for discussion and the development of recommended agreements or distribution plans. The commission may appoint advisory committees to facilitate discussion and planning and may request that regional coordinating boards serve as or convene regional public forums.

Sec. 21. Minnesota Statutes 1993 Supplement, section 62J.09, subdivision 1a, is amended to read:

Subd. 1a. [DUTIES RELATED TO COST CONTAINMENT.] (a) [ALLOCATION OF REGIONAL SPENDING LIMITS.] Regional coordinating boards may advise the commissioner regarding allocation of annual regional limits on the rate of growth for providers in the regulated all-payer system in order to:

(1) achieve communitywide and regional public health goals consistent with those established by the commissioner; and

(2) promote access to and equitable reimbursement of preventive and primary care providers.

(b) [TECHNICAL ASSISTANCE.] Regional coordinating boards, in cooperation with the commissioner, shall provide technical assistance to parties interested in establishing or operating ~~an~~ a community integrated service network or integrated service network within the region. This assistance must complement assistance provided by the commissioner under section 62N.23.

Sec. 22. 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. 23. Minnesota Statutes 1993 Supplement, section 62J.23, subdivision 4, is amended to read:

Subd. 4. [~~INTEGRATED SERVICE~~ CHAPTER 62N NETWORKS.] (a) The legislature finds that the formation and operation of integrated service networks and community integrated service networks will accomplish the purpose of the federal Medicare antikickback statute, which is to reduce the overutilization and overcharging that may result from inappropriate provider incentives. Accordingly, it is the public policy of the state of Minnesota to support the development of integrated service networks and community integrated service networks. The legislature finds that the federal Medicare antikickback laws should not be interpreted to interfere with the development of integrated service networks or community integrated service networks or to impose liability for arrangements between an integrated service network or a community integrated service network and its participating entities.

(b) An arrangement between an integrated service network or a community integrated service network and any or all of its participating entities is not subject to liability under subdivisions 1 and 2.

Sec. 24. 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. 25. 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~~ 17-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. 26. 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. 27. 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. 28. 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. 29. 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. 30. 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 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 cooperate with the data collection efforts of the data institute.

Sec. 31. [62J.47] [MORATORIUM ON MERGERS OR ACQUISITIONS BY 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 health carriers are prohibited from merging with, or acquiring, directly or indirectly, any other health carrier:

(1) 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

(2) 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 health carrier in violation of subdivision 2.

Subd. 4. [EXCEPTIONS.] This section does not apply to:

(1) 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;

(2) any merger or direct or indirect acquisition that develops pursuant to a letter of intent, memorandum of understanding, or other agreement signed before March 17, 1994;

(3) any merger or direct or indirect acquisition that develops pursuant to an affiliation for which a letter of intent, memorandum of understanding, or other agreement was signed before March 17, 1994; or

(4) any merger or direct or indirect acquisition of health carriers that are related organizations, as defined in section 317A.011, subdivision 18, as of March 17, 1994.

Sec. 32. [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. 33. 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. 34. 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. 35. 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. 36. 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. 37. 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. 38. 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. 39. 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 or place of employment address to the commissioner of health under section 144.052 may request in writing that their practice or 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 or place of employment address in all documents available to the general public. The practice or 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 or place of employment address may be used to develop summary reports that show in aggregate the distribution of health care providers in Minnesota.

Sec. 40. 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. 41. [144.1492] [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 proposals 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 a 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. 42. Minnesota Statutes 1993 Supplement, section 144.335, subdivision 3a, is amended to read:

Subd. 3a. [PATIENT CONSENT TO RELEASE OF RECORDS; LIABILITY.] (a) A provider, or a person who receives health records from a provider, may not release a patient's health records to a person without a signed and dated consent from the patient or the patient's legally authorized representative authorizing the release, unless the release is specifically authorized by law. Except as provided in paragraph (c), a consent is valid for one year or for a lesser period specified in the consent or for a different period provided by law.

(b) This subdivision does not prohibit the release of health records for a medical emergency when the provider is unable to obtain the patient's consent due to the patient's condition or the nature of the medical emergency.

(c) Notwithstanding paragraph (a), if a patient explicitly gives informed consent to the release of health records for the purposes and pursuant to the restrictions in clauses (1) and (2), the consent does not expire after one year for:

(1) the release of health records to a provider who is being advised or consulted with in connection with the current treatment of the patient;

(2) the release of health records to an accident and health insurer, health service plan corporation, health maintenance organization, or third-party administrator for purposes of payment of claims, fraud investigation, or quality of care review and studies, provided that:

(i) the use or release of the records complies with sections 72A.49 to 72A.505;

(ii) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited; and

(iii) the recipient establishes adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient.

(d) Until June 1, ~~1994~~ 1996, paragraph (a) does not prohibit the release of health records to qualified personnel solely for purposes of medical or scientific research, if the patient has not objected to a release for research purposes and the provider who releases the records makes a reasonable effort to determine that:

(i) the use or disclosure does not violate any limitations under which the record was collected;

(ii) the use or disclosure in individually identifiable form is necessary to accomplish the research or statistical purpose for which the use or disclosure is to be made;

(iii) the recipient has established and maintains adequate safeguards to protect the records from unauthorized disclosure, including a procedure for removal or destruction of information that identifies the patient; and

(iv) further use or release of the records in individually identifiable form to a person other than the patient without the patient's consent is prohibited.

(e) A person who negligently or intentionally releases a health record in violation of this subdivision, or who forges a signature on a consent form, or who obtains under false pretenses the consent form or health records of another person, or who, without the person's consent, alters a consent form, is liable to the patient for compensatory damages caused by an unauthorized release, plus costs and reasonable attorney's fees.

(f) Upon the written request of a spouse, parent, child, or sibling of a patient being evaluated for or diagnosed with mental illness, a provider shall inquire of a patient whether the patient wishes to authorize a specific individual to receive information regarding the patient's current and proposed course of treatment. If the patient so authorizes, the provider shall communicate to the designated individual the patient's current and proposed course of treatment. Paragraph (a) applies to consents given under this paragraph.

Sec. 43. Minnesota Statutes 1992, section 144.335, is amended by adding a subdivision to read:

Subd. 5a. [NOTICE OF RIGHTS; INFORMATION ON RELEASE.] A provider shall provide to patients, in a clear and conspicuous manner, a written notice concerning practices and rights with respect to access to health records. The notice must include an explanation of:

(1) disclosures of health records that may be made without the written consent of the patient, including the type of records and to whom the records may be disclosed; and

(2) the right of the patient to have access to and obtain copies of the patient's health records and other information about the patient that is maintained by the provider.

The notice requirements of this paragraph are satisfied if the notice is included with the notice and copy of the patient and resident bill of rights under section 144.652 or if it is displayed prominently in the provider's place of business. The commissioner of health shall develop the notice required in this subdivision and publish it in the State Register.

Sec. 44. 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. 45. Minnesota Statutes 1993 Supplement, section 144.802, subdivision 3b, is amended to read:

Subd. 3b. [SUMMARY APPROVAL OF PRIMARY SERVICE AREAS.] Except for submission of a written application to the commissioner on a form provided by the commissioner, an application to provide changes in a primary service area shall be exempt from subdivisions 3, paragraphs (d) to (g); and 4, if:

(1) the application is for a change of primary service area to improve coverage, to improve coordination with 911 emergency dispatching, or to improve efficiency of operations;

(2) the application requests redefinition of contiguous or overlapping primary service areas;

(3) the application shows approval from ~~all~~ the ambulance licensees whose primary service ~~area is either contiguous, overlapping, or both, with those of the current and proposed primary service area of the applicant~~ areas are directly affected by a change in the applicant's primary service area;

(4) the application shows that the applicant requested review and comment on the application, and has included those comments received from: all county boards in the areas of coverage included in the application; all community health boards in the areas of coverage included in the application; all directors of 911 public safety answering point areas in the areas of coverage included in the application; and all regional emergency medical systems areas designated under section 144.8093 in the areas of coverage included in the application; and

(5) the application shows consideration of the factors listed in subdivision 3, paragraph (g).

Sec. 46. Minnesota Statutes 1993 Supplement, section 144A.071, subdivision 4a, as amended by 1994 H. F. No. 3210, article 3, section 4, if enacted, is amended to read:

Subd. 4a. [EXCEPTIONS FOR REPLACEMENT BEDS.] It is in the best interest of the state to ensure that nursing homes and boarding care homes continue to meet the physical plant licensing and certification requirements by permitting certain construction projects. Facilities should be maintained in condition to satisfy the physical and emotional needs of residents while allowing the state to maintain control over nursing home expenditure growth.

The commissioner of health in coordination with the commissioner of human services, may approve the renovation, replacement, upgrading, or relocation of a nursing home or boarding care home, under the following conditions:

(a) to license or certify beds in a new facility constructed to replace a facility or to make repairs in an existing facility that was destroyed or damaged after June 30, 1987, by fire, lightning, or other hazard provided:

(i) destruction was not caused by the intentional act of or at the direction of a controlling person of the facility;

(ii) at the time the facility was destroyed or damaged the controlling persons of the facility maintained insurance coverage for the type of hazard that occurred in an amount that a reasonable person would conclude was adequate;

(iii) the net proceeds from an insurance settlement for the damages caused by the hazard are applied to the cost of the new facility or repairs;

(iv) the new facility is constructed on the same site as the destroyed facility or on another site subject to the restrictions in section 144A.073, subdivision 5;

(v) the number of licensed and certified beds in the new facility does not exceed the number of licensed and certified beds in the destroyed facility; and

(vi) the commissioner determines that the replacement beds are needed to prevent an inadequate supply of beds.

Project construction costs incurred for repairs authorized under this clause shall not be considered in the dollar threshold amount defined in subdivision 2;

(b) to license or certify beds that are moved from one location to another within a nursing home facility, provided the total costs of remodeling performed in conjunction with the relocation of beds does not exceed 25 percent of the appraised value of the facility or $500,000, whichever is less;

(c) to license or certify beds in a project recommended for approval under section 144A.073;

(d) to license or certify beds that are moved from an existing state nursing home to a different state facility, provided there is no net increase in the number of state nursing home beds;

(e) to certify and license as nursing home beds boarding care beds in a certified boarding care facility if the beds meet the standards for nursing home licensure, or in a facility that was granted an exception to the moratorium under section 144A.073, and if the cost of any remodeling of the facility does not exceed 25 percent of the appraised value of the facility or $500,000, whichever is less. If boarding care beds are licensed as nursing home beds, the number of boarding care beds in the facility must not increase beyond the number remaining at the time of the upgrade in licensure. The provisions contained in section 144A.073 regarding the upgrading of the facilities do not apply to facilities that satisfy these requirements;

(f) to license and certify up to 40 beds transferred from an existing facility owned and operated by the Amherst H. Wilder Foundation in the city of St. Paul to a new unit at the same location as the existing facility that will serve persons with Alzheimer's disease and other related disorders. The transfer of beds may occur gradually or in stages, provided the total number of beds transferred does not exceed 40. At the time of licensure and certification of a bed or beds in the new unit, the commissioner of health shall delicense and decertify the same number of beds in the existing facility. As a condition of receiving a license or certification under this clause, the facility must make a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate as a result of the transfers allowed under this paragraph;

(g) to license and certify nursing home beds to replace currently licensed and certified boarding care beds which may be located either in a remodeled or renovated boarding care or nursing home facility or in a remodeled, renovated, newly constructed, or replacement nursing home facility within the identifiable complex of health care facilities in which the currently licensed boarding care beds are presently located, provided that the number of boarding care beds in the facility or complex are decreased by the number to be licensed as nursing home beds and further provided that, if the total costs of new construction, replacement, remodeling, or renovation exceed ten percent of the appraised value of the facility or $200,000, whichever is less, the facility makes a written commitment to the commissioner of human services that it will not seek to receive an increase in its property-related payment rate by reason of the new construction, replacement, remodeling, or renovation. The provisions contained in section 144A.073 regarding the upgrading of facilities do not apply to facilities that satisfy these requirements;

(h) to license as a nursing home and certify as a nursing facility a facility that is licensed as a boarding care facility but not certified under the medical assistance program, but only if the commissioner of human services certifies to the commissioner of health that licensing the facility as a nursing home and certifying the facility as a nursing facility will result in a net annual savings to the state general fund of $200,000 or more;

(i) to certify, after September 30, 1992, and prior to July 1, 1993, existing nursing home beds in a facility that was licensed and in operation prior to January 1, 1992;

(j) to license and certify new nursing home beds to replace beds in a facility condemned as part of an economic redevelopment plan in a city of the first class, provided the new facility is located within one mile of the site of the old facility. Operating and property costs for the new facility must be determined and allowed under existing reimbursement rules;

(k) to license and certify up to 20 new nursing home beds in a community-operated hospital and attached convalescent and nursing care facility with 40 beds on April 21, 1991, that suspended operation of the hospital in April 1986. The commissioner of human services shall provide the facility with the same per diem property-related payment rate for each additional licensed and certified bed as it will receive for its existing 40 beds;

(l) to license or certify beds in renovation, replacement, or upgrading projects as defined in section 144A.073, subdivision 1, so long as the cumulative total costs of the facility's remodeling projects do not exceed 25 percent of the appraised value of the facility or $500,000, whichever is less;

(m) to license and certify beds that are moved from one location to another for the purposes of converting up to five four-bed wards to single or double occupancy rooms in a nursing home that, as of January 1, 1993, was county-owned and had a licensed capacity of 115 beds;

(n) to allow a facility that on April 16, 1993, was a 106-bed licensed and certified nursing facility located in Minneapolis to layaway all of its licensed and certified nursing home beds. These beds may be relicensed and recertified in a newly-constructed teaching nursing home facility affiliated with a teaching hospital upon approval by the legislature. The proposal must be developed in consultation with the interagency committee on long-term care planning. The beds on layaway status shall have the same status as voluntarily delicensed and decertified beds, except that beds on layaway status remain subject to the surcharge in section 256.9657. This layaway provision expires July 1, 1995;

(o) to allow a project which will be completed in conjunction with an approved moratorium exception project for a nursing home in southern Cass county and which is directly related to that portion of the facility that must be repaired, renovated, or replaced, to correct an emergency plumbing problem for which a state correction order has been issued and which must be corrected by August 31, 1993; ~~or~~

(p) to allow a facility that on April 16, 1993, was a 368-bed licensed and certified nursing facility located in Minneapolis to layaway, upon 30 days prior written notice to the commissioner, up to 30 of the facility's licensed and certified beds by converting three-bed wards to single or double occupancy. Beds on layaway status shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657, remain subject to the license application and renewal fees under section 144A.07 and shall be subject to a $100 per bed reactivation fee. In addition, at any time within three years of the effective date of the layaway, the beds on layaway status may be:

(1) relicensed and recertified upon relocation and reactivation of some or all of the beds to an existing licensed and certified facility or facilities located in Pine River, Brainerd, or International Falls; provided that the total project construction costs related to the relocation of beds from layaway status for any facility receiving relocated beds may not exceed the dollar threshold provided in subdivision 2 unless the construction project has been approved through the moratorium exception process under section 144A.073~~.~~;

(2) relicensed and recertified, upon reactivation of some or all of the beds within the facility which placed the beds in layaway status, if the commissioner has determined a need for the reactivation of the beds on layaway status.

The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (d). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified;

(q) to license and certify up to 24 nursing home beds in a facility located in St. Louis county which, as of January 1, 1993, has a licensed capacity of 26 hospital beds and 24 nursing home beds under the following conditions:

(1) no more than 12 nursing home beds can be licensed and certified during fiscal year 1995; and

(2) the additional 12 nursing home beds can be licensed and certified during fiscal year 1996 only if the 1994 occupancy rate for nursing homes within a 25-mile radius of the facility exceeds 96 percent.

This facility shall not be required to comply with the new construction standards contained in the nursing home licensure rules for resident bedrooms;

(r) to license and certify up to 117 beds that are relocated from a licensed and certified 138-bed nursing facility located in St. Paul to a hospital with 130 licensed hospital beds located in South St. Paul, provided that the nursing facility and hospital are owned and operated by the same organization and that prior to the date the relocation is completed the hospital ceases operation of its inpatient hospital services at that hospital.

The total project construction cost estimate for the project must not exceed the cost estimate submitted for the replacement of the nursing facility in connection with the moratorium exception process initiated under section 144A.073 in 1993.

At the time of licensure and certification of the 117 nursing facility beds in the new location, the facility may layaway the remaining 21 nursing facility beds, which shall have the same status as voluntarily delicensed and decertified beds except that beds on layaway status remain subject to the surcharge in section 256.9657. The 21 nursing facility beds on layaway status may be relicensed and recertified within the identifiable complex of health care facilities in which the beds are currently located upon recommendation by the commissioner of human services;

(s) to license and certify a newly constructed 118-bed facility in Crow Wing county when the following conditions are met:

(1) the owner of the new facility delicenses an existing 68-bed facility located in the same county;

(2) the owner of the new facility delicenses 60 beds in three-bed rooms in other owned facilities located in the seven-county metropolitan area; and

(3) the project results in a ten-bed reduction in the number of licensed beds operated statewide by the owner of the new facility.

All beds in the newly constructed facility shall be licensed as nursing home beds regardless of the licensure of beds at the closed facility~~.~~;

(t) to license and certify beds in a renovation and remodeling project to convert 13 three-bed wards into 13 two-bed rooms and 13 single-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey county; was not owned by a hospital corporation; had a licensed capacity of 64 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process; or

(u) to license and certify beds in a renovation and remodeling project to convert 12 four-bed wards into 24 two-bed rooms, expand space, and add improvements in a nursing home that, as of January 1, 1994, met the following conditions: the nursing home was located in Ramsey county; had a licensed capacity of 154 beds; and had been ranked among the top 15 applicants by the 1993 moratorium exceptions advisory review panel. The total project construction cost estimate for this project must not exceed the cost estimate submitted in connection with the 1993 moratorium exception process.

~~The property-related payment rate of a facility placing beds on layaway status must be adjusted by the incremental change in its rental per diem after recalculating the rental per diem as provided in section 256B.431, subdivision 3a, paragraph (d). The property-related payment rate for a facility relicensing and recertifying beds from layaway status must be adjusted by the incremental change in its rental per diem after recalculating its rental per diem using the number of beds after the relicensing to establish the facility's capacity day divisor, which shall be effective the first day of the month following the month in which the relicensing and recertification became effective. Any beds remaining on layaway status more than three years after the date the layaway status became effective must be removed from layaway status and immediately delicensed and decertified.~~

Sec. 47. 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, health maintenance organization, 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. 48. 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. 49. 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. 50. 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 determined by the commissioner to have a basis of eligibility for medical assistance 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) Admissions for inpatient hospital services paid for under section 256.9362, subdivision 3, must be certified as medically necessary in accordance with Minnesota Rules, parts 9505.0500 to 9505.0540, except as provided in clauses (1) and (2):

(1) all admissions must be certified, except those authorized under rules established under section 254A.03, subdivision 3, or approved under Medicare; and

(2) payment under section 256.9362, subdivision 3, shall be reduced by five percent for admissions for which certification is requested more than 30 days after the day of admission. The hospital may not seek payment from the enrollee for the amount of the payment reduction under this clause.

Sec. 51. Minnesota Statutes 1993 Supplement, section 256.9353, subdivision 7, is amended to read:

Subd. 7. [COPAYMENTS AND COINSURANCE.] The MinnesotaCare benefit plan shall include the following copayments and coinsurance requirements:

(1) ten percent of the charges submitted for inpatient hospital services for adult enrollees not eligible for medical assistance, subject to an annual inpatient out-of-pocket maximum of $1,000 per individual and $3,000 per family;

(2) $3 per prescription for adult enrollees; and

(3) $25 for eyeglasses for adult enrollees.

~~Enrollees who would be eligible for medical assistance with a spend-down shall be financially responsible for the coinsurance amount up to the spend-down limit or the coinsurance amount, whichever is less, in order to become eligible for the medical assistance program.~~ Enrollees who are not eligible for medical assistance with or without a spenddown shall be financially responsible for the coinsurance amount and amounts which exceed the $10,000 benefit limit. MinnesotaCare shall be financially responsible for the spenddown amount up to the $10,000 benefit limit for enrollees who are eligible for medical assistance with a spenddown; enrollees who are eligible for medical assistance with a spenddown are financially responsible for amounts which exceed the $10,000 benefit limit.

Sec. 52. Minnesota Statutes 1993 Supplement, section 256.9354, subdivision 1, is amended to read:

Subdivision 1. [CHILDREN; EXPANSION AND CONTINUATION OF ELIGIBILITY.] (a) [CHILDREN.] "Eligible persons" means children who are one year of age or older but less than 18 years of age who have gross family incomes that are equal to or less than 150 percent of the federal poverty guidelines and who are not eligible for medical assistance without a spenddown under chapter 256B and who are not otherwise insured for the covered services. The period of eligibility extends from the first day of the month in which the child's first birthday occurs to the last day of the month in which the child becomes 18 years old.

(b) [EXPANSION OF ELIGIBILITY.] Eligibility for MinnesotaCare shall be expanded as provided in subdivisions 2 to 5, except children who meet the criteria in this subdivision shall continue to be enrolled pursuant to this subdivision. The enrollment requirements in this paragraph apply to enrollment under subdivisions 1 to 5. Parents who enroll in the MinnesotaCare plan must also enroll their children and dependent siblings, if the children and their dependent siblings are eligible. Children and dependent siblings may be enrolled separately without enrollment by parents. However, if one parent in the household enrolls, both parents must enroll, unless other insurance is available. If one child from a family is enrolled, all children must be enrolled, unless other insurance is available. If one spouse in a household enrolls, the other spouse in the household must also enroll, unless other insurance is available. Families cannot choose to enroll only certain uninsured members. For purposes of this section, a "dependent sibling" means an unmarried child who is a full-time student under the age of 25 years who is financially dependent upon a parent. Proof of school enrollment will be required.

(c) [CONTINUATION OF ELIGIBILITY.] Individuals who initially enroll in the MinnesotaCare plan under the eligibility criteria in subdivisions 2 to 5 remain eligible for the MinnesotaCare plan, regardless of age, place of residence, or the presence or absence of children in the same household, as long as all other eligibility criteria are met and residence in Minnesota and continuous enrollment in the MinnesotaCare plan or medical assistance are maintained. In order for either parent or either spouse in a household to remain enrolled, both must remain enrolled, unless other insurance is available.

Sec. 53. Minnesota Statutes 1993 Supplement, section 256.9354, subdivision 4, is amended to read:

Subd. 4. [FAMILIES WITH CHILDREN; ELIGIBILITY BASED ON PERCENTAGE OF INCOME PAID FOR HEALTH COVERAGE.] Beginning January 1, 1993, "eligible persons" means children, parents, and dependent siblings residing in the same household who are not eligible for medical assistance without a spenddown under chapter 256B. Children who meet the criteria in subdivision 1 shall continue to be enrolled pursuant to subdivision 1. Persons who are eligible under this subdivision or subdivision 2, 3, or 5 must pay a premium as determined under sections 256.9357 and 256.9358, and children eligible under subdivision 1 must pay the premium required under section 256.9356, subdivision 1. Individuals and families whose income is greater than the limits established under section 256.9358 may not enroll in MinnesotaCare.

Sec. 54. Minnesota Statutes 1993 Supplement, section 256.9354, subdivision 6, is amended to read:

Subd. 6. [APPLICANTS POTENTIALLY ELIGIBLE FOR MEDICAL ASSISTANCE.] Individuals who apply for MinnesotaCare, but who are potentially eligible for medical assistance without a spenddown shall be allowed to enroll in MinnesotaCare for a period of 60 days, so long as the applicant meets all other conditions of eligibility. The commissioner shall identify and refer such individuals to their county social service agency. The enrollee must cooperate with the county social service agency in determining medical assistance eligibility within the 60-day enrollment period. Enrollees who do not apply for and cooperate with medical assistance within the 60-day enrollment period, and their other family members, shall be disenrolled from the plan within one calendar month. Persons disenrolled for nonapplication for medical assistance may not reenroll until they have obtained a medical assistance eligibility determination for the family member or members who were referred to the county agency. Persons disenrolled for noncooperation with medical assistance may not reenroll until they have cooperated with the county agency and have obtained a medical assistance eligibility determination. The commissioner shall redetermine provider payments made under MinnesotaCare to the appropriate medical assistance payments for those enrollees who subsequently become eligible for medical assistance.

Sec. 55. 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. 56. 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.

Sec. 57. Minnesota Statutes 1993 Supplement, section 256.9362, subdivision 6, is amended to read:

Subd. 6. [ENROLLEES 18 OR OLDER.] Payment by the MinnesotaCare program for inpatient hospital services provided to MinnesotaCare enrollees who are 18 years old or older on the date of admission to the inpatient hospital must be in accordance with paragraphs (a) and (b).

(a) If the medical assistance rate minus any copayment required under section 256.9353, subdivision 6, is less than or equal to the amount remaining in the enrollee's benefit limit under section 256.9353, subdivision 3, payment must be the medical assistance rate minus any copayment required under section 256.9353, subdivision 6. The hospital must not seek payment from the enrollee in addition to the copayment. The MinnesotaCare payment plus the copayment must be treated as payment in full.

(b) If the medical assistance rate minus any copayment required under section 256.9353, subdivision 6, is greater than the amount remaining in the enrollee's benefit limit under section 256.9353, subdivision 3, payment must be the lesser of:

(1) the amount remaining in the enrollee's benefit limit; or

(2) charges submitted for the inpatient hospital services less any copayment established under section 256.9353, subdivision 6.

The hospital may seek payment from the enrollee for the amount by which usual and customary charges exceed the payment under this paragraph. If payment is reduced under section 256.9353, subdivision 3, paragraph (c), the hospital may not seek payment from the enrollee for the amount of the reduction.

Sec. 58. 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. 59. 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. 60. 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. 61. 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. 62. Minnesota Statutes 1993 Supplement, section 256.9695, subdivision 3, as amended by 1994 House File No. 3210, article 3, section 49, if enacted, is amended to read:

Subd. 3. [TRANSITION.] Except as provided in section 256.969, subdivision 8, the commissioner shall establish a transition period for the calculation of payment rates from July 1, 1989, to the implementation date of the upgrade to the Medicaid management information system or July 1, 1992, whichever is earlier.

During the transition period:

(a) Changes resulting from section 256.969, subdivisions 7, 9, 10, 11, and 13, shall not be implemented, except as provided in section 256.969, subdivisions 12 and 20.

(b) The beginning of the 1991 rate year shall be delayed and the rates notification requirement shall not be applicable.

(c) Operating payment rates shall be indexed from the hospital's most recent fiscal year ending prior to January 1, 1991, by prorating the hospital cost index methodology in effect on January 1, 1989. For payments made for admissions occurring on or after June 1, 1990, until the implementation date of the upgrade to the Medicaid management information system the hospital cost index excluding the technology factor shall not exceed five percent. This hospital cost index limitation shall not apply to hospitals that meet the requirements of section 256.969, subdivision 20, paragraphs (a) and (b).

(d) Property and pass-through payment rates shall be maintained at the most recent payment rate effective for June 1, 1990. However, all hospitals are subject to the hospital cost index limitation of subdivision 2c, for two complete fiscal years. Property and pass-through costs shall be retroactively settled through the transition period. The laws in effect on the day before July 1, 1989, apply to the retroactive settlement.

(e) If the upgrade to the Medicaid management information system has not been completed by July 1, 1992, the commissioner shall make adjustments for admissions occurring on or after that date as follows:

(1) provide a ten percent increase to hospitals that meet the requirements of section 256.969, subdivision 20, or, upon written request from the hospital to the commissioner, 50 percent of the rate change that the commissioner estimates will occur after the upgrade to the Medicaid management information system; and

(2) adjust the Minnesota and local trade area rebased payment rates that are established after the upgrade to the Medicaid management information system to compensate for a rebasing effective date of July 1, 1992. The adjustment shall be determined using claim specific payment changes that result from the rebased rates and revised methodology in effect after the systems upgrade. Any adjustment that is greater than zero shall be ratably reduced by 20 percent. In addition, every adjustment shall be reduced for payments under clause (1), and differences in the hospital cost index. Hospitals shall revise claims so that services provided by rehabilitation units of hospitals are reported separately. The adjustment shall be in effect until the amount due to or owed by the hospital is fully paid over a number of admissions that is equal to the number of admissions under adjustment multiplied by 1.5, except that a hospital with a 20 percent or greater negative adjustment that exceeds $1,000,000 for admissions occurring from July 1, 1992, to December 31, 1992, must use a schedule that is three times the number of admissions under adjustment and the adjustment shall be in effect only over a number of admissions that is equal to the number of admissions under adjustment multiplied by 1.5. The adjustment for admissions occurring from July 1, 1992 to December 31, 1992, shall be based on claims paid as of August 1, 1993, and the adjustment shall begin with the effective date of rules governing rebasing. The adjustment for admissions occurring from January 1, 1993, to the effective date of the rules shall be based on claims paid as of February 1, 1994, and shall begin after the first adjustment period is fully paid. For purposes of appeals under subdivision 1, the adjustment shall be considered payment at the time of admission.

Sec. 63. Minnesota Statutes 1993 Supplement, section 256B.0917, subdivision 2, is amended to read:

Subd. 2. [DESIGN OF SAIL PROJECTS; LOCAL LONG-TERM CARE COORDINATING TEAM.] (a) The commissioner of human services in conjunction with the interagency long-term care planning committee's long-range strategic plan shall contract with SAIL projects in four to six counties or groups of counties to demonstrate the feasibility and cost-effectiveness of a local long-term care strategy that is consistent with the state's long-term care goals identified in subdivision 1. The commissioner shall publish a notice in the State Register announcing the availability of project funding and giving instructions for making an application. The instructions for the application shall identify the amount of funding available for project components.

(b) To be selected for the project, a county board or boards must establish a long-term care coordinating team consisting of county social service agencies, public health nursing service agencies, local boards of health, a representative of local nursing home providers, a representative of local home care providers, and the area agencies on aging in a geographic area which is responsible for:

(1) developing a local long-term care strategy consistent with state goals and objectives;

(2) submitting an application to be selected as a project;

(3) coordinating planning for funds to provide services to elderly persons, including funds received under Title III of the Older Americans Act, Community Social Services Act, Title XX of the Social Security Act and the Local Public Health Act; and

(4) ensuring efficient services provision and nonduplication of funding.

(c) The board or boards shall designate a public agency to serve as the lead agency. The lead agency receives and manages the project funds from the state and is responsible for the implementation of the local strategy. If selected as a project, the local long-term care coordinating team must semiannually evaluate the progress of the local long-term care strategy in meeting state measures of performance and results as established in the contract.

(d) Each member of the local coordinating team must indicate its endorsement of the local strategy. The local long-term care coordinating team may include in its membership other units of government which provide funding for services to the frail elderly. The team must cooperate with consumers and other public and private agencies, including nursing homes, in the geographic area in order to develop and offer a variety of cost-effective services to the elderly and their caregivers.

(e) The board or boards shall apply to be selected as a project. If the project is selected, the commissioner of human services shall contract with the lead agency for the project and shall provide additional administrative funds for implementing the provisions of the contract, within the appropriation available for this purpose.

(f) Projects shall be selected according to the following conditions.

No project may be selected unless it demonstrates that:

(i) the objectives of the local project will help to achieve the state's long-term care goals as defined in subdivision 1;

(ii) in the case of a project submitted jointly by several counties, all of the participating counties are contiguous;

(iii) there is a designated local lead agency that is empowered to make contracts with the state and local vendors on behalf of all participants;

(iv) the project proposal demonstrates that the local cooperating agencies have the ability to perform the project as described and that the implementation of the project has a reasonable chance of achieving its objectives;

(v) the project will serve an area that covers at least four counties or contains at least 2,500 persons who are 85 years of age or older, according to the projections of the state demographer or the census if the data is more recent; and

(vi) the local coordinating team documents efforts of cooperation with consumers and other agencies and organizations, both public and private, in planning for service delivery.

Sec. 64. 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. 65. 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. 66. [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. 67. 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. 68. [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 process 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.

Sec. 69. [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 in this state, including the incidence of mortality/morbidity as related to provider and practice methods in urban and rural settings as disclosed by a literature search of available retrospective or prospective studies;

(2) the cost of the service provided under each arrangement to health care facilities, third-party purchasers, and patients; and

(3) the effects on competition under each arrangement.

The report shall also include the commissioner's findings on the most appropriate methods to provide anesthesia services to ensure cost-effective delivery of quality anesthesia services.

Sec. 70. [HOSPITAL STUDIES.]

The commissioner of human services must review rebased hospital payment rates to determine whether hospitals with exceptionally high cost inpatient admissions are reimbursed at rates that are reasonable and adequate to meet the costs associated with each such high cost admission. The commissioner must report the results of this review, along with recommendations for any appropriate payment rate modifications.

The commissioners of health and human services shall also study the distribution and scope of specialized health care services for children, including the role of all children's hospitals in the context of health care reform. The commissioners shall submit a report, including recommendations, to the legislature and the governor by February 15, 1995.

Sec. 71. [HEALTH CARE ADMINISTRATION.] 1994 House File No. 3210, article 1, section 2, subdivision 3, if enacted, is amended to read:

Subd. 3. Health Care Administration

General

(37,766,000) 17,756,000

~~[MORATORIUM EXCEPTION PROPOSALS.] Of this appropriation, $110,000 is appropriated to the commissioner of human services for the fiscal year ending June 30, 1995, to pay the medical assistance costs associated with exceptions to the nursing home moratorium granted under Minnesota Statutes, section 144A.073. Notwithstanding section 144A.073, the interagency long-term care planning committee shall issue a request for proposals by June 6, 1994, and the commissioner of health shall make a final decision on project approvals by October 15, 1994.~~

[MANAGED CARE CARRYOVER.] Unexpended money appropriated for grants to counties for managed care administration in fiscal year 1994 does not cancel but is available in fiscal year 1995 for that purpose.

[HIGH COST INFANT AND YOUNG PEDIATRIC ADMISSIONS.] The appropriation to the aid to families with dependent children program in Laws 1993, First Special Session chapter 1, article 1, section 2, subdivision 5, for the fiscal year ending June 30, 1994, is reduced by $1,165,000. The appropriation to the medical assistance program is increased by $1,165,000 for the fiscal year ending June 30, 1995, for the purpose of (1) exceptionally high cost inpatient admissions for infants under the age of one, and for children under the age of six receiving services in a hospital that receives payment under Minnesota Statutes, section 256.969, subdivision 9 or 9a; and (2) hospitals with a 20 percent or greater negative adjustment that exceeds $1,000,000, as the adjustment is calculated under Minnesota Statutes, section 256.9695, subdivision 3.

[INFLATION ADJUSTMENTS.] The commissioner of finance shall include, as a budget change request in the 1996-1997 biennial detailed expenditure budget submitted to the legislature under Minnesota Statutes, section 16A.11, annual inflation adjustments in operating costs for: nursing services and home health aide services under Minnesota Statutes, section 256B.0625, subdivision 6a; nursing supervision of personal care services, under Minnesota Statutes, section 256B.0625, subdivision 19a; private duty nursing services under Minnesota Statutes, section 256B.0625, subdivision 7; home and community-based services waiver for persons with mental retardation and related conditions under Minnesota Statutes, section 256B.501; home and community-based services waiver for the elderly under Minnesota Statutes, section 256B.0915; alternative care program under Minnesota Statutes, section 256B.0913; traumatic brain injury waiver under Minnesota Statutes, section 256B.093; adult residential program grants, under rule 12, under Minnesota Rules, parts 9535.2000 to 9535.3000; adult and family community support grants, under rules 14 and 78, under Minnesota Rules, parts 9535.1700 to 9535.1760.

[HOSPITAL TECHNOLOGY FACTOR.] For admissions occurring on or after April 1, 1994, through June 30, 1995, the hospital cost index shall be increased by 0.51 percent for technology. Notwithstanding the sunset provisions of this article, this increase shall become part of the base for the 1996-1997 biennium. For fiscal year 1995 only, the commissioner shall adjust rates paid to a health maintenance organization under medical assistance contract with the commissioner to reflect the hospital technology factor in this paragraph, and the adjustment must be made on an undiscounted basis.

[ICF/MR RECEIVERSHIP.] If an intermediate care facility for persons with mental retardation or related conditions that is in receivership under Minnesota Statutes, section 245A.12 or 245A.13, is sold to an unrelated organization: (1) the facility shall be considered a newly established facility for rate setting purposes notwithstanding any provisions to the contrary in section 256B.501, subdivision 11; and (2) the facility's historical basis for the physical plant, land, and land improvements for each facility must not exceed the prior owner's aggregate historical basis for these same assets for each facility. The allocation of the purchase price between land, land improvements, and physical plant shall be based on the real estate appraisal using the depreciated replacement cost method.

[NEW ICF/MR.] A newly constructed or newly established intermediate care facility for persons with mental retardation or related conditions that is developed and financed during the fiscal year ending June 30, 1995, shall not be subject to the equity requirements in Minnesota Statutes, section 256B.501, subdivision 11, paragraph (d), or Minnesota Rules, part 9553.0060, subpart 3, item F, provided that the provider's interest rate does not exceed the interest rate available through state agency tax-exempt financing.

Sec. 72. [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. 73. [CONTINGENT REPEALER FOR MINNESOTACARE.]

Notwithstanding section 645.34, the article 13, section 2, amendment to section 256.9354, subdivision 5, and the article 13, section 5, amendment to section 256.9358, subdivision 4, are repealed July 1, 1994, and the provisions are revived as they were before the amendments, if the 1994 Legislature passes and the governor signs into law a provision that establishes and provides money for a health care access reserve account to ensure adequate funding for the MinnesotaCare program through fiscal year 1996.

Sec. 74. [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. 75. [EFFECTIVE DATE.]

Sections 4, 15, 18, 20, 22, 24, 27 to 29, 31 to 35, 39 to 42, 45, 47 to 49, 51 to 55, 62, 64 to 68, and 71 to 74 are effective the day following final enactment. All other sections are effective July 1, 1994.

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; claims clearinghouses; third-party administrators; billing service bureaus; value added networks; 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 suppliers, and other health care providers such as home health intravenous therapy providers, personal care attendants, day activity centers, waivered 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.] (a) 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.

(b) The instructions and definitions for the use of the uniform claim form shall be in accordance with instructions specified by the commissioner of health, 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 January 1, 1996, 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 uniform provider identification number (UPIN) assigned by the health care financing administration.

Subd. 2. [UNIQUE IDENTIFICATION NUMBER FOR INDIVIDUAL HEALTH CARE PROVIDERS.] (a) On and after January 1, 1996, 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 uniform provider 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 uniform provider identification number (UPIN) assigned by the health care financing administration.

Subd. 3. [UNIQUE IDENTIFICATION NUMBER FOR GROUP PURCHASERS.] (a) On and after January 1, 1996, 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 January 1, 1996, 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) Except as provided in paragraph (d), 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. Group purchasers and health care providers shall establish procedures to notify patients that they can elect not to have their social security number used as the unique patient identification number.

(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 ANSIX3. 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 medical records, including the social security number if it is used as a unique patient identifier, in accordance with section 144.335. The social security number may be disclosed by providers and group purchasers to the commissioner as necessary to allow performance of those duties set forth in section 144.05.

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, or new versions of existing 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. [62J.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. [62J.59] [IMPLEMENTATION OF NCPDP TELECOMMUNICATIONS STANDARD FOR PHARMACY CLAIMS.]

(a) Beginning January 1, 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 1, 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 pre-printed 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 description shall include the health plan company name and the plan or product name. 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"; and

(8) Provider/clinic name, which is the name of the primary care clinic the cardholder is assigned to by the health plan company. The standard label for this field is "PCP." This information is mandatory only if the health plan company assigns a specific primary care provider to the cardholder.

(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 and benefit information;

(ii) utilization review;

(iii) pre-certification; or

(iv) customer services.

(c) The following human readable data elements are mandatory on the back side of the card for health maintenance organizations and integrated service networks:

(1) emergency care authorization telephone number or instruction on how to receive authorization for emergency care. There is no standard label required for this information; and

(2) telephone number to call to appeal to the commissioner of health. There is no standard label required for this information.

(d) All human readable data elements not required under paragraphs (a) to (c) 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.

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. The commissioner shall seek comments from the ethics and confidentiality committee of the Minnesota health data institute and the department of administration, public information policy analysis division, before adopting or publishing final rules relating to issues of patient privacy and medical records.

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.

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.

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.

(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. 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. The right to cancel or refuse to renew an individual health plan under this subdivision does not apply to individual health plans originally issued prior to July 1, 1993, on a guaranteed renewable basis.

Sec. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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. 20. 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. 21. 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. 22. 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. 23. 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. 24. Minnesota Statutes 1993 Supplement, 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. 25. 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. 26. 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. 27. 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. 28. 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. 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. 29. 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. 30. 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. 31. 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. 32. 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. 33. Minnesota Statutes 1992, section 62L.03, subdivision 6, is amended to read:

Subd. 6. [MCHA ENROLLEES.] Health carriers shall offer coverage to any eligible employee or dependent enrolled in MCHA at the time of the health carrier's issuance or renewal of a health benefit plan to a small employer. The health benefit plan must require that the employer permit MCHA enrollees to enroll in the small employer's health benefit plan as of the first date of renewal of a health benefit plan occurring on or after July 1, 1993, and as of each date of renewal after that, or, in the case of a new group, as of the initial effective date of the health benefit plan and as of each date of renewal after that. Unless otherwise permitted by this chapter, health carriers must not impose any underwriting restrictions, including any preexisting condition limitations or exclusions, on any eligible employee or dependent previously enrolled in MCHA and transferred to a health benefit plan so long as continuous coverage is maintained, provided that the health carrier may impose any unexpired portion of a preexisting condition limitation under the person's MCHA coverage. An MCHA enrollee is not a late entrant, so long as the enrollee has maintained continuous coverage.

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.06, is amended to read:

62L.06 [DISCLOSURE OF UNDERWRITING RATING PRACTICES.]

When offering or renewing a health benefit plan, health carriers shall disclose in all solicitation and sales materials:

(1) the case characteristics and other rating factors used to determine initial and renewal rates;

(2) the extent to which premium rates for a small employer are established or adjusted based upon actual or expected variation in claim experience;

(3) provisions concerning the health carrier's right to change premium rates and the factors other than claim experience that affect changes in premium rates;

(4) provisions relating to renewability of coverage;

(5) the use and effect of any preexisting condition provisions, if permitted; ~~and~~

(6) the application of any provider network limitations and their effect on eligibility for benefits; and

(7) the ability of small employers to insure eligible employees and dependents currently receiving coverage from the comprehensive health association through health benefit plans.

Sec. 39. Minnesota Statutes 1992, section 62L.07, subdivision 2, is amended to read:

Subd. 2. [WAIVERS.] Health benefit plans must require that small employers offering a health benefit plan maintain written documentation ~~of a waiver of coverage by an eligible employee or dependent and provide the documentation~~ indicating that each eligible employee was informed of the availability of coverage through the employer and of a waiver of coverage by the eligible employee. This documentation must be provided to the health carrier upon reasonable request.

Sec. 40. 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. 41. 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. 42. 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. 43. 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. 44. 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. 45. Minnesota Statutes 1992, section 62L.08, is amended by adding a subdivision to read:

Subd. 7a. [PARTIAL EXEMPTION; POLITICAL SUBDIVISIONS.] (a) Health coverage provided by a political subdivision of the state to its employees, officers, 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, is subject to this subdivision. Coverage that is subject to this subdivision may have separate index rates and separate premium rates, based upon data specific to the association, educational cooperative service unit, or pool, so long as the rates, including the rating bands, otherwise comply with this chapter. The association, educational cooperative service unit, or pool is not required to offer the small employer plans described in section 62L.05 and is not required to comply with this chapter for employers that are not small employers or that are not eligible for coverage through the association, educational cooperative service unit, or pool. A health carrier that offers a health plan only under this subdivision need not offer that health plan to other small employers on a guaranteed issue basis.

(b) An association, educational cooperative service unit, or pool described in paragraph (a) may elect to be treated under paragraph (a) by filing a notice of the election with the commissioner of commerce no later than January 1, 1995. The election remains in effect for three years and applies to all health coverage provided to members of the group. It may be renewed for subsequent three-year periods. An entity eligible for treatment under paragraph (a) that forms after January 1, 1995, must make the election prior to provision of coverage, and the election remains in effect until January 1, 1998, or if filed after that date, until the next regular renewal date.

Sec. 46. 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. 47. 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 6c,~~ 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. 48. 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. 49. [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. 50. [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. 51. [EFFECTIVE DATES.]

Sections 1, 3, 4, 6, 8, 10, 16 to 27, 29, 30, 32, 34 to 37, 40 to 45, and 47 to 50 are effective the day following final enactment. Sections 2, 12, 13, 33, 38, and 39 are effective July 1, 1994. Sections 5, 7, 9, 11, 14, 15, 28, 31, and 46 are effective January 1, 1995.

ARTICLE 11

HEALTH CARE COOPERATIVES

Section 1. [62R.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. 2. [62R.02] [CITATION.]

This chapter may be cited as the "Minnesota health care cooperative act."

Sec. 3. [62R.03] [APPLICABILITY OF OTHER LAWS.]

Subdivision 1. [MINNESOTA COOPERATIVE LAW.] A health care cooperative 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 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. A health care network cooperative, upon licensure as provided in this subdivision, is a contributing member of the Minnesota comprehensive health association, on the same basis as other entities having the same licensure.

Subd. 3. [HEALTH PROVIDER COOPERATIVES.] A health provider cooperative 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 62R.06 shall not be considered to violate section 62J.23.

Sec. 4. [62R.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 62R.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. [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. 6. [HEALTH CARRIER.] "Health carrier" has the meaning provided in section 62A.011.

Subd. 7. [HEALTH CARE PROVIDING ENTITY.] "Health care providing entity" means a participating entity that provides health care to enrollees of a health care cooperative.

Sec. 5. [62R.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. 6. [62R.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.

Subd. 3. [RESTRAINT OF TRADE.] Subject to section 62R.08, a health care provider cooperative is not a combination in restraint of trade, and any contracts or agreements between a health care provider cooperative and its members regarding the price the cooperative will charge to purchasers of its services, or regarding the prices the members will charge to the cooperative, or regarding the allocation of gains or losses among the members, or regarding the delivery, quality, allocation, or location of services to be provided, are not contracts that unreasonably restrain trade.

Sec. 7. [62R.07] [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 chapter 308A.

(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.

Sec. 8. [62R.08] [PROHIBITED PRACTICES.]

(a) It shall be unlawful for any person, company, or corporation, or any agent, officer, or employee thereof, to coerce or require any person to agree, either in writing or orally, not to join or become or remain a member of, any health care provider cooperative, as a condition of securing or retaining a contract for health care services with the person, firm, or corporation.

(b) It shall be unlawful for any person, company, or corporation, or any combination of persons, companies, or corporations, or any agents, officers, or employees thereof, to engage in any acts of coercion, intimidation, or boycott of, or any refusal to deal with, any health care providing entity arising from that entity's actual or potential participation in a health care network cooperative or health care provider cooperative.

(c) It shall be unlawful for any health care network cooperative, other than a health care network cooperative operating on an employed, staff model basis, to require that its participating providers provide health care services exclusively to or through the health care network cooperative. It shall be unlawful for any health care provider cooperative to require that its members provide health care services exclusively to or through the health care provider cooperative.

(d) It shall be unlawful for any health care provider cooperative to engage in any acts of coercion, intimidation, or boycott of, or any concerted refusal to deal with, any health plan company seeking to contract with the cooperative on a competitive, reasonable, and nonexclusive basis.

(e) The prohibitions in this section are in addition to any conduct that violates sections 325D.49 to 325D.66.

(f) This section shall be enforced in accordance with sections 325D.56 to 325D.65.

Sec. 9. 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. 10. [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 policyholder 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. 11. 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.

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 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 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. [EFFECTIVE DATE.]

Sections 1 and 2 are effective July 1, 1994.

ARTICLE 13

FINANCING

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, paragraph (a), 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).

Sec. 2. 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 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 without a spenddown under chapter 256B.

(b) Beginning October 1, 1995, "eligible persons" means all individuals and families who are not eligible for medical assistance without a spenddown 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. 3. Minnesota Statutes 1992, section 256.9355, is amended by adding a subdivision to read:

Subd. 4. [APPLICATION PROCESSING.] The commissioner of human services shall determine an applicant's eligibility for MinnesotaCare no more than 30 days from the date that the application is received by the department of human services. This requirement shall be suspended for four months following the dates in which single adults and families without children become eligible for the program.

Sec. 4. 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 of the premium 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. Persons disenrolled for nonpayment may not reenroll for four calendar months unless the person demonstrates good cause for nonpayment. Good cause does not exist if a person chooses to pay other family expenses instead of the premium. The commissioner shall define good cause in rule.

Sec. 5. 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. 6. 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. 7. 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. 8. 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. 9. 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. 10. 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. 11. 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~~ legend 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 received for services provided by community supervised living facilities for persons with mental retardation or related conditions licensed under Minnesota Rules, parts 4665.0100 to 4665.9900;

(19) payments received by a post-secondary 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; and

(20) 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. 12. 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. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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, and the entities must pay the additional expense. 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. 19. 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. 20. [STATEMENT OF INTENT.]

The amendment in section 19 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 19 clarifies that the exclusion applies only after the wholesale drug distributor tax goes into effect.

Sec. 21. [EFFECTIVE DATE.]

Sections 1, 2, 5, 12, 15 to 17, 19, and 20 are effective the day following final enactment.

Sections 3 and 4 are effective July 1, 1994.

Sections 6 to 11, 13, 14, and 18 are retroactively effective from January 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 or subtracted from 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-	$4,844,000
Health Care Access Fund	(10,828,000)	(17,562,000)
State Government Special Revenue	-0-	99,000

Subdivision 1. DEPARTMENT OF HUMAN SERVICES

Health Care Access Fund	(8,974,000)	(14,436,000)

Of this appropriation, $150,000 the second year is for administration of the MinnesotaCare program. The appropriation for the MinnesotaCare subsidized health care plan is reduced by $8,974,000 in the first year and $14,586,000 in the second year.

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

State Government Special Revenue	-0-	99,000
Health Care Access Fund	-0-	2,999,000

Of this appropriation, $100,000 is for the purpose of making a grant to the school of medicine at the Duluth campus of the University of Minnesota for planning to meet the increasing need for rural family physicians.

Of this appropriation, $150,000 shall be transferred to the general fund and appropriated from the general fund to the commissioner of human services for a consumer satisfaction survey. Any federal matching money received through the medical assistance program is appropriated to the commissioner for this purpose. The commissioner of human services shall contract with the commissioner of health to conduct the consumer satisfaction survey.

Of this appropriation, $8,000 in fiscal year 1995 is appropriated to the commissioner of health to fund a rural ambulance demonstration project. The purpose of the project is to reduce the

ambulance response times in the Rail Prairie and Scandia Valley townships. The commissioner of health shall grant the funds to the ambulance license holder for this area contingent on receiving a written statement from the license holder, describing the methods to be used to implement the demonstration projects.

Unexpended money appropriated for summer health care interns for fiscal year 1994 does not cancel and shall be available for that purpose in fiscal year 1995.

At the request of the Minnesota Health Care Commission, the commissioners of revenue, finance, health, human services, commerce, and employee relations shall provide assistance with research, policy analysis, modeling, cost and revenue projections, actuarial analysis, and other technical support for the financing study required under article 6, section 7. Under the direction of the commission, money from this appropriation may be transferred by the commissioner of health to other state agencies to cover the costs of technical support provided to the commission.

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 consumer satisfaction survey to the extent that there are matching financial contributions from the private sector.

Subd. 4. LEGISLATIVE AUDITOR

General Fund	-0-	65,000

This appropriation is in addition to the appropriation in Laws 1993, chapter 192, section 2, subdivision 5, for the purpose of conducting a single payer study.

Subd. 5. ATTORNEY GENERAL

General Fund	-0-	200,000

This appropriation is in addition to the appropriation in Laws 1993, chapter 192, section 11, subdivision 4. The attorney general shall work cooperatively with the commissioner of health in an effort to increase Minnesota's Medicare reimbursement rate.

Sec. 2. TRANSFERS

Notwithstanding Laws 1993, chapter 345, article 14, section 10, 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 this 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; modifying provisions relating to nursing facilities; 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; 62A.48, subdivision 1; 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; 62J.04, by adding a subdivision; 62J.05, subdivision 2; 62L.02, subdivisions 9, 13, 17, 24, and by adding subdivisions; 62L.03, subdivisions 1 and 6; 62L.05, subdivisions 1, 5, and 8; 62L.06; 62L.07, subdivision 2; 62L.08, subdivisions 2, 5, 6, 7, and by adding a subdivision; 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; 72A.20, by adding a subdivision; 144.1485; 144.335, by adding a subdivision; 144.581, subdivision 2; 145.64, subdivision 1; 256.9355, by adding a subdivision; 256.9358, subdivision 4; 295.50, by adding subdivisions; 295.55, subdivisions 2 and 3; 308A.005, by adding a subdivision; 308A.635, by adding a subdivision; 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 a subdivision; 62D.12, subdivision 17; 62J.03, subdivision 6; 62J.04, subdivisions 1 and 1a; 62J.09, subdivisions 1a and 2; 62J.23, subdivision 4; 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, 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; 144.1464; 144.1486; 144.335, subdivision 3a; 144.802, subdivision 3b; 144A.071, subdivision 4a, as amended; 151.21, subdivisions 7 and 8; 256.9352, subdivision 3; 256.9353, subdivisions 3 and 7; 256.9354, subdivisions 1, 4, 5, 6, and by adding a subdivision; 256.9356, subdivision 3; 256.9357, subdivision 2; 256.9362, subdivision 6; 256.9363, subdivisions 6, 7, and 9; 256.9657, subdivision 3; 256.9695, subdivision 3, as amended; 256B.0917, subdivision 2; 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; H. F. 3210, article 1, section 2, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 62A; 62J; 62N; 62P; 144; 308A; and 317A; proposing coding for new law as Minnesota Statutes, chapters 62Q and 62R; 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; Laws 1992, chapter 549, article 9, section 22."

We request adoption of this report and repassage of the bill.

Senate Conferees: LINDA BERGLIN, DUANE D. BENSON, PAT PIPER, DALLAS C. SAMS AND SHEILA M. KISCADEN.

House Conferees: LEE GREENFIELD, ROGER COOPER, PAMELA NEARY, STEPHANIE KLINZING AND STEVEN SMITH.

Greenfield moved that the report of the Conference Committee on S. F. No. 2192 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

The Speaker called Rodosovich to the Chair.

Speaker pro tempore Rodosovich called Kahn to the Chair.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 70 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dauner	Jacobs	Lieder	Olson, E.	Rhodes	Swenson
Battaglia	Dawkins	Jaros	Long	Olson, K.	Rodosovich	Tomassoni
Bauerly	Delmont	Jefferson	Lourey	Orenstein	Rukavina	Trimble
Bishop	Dorn	Jennings	Luther	Orfield	Sarna	Tunheim
Brown, C.	Evans	Johnson, A.	Mahon	Ostrom	Sekhon	Vellenga
Brown, K.	Garcia	Kahn	Mariani	Pelowski	Simoneau	Wagenius
Carlson	Greenfield	Kelley	McGuire	Perlt	Skoglund	Wejcman
Carruthers	Greiling	Klinzing	Munger	Peterson	Smith	Wenzel
Clark	Hausman	Krueger	Murphy	Reding	Solberg	Winter
Cooper	Huntley	Lasley	Neary	Rest	Steensma	Spk. Anderson, I.

Those who voted in the negative were:

Abrams	Dempsey	Hasskamp	Knickerbocker	Molnau	Ozment	Van Engen
Asch	Erhardt	Haukoos	Knight	Morrison	Pauly	Vickerman
Beard	Farrell	Holsten	Koppendrayer	Mosel	Pawlenty	Waltman
Bergson	Finseth	Hugoson	Krinkie	Nelson	Pugh	Weaver
Bertram	Frerichs	Johnson, R.	Limmer	Ness	Seagren	Wolf
Bettermann	Girard	Johnson, V.	Lindner	Olson, M.	Stanius	Worke
Commers	Goodno	Kalis	Lynch	Onnen	Sviggum	Workman
Davids	Gruenes	Kelso	Macklin	Opatz	Tompkins	
Dehler	Gutknecht	Kinkel	McCollum	Osthoff	Van Dellen	

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

There being no objection, the order of business advanced to Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Olson, E.; Girard; Sviggum and Anderson, I., introduced:

House Resolution No. 15, A house resolution commending Vern Ingvalson for his many years of dedicated service to agriculture, education, and legislation in Minnesota.

SUSPENSION OF RULES

Olson, E., moved that the rules be so far suspended that House Resolution No. 15 be now considered and be placed upon its adoption. The motion prevailed.

HOUSE RESOLUTION NO. 15

A house resolution commending Vern Ingvalson for his many years of dedicated service to agriculture, education, and legislation in Minnesota.

Whereas, Vern Ingvalson has served as chief lobbyist for the Minnesota Farm Bureau for the past 27 years; and

Whereas, he is well respected in St. Paul as an agricultural and rural issue lobbyist; and

Whereas, he was appointed by Governor Carlson in 1991 to the Minnesota Education in Agriculture Leadership Council, which has the responsibility of keeping a watchful eye on agricultural education and working towards its improvement; and

Whereas, Vern Ingvalson serves on the All-College Advisory Committee at the University of Minnesota-Crookston and the Minnesota Extension Service Advisory Committee; and

Whereas, he has been recognized by the Future Farmers of America organization and is a recipient of the Honorary Chapter, State, and American Future Farmers of America Degree; and

Whereas, Vern Ingvalson is retiring today, May 5, 1994; *Now, Therefore,*

Be It Resolved by the House of Representatives of the State of Minnesota that it commends Vern Ingvalson for his many years of dedicated service to agriculture, education, and legislation in Minnesota.

Be It Further Resolved that the Chief Clerk of the House of Representatives is directed to prepare a copy of this resolution, to be authenticated by his signature and that of the Speaker, and transmit it to Vern Ingvalson.

Olson, E., moved that House Resolution No. 15 be now adopted. The motion prevailed and House Resolution No. 15 was adopted.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON 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.

May 4, 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. 3179, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3179 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 103F.161, subdivision 1, is amended to read:

Subdivision 1. [GRANTS AUTHORIZED.] (a) The commissioner may make grants to local governments to:

(1) conduct floodplain damage reduction studies to determine the most feasible, practical, and effective methods and programs for mitigating the damages due to flooding within flood prone rural and urban areas and their watersheds; and

(2) plan and implement flood mitigation measures.

(b) The commissioner may cooperate with the North Dakota state water commission, local governmental units, and local water management organizations in this state and in North Dakota, and the United States Army Corps of Engineers to develop hydrologic models and conduct studies to evaluate the practicality and feasibility of flood control measures along the Red river from East Grand Forks to the Canadian border. The commissioner may make grants to local governmental units for these purposes. Flood control measures that may be investigated include agricultural and urban levee systems, wetland restoration, floodwater impoundments, farmstead ring-dikes, and stream maintenance activities.

Sec. 2. 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).

Sec. 3. Minnesota Statutes 1993 Supplement, section 103G.222, is amended to read:

103G.222 [REPLACEMENT OF WETLANDS.]

(a) After the effective date of the rules adopted under section 103B.3355 or 103G.2242, whichever is later, wetlands must not be drained or filled, wholly or partially, unless replaced by restoring or creating wetland areas of at least equal public value under ~~either~~ a replacement plan approved as provided in section 103G.2242, a replacement plan under a local governmental unit's comprehensive wetland protection and management plan approved by the board under section 103G.2242, subdivision 1, paragraph (c), or, if a permit to mine is required under section 93.481, under a mining reclamation plan approved by the commissioner under the permit to mine. Mining reclamation plans shall apply the same principles and standards for replacing wetlands by restoration or creation of wetland areas that are applicable to mitigation plans approved as provided in section 103G.2242.

(b) Replacement must be guided by the following principles in descending order of priority:

(1) avoiding the direct or indirect impact of the activity that may destroy or diminish the wetland;

(2) minimizing the impact by limiting the degree or magnitude of the wetland activity and its implementation;

(3) rectifying the impact by repairing, rehabilitating, or restoring the affected wetland environment;

(4) reducing or eliminating the impact over time by preservation and maintenance operations during the life of the activity; and

(5) compensating for the impact by replacing or providing substitute wetland resources or environments.

(c) If a wetland is located in a cultivated field, then replacement must be accomplished through restoration only without regard to the priority order in paragraph (b), provided that a deed restriction is placed on the altered wetland prohibiting nonagricultural use for at least ten years.

(d) Restoration and replacement of wetlands must be accomplished in accordance with the ecology of the landscape area affected.

(e) Replacement shall be within the same watershed or county as the impacted wetlands, as based on the wetland evaluation in section 103G.2242, subdivision 2, except that counties or watersheds in which 80 percent or more of the presettlement wetland acreage is intact may accomplish replacement in counties or watersheds in which 50 percent or more of the presettlement wetland acreage has been filled, drained, or otherwise degraded. Wetlands impacted by public transportation projects may be replaced statewide, provided they are approved by the commissioner under an established wetland banking system, or under the rules for wetland banking as provided for under section 103G.2242.

(f) Except as provided in paragraph (g), for a wetland located on nonagricultural land, replacement must be in the ratio of two acres of replaced wetland for each acre of drained or filled wetland.

(g) For a wetland located on agricultural land or in counties or watersheds in which 80 percent or more of the presettlement wetland acreage exists, replacement must be in the ratio of one acre of replaced wetland for each acre of drained or filled wetland.

(h) Wetlands that are restored or created as a result of an approved replacement plan are subject to the provisions of this section for any subsequent drainage or filling.

(i) Except in counties or watersheds where 80 percent or more of the presettlement wetlands are intact, only wetlands that have been restored from previously drained or filled wetlands, wetlands created by excavation in nonwetlands, wetlands created by dikes or dams along public or private drainage ditches, or wetlands created by dikes or dams associated with the restoration of previously drained or filled wetlands may be used in a statewide banking program established in rules adopted under section 103G.2242, subdivision 1. Modification or conversion of nondegraded naturally occurring wetlands from one type to another are not eligible for enrollment in a statewide wetlands bank.

(j) The technical evaluation panel established under section 103G.2242, subdivision 2, shall ensure that sufficient time has occurred for the wetland to develop wetland characteristics of soils, vegetation, and hydrology before recommending that the wetland be deposited in the statewide wetland bank. If the technical evaluation panel has reason to believe that the wetland characteristics may change substantially, the panel shall postpone its recommendation until the wetland has stabilized.

(k) This section and sections 103G.223 to 103G.2242, 103G.2364, and 103G.2365 apply to the state and its departments and agencies.

Sec. 4. Minnesota Statutes 1993 Supplement, section 103G.2241, is amended to read:

103G.2241 [EXEMPTIONS.]

(a) Subject to the conditions in paragraph (b), a replacement plan for wetlands is not required for:

(1) activities in a wetland that was planted with annually seeded crops, was in a crop rotation seeding of pasture grasses or legumes, or was required to be set aside to receive price support or other payments under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to January 1, 1991;

(2) activities in a wetland that is or has been enrolled in the federal conservation reserve program under United States Code, title 16, section 3831, that:

(i) was planted with annually seeded crops, was in a crop rotation seeding, or was required to be set aside to receive price support or payment under United States Code, title 7, sections 1421 to 1469, in six of the last ten years prior to being enrolled in the program; and

(ii) has not been restored with assistance from a public or private wetland restoration program;

(3) activities necessary to repair and maintain existing public or private drainage systems as long as wetlands that have been in existence for more than 20 years are not drained;

(4) activities in a wetland that has received a commenced drainage determination provided for by the federal Food Security Act of 1985, that was made to the county agricultural stabilization and conservation service office prior to September 19, 1988, and a ruling and any subsequent appeals or reviews have determined that drainage of the wetland had been commenced prior to December 23, 1985;

(5) activities exempted from federal regulation under United States Code, title 33, section 1344(f);

(6) activities authorized under, and conducted in accordance with, an applicable general permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, except the nationwide permit in Code of Federal Regulations, title 33, section 330.5, paragraph (a), clause (14), limited to when a new road crosses a wetland, and all of clause (26);

(7) activities in a type 1 wetland on agricultural land, as defined in United States Fish and Wildlife Circular No. 39 (1971 edition) except for bottomland hardwood type 1 wetlands;

(8) activities in a type 2 wetland that is two acres in size or less located on agricultural land;

(9) activities in a wetland restored for conservation purposes under a contract or easement providing the landowner with the right to drain the restored wetland;

(10) activities in a wetland created solely as a result of:

(i) beaver dam construction;

(ii) blockage of culverts through roadways maintained by a public or private entity;

(iii) actions by public entities that were taken for a purpose other than creating the wetland; or

(iv) any combination of (i) to (iii);

(11) placement, maintenance, repair, enhancement, or replacement of utility or utility-type service, including the transmission, distribution, or furnishing, at wholesale or retail, of natural or manufactured gas, electricity, telephone, or radio service or communications if:

(i) the impacts of the proposed project on the hydrologic and biological characteristics of the wetland have been avoided and minimized to the extent possible; and

(ii) the proposed project significantly modifies or alters less than one-half acre of wetlands;

(12) activities associated with routine maintenance of utility and pipeline rights-of-way, provided the activities do not result in additional intrusion into the wetland;

(13) alteration of a wetland associated with the operation, maintenance, or repair of an interstate pipeline;

(14) temporarily crossing or entering a wetland to perform silvicultural activities, including timber harvest as part of a forest management activity, so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the activities do not result in the construction of dikes, drainage ditches, tile lines, or buildings; and the timber harvesting and other silvicultural practices do not result in the drainage of the wetland or public waters;

(15) permanent access for forest roads across wetlands so long as the activity limits the impact on the hydrologic and biologic characteristics of the wetland; the construction activities do not result in the access becoming a dike, drainage ditch or tile line; with filling avoided wherever possible; and there is no drainage of the wetland or public waters;

(16) ~~activities associated with routine maintenance or repair of existing public highways, roads, streets, and bridges, provided the activities do not result in additional intrusion into the wetland outside of the existing right-of-way~~ draining or filling up to one-half acre of wetlands for the repair, rehabilitation, or replacement of a previously authorized, currently serviceable existing public road, provided that minor deviations in the public road's configuration or filled area, including those due to changes in materials, construction techniques, or current construction codes or safety standards, that are necessary to make repairs, rehabilitation, or replacement are allowed if the wetland draining or filling resulting from the repair, rehabilitation, or replacement is minimized;

(17) emergency repair and normal maintenance and repair of existing public works, provided the activity does not result in additional intrusion of the public works into the wetland and do not result in the draining or filling, wholly or partially, of a wetland;

(18) normal maintenance and minor repair of structures causing no additional intrusion of an existing structure into the wetland, and maintenance and repair of private crossings that do not result in the draining or filling, wholly or partially, of a wetland;

(19) duck blinds;

(20) aquaculture activities, including pond excavation and construction and maintenance of associated access roads and dikes authorized under, and conducted in accordance with, a permit issued by the United States Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344, but not including construction or expansion of buildings;

(21) wild rice production activities, including necessary diking and other activities authorized under a permit issued by the United State Army Corps of Engineers under section 404 of the federal Clean Water Act, United States Code, title 33, section 1344;

(22) normal agricultural practices to control pests or weeds, defined by rule as either noxious or secondary weeds, in accordance with applicable requirements under state and federal law, including established best management practices;

(23) activities in a wetland that is on agricultural land annually enrolled in the federal Food, Agricultural, Conservation, and Trade Act of 1990, United States Code, title 16, section 3821, subsection (a), clauses (1) to (3), as amended, and is subject to sections 1421 to 1424 of the federal act in effect on January 1, 1991, except that land enrolled in a federal farm program is eligible for easement participation for those acres not already compensated under a federal program;

(24) development projects and ditch improvement projects in the state that have received preliminary or final plat approval, or infrastructure that has been installed, or having local site plan approval, conditional use permits, or similar official approval by a governing body or government agency, within five years before July 1, 1991. In the seven-county metropolitan area and in cities of the first and second class, plat approval must be preliminary as approved by the appropriate governing body; and

(25) activities that result in the draining or filling of less than 400 square feet of wetlands.

(b) For the purpose of paragraph (a), clause (16), "currently serviceable" means useable as is or with some maintenance, but not so degraded as to essentially require reconstruction. Paragraph (a), clause (16), authorizes the repair, rehabilitation, or replacement of public roads destroyed by storms, floods, fire, or other discrete events, provided the repair, rehabilitation, or replacement is commenced or under contract to commence within two years of the occurrence of the destruction or damage.

(c) A person conducting an activity in a wetland under an exemption in paragraph (a) shall ensure that:

(1) appropriate erosion control measures are taken to prevent sedimentation of the water;

(2) the activity does not block fish passage in a watercourse; and

(3) the activity is conducted in compliance with all other applicable federal, state, and local requirements, including best management practices and water resource protection requirements established under chapter 103H.

Sec. 5. Minnesota Statutes 1992, section 103G.2242, subdivision 1, is amended to read:

Subdivision 1. [RULES.] (a) By July 1, 1993, the board, in consultation with the commissioner, shall adopt rules governing the approval of wetland value replacement plans under this section. These rules must address the criteria, procedure, timing, and location of acceptable replacement of wetland values; may address the state establishment and administration of a wetland banking program for public and private projects, which may include provisions allowing monetary payment to the wetland banking program for alteration of wetlands on agricultural land; the methodology to be used in identifying and evaluating wetland functions; the administrative, monitoring, and enforcement procedures to be used; and a procedure for the review and appeal of decisions under this section. In the case of peatlands, the replacement plan rules must consider the impact on carbon balance described in the report required by Laws 1990, chapter 587, and include the planting of trees or shrubs.

(b) After the adoption of the rules, a replacement plan must be approved by a resolution of the governing body of the local government unit, consistent with the provisions of the rules.

(c) The board may approve as an alternative to the rules adopted under this subdivision a comprehensive wetland protection and management plan developed by a local government unit, provided that the plan:

(1) incorporates sections 103A.201, subdivision 2, and 103G.222;

(2) is adopted as part of an approved local water plan under sections 103B.231 and 103B.311; and

(3) is adopted as part of the local government's official controls.

(d) If the local government unit fails to apply the rules, or fails to implement a local program under paragraph (c), the government unit is subject to penalty as determined by the board.

Sec. 6. Minnesota Statutes 1992, section 103G.2242, subdivision 5, is amended to read:

Subd. 5. [PROCESSING FEE.] The local government unit may charge a processing ~~fee of up to $75~~ fees in amounts not greater than are necessary to cover the reasonable costs of implementing the rules adopted under subdivision 1.

Sec. 7. Minnesota Statutes 1992, section 103G.2242, subdivision 6, is amended to read:

Subd. 6. [NOTICE OF APPLICATION.] (a) Except as provided in paragraph (b), within ten days of receiving an application for approval of a replacement plan under this section, a copy of the application must be submitted to the board for publication in the Environmental Quality Board Monitor and separate copies mailed to individual members of the public who request a copy, the board of supervisors of the soil and water conservation district, the managers of the watershed district, the board of county commissioners, the commissioner of agriculture, and the mayors of the cities within the area watershed. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected.

(b) Within ten days of receiving an application for approval of a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the application must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the members of the technical evaluation panel, individual members of the public who request a copy, and the managers of the watershed district, if applicable. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected.

Sec. 8. Minnesota Statutes 1992, section 103G.2242, subdivision 7, is amended to read:

Subd. 7. [NOTICE OF DECISION.] (a) Except as provided in paragraph (b), at least 30 days prior to the effective date of the approval or denial of a replacement plan under this section, a copy of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, the board, individual members of the public who request a copy, the board of supervisors of the soil and water conservation district, the managers of the watershed district, the board of county commissioners, the commissioner of agriculture, and the mayors of the cities within the area watershed.

(b) Within ten days of the decision approving or denying a replacement plan under this section for an activity affecting less than 10,000 square feet of wetland, a summary of the approval or denial must be submitted for publication in the Environmental Quality Board Monitor and separate copies mailed to the applicant, individual members of the public who request a copy, the members of the technical evaluation panel, and the managers of the watershed district, if applicable. At the same time, the local government unit must give general notice to the public in a general circulation newspaper within the area affected.

Sec. 9. Minnesota Statutes 1992, section 103G.2242, subdivision 8, is amended to read:

Subd. 8. [PUBLIC COMMENT PERIOD.] Except for activities impacting less than 10,000 square feet of wetland, before approval or denial of a replacement plan under this section, comments may be made by the public to the local government unit for a period of 30 days.

Sec. 10. Minnesota Statutes 1992, section 103G.237, subdivision 4, is amended to read:

Subd. 4. [COMPENSATION.] (a) The board shall award compensation in an amount equal to 50 percent of the value of the wetland, calculated by multiplying the acreage of the wetland by the greater of:

(1) the average equalized estimated market value of agricultural property in the township as established by the commissioner of revenue at the time application for compensation is made; or

(2) the assessed value per acre of the parcel containing the wetland, based on the assessed value of the parcel as stated on the most recent tax statement.

(b) A person who receives compensation under paragraph (a) shall convey to the board a permanent conservation easement as described in section 103F.515, subdivision 4. An easement conveyed under this paragraph is subject to correction and enforcement under section 103F.515, subdivisions 8 and 9.

Sec. 11. [INTERGOVERNMENTAL AGREEMENTS.]

The legislature encourages the use of intergovernmental agreements between federal, state, and local governmental entities for the purpose of further coordinating and simplifying implementation of regulatory programs relating to activities in wetlands.

Sec. 12. [PERMANENT WETLANDS PRESERVE; ELIGIBILITY OF WATER BANK PARTICIPANTS.]

Notwithstanding Minnesota Statutes, section 103F.516, subdivision 1, an owner of property that, as of July 1, 1991, was subject to an easement agreement under Minnesota Statutes, section 103F.601, is eligible for participation in the permanent wetlands preserve program under Minnesota Statutes, section 103F.516.

Sec. 13. [EFFECTIVE DATE.]

Section 10 is effective July 1, 1994, and applies to applications for compensation received by the board of water and soil resources on or after that date. Section 9 is effective the day following final enactment."

Delete the title and insert:

"A bill for an act to wetlands; authorizing grants for flood control measures along a portion of the Red river; allowing alternative wetland regulation under county plans; expanding types of wetlands that may be used in the state wetland bank; modifying exemptions; clarifying the applicability of the wetland conservation act to the state; streamlining notice requirements for smaller wetland projects; adding an alternative compensation formula; expanding eligibility for the permanent wetlands preserve; amending Minnesota Statutes 1992, sections 103F.161, subdivision 1; 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."

We request adoption of this report and repassage of the bill.

House Conferees: WILLARD MUNGER, STEVE TRIMBLE AND MIKE JAROS.

Senate Conferees: LEROY A. STUMPF, STEVE DILLE AND LEONARD R. PRICE.

Munger moved that the report of the Conference Committee on H. F. No. 3179 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

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

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Krueger	Murphy	Pugh	Tompkins
Anderson, R.	Delmont	Huntley	Lasley	Neary	Reding	Trimble
Asch	Dempsey	Jacobs	Leppik	Nelson	Rest	Tunheim
Battaglia	Dorn	Jaros	Lieder	Ness	Rhodes	Van Dellen
Bauerly	Erhardt	Jefferson	Limmer	Olson, E.	Rice	Van Engen
Beard	Evans	Jennings	Lindner	Olson, K.	Rodosovich	Vellenga
Bergson	Farrell	Johnson, A.	Long	Olson, M.	Rukavina	Vickerman
Bertram	Finseth	Johnson, R.	Lourey	Onnen	Sarna	Wagenius
Bettermann	Garcia	Johnson, V.	Luther	Opatz	Seagren	Waltman
Bishop	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	Stanius	Worke
Cooper	Hasskamp	Knickerbocker	Molnau	Pawlenty	Steensma	Workman
Dauner	Haukoos	Knight	Morrison	Pelowski	Sviggum	Spk. Anderson, I.
Davids	Hausman	Koppendrayer	Mosel	Perlt	Swenson	
Dawkins	Holsten	Krinkie	Munger	Peterson	Tomassoni	

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 messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 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 repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 180.

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. 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.

May 5, 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. 180, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate concur in the House amendment adopted April 29, 1994, and that the house amendment be further amended as follows:

Page 1, delete lines 15 to 17 and insert:

""Shall the Minnesota Constitution be amended to permit off-track wagering on horse racing in a manner prescribed by law?"

Page 2, line 8, delete "teletheatres" and insert "facilities"

Page 2, line 9, delete "large-screen"

Page 2, line 10, delete "theatre" and insert "adequate" and delete "full"

We request adoption of this report and repassage of the bill.

Senate Conferees: CARL W. KROENING AND JERRY R. JANEZICH.

House Conferees: WAYNE SIMONEAU, PHYLLIS KAHN AND RON ABRAMS.

Simoneau moved that the report of the Conference Committee on S. F. No. 180 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 76 yeas and 52 nays as follows:

Those who voted in the affirmative were:

Abrams	Delmont	Huntley	Krinkie	Morrison	Reding	Trimble
Anderson, R.	Dempsey	Jacobs	Lasley	Nelson	Rhodes	Tunheim
Bauerly	Erhardt	Jaros	Lieder	Ness	Rukavina	Van Dellen
Beard	Farrell	Jefferson	Limmer	Olson, K.	Sarna	Vickerman
Bergson	Frerichs	Jennings	Lindner	Opatz	Sekhon	Waltman
Bertram	Garcia	Johnson, V.	Lynch	Osthoff	Simoneau	Winter
Bettermann	Girard	Kahn	Macklin	Ozment	Smith	Wolf
Carlson	Gruenes	Kelso	Mahon	Pauly	Solberg	Worke
Cooper	Hasskamp	Klinzing	McGuire	Pelowski	Sviggum	Workman
Dawkins	Holsten	Knickerbocker	Milbert	Peterson	Swenson	Spk. Anderson, I.
Dehler	Hugoson	Koppendrayer	Molnau	Pugh	Tomassoni	

Those who voted in the negative were:

Asch	Dorn	Kalis	Luther	Onnen	Rodosovich	Wagenius
Battaglia	Evans	Kelley	McCollum	Orenstein	Seagren	Weaver
Brown, K.	Finseth	Kinkel	Mosel	Orfield	Skoglund	Wejcman
Carruthers	Goodno	Knight	Munger	Ostrom	Stanius	Wenzel
Clark	Greenfield	Krueger	Murphy	Pawlenty	Steensma	
Commers	Greiling	Leppik	Neary	Perlt	Tompkins	
Dauner	Gutknecht	Long	Olson, E.	Rest	Van Engen	
Davids	Haukoos	Lourey	Olson, M.	Rice	Vellenga	

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

Orenstein was excused while in conference.

Speaker pro tempore Kahn called Bauerly to the Chair.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2129.

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. 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.

May 4, 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. 2129, 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. 2129 be further amended as follows:

Page 2, line 4, before "misdemeanor" insert "gross"

Page 2, after line 4, insert "This offense shall be prosecuted by the county attorney."

Page 6, after line 30, insert:

"Sec. 11. Minnesota Statutes 1992, section 259.21, is amended by adding a subdivision to read:

Subd. 11. [WORKING DAY.] "Working day" means Monday through Friday, excluding any holiday as defined under section 645.44, subdivision 5."

Page 7, line 1, delete "one month" and insert "30 days"

Page 7, line 4, after "requirement" insert "of this section"

Page 8, line 4, before "special" insert "child's"

Page 8, lines 5 and 6, delete ", of the child"

Page 8, after line 12, insert:

"Sec. 15. Minnesota Statutes 1992, section 259.24, is amended by adding a subdivision to read:

Subd. 2a. [TIME OF CONSENT.] Not sooner than 72 hours after the birth of a child and not later than 60 days after the child's placement in a prospective adoptive home, a person whose consent is required under this section shall execute a consent."

Page 8, line 14, delete "A child placing" and insert "An"

Page 8, line 30, before the period, insert ", except that in inter-country adoptions, the signatures of birth parents are not required"

Page 9, line 19, after "birth" insert "and adoptive"

Page 10, line 16, delete "A written" and insert "An"

Page 10, line 16, after "study" insert "and written report"

Page 10, line 20, delete "study" and insert "report"

Page 10, line 22, delete "6" and insert "3"

Page 10, lines 22 and 24, after "study" insert "and report"

Page 11, lines 19 and 20, delete "adoption study"

Page 11, line 27, after "study" insert ", must disclose any names used previously other than the name used at the time of the study, and must provide a set of fingerprints, which shall be forwarded to the bureau of criminal apprehension to facilitate the criminal conviction background check required under clause (1)"

Page 12, line 34, after "study" insert "and report"

Page 13, line 4, after the period, insert "An order under this subdivision or subdivision 6 shall state that the prospective adoptive parent's right to custody of the child is subject to the birth parent's right to custody until the consents to the child's adoption become irrevocable. At the time of placement, prospective adoptive parents must have for the child qualifying existing coverage as defined in section 62L.02, subdivision 24, or other similar comprehensive health care coverage."

Page 13, line 7, delete "90 days" and insert "three months"

Page 14, line 18, after "father" insert "by the affiant or anyone acting on the affiant's behalf"

Page 14, line 20, after "father" insert "by the affiant or anyone acting on the affiant's behalf" and after "in" insert "severe"

Page 14, line 21, delete "impairment" and insert "distress"

Page 14, line 22, delete "hear" and insert "consider"

Page 14, line 31, delete "up to 35 hours of"

Page 14, line 34, after the period, insert "The prospective adoptive parent shall not be responsible for the cost of more than 35 hours of counseling under this subdivision."

Page 15, line 3, before the period, insert "for legal services provided in a direct adoptive placement"

Page 15, line 3, after the period, insert "The prospective adoptive parent shall only be required to provide legal counsel for one birth parent unless the birth parents elect joint legal representation. The right to legal counsel under this subdivision shall continue until consents become irrevocable, but not longer than 70 days after placement. If consents have not been executed within 60 days of placement, the right to counsel under this subdivision shall end at that time."

Page 15, line 4, delete "consent hearing" and insert "time consents are executed"

Page 15, line 12, delete "favorable" and insert "completed"

Page 15, line 15, delete "has" and insert "have"

Page 15, line 16, after "crime" insert "or are the subject of an open investigation of,"

Page 15, lines 16 and 17, delete "an investigation" and insert "a substantiated allegation"

Page 15, line 17, after "of" insert a comma

Page 15, line 18, after "crime" insert ", open investigation,"

Page 15, line 18, after "or" insert "substantiated"

Page 15, line 19, after "and" insert "a complete description of any"

Page 16, delete lines 8 to 12, and insert:

"(c) An emergency order under this subdivision expires 14 days after it is issued. If the requirements of subdivision 3 are completed and a preadoptive custody motion is filed on or before the expiration of the emergency order, placement may continue until the court rules on the motion. The court shall consider the preadoptive custody motion within seven days of filing."

Page 16, line 13, delete "OF BIRTH PARENTS"

Page 16, line 14, delete "In all adoptions, regardless of the"

Page 16, delete lines 15 to 32 and insert:

"Not sooner than 72 hours after the birth of a child and not later than 60 days after the child's placement in a prospective adoptive home under this section, a person whose consent is required under section 259.24 shall execute a consent. A birth parent, whose consent is required under section 259.24 and who has chosen not to receive counseling through a licensed agency or a licensed social services professional trained in adoption issues, shall appear before a judge or judicial officer to sign the written consent to the child's adoption by the prospective adoptive parent who has temporary preadoptive custody of the child. Notwithstanding where the prospective adoptive parent resides, the consent hearing may be held in any county in this state where the birth parent is found. If a birth parent has chosen to receive counseling through a licensed agency or a licensed social services professional trained in adoption issues, the birth parent may choose to execute a written consent under section 259.24, subdivision 5. A person whose consent is required under section 259.24, subdivision 2, may choose to execute consent at a judicial hearing as described in this section or under the procedures in section 259.24, subdivision 5."

Page 17, delete lines 23 to 36, and insert:

"Subd. 8. [NOTICE AND CONSENT DEADLINE; CONSENT HEARING; BIRTH PARENT NOT APPEARING.] (a) With the exception of a person who receives notice under paragraph (b), if a birth parent whose consent is required under section 259.24 does not appear at a consent hearing under this section, the agency which is supervising the placement shall notify the court and the court shall issue an order regarding continued placement of the child. The court shall order the local social service agency to determine whether to commence proceedings for termination of parental rights on grounds of abandonment as defined in section 260.221. The court may disregard the six and 12-month requirements of section 260.221, paragraph (b), clause (1), item (i), in finding abandonment if the birth parent has failed to execute a consent within the time required under this section and has made no effort to obtain custody of the child.

(b) A birth parent who intends to consent to the adoption of a child shall notify the other birth parent of that fact if the other birth parent's consent to the adoption is required under section 259.24, subdivision 1, at the time of placement. Notice shall be provided to the other birth parent by personal service in the manner provided in the rules of civil procedure for service of a summons and complaint within 72 hours of the date on which the child is placed. The notice shall inform the birth parent of the notifying birth parent's intent regarding consent to adoption and shall notify the receiving birth parent that, not later than 60 days after the date of service, the birth parent must either consent or refuse to consent to the adoption. On the sixty-first day following service of the notice required under this subdivision, a birth parent who fails to take either of these actions, is deemed to have consented to the child's adoption regarding the child."

Page 18, line 1, after "STUDY" insert "AND REPORT"

Page 18, lines 4, 29, and 31, delete "study" and insert "report"

Page 18, line 5, delete everything after "filed"

Page 18, delete line 6

Page 18, line 7, delete everything before the period and insert "not later than 90 days after the filing of a petition for adoption"

Page 18, line 8, delete "postplacement study" and insert "report"

Page 18, lines 24 and 25, delete "postplacement adoption study" and insert "report"

Page 19, line 5, before "misdemeanor" insert "gross"

Page 19, after line 9, insert:

"This offense shall be prosecuted by the county attorney.

Sec. 23. Minnesota Statutes 1992, section 259.27, subdivision 1, is amended to read:

Subdivision 1. [~~COMMISSIONER'S~~ NOTICE TO COMMISSIONER; COUNTY DUTIES.] Upon the filing of a petition for adoption of a child the court administrator shall immediately transmit a copy of the petition to the commissioner of human services. ~~The commissioner~~ and the local social services agency of the county in which the prospective adoptive parent lives. Except as provided in subdivision 2, the local social services agency shall verify the allegations of the petition, investigate the conditions and antecedents of the child for the purpose of ascertaining whether the child is a proper subject for adoption, ~~and make appropriate inquiry to ascertain~~ whether the proposed ~~foster~~ adoptive home and the child are suited to each other and whether the proposed ~~foster home~~ adoption meets the preferences described in section 259.28, subdivision 2. The report of the county welfare board ~~submitted to the commissioner of human services bearing on the suitability of the proposed foster home and the child to each other~~ shall be confidential, and the records of the county welfare board or the contents ~~thereof~~ of them shall not be disclosed either directly or indirectly to any person other than the commissioner of human services or a judge of the court having jurisdiction of the matter. Within 90 days after the receipt of ~~said~~ the copy of the petition the ~~commissioner~~ local social services agency shall submit to the court and the commissioner a full report in writing with recommendations as to the granting of the petition. If ~~such~~ the report is not returned within the 90 days, without fault of petitioner, the court may hear the petition upon giving the ~~commissioner~~ local social services agency five days notice by mail of the time and place of the hearing. If ~~such~~ the report disapproves of the adoption of the child, the ~~commissioner~~ local social services agency may recommend that the court dismiss the petition.

Sec. 24. Minnesota Statutes 1992, section 259.27, subdivision 2, is amended to read:

Subd. 2. [ADOPTION AGENCIES.] Notwithstanding the provisions of subdivision 1, if the child to be adopted has been committed to the guardianship of an agency pursuant to section 260.241, or if the child has been surrendered to an agency pursuant to section 259.25, or the child's direct adoptive placement is being supervised by an agency pursuant to section 259.2591 the court~~, in its discretion, may~~ shall refer the adoption petition to ~~such~~ the agency, or, if the adopting parent has a stepparent relationship to the child, to the county welfare department of the county in which the adoption is pending. The agency or county welfare department, within 90 days of receipt of a copy of the adoption petition, shall file with the court a report of its investigation of the environment and antecedents of the child to be adopted and of the home of the petitioners and its determination whether the home of the petitioners meets the preferences described in section 259.28, subdivision 2. If ~~such~~ the report disapproves of the adoption of the child, the agency or county welfare department may recommend that the court dismiss the petition. In the case of a direct adoptive placement under section 259.2591, a postplacement adoption study completed under subdivision 9 of that section shall be considered as meeting the requirement for a report under this section.

Sec. 25. Minnesota Statutes 1992, section 259.27, subdivision 5, is amended to read:

Subd. 5. [RESIDENCE AND INVESTIGATION WAIVED; STEPPARENT.] ~~Such~~ The investigation and period of residence required by this section may be waived by the court when the petition for adoption is submitted by a stepparent or when, upon good cause being shown, the court is satisfied that the proposed adoptive home and the child are suited to each other, but in either event at least ten working days notice of the hearing shall be given to the ~~commissioner~~ local social services agency by certified mail. The reports of investigations shall be a part of the court files in the case, unless otherwise ordered by the court."

Page 19, line 22, after "chapter" insert a comma

Page 20, line 17, before "misdemeanor" insert "gross"

Page 20, line 21, before "misdemeanor" insert "gross"

Page 20, line 24, delete "259.2591" and insert "259.21, subdivision 9"

Page 20, after line 25, insert:

"(c) An offense under this subdivision shall be prosecuted by the county attorney."

Page 21, line 3, delete "9" and insert "10"

Page 22, line 9, delete everything after the first comma

Page 22, after line 20, insert:

"(b) In the next and subsequent editions of Minnesota Statutes, the revisor shall change the terms "county welfare board" and "county welfare department" to "local social services agency" wherever they appear."

Page 22, line 21, delete "(b)" and insert "(c)"

Renumber the sections in sequence

Correct internal references

Amend the title as follows:

Page 1, line 12, delete "259.27," and insert "259.24, by adding a subdivision; 259.27, subdivisions 1, 2, 5, and"

We request adoption of this report and repassage of the bill.

Senate Conferees: PAT PIPER, SHEILA M. KISCADEN AND DON BETZOLD.

House Conferees: ANN H. REST, WESLEY J. "WES" SKOGLUND AND BILL MACKLIN.

Rest moved that the report of the Conference Committee on S. F. No. 2129 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 83 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dawkins	Jennings	Leppik	Mosel	Reding	Steensma
Asch	Dorn	Johnson, A.	Lieder	Munger	Rest	Tomassoni
Battaglia	Evans	Johnson, R.	Long	Murphy	Rhodes	Tompkins
Bauerly	Farrell	Johnson, V.	Lourey	Neary	Rice	Trimble
Beard	Garcia	Kahn	Luther	Nelson	Rodosovich	Tunheim
Bertram	Greenfield	Kalis	Macklin	Opatz	Rukavina	Vellenga
Brown, K.	Greiling	Kelley	Mahon	Orfield	Sarna	Wagenius
Carlson	Hausman	Kelso	Mariani	Osthoff	Sekhon	Wejcman
Carruthers	Huntley	Kinkel	McCollum	Pauly	Simoneau	Wenzel
Clark	Jacobs	Klinzing	McGuire	Pelowski	Skoglund	Winter
Cooper	Jaros	Krueger	Milbert	Peterson	Smith	Spk. Anderson, I.
Dauner	Jefferson	Lasley	Morrison	Pugh	Solberg	

Those who voted in the negative were:

Abrams	Commers	Delmont	Finseth	Goodno	Hasskamp	Knickerbocker
Bergson	Davids	Dempsey	Frerichs	Gruenes	Haukoos	Knight
Bettermann	Dehler	Erhardt	Girard	Gutknecht	Holsten	Koppendrayer

Krinkie	Molnau	Onnen	Perlt	Swenson	Waltman	Workman
Limmer	Ness	Ostrom	Seagren	Van Dellen	Weaver	
Lindner	Olson, E.	Ozment	Stanius	Van Engen	Wolf	
Lynch	Olson, M.	Pawlenty	Sviggum	Vickerman	Worke	

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

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON 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.

May 5, 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. 1899, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 1899 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1993 Supplement, section 3.841, is amended to read:

3.841 [LEGISLATIVE COMMISSION TO REVIEW ADMINISTRATIVE RULES; COMPOSITION; MEETINGS.]

A legislative commission to review administrative rules, consisting of five senators appointed by the ~~committee~~ subcommittee on committees of the committee on rules and administration of the senate and five representatives appointed by the speaker of the house of representatives shall be appointed within 30 days after the convening of the legislative session. Its members must include the chair or ~~vice chair~~ the chair's designee of the committees in each body having jurisdiction over administrative rules. The commission shall meet at the call of its chair or upon a call signed by two of its members or signed by five members of the legislature. The office of chair of the legislative commission shall alternate between the two houses of the legislature every two years.

Sec. 2. Minnesota Statutes 1992, section 3.842, is amended by adding a subdivision to read:

Subd. 6. [REPORTS ON RULEMAKING GRANTS.] Beginning with a report submitted to the legislature on February 1, 2000, and every four years after that date, the commission shall compile a list of all general and specific grants of rulemaking of all agencies. The report should include a brief description of each grant and a citation to the authorizing statute.

Sec. 3. Minnesota Statutes 1992, section 3.842, is amended by adding a subdivision to read:

Subd. 7. [PUBLICATION OF RULES BULLETIN.] The commission shall periodically publish a bulletin highlighting controversial proposed rules and other developments of interest in rulemaking. The bulletin shall be available to legislators and to the general public.

Sec. 4. [3.985] [RULE NOTES.]

The governor or the chair of a standing committee to which a bill delegating rulemaking authority has been referred may require an agency to which the rulemaking authority is granted under a bill to prepare a rulemaking note on the proposed delegation of authority. The rulemaking note shall contain any of the following information requested by the governor or the chair of the standing committee: the reasons for the grant of authority; the person or groups the rules would impact; estimated cost of the rule for affected persons; estimated cost to the agency of adopting the rules; and any areas of controversy anticipated by the agency. The rulemaking note must be delivered to the governor and to the chair of the standing committee to which the bill delegating the rulemaking authority has been referred.

Sec. 5. Minnesota Statutes 1992, section 10A.02, is amended by adding a subdivision to read:

Subd. 12a. [RULES.] If the board intends to apply principles of law or policy announced in an advisory opinion issued under subdivision 12 more broadly than to the individual or association to whom the opinion was issued, the board must adopt these principles or policies as rules under chapter 14.

Sec. 6. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 3.984, is repealed.

Sec. 7. [EFFECTIVE DATE.]

Section 5 is effective July 1, 1995."

Delete the title and insert:

"A bill for an act relating to state government; modifying the composition and duties of the legislative commission to review administrative rules; modifying the statutory rule note requirements for bills delegating rulemaking authority; requiring rulemaking by the ethical practices board under certain circumstances; amending Minnesota Statutes 1992, sections 3.842, by adding subdivisions; and 10A.02, by adding a subdivision; Minnesota Statutes 1993 Supplement, section 3.841; proposing coding for new law in Minnesota Statutes, chapter 3; and repealing Minnesota Statutes 1993 Supplement, section 3.984."

We request adoption of this report and repassage of the bill.

House Conferees: MINDY GREILING, PHYLLIS KAHN AND PEGGY LEPPIK.

Senate Conferees: JOHN C. HOTTINGER, DON BETZOLD AND DUANE D. BENSON.

Greiling moved that the report of the Conference Committee on H. F. No. 1899 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

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

Those who voted in the affirmative were:

Abrams	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
Brown, C.	Garcia	Johnson, V.	Luther	Onnen	Seagren	Waltman
Brown, K.	Girard	Kahn	Lynch	Opatz	Sekhon	Weaver
Carlson	Goodno	Kalis	Macklin	Orfield	Simoneau	Wejcman
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	
Dawkins	Hausman	Koppendrayer	Morrison	Perlt	Swenson	

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

MESSAGES FROM THE SENATE, Continued

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. 103.

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

S. F. No. 103, as amended by Conference, was reported to the House.

Kahn moved that the report of the Conference Committee on S. F. No. 103 be adopted and that the bill be repassed as amended by the Conference Committee.

Swenson moved that the House refuse to adopt the Conference Committee report on S. F. No. 103, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

Speaker pro tempore Bauerly called Rodosovich to the Chair.

CALL OF THE HOUSE

On the motion of Limmer and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Dempsey	Jacobs	Lieder	Nelson	Rest	Van Engen
Anderson, R.	Dorn	Jaros	Limmer	Olson, E.	Rhodes	Vellenga
Asch	Evans	Jefferson	Lindner	Olson, K.	Rice	Vickerman
Battaglia	Farrell	Johnson, A.	Long	Olson, M.	Rodosovich	Waltman
Beard	Finseth	Johnson, R.	Lourey	Onnen	Rukavina	Weaver
Bergson	Frerichs	Johnson, V.	Luther	Opatz	Sama	Wejcman
Bertram	Garcia	Kahn	Mahon	Orfield	Seagren	Wenzel
Bettermann	Girard	Kalis	Mariani	Osthoff	Sekhon	Winter
Brown, K.	Goodno	Kelso	McCollum	Ostrom	Skoglund	Wolf
Carruthers	Greenfield	Klinzing	McGuire	Ozment	Stanius	Worke
Clark	Greiling	Knickerbocker	Milbert	Pauly	Steensma	Workman
Commers	Gutknecht	Knight	Molnau	Pawlenty	Sviggum	Spk. Anderson, I.
Cooper	Hasskamp	Koppendrayer	Morrison	Pelowski	Swenson	
Dauner	Haukoos	Krinkie	Mosel	Perlt	Tomassoni	
Davids	Hausman	Krueger	Munger	Peterson	Tompkins	
Dawkins	Hugoson	Lasley	Murphy	Pugh	Trimble	
Dehler	Huntley	Leppik	Neary	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.

The question recurred on the Swenson motion and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 71 yeas and 62 nays as follows:

Those who voted in the affirmative were:

Asch	Farrell	Kalis	Luther	Orenstein	Smith	Weaver
Bettermann	Finseth	Knickerbocker	Lynch	Orfield	Stanius	Wejcman
Bishop	Frerichs	Knight	Macklin	Ostrom	Steensma	Wenzel
Clark	Garcia	Krinkie	Molnau	Ozment	Sviggum	Worke
Commers	Goodno	Lasley	Morrison	Pawlenty	Swenson	Workman
Dauner	Gutknecht	Leppik	Mosel	Rest	Van Dellen	
Davids	Haukoos	Lieder	Neary	Rhodes	Van Engen	
Delmont	Hugoson	Limmer	Nelson	Rice	Vellenga	
Dempsey	Jaros	Lindner	Ness	Seagren	Vickerman	
Dorn	Jennings	Long	Olson, M.	Sekhon	Wagenius	
Erhardt	Johnson, V.	Lourey	Onnen	Skoglund	Waltman	

Those who voted in the negative were:

Abrams	Carlson	Hasskamp	Kelley	McGuire	Pelowski	Solberg
Anderson, R.	Carruthers	Hausman	Kelso	Milbert	Perlt	Tomassoni
Battaglia	Cooper	Holsten	Kinkel	Munger	Peterson	Tompkins
Bauerly	Dawkins	Huntley	Klinzing	Murphy	Pugh	Trimble
Beard	Dehler	Jacobs	Koppendrayer	Olson, E.	Reding	Tunheim
Bergson	Evans	Jefferson	Krueger	Olson, K.	Rodosovich	Winter
Bertram	Girard	Johnson, A.	Mahon	Opatz	Rukavina	Wolf
Brown, C.	Greiling	Johnson, R.	Mariani	Osthoff	Sarna	Spk. Anderson, I.
Brown, K.	Gruenes	Kahn	McCollum	Pauly	Simoneau	

The motion prevailed and S. F. No. 103 was returned to Conference.

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.

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 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 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. 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 Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1662.

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. 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.

May 3, 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. 1662, 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. 1662 be further amended 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) "Petition" means a petition or comparable pleading used pursuant to section 518.551, subdivision 10.

(o) "Register" means to file a support order or judgment determining parentage in the office of the court administrator.

(p) "Registering tribunal" means a tribunal in which a support order is registered.

(q) "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.

(r) "Responding tribunal" means the authorized tribunal in a responding state.

(s) "Spousal support order" means a support order for a spouse or former spouse of the obligor.

(t) "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.

(u) "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.

(v) "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.

(w) "Tribunal" means a court, administrative agency, or quasi-judicial entity authorized to establish, enforce, or modify support orders or to determine parentage.

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

Section 1. [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 or comparable document within this state;

(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. 2. [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. 3. [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. 4. [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. 5. [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. 6. [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. 7. [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. 8. [518C.208] [MULTIPLE CHILD SUPPORT ORDERS FOR TWO OR MORE OBLIGEES.]

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. 9. [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

Section 1. [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. 2. [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. 3. [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. 4. [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. 5. [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. 6. [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. 7. [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. 8. [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. 9. [518C.309] [PRIVATE COUNSEL.]

An individual may employ private counsel to represent the individual in proceedings authorized by this chapter.

Sec. 10. [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. 11. [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. 12. [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. 13. [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. 14. [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. 15. [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. 16. [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. 17. [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. 18. [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. 19. [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

Section 1. [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

Section 1. [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. 2. [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

Section 1. [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. 2. [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. 3. [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. 4. [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. 5. [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 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. 6. [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. 7. [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. 8. [518C.608] [CONFIRMED ORDER.]

If a contesting party has received notice of registration under section 518C.605, confirmation of a registered order, whether by operation of law or after notice and hearing, precludes further contest of the order based upon facts that were known by the contesting party at the time of registration 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. 9. [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. 10. [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. 11. [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. 12. [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

Section 1. [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 1. [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. 2. [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

Section 1. [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. 2. [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. 3. [518C.902] [SHORT TITLE.]

This chapter may be cited as the "uniform interstate family support act."

Sec. 4. [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. 5. [EFFECTIVE DATE.]

Articles 1 to 9 are effective January 1, 1995.

ARTICLE 10

ADMINISTRATIVE PROCESS

Section 1. [518.5511] [ADMINISTRATIVE PROCESS FOR CHILD AND MEDICAL SUPPORT ORDERS.]

Subdivision 1. [GENERAL.] (a) An administrative process is established to obtain, modify, and enforce child and medical support orders and modify maintenance if combined with a child support proceeding.

(b) All proceedings for obtaining, modifying, or enforcing child and medical support orders and modifying maintenance orders if combined with a child support proceeding, are required to be conducted in the administrative process when the public authority is a party or provides services to a party or parties to the proceedings. At county option, the administrative process may include contempt motions or actions to establish parentage. Nothing contained herein shall prevent a party, upon timely notice to the public authority, from commencing an action or bringing a motion for the establishment, modification, or enforcement of child support or modification of maintenance orders if combined with a child support proceeding in district court, if additional issues involving domestic abuse, establishment or modification of custody or visitation, property issues, or other issues outside the jurisdiction of the administrative process, are part of the motion or action, or from proceeding with a motion or action brought by another party containing one or more of these issues if it is pending in district court.

(c) A party may make a written request to the public authority to initiate an uncontested administrative proceeding. If the public authority denies the request, the public authority shall issue a summary order which denies the request for relief, states the reasons for the denial, and notifies the party of the right to commence an action for relief. If the party commences an action or serves and files a motion within 30 days after the public authority's denial and the party's action results in a modification of a child support order, the modification may be retroactive to the date the written request was received by the public authority.

(d) After August 1, 1994, all counties shall participate in the administrative process established in this section in accordance with a statewide implementation plan to be set forth by the commissioner of human services. No county shall be required to participate in the administrative process until after the county has been trained. The implementation plan shall include provisions for training the counties by region no later than July 1, 1995.

Subd. 2. [UNCONTESTED ADMINISTRATIVE PROCEEDING.] (a) 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.

(b) The public authority shall give the parties written notice requesting the submission of information necessary for the public authority to prepare a proposed child support 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 shall be at least 30 days from the date of the mailing of the written notice), 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, and identify the type of information which will be considered.

(c) Following the submission of information or following the date when the information was due, the public authority shall, on the basis of all information available, complete and sign a proposed child support order and notice. In preparing the proposed child support order, the public authority will establish child support in the highest amount permitted under section 518.551, subdivision 5. The proposed order shall include written findings in accordance with section 518.551, subdivision 5, clauses (i) and (j). The notice shall state that the proposed child support order will be entered as a final and binding default order unless one of the parties requests a conference under subdivision 3 within 14 days following the date of service of the proposed child support order. The method for requesting the conference shall be stated in the notice. The notice and proposed child support order shall be served under the rules of civil procedure. For the purposes of the contested hearing, and notwithstanding any law or rule to the contrary, the service of the proposed order pursuant to this paragraph shall be deemed to have commenced a proceeding and the judge, including an administrative law judge or a referee, shall have jurisdiction over the contested hearing.

(d) If a conference under subdivision 3 is not requested by a party within 14 days after the date of service of the proposed child support order, the public authority may enter the proposed order as the default order. The default order becomes effective 30 days after the date of service of the notice in paragraph (c). The public authority may also prepare and serve a new notice and proposed child support order if new information is subsequently obtained. The default child support order shall be a final order, and shall be served under the rules of civil procedure.

(e) The public authority shall file in the district court copies of all notices served on the parties, proof of service, and all orders.

Subd. 3. [ADMINISTRATIVE CONFERENCE.] (a) If a party requests a conference within 14 days of the date of service of the proposed order, the public authority shall schedule a conference, and shall serve written notice of the date, time, and place of the conference on the parties.

(b) The purpose of the conference is to review all available information and seek an agreement to enter a consent child support order. The notice shall state the purpose of the conference, and that the proposed child support order will be entered as a final and binding default order if the requesting party fails to appear at the conference. The notice shall be served on the parties by first-class mail at their last known addresses, and the method of service shall be documented in the public authority file.

(c) 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.

(d) If the party requesting the conference does not appear and fails to provide a written excuse (with supporting documentation if relevant) to the public authority within seven days after the date of the conference which constitutes good cause, the public authority may enter a default child support order through the uncontested administrative process. The public authority shall not enter the default order until at least seven days after the date of the conference.

For purposes of this section, misrepresentation, excusable neglect, or circumstances beyond the control of the person who requested the conference which prevented the person's appearance at the conference constitutes good cause for failure to appear. If the public authority finds good cause, the conference shall be rescheduled by the public authority and the public authority shall send notice as required under this subdivision.

(e) If the parties appear at the conference, the public authority shall seek agreement of the parties to the entry of a consent child support order which establishes child support in accordance with applicable law. The public authority shall advise the parties that if a consent order is not entered, the matter will be scheduled for a hearing before an administrative law judge, or a district court judge or referee, and that 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 to enter the consent order is not reached at the conference, the public authority shall schedule the matter before an administrative law judge, district court judge, or referee.

(f) If an agreement is reached by the parties at the conference, a consent child support order shall be prepared by the public authority, and shall be signed by the parties. All consent and default orders shall be signed by the nonattorney employee of the public authority and shall be submitted to an administrative law judge or the district court for countersignature. The order is effective upon the signature by the administrative law judge or the district court and is retroactive to the date of signature by the nonattorney employee of the public authority. The consent order shall be served on the parties under the rules of civil procedure.

Subd. 4. [CONTESTED ADMINISTRATIVE PROCEEDING.] (a) The commissioner of human services is authorized to designate counties to use the contested administrative hearing process based upon federal guidelines for county performance. The contested administrative hearing process may also be initiated upon request of a county board. The administrative hearing process shall be implemented in counties designated by the commissioner.

In counties designated by the commissioner, contested hearings required under this section shall be scheduled before administrative law judges, and shall be conducted in accordance with the provisions under this section. In counties not designated by the commissioner, contested hearings shall be conducted in district court in accordance with the rules of civil procedure and the rules of family court.

(b) An administrative law judge may approve a stipulation reached on a contempt motion brought by the public authority. 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 court 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, 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 the county. A contested administrative hearing shall be conducted in 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. Security personnel shall either be present during the administrative hearings, or be available to respond to a request for emergency assistance.

(e) 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. Except as provided under this section, 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.

(f) 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 may be enforceable by the contempt powers of the district courts.

(g) At the time the matter is scheduled for a contested hearing, the public authority shall file in the district court copies of all relevant documents sent to or received from the parties, in addition to the documents filed under subdivision 2, paragraph (e).

(h) 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.

Subd. 5. [NONATTORNEY AUTHORITY.] Nonattorney employees of the public authority responsible for child support may prepare, sign, serve, and file complaints, motions, notices, summary orders, proposed orders, default orders, and consent orders for obtaining, modifying, or enforcing child and medical support orders, orders establishing paternity, and related documents, and orders to modify maintenance if combined with a child support order. The nonattorney may also conduct prehearing conferences, and participate in proceedings before an administrative law judge. This activity shall not be considered to be the unauthorized practice of law. Nonattorney employees may not represent the interests of any party other than the public authority, and may not give legal advice to any party.

Subd. 6. [SUBPOENAS.] After the commencement of the administrative process, any party or the public authority may request a subpoena, and the administrative law judge shall have the authority to issue subpoenas.

Subd. 7. [PUBLIC AUTHORITY LEGAL ADVISOR.] 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.

Subd. 8. [COSTS ASSOCIATED WITH THE ADMINISTRATIVE PROCESS.] 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.

Subd. 9. [TRAINING AND RESTRUCTURING.] 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 this subdivision, and the public authority shall use them.

Sec. 2. [INSTRUCTION TO REVISOR.]

In the next edition of Minnesota Statutes, the revisor of statutes shall delete the term "518.551, subdivision 10" and replace it with "518.5511" where it appears in Minnesota Statutes, sections 357.021, subdivision 1a, and 518C.05.

Sec. 3. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 518.551, subdivision 10, is repealed.

Sec. 4. [EFFECTIVE DATE.]

This article is effective August 1, 1994.

ARTICLE 11

CHILD SUPPORT ADMINISTRATION AND ENFORCEMENT

Section 1. [8.40] [PUBLIC EDUCATION CAMPAIGN.]

The attorney general, in consultation with the commissioner of human services, may establish a public service campaign designed to educate the public about the necessity of the payment of child support to the well-being of the state's children and taxpayers. The commissioner shall enter into a contract with the attorney general pursuant to section 24, subdivision 2, for implementation of the campaign. The campaign may include public service announcements for broadcast through television, radio, and billboard media.

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) 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. 3. 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. 4. 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 or entity has physical custody with the consent of a custodial parent or approval of the court.

Sec. 5. Minnesota Statutes 1993 Supplement, section 518.14, is amended to read:

518.14 [COSTS AND DISBURSEMENTS ~~AND~~; ATTORNEY FEES; COLLECTION COSTS.]

Subdivision 1. [GENERAL.] Except as provided in subdivision 2, in a proceeding under this chapter, the court shall award attorney fees, costs, and disbursements in an amount necessary to enable a party to carry on or contest the proceeding, provided it finds:

(1) that the fees are necessary for the good-faith assertion of the party's rights in the proceeding and will not contribute unnecessarily to the length and expense of the proceeding;

(2) that the party from whom fees, costs, and disbursements are sought has the means to pay them; and

(3) that the party to whom fees, costs, and disbursements are awarded does not have the means to pay them.

Nothing in this section precludes the court from awarding, in its discretion, additional fees, costs, and disbursements against a party who unreasonably contributes to the length or expense of the proceeding. Fees, costs, and disbursements provided for in this section may be awarded at any point in the proceeding, including a modification proceeding under sections 518.18 and 518.64. The court may adjudge costs and disbursements against either party. The court may authorize the collection of money awarded by execution, or out of property sequestered, or in any other manner within the power of the court. An award of attorney's fees made by the court during the pendency of the proceeding or in the final judgment survives the proceeding and if not paid by the party directed to pay the same may be enforced as above provided or by a separate civil action brought in the attorney's own name. If the proceeding is dismissed or abandoned prior to determination and award of attorney's fees, the court may nevertheless award attorney's fees upon the attorney's motion. The award shall also survive the proceeding and may be enforced in the same manner as last above provided.

Subd. 2. [ENFORCEMENT OF CHILD SUPPORT.] (a) A child support obligee is entitled to recover from the obligor reasonable attorney fees and other collection costs incurred to enforce a child support judgment, as provided in this subdivision. In order to recover collection costs under this subdivision, the arrearages must be at least $500 and must be at least 90 days past due. In addition, the arrearages must be a docketed judgment under sections 548.09 and 548.091. If the obligor pays in full the judgment rendered under section 548.091 within 20 days of receipt of notice of entry of judgment, the obligee is not entitled to recover attorney fees or collection costs under this subdivision.

(b) Written notice must be provided by any obligee contracting with an attorney or collection entity to enforce a child support judgment to the public authority responsible for child support enforcement, if the public authority is a party or provides services to a party, within five days of signing a contract for services and within five days of receipting any payments received on a child support judgment. Attorney fees and collection costs obtained under this subdivision are considered child support and entitled to the applicable remedies for collection and enforcement of child support.

(c) The obligee shall serve notice of the obligee's intent to recover attorney fees and collections costs by certified or registered mail on the obligor at the obligor's last known address. The notice must include an itemization of the attorney fees and collection costs being sought by the obligee and inform the obligor that the fees and costs will become an additional judgment for child support unless the obligor requests a hearing on the reasonableness of the fees and costs or to contest the child support judgment on grounds limited to mistake of fact within 20 days of mailing of the notice.

(d) If the obligor requests a hearing, the only issues to be determined by the court are whether the attorney fees or collection costs were reasonably incurred by the obligee for the enforcement of a child support judgment against the obligor or the validity of the child support judgment on grounds limited to mistake of fact. The fees and costs may not exceed 30 percent of the arrearages. The court may modify the amount of attorney fees and costs as appropriate and shall enter judgment accordingly.

(e) If the obligor fails to request a hearing within 20 days of mailing of the notice under paragraph (a), the amount of the attorney fees or collection costs requested by the obligee in the notice automatically becomes an additional judgment for child support.

(f) The commissioner of human services shall prepare and make available to the court and the parties forms for use in providing for notice and requesting a hearing under this subdivision. The rulemaking provisions of chapter 14 do not apply to the forms.

Sec. 6. 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 or health insurance plan 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:

(i) a group basis; ~~or~~

(ii) through an employer or union; or

(iii) through a group health plan governed under the ERISA and included within the definitions relating to health plans found in section 62A.011, 62A.048, or 62E.06, subdivision 2.

"Health insurance" or "health insurance coverage" as used in this section means coverage that is comparable to or better than a number two qualified plan as defined in section 62E.06, subdivision 2. "Health insurance" or "health insurance coverage" as used in this section does not include medical assistance provided under chapter 256, 256B, or 256D.

(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~~ insurance 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)~~ (e) 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. 7. Minnesota Statutes 1993 Supplement, section 518.171, subdivision 6, is amended to read:

Subd. 6. [~~INSURER~~ PLAN REIMBURSEMENT; CORRESPONDENCE AND NOTICE.] (a) The signature of the custodial parent of the insured dependent is a valid authorization to ~~the insurer~~ a health or dental insurance plan for purposes of processing an insurance reimbursement payment to the provider of the medical services or to the custodial parent if medical services have been prepaid by the custodial parent.

(b) The ~~insurer~~ health or dental insurance plan shall send copies of all correspondence regarding the insurance coverage to both parents. When an order for dependent insurance coverage is in effect and the obligor's employment is terminated, or the insurance coverage is terminated, the ~~insurer~~ health or dental insurance plan shall notify the obligee within ten days of the termination date with notice of conversion privileges.

Sec. 8. Minnesota Statutes 1992, section 518.18, is amended to read:

518.18 [MODIFICATION OF ORDER.]

(a) Unless agreed to in writing by the parties, no motion to modify a custody order may be made earlier than one year after the date of the entry of a decree of dissolution or legal separation containing a provision dealing with custody, except in accordance with paragraph (c).

(b) If a motion for modification has been heard, whether or not it was granted, unless agreed to in writing by the parties no subsequent motion may be filed within two years after disposition of the prior motion on its merits, except in accordance with paragraph (c).

(c) The time limitations prescribed in paragraphs (a) and (b) shall not prohibit a motion to modify a custody order if the court finds that there is persistent and willful denial or interference with visitation, or has reason to believe that the child's present environment may endanger the child's physical or emotional health or impair the child's emotional development.

(d) If the court has jurisdiction to determine child custody matters, the court shall not modify a prior custody order unless it finds, upon the basis of facts that have arisen since the prior order or that were unknown to the court at the time of the prior order, that a change has occurred in the circumstances of the child or the parties and that the modification is necessary to serve the best interests of the child. In applying these standards the court shall retain the custody arrangement established by the prior order unless:

(i) both parties agree to the modification;

(ii) the child has been integrated into the family of the petitioner with the consent of the other party; or

(iii) the child's present environment endangers the child's physical or emotional health or impairs the child's emotional development and the harm likely to be caused by a change of environment is outweighed by the advantage of a change to the child.

In addition, a court may modify a custody order under section 631.52.

(e) In deciding whether to modify a prior joint custody order, the court shall apply the standards set forth in paragraph (d) unless: (1) the parties agree in writing to the application of a different standard, or (2) the party seeking the modification is asking the court for permission to move the residence of the child to another state.

(f) If a custodial parent has been granted sole physical custody of a minor and the child subsequently lives with the noncustodial parent, and temporary sole physical custody has been approved by the court or by a court-appointed referee, the court may suspend the noncustodial parent's child support obligation pending the final custody determination. The court's order denying the suspension of child support must include a written explanation of the reasons why continuation of the child support obligation would be in the best interests of the child.

Sec. 9. 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 or the amount in effect under paragraph (k)	25%	30%	35%	39%	43%	47%	50%

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
*Standard Deductions apply- use of tax tables recommended	(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.

"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.

The court shall review the work-related and education-related child care costs ~~of the custodial parent~~ paid and shall allocate the costs to each parent in proportion to each parent's net income, as determined under this subdivision, after the transfer of child support and spousal maintenance, unless the allocation would be substantially unfair to either parent. There is a presumption of substantial unfairness if after the sum total of child support, spousal maintenance, and child care costs is subtracted from the noncustodial parent's income, the income is at or below 100 percent of the federal poverty guidelines. The cost of child care for purposes of this ~~section~~ paragraph is ~~determined by subtracting the amount of any federal and state income tax credits available to a parent from~~ 75 percent of the actual cost paid for child care, to reflect the approximate value of state and federal tax credits available to the custodial parent. The actual cost paid for child care is the total amount received by the child care provider for the child or children from the obligee or any public agency. The amount allocated for child care expenses is considered child support but is not subject to a cost-of-living adjustment under section 518.641. The amount allocated for child care expenses terminates when the child care costs end.

(c) 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) 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) 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) 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) If payment of debt is ordered pursuant to this section, the payment shall be ordered to be in the nature of child support.

(h) 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) 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) 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.

(k) 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. 10. 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. 11. [518.575] [PUBLICATION OF NAMES OF DELINQUENT CHILD SUPPORT OBLIGORS.]

Every three months the department of human services shall publish in the newspaper of widest circulation in each county a list of the names and last known addresses 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 has made only partial child support payments that total less than 25 percent of the amount of child support owed, for the last 12 months

including any payments made through the interception of federal or state taxes. The rate charged for publication shall be the newspaper's lowest classified display rate, including all available discounts. 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.

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.

The department of human services shall insert with the notices sent to the obligee, a notice stating the intent to publish the obligor's name, and the criteria used to determine the publication of the obligor's name.

Sec. 12. Minnesota Statutes 1993 Supplement, section 518.64, subdivision 2, is amended to read:

Subd. 2. [MODIFICATION.] (a) The terms of an order respecting maintenance or support may be modified upon a showing of one or more of the following: (1) substantially increased or decreased earnings of a party; (2) substantially increased or decreased need of a party or the child or children that are the subject of these proceedings; (3) receipt of assistance under sections 256.72 to 256.87 or 256B.01 to 256B.40; (4) a change in the cost of living for either party as measured by the federal bureau of statistics, any of which makes the terms unreasonable and unfair; (5) extraordinary medical expenses of the child not provided for under section 518.171; or (6) the addition ~~or elimination~~ of work-related or education-related child care expenses of the obligee or a substantial increase or decrease in existing work-related or education-related child care expenses.

It is presumed that there has been a substantial change in circumstances under clause (1), (2), or (4) and the terms of a current support order shall be rebuttably presumed to be unreasonable and unfair if the application of the child support guidelines in section 518.551, subdivision 5, to the current circumstances of the parties results in a calculated court order that is at least 20 percent and at least $50 per month higher or lower than the current support order.

(b) On a motion for modification of maintenance, including a motion for the extension of the duration of a maintenance award, the court shall apply, in addition to all other relevant factors, the factors for an award of maintenance under section 518.552 that exist at the time of the motion. On a motion for modification of support, the court:

(1) shall apply section 518.551, subdivision 5, and shall not consider the financial circumstances of each party's spouse, if any; and

(2) shall not consider compensation received by a party for employment in excess of a 40-hour work week, provided that the party demonstrates, and the court finds, that:

(i) the excess employment began after entry of the existing support order;

(ii) the excess employment is voluntary and not a condition of employment;

(iii) the excess employment is in the nature of additional, part-time employment, or overtime employment compensable by the hour or fractions of an hour;

(iv) the party's compensation structure has not been changed for the purpose of affecting a support or maintenance obligation;

(v) in the case of an obligor, current child support payments are at least equal to the guidelines amount based on income not excluded under this clause; and

(vi) in the case of an obligor who is in arrears in child support payments to the obligee, any net income from excess employment must be used to pay the arrearages until the arrearages are paid in full.

(c) A modification of support or maintenance may be made retroactive only with respect to any period during which the petitioning party has pending a motion for modification but only from the date of service of notice of the motion on the responding party and on the public authority if public assistance is being furnished or the county attorney is the attorney of record. However, modification may be applied to an earlier period if the court makes express findings that the party seeking modification was precluded from serving a motion by reason of a significant physical or mental disability, a material misrepresentation of another party, or fraud upon the court and that the party seeking modification, when no longer precluded, promptly served a motion.

(d) Except for an award of the right of occupancy of the homestead, provided in section 518.63, all divisions of real and personal property provided by section 518.58 shall be final, and may be revoked or modified only where the court finds the existence of conditions that justify reopening a judgment under the laws of this state, including motions under section 518.145, subdivision 2. The court may impose a lien or charge on the divided property at any time while the property, or subsequently acquired property, is owned by the parties or either of them, for the payment of maintenance or support money, or may sequester the property as is provided by section 518.24.

(e) The court need not hold an evidentiary hearing on a motion for modification of maintenance or support.

(f) Section 518.14 shall govern the award of attorney fees for motions brought under this subdivision.

Sec. 13. Minnesota Statutes 1993 Supplement, section 518.68, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENT.] Every court order ~~for~~ or judgment and decree that provides for child support, spousal maintenance, custody, or visitation must contain certain notices as set out in subdivision 2. The information in the notices must be concisely stated in plain language. The notices must be in clearly legible print, but may not exceed two pages. An order or judgment and decree without the notice remains subject to all statutes. The court may waive all or part of the notice required under subdivision 2 relating to parental rights under section 518.17, subdivision 3, if it finds it is necessary to protect the welfare of a party or child.

Sec. 14. Minnesota Statutes 1993 Supplement, section 518.68, subdivision 2, is amended to read:

Subd. 2. [CONTENTS.] The required notices must be substantially as follows:

IMPORTANT NOTICE

1. PAYMENTS TO PUBLIC AGENCY

Pursuant to Minnesota Statutes, section 518.551, subdivision 1, payments ordered for maintenance and support must be paid to the public agency responsible for child support enforcement as long as the person entitled to receive the payments is receiving or has applied for public assistance or has applied for support and maintenance collection services. MAIL PAYMENTS TO:

2. DEPRIVING ANOTHER OF CUSTODIAL OR PARENTAL RIGHTS -- A FELONY

A person may be charged with a felony who conceals a minor child or takes, obtains, retains, or fails to return a minor child from or to the child's parent (or person with custodial or visitation rights), pursuant to Minnesota Statutes, section 609.26. A copy of that section is available from any district court clerk.

3. RULES OF SUPPORT, MAINTENANCE, VISITATION

(a) Payment of support or spousal maintenance is to be as ordered, and the giving of gifts or making purchases of food, clothing, and the like will not fulfill the obligation.

(b) Payment of support must be made as it becomes due, and failure to secure or denial of rights of visitation is NOT an excuse for nonpayment, but the aggrieved party must seek relief through a proper motion filed with the court.

(c) Nonpayment of support is not grounds to deny visitation. The party entitled to receive support may apply for support and collection services, file a contempt motion, or obtain a judgment as provided in Minnesota Statutes, section 548.091.

(d) The payment of support or spousal maintenance takes priority over payment of debts and other obligations.

(d) (e) A party who ~~remarries after dissolution and~~ accepts additional obligations of support does so with the full knowledge of the party's prior obligation under this proceeding.

~~(e)~~ (f) Child support or maintenance is based on annual income, and it is the responsibility of a person with seasonal employment to budget income so that payments are made throughout the year as ordered.

(g) If there is a layoff or a pay reduction, support may be reduced as of the time of the layoff or pay reduction if a motion to reduce the support is served and filed with the court at that time, but any such reduction must be ordered by the court. The court is not permitted to reduce support retroactively, except as provided in Minnesota Statutes, section 518.64, subdivision 2, paragraph (c).

4. PARENTAL RIGHTS FROM MINNESOTA STATUTES, SECTION 518.17, SUBDIVISION 3

Unless otherwise provided by the Court:

(a) Each party has the right of access to, and to receive copies of, school, medical, dental, religious training, and other important records and information about the minor children. Each party has the right of access to information regarding health or dental insurance available to the minor children. Presentation of a copy of this order to the custodian of a record or other information about the minor children constitutes sufficient authorization for the release of the record or information to the requesting party.

(b) Each party shall keep the other informed as to the name and address of the school of attendance of the minor children. Each party has the right to be informed by school officials about the children's welfare, educational progress and status, and to attend school and parent teacher conferences. The school is not required to hold a separate conference for each party.

(c) In case of an accident or serious illness of a minor child, each party shall notify the other party of the accident or illness, and the name of the health care provider and the place of treatment.

(d) Each party has the right of reasonable access and telephone contact with the minor children.

5. WAGE AND INCOME DEDUCTION OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be withheld from income, with or without notice to the person obligated to pay, when the conditions of Minnesota Statutes, sections 518.611 and 518.613, have been met. A copy of those sections is available from any district court clerk.

6. CHANGE OF ADDRESS OR RESIDENCE

Unless otherwise ordered, the person responsible to make support or maintenance payments shall notify the person entitled to receive the payment and the public authority responsible for collection, if applicable, of a change of address or residence within 60 days of the address or residence change.

7. COST OF LIVING INCREASE OF SUPPORT AND MAINTENANCE

Child support and/or spousal maintenance may be adjusted every two years based upon a change in the cost of living (using Department of Labor Consumer Price Index ....., unless otherwise specified in this order) when the conditions of Minnesota Statutes, section 518.641, are met. Cost of living increases are compounded. A copy of Minnesota Statutes, section 518.641, and forms necessary to request or contest a cost of living increase are available from any district court clerk.

8. JUDGMENTS FOR UNPAID SUPPORT

If a person fails to make a child support payment, the payment owed becomes a judgment against the person responsible to make the payment by operation of law on or after the date the payment is due, and the person entitled to receive the payment or the public agency may obtain entry and docketing of the judgment WITHOUT NOTICE to the person responsible to make the payment under Minnesota Statutes, section 548.091. Interest begins to accrue on a payment or installment of child support whenever the unpaid amount due is greater than the current support due, pursuant to Minnesota Statutes, section 548.091, subdivision 1a.

9. JUDGMENTS FOR UNPAID MAINTENANCE

A judgment for unpaid spousal maintenance may be entered when the conditions of Minnesota Statutes, section 548.091, are met. A copy of that section is available from any district court clerk.

~~10. MEDICAL INSURANCE AND EXPENSES~~

~~The person responsible to pay support and the person's employer or union are ordered to provide medical and dental insurance and pay for uncovered expenses under the conditions of Minnesota Statutes, section 518.171, unless otherwise provided in this order or the statute. A copy of this statute is available from any district court clerk.~~

10. ATTORNEY FEES AND COLLECTION COSTS FOR ENFORCEMENT OF CHILD SUPPORT

A judgment for attorney fees and other collection costs incurred in enforcing a child support order will be entered against the person responsible to pay support when the conditions of section 518.14, subdivision 2, are met. A copy of section 518.14 and forms necessary to request or contest these attorney fees and collection costs are available from any district court clerk.

Sec. 15. Minnesota Statutes 1993 Supplement, section 518.68, subdivision 3, is amended to read:

Subd. 3. [COPIES OF LAW AND FORMS.] The district court administrator shall make available at no charge copies of sections 518.14, 518.17, 518.611, 518.613, 518.641, 548.091, and 609.26, and shall provide forms to request or contest attorney fees and collection costs or a cost-of-living increase under section 518.14, subdivision 2, or 518.641.

Sec. 16. Minnesota Statutes 1992, section 548.091, subdivision 2a, is amended to read:

Subd. 2a. [DOCKETING OF CHILD SUPPORT JUDGMENT.] On or after the date an unpaid amount becomes a judgment by operation of law under subdivision 1a, the obligee or the public authority may file with the court administrator:

(1) a statement identifying, or a copy of, the judgment or decree of dissolution or legal separation, determination of parentage, order under chapter 518C, an order under section 256.87, or an order under section 260.251, which provides for installment or periodic payments of child support, or a judgment or notice of attorney fees and collection costs under section 518.14, subdivision 2;

(2) an affidavit of default. The affidavit of default must state the full name, occupation, place of residence, and last known post office address of the obligor, the name and post office address of the obligee, the date or dates payment was due and not received and judgment was obtained by operation of law, and the total amount of the judgments; and

(3) an affidavit of service of a notice of entry of judgment or notice of intent to recover attorney fees and collection costs on the obligor, in person or by mail at the obligor's last known post office address. Service is completed upon mailing in the manner designated.

Sec. 17. 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. 18. 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. 19. 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. 20. 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. 21. [INCOME SHARES MODEL CHILD SUPPORT 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 to the legislature for consideration, in addition to the plan for including contested hearings in the simple, statewide administrative process no later than February 1, 1995.

Sec. 22. [MINNESOTA CHILD SUPPORT ASSURANCE PROGRAM.]

Subdivision 1. [AUTHORIZATION TO DESIGN DEMONSTRATION.] The commissioner of human services, in consultation with the commissioners of education, finance, jobs and training, health, and planning, the director of the higher education coordinating board, and the attorney general, is authorized to proceed with planning and designing the Minnesota child support assurance program. The commissioner shall not proceed with the program plan if, at any point, the federal government informs the state that the federal government will not be seeking demonstration projects of child support assurance or will not be providing enhanced federal funding. The plan and design shall include an assessment of the feasibility of the state guaranteeing a minimum level of support from a noncustodial parent and shall further provide that the state will provide that level of support to the child in instances where it is not provided by the child's noncustodial parent. The program plan shall specifically determine whether and the extent to which benefits received by a family under the Minnesota child support assurance program will reduce benefits paid to the family through the aid to families with dependent children program. The program plan shall also provide that the receipt of child support assurance benefits does not negatively affect any existing eligibility for child care assistance under existing programs and shall consider how the receipt of child support assurance benefits affects eligibility under other government benefit programs, including housing assistance, energy assistance, and food stamps.

Subd. 2. [GOALS OF THE MINNESOTA CHILD SUPPORT ASSURANCE PROGRAM.] The commissioner shall design the program to meet the following goals:

(1) to support parents in their efforts to provide financial support for their children;

(2) to encourage parents to meet their legal obligations of support;

(3) to prevent long-term dependence on public assistance; and

(4) to allow the state to compare the cost-effectiveness and the efficacy of child support assurance to the Minnesota family investment program in attempting to restructure the existing system of public assistance.

Subd. 3. [PROGRAM DATA.] As part of planning and designing the Minnesota child support assurance program, the commissioner shall study and make recommendations on:

(1) the amount of the guaranteed child support assurance benefit;

(2) the anticipated reduction in the aid to families with dependent children caseload which should result from the implementation of a child support assurance program;

(3) the anticipated cost of the program on a demonstration basis;

(4) the selection of counties to serve as field trial or comparison sites based on criteria which will ensure reliable evaluation of the program. This selection shall be made so that an adverse impact on the Minnesota family investment program is avoided; and

(5) the waivers of all applicable federal requirements needed to implement the Minnesota child support assurance program in a manner consistent with the goals of the program.

In order to make recommendations on the amount of the guaranteed child support assurance benefit, the commissioner shall conduct a study of and make detailed findings on the actual cost in Minnesota of items necessary to adequately meet a child's basic needs.

The commissioner shall report the findings and recommendations to the legislature by January 15, 1995.

Sec. 23. [REPORT TO LEGISLATURE.]

The department of human services shall report to the legislature by January 31, 1996, in the department of human services annual report to the legislature, the fiscal implications of the program, established in Minnesota Statutes, section 518.575, which publishes the names of delinquent child support obligors, including related costs and savings.

Sec. 24. [APPROPRIATION.]

Subdivision 1. $150,000 is appropriated from the general fund to the commissioner of human services to plan and design the child support assurance program provided for by section 22, to be available until June 30, 1995.

Subd. 2. $75,000 is appropriated from the general fund to the commissioner of human services for the child support public education campaign provided for by section 1, to be available until June 30, 1995. The commissioner shall enter into a $75,000 contract with the attorney general for the implementation of the campaign.

Subd. 3. The appropriations in this section must not be included in the budget base for the 1996-1997 biennium.

Sec. 25. [EFFECTIVE DATE; APPLICATION.]

Section 5 (518.14) is effective August 1, 1994, and applies to attorney fees and collection costs incurred on and after that date, regardless of when the arrearages accrued.

Section 7 (518.171, subdivision 6) is effective retroactive to July 1, 1993.

Sections 17 to 20 (609.375) are effective the day following final enactment and apply to crimes committed on and after that date.

ARTICLE 12

MISCELLANEOUS FAMILY LAW

Section 1. Minnesota Statutes 1993 Supplement, section 363.03, subdivision 3, is amended to read:

Subd. 3. [PUBLIC ACCOMMODATIONS.] (a) It is an unfair discriminatory practice:

(1) to deny any person the full and equal enjoyment of the goods, services, facilities, privileges, advantages, and accommodations of a place of public accommodation because of race, color, creed, religion, disability, national origin, marital status, sexual orientation, or sex, or for a taxicab company to discriminate in the access to, full utilization of, or benefit from service because of a person's disability; or

(2) for a place of public accommodation not to make reasonable accommodation to the known physical, sensory, or mental disability of a disabled person. In determining whether an accommodation is reasonable, the factors to be considered may include:

(i) the frequency and predictability with which members of the public will be served by the accommodation at that location;

(ii) the size of the business or organization at that location with respect to physical size, annual gross revenues, and the number of employees;

(iii) the extent to which disabled persons will be further served from the accommodation;

(iv) the type of operation;

(v) the nature and amount of both direct costs and legitimate indirect costs of making the accommodation and the reasonableness for that location to finance the accommodation; and

(vi) the extent to which any persons may be adversely affected by the accommodation.

State or local building codes control where applicable. Violations of state or local building codes are not violations of this chapter and must be enforced under normal building code procedures.

(b) This paragraph lists general prohibitions against discrimination on the basis of disability. For purposes of this paragraph "individual" or "class of individuals" refers to the clients or customers of the covered public accommodation that enter into the contractual, licensing, or other arrangement.

(1) It is discriminatory to:

(i) subject an individual or class of individuals on the basis of a disability of that individual or class, directly or through contractual, licensing, or other arrangements, to a denial of the opportunity of the individual or class to participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations of an entity;

(ii) afford an individual or class of individuals on the basis of the disability of that individual or class, directly or through contractual, licensing, or other arrangements, with the opportunity to participate in or benefit from the goods, services, facilities, privileges, advantages, or accommodations that are not equal to those afforded to other individuals; and

(iii) provide an individual or class of individuals, on the basis of a disability of that individual or class, directly or through contractual, licensing, or other arrangements, with goods, services, facilities, privileges, advantages, or accommodations that are different or separate from those provided to other individuals, unless the action is necessary to provide the individual or class of individuals with goods, services, facilities, privileges, advantages, or accommodations, or other opportunities that are as effective as those provided to others.

(2) Goods, services, facilities, privileges, advantages, and accommodations must be afforded to an individual with a disability in the most integrated setting appropriate to the needs of the individual.

(3) Notwithstanding the existence of separate or different programs or activities provided in accordance with this section, the individual with a disability may not be denied the opportunity to participate in the programs or activities that are not separate or different.

(4) An individual or entity may not, directly or through contractual or other arrangements, use standards or criteria and methods of administration:

(i) that have the effect of discriminating on the basis of disability; or

(ii) that perpetuate the discrimination of others who are subject to common administrative control.

(c) This paragraph lists specific prohibitions against discrimination on the basis of disability. For purposes of this paragraph, discrimination includes:

(1) the imposition or application of eligibility criteria that screen out or tend to screen out an individual with a disability or any class of individuals with disabilities from fully and equally enjoying any goods, services, facilities, privileges, advantages, or accommodations, unless the criteria can be shown to be necessary for the provision of the goods, services, facilities, privileges, advantages, or accommodations;

(2) failure to make reasonable modifications in policies, practices, or procedures when the modifications are necessary to afford the goods, services, facilities, privileges, advantages, or accommodations to individuals with disabilities, unless the entity can demonstrate that making the modifications would fundamentally alter the nature of the goods, services, facilities, privileges, advantages, or accommodations;

(3) failure to take all necessary steps to ensure that no individual with a disability is excluded, denied services, segregated, or otherwise treated differently than other individuals because of the absence of auxiliary aids and services, unless the entity can demonstrate that taking the steps would fundamentally alter the nature of the goods, services, facilities, privileges, advantages, or accommodations being offered and would result in an undue burden;

(4) failure to remove architectural barriers, and communication barriers that are structural in nature, in existing facilities, and transportation barriers in existing vehicles used by an establishment for transporting individuals, not including barriers that can only be removed through the retrofitting of vehicles by the installation of hydraulic or other lifts, if the removal is readily achievable; and

(5) if an entity can demonstrate that the removal of a barrier under clause (4) is not readily achievable or cannot be considered a reasonable accommodation, a failure to make the goods, services, facilities, privileges, advantages, or accommodations available through alternative means if the means are readily achievable.

(d) Nothing in this chapter requires an entity to permit an individual to participate in and benefit from the goods, services, facilities, privileges, advantages, and accommodations of the entity if the individual poses a direct threat to the health or safety of others. "Direct threat" means a significant risk to the health or safety of others that cannot be eliminated by a modification of policies, practices, or procedures or by the provision of auxiliary aids or services.

(e) No individual may be discriminated against on the basis of disability in the full and equal enjoyment of specified public transportation services provided by a private entity that is primarily engaged in the business of transporting people and whose operations affect commerce. For purposes of this paragraph, it is an unfair discriminatory practice for a private entity providing public transportation to engage in one or more of the following practices:

(1) imposition or application of eligibility criteria that screen out, or tend to screen out, an individual with a disability or a class of individuals with disabilities from fully enjoying the specified public transportation services provided by the entity, unless the criteria can be shown to be necessary for the provision of the services being offered;

(2) failure to make reasonable modifications, provide auxiliary aids and services, and remove barriers, consistent with section 363.03, subdivision 3, paragraph (c);

(3) the purchase or lease of a new vehicle, other than an automobile or van with a seating capacity of fewer than eight passengers, including the driver, or an over-the-road bus, that is to be used to provide specified public transportation that is not readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, except that a new vehicle need not be readily accessible to and usable by individuals with disabilities if the vehicle is to be used solely in a demand responsive system and if the private entity can demonstrate that the system, when viewed in its entirety, provides a level of services to individuals with disabilities equivalent to the level of service provided to the general public;

(4) purchase or lease a new railroad passenger car that is to be used to provide specified public transportation if the car is not readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, or to manufacture railroad passenger cars or purchase used cars that have been remanufactured so as to extend their usable life by ten years or more, unless the remanufactured car, to the maximum extent feasible, is made readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, except that compliance with this clause is not required to the extent that compliance would significantly alter the historic or antiquated character of historic or antiquated railroad passenger cars or rail stations served exclusively by those cars;

(5) purchase or lease a new, used, or remanufactured vehicle with a seating capacity in excess of 16 passengers, including the driver, for use on a fixed route public transportation system, that is not readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs. If a private entity that operates a fixed route public transportation system purchases or leases a new, used, or remanufactured vehicle with a seating capacity of 16 passengers or fewer, including the driver, for use on the system which is not readily accessible to and usable by individuals with disabilities, it is an unfair discriminatory practice for the entity to fail to operate the system so that, when viewed in its entirety, the system ensures a level of service to individuals with disabilities, including individuals who use wheelchairs, equivalent to the level of service provided to individuals without disabilities; or

(6) to fail to operate a demand responsive system so that, when viewed in its entirety, the system ensures a level of service to individuals with disabilities, including individuals who use wheelchairs, equivalent to the level of service provided to individuals without disabilities. It is an unfair discriminatory practice for the entity to purchase or lease for use on a demand responsive system a new, used, or remanufactured vehicle with a seating capacity in excess of 16 passengers, including the driver, that is not readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs, unless the entity can demonstrate that the system, when viewed in its entirety, provides a level of service to individuals with disabilities equivalent to that provided to individuals without disabilities.

(f) It is an unfair discriminatory practice to construct a new facility or station to be used in the provision of public transportation services, unless the facilities or stations are readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs. It is an unfair discriminatory practice for a facility or station currently used for the provision of public transportation services defined in this subdivision to fail to make alterations necessary in order, to the maximum extent feasible, to make the altered portions of facilities or stations readily accessible to and usable by individuals with disabilities, including individuals who use wheelchairs. If the private entity is undertaking an alteration that affects or could affect the usability of or access to an area of the facility containing a primary function, the entity shall make the alterations so that, to the maximum extent feasible, the path of travel to the altered area, and the bathrooms, drinking fountains, and telephones serving the altered area, are readily accessible to and usable by individuals with disabilities if the alterations to the path of travel or to the functions mentioned are not disproportionate to the overall alterations in terms of cost and scope. The entity raising this defense has the burden of proof, and the department shall review these cases on a case-by-case basis.

Sec. 2. Minnesota Statutes 1992, section 518.11, is amended to read:

518.11 [SERVICE; PUBLICATION.]

(a) Unless a proceeding is brought by both parties, copies of the summons and petition shall be served on the respondent personally.

(b) When service is made out of this state and within the United States, it may be proved by the affidavit of the person making the same. When service is made without the United States it may be proved by the affidavit of the person making the same, taken before and certified by any United States minister, charge d'affaires, commissioner, consul or commercial agent, or other consular or diplomatic officer of the United States appointed to reside in such country, including all deputies or other representatives of such officer authorized to perform their duties; or before an officer authorized to administer an oath with the certificate of an officer of a court of record of the country wherein such affidavit is taken as to the identity and authority of the officer taking the same. ~~But,~~

(c) If personal service cannot be made, the court may order service of the summons by ~~publication, which publication shall be made as in other actions.~~ alternate means. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents, siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons.

The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent.

The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Also, the court may require the petitioner to make efforts to locate the respondent by telephone calls to appropriate persons. Service shall be deemed complete 21 days after mailing or 21 days after court-ordered publication.

Sec. 3. [518.158] [GRANDPARENT EX PARTE TEMPORARY CUSTODY ORDER.]

Subdivision 1. [FACTORS.] It is presumed to be in the best interests of the child for the court to grant temporary custody to a grandparent under subdivision 2 if a minor child has resided with the grandparent for a period of 12 months or more and the following circumstances exist without good cause:

(1) the parent has had no contact with the child on a regular basis and no demonstrated, consistent participation in the child's well-being for six months; or

(2) the parent, during the time the child resided with the grandparent, has refused or neglected to comply with the duties imposed upon the parent by the parent and child relationship, including but not limited to providing the child necessary food, clothing, shelter, health care, education, and other care and control necessary for the child's physical, mental, or emotional health and development.

Subd. 2. [EMERGENCY CUSTODY HEARING.] If the parent seeks to remove the child from the home of the grandparent and the factors in subdivision 1 exist, the grandparent may apply for an ex parte temporary order for custody of the child. The court shall grant temporary custody if it finds, based on the application, that the factors in subdivision 1 exist. If it finds that the factors in subdivision 1 do not exist, the court shall order that the child be returned to the parent. An ex parte temporary custody order under this subdivision is good for a fixed period not to exceed 14 days. A temporary custody hearing under this chapter must be set for not later than seven days after issuance of the ex parte temporary custody order. The parent must be promptly served with a copy of the ex parte order and the petition and notice of the date for the hearing.

Subd. 3. [FURTHER PROCEEDINGS.] If the court orders temporary physical custody to the grandparent under subdivision 2 and the grandparent or parent seeks to pursue further temporary or permanent custody of the child, the custody issues must be determined pursuant to a petition under this chapter and the other standards and procedures of this chapter apply. This section does not affect any rights or remedies available under other law.

Subd. 4. [RETURN TO PARENT.] If the court orders permanent custody to a grandparent under this section, the court shall set conditions the parent must meet in order to obtain custody. The court may notify the parent that the parent may request assistance from the local social service agency in order to meet the conditions set by the court.

Sec. 4. Minnesota Statutes 1992, section 518.17, subdivision 1, is amended to read:

Subdivision 1. [THE BEST INTERESTS OF THE CHILD.] (a) "The best interests of the child" means all relevant factors to be considered and evaluated by the court including:

(1) the wishes of the child's parent or parents as to custody;

(2) the reasonable preference of the child, if the court deems the child to be of sufficient age to express preference;

(3) the child's primary caretaker;

(4) the intimacy of the relationship between each parent and the child;

(5) the interaction and interrelationship of the child with a parent or parents, siblings, and any other person who may significantly affect the child's best interests;

(6) the child's adjustment to home, school, and community;

(7) the length of time the child has lived in a stable, satisfactory environment and the desirability of maintaining continuity;

(8) the permanence, as a family unit, of the existing or proposed custodial home;

(9) the mental and physical health of all individuals involved; except that a disability, as defined in section 363.01, of a proposed custodian or the child shall not be determinative of the custody of the child, unless the proposed custodial arrangement is not in the best interest of the child;

(10) the capacity and disposition of the parties to give the child love, affection, and guidance, and to continue educating and raising the child in the child's culture and religion or creed, if any;

(11) the child's cultural background; ~~and~~

(12) the effect on the child of the actions of an abuser, if related to domestic abuse, as defined in section 518B.01, that has occurred between the parents; and

(13) except in cases in which a finding of domestic abuse as defined in section 518B.01 has been made, the disposition of each parent to encourage and permit frequent and continuing contact by the other parent with the child.

The court may not use one factor to the exclusion of all others. The primary caretaker factor may not be used as a presumption in determining the best interests of the child. The court must make detailed findings on each of the factors and explain how the factors led to its conclusions and to the determination of the best interests of the child.

(b) The court shall not consider conduct of a proposed custodian that does not affect the custodian's relationship to the child.

Sec. 5. Minnesota Statutes 1992, section 518B.01, subdivision 8, is amended to read:

Subd. 8. [SERVICE ~~OF ORDER~~; ALTERNATE SERVICE; PUBLICATION.] (a) The petition and any order issued under this section shall be ~~personally~~ served ~~upon~~ on the respondent personally.

(b) When service is made out of this state and in the United States, it may be proved by the affidavit of the person making the service. When service is made outside the United States, it may be proved by the affidavit of the person making the service, taken before and certified by any United States minister, charge d'affaires, commissioner, consul, or commercial agent, or other consular or diplomatic officer of the United States appointed to reside in the other country, including all deputies or other representatives of the officer authorized to perform their duties; or before an office authorized to administer an oath with the certificate of an officer of a court of record of the country in which the affidavit is taken as to the identity and authority of the officer taking the affidavit.

(c) If personal service cannot be made, the court may order service of the petition and any order issued under this section by alternate means, or by publication, which publication must be made as in other actions. The application for alternate service must include the last known location of the respondent; the petitioner's most recent contacts with the respondent; the last known location of the respondent's employment; the names and locations of the respondent's parents, siblings, children, and other close relatives; the names and locations of other persons who are likely to know the respondent's whereabouts; and a description of efforts to locate those persons.

The court shall consider the length of time the respondent's location has been unknown, the likelihood that the respondent's location will become known, the nature of the relief sought, and the nature of efforts made to locate the respondent. The court shall order service by first class mail, forwarding address requested, to any addresses where there is a reasonable possibility that mail or information will be forwarded or communicated to the respondent.

The court may also order publication, within or without the state, but only if it might reasonably succeed in notifying the respondent of the proceeding. Also, the court may require the petitioner to make efforts to locate the respondent by telephone calls to appropriate persons. Service shall be deemed complete 21 days after mailing or 21 days after court-ordered publication.

Sec. 6. [STUDY OF WAYS TO NURTURE THE FAMILY.]

The children's cabinet shall study ways to promote, support, protect, and nurture the family. They shall recommend changes in government and nongovernment programs and Minnesota Statutes that will encourage the preservation of the family. The children's cabinet shall report the findings to the legislature by February 1, 1995.

Sec. 7. [EFFECTIVE DATE.]

Section 3 (518.158) is effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to family; adopting the uniform interstate family support act; repealing the revised uniform reciprocal enforcement of support act; establishing certain administrative procedures; authorizing a public education campaign; changing enforcement procedures; changing certain calculations; establishing a child support assurance program; requiring reports; prohibiting certain discriminatory practices; authorizing temporary custody orders; clarifying certain terms; imposing penalties; appropriating money; amending Minnesota Statutes 1992, sections 214.101, as amended; 518.11; 518.17, subdivision 1; 518.18; 518B.01, subdivision 8; 548.091, subdivision 2a; and 609.375, by adding subdivisions; Minnesota Statutes 1993 Supplement, sections 13.46, subdivision 2; 256.87, subdivision 5; 363.03, subdivision 3; 518.14; 518.171, subdivisions 1 and 6; 518.551, subdivisions 5 and 12; 518.64, subdivision 2; 518.68, subdivisions 1, 2, and 3; and 609.375, subdivision 2; proposing coding for new law in Minnesota Statutes,

chapters 8; 518; and 518C; repealing 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; Minnesota Statutes 1993 Supplement, section 518.551, subdivision 10."

We request adoption of this report and repassage of the bill.

Senate Conferees: PAT PIPER, RICHARD J. COHEN, DON BETZOLD AND DAVID L. KNUTSON.

House Conferees: LINDA WEJCMAN, JIM FARRELL, EDWINA GARCIA, DAVE BISHOP AND DOUG SWENSON.

Wejcman moved that the report of the Conference Committee on S. F. No. 1662 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. 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 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 4 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Frerichs	Gruenes	Haukoos	Stanius

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. 2913.

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. 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.

May 4, 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. 2913, 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. 2913 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PUBLIC SAFETY

Section 1. [PUBLIC SAFETY; APPROPRIATIONS.]

The sums set forth in the columns headed "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the commissioner of public safety for the purposes specified 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 266.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Sec. 2. PUBLIC SAFETY	$ (393,000)	$ 4,884,000
SUMMARY BY FUND		
General Fund	15,000	59,000
Special Revenue Fund		4,300,000
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)	4,825,000

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 $4,300,000 is from the state patrol motor vehicle account in the transportation services fund for purchasing motor vehicles used by state troopers. Of this amount, up to $54,000 in fiscal year 1995 may be used by the department for the implementation of the title registration fee change in section 4.

Sec. 3. [TRAFFIC ESCORT SERVICES REPORT.]

The commissioner of public safety shall report to the chairs of the transportation policy and finance committees of the senate and house of representatives by October 1, 1994, on the usage of the Minnesota state patrol for traffic escort services when a special permit is required for over-sized loads. The report shall include usage from July 1, 1990, until June 30, 1994, and report time worked and amounts paid to patrol officers, amounts reimbursed to the state, accident claims, and all expenses associated with special permit traffic escort services incurred by the state. The report should also include any special training and safety procedures followed for mobile traffic control.

Sec. 4. 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), clauses (1) and (3), 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. 5. Minnesota Statutes 1992, section 171.06, subdivision 3, is amended to read:

Subd. 3. [CONTENTS OF APPLICATION; OTHER INFORMATION.] An application must state the full name, date of birth, sex and residence address of the applicant, a description of the applicant in such manner as the commissioner may require, and must state whether or not the applicant has theretofore been licensed as a driver; and, if so, when and by what state or country and whether any such license has ever been suspended or revoked, or whether an application has ever been refused; and, if so, the date of and reason for such suspension, revocation, or refusal, together with such facts pertaining to the applicant and the applicant's ability to operate a motor vehicle with safety as may be required by the commissioner. An application for a Class CC, Class B, or Class A driver's license also must state the applicant's social security number. An application for a Class C driver's license must have a space for the applicant's social security number and state that providing the number is optional, or otherwise convey that the applicant is not required to enter the social security number. The application form must contain a space where the applicant may indicate a desire to make an anatomical gift. If the applicant does not indicate a desire to make an anatomical gift when the application is made, the applicant must be offered a donor document in accordance with section 171.07, subdivision 5. The application form must contain statements sufficient to comply with the requirements of the uniform anatomical gift act (1987), sections 525.921 to 525.9224, so that execution of the application or donor document will make the anatomical gift as provided in section 171.07, subdivision 5, for those indicating a desire to make an anatomical gift. The application form must contain a notification to the applicant of the availability of a living will designation on the license under section 171.07, subdivision 7. The application must be in the form prepared by the commissioner.

The application form must be accompanied by a pamphlet containing relevant facts relating to:

(1) the effect of alcohol on driving ability;

(2) the effect of mixing alcohol with drugs;

(3) the laws of Minnesota relating to operation of a motor vehicle while under the influence of alcohol or a controlled substance; and

(4) the levels of alcohol-related fatalities and accidents in Minnesota and of arrests for alcohol-related violations.

The application form must also be accompanied by a pamphlet describing Minnesota laws regarding anatomical gifts and the need for and benefits of anatomical gifts.

Sec. 6. [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. 7. [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 2

ENVIRONMENT AND NATURAL RESOURCES

Section 1. [APPROPRIATIONS.]

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.

SUMMARY BY FUND

	1994	1995
General	$	$ 6,666,000
Game and Fish	(1,206,000)	(3,207,000)
Environmental Trust	1,346,000	
Minnesota Future Resources	1,404,000	
TOTAL	1,544,000	3,459,000

	APPROPRIATIONS Available for the Year Ending June 30	
	1994	1995
	$	$
Sec. 2. BOARD OF WATER AND SOIL RESOURCES	-0-	1,135,000

$1,005,000 is appropriated for implementation of the state revolving fund. Of this amount, $865,000 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.

$130,000 is appropriated for fiscal year 1995 to the board of water and soil resources to fund a cooperative effort with the Minnesota extension service to work on groundwater education efforts with local units of government and landowners and for grants under the groundwater education activities program.

Sec. 3. POLLUTION CONTROL	-0-	2,373,000

(a) Feedlot Assistance and Compliance

$1,800,000 is appropriated in fiscal year 1995, for feedlot compliance and local assistance.

Of this amount, $900,000 is for grants for county administration of the feedlot permit program, 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

APPROPRIATIONS
Available for the Year
Ending June 30
1994 1995

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 of $5,000 plus either: $5 multiplied by the number of livestock or poultry farms with sales greater than $10,000, as reported in the 1992 Census of Agriculture, published by the United States Bureau of Census; or $15 multiplied by the number of feedlots with greater than ten 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.

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 is transferred to the board of water and soil resources for distribution 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.

(b) Nonpoint Source Implementation

$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.

(c) City of Morton Loan Forgiveness

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.

(d) External Cost Study

$200,000 is appropriated for an independent study of the external costs of electricity generation in the state. The commissioner must consult with the department of public service, utilities, environmental groups, and other interested persons in the design and scope of the study and selection of a study contractor. Unless the commissioner determines another methodology is more appropriate, the study must include a literature search and peer review of the data; and employ one or more of the following methodologies based upon the commissioner's consultation with interested persons: (1) damage cost; (2) cost of control; and (3) willingness to pay.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
The study must be completed by July 1, 1995, and must be transmitted by the commissioner to the public utilities commission for use in its consideration of environmental cost values under Minnesota Statutes, section 216B.2422, subdivision 2. The commission must not make a final decision on cost value until it has considered the study prepared under this section.		
This appropriation may not be spent until the commissioner of the pollution control agency has submitted a work plan to the legislative commission on Minnesota resources and the commission has approved the work plan.		
(e) Citizens Lake-Monitoring Program		
$73,000 is appropriated for the fiscal year ending June 30, 1995, to continue the citizens lake-monitoring program and the electronic lakes bulletin board.		
Sec. 4. AGRICULTURE	-0-	1,200,000
$750,000 is added to the appropriation in Laws 1993, chapter 172, section 7, to provide assistance to feedlot operators, and to implement best management practices for animal waste and sound nutrient management practices. $50,000 is for grants under Laws 1993, chapter 172, section 7, subdivision 4.		
$175,000 is added to the appropriation in Laws 1993, chapter 172, section 7, subdivision 4, and is for the administrative costs of implementing a rural and agriculture loan program for water quality improvement practices.		
$50,000 is appropriated in fiscal year 1995 for farm safety programs.		
$50,000 is appropriated for fiscal year 1995 to the commissioner of agriculture for coordination and outreach activities relating to sustainable agriculture and integrated pest management programs.		
$100,000 is appropriated for fiscal year 1995 to the commissioner of agriculture for demonstration grants on sustainable agriculture and integrated pest management projects. The appropriation is available until expended.		
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.		
$75,000 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.		

	APPROPRIATIONS Available for the Year Ending June 30 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. 5. NATURAL RESOURCES

Subdivision 1. Total Appropriation Change	(1,206,000)	(1,677,000)

Summary by Fund

General	-0-	1,530,000
Game and Fish	(1,206,000)	(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 section 65, subdivision 2, paragraph (a), clauses (1) to (4).

$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 remaining balance of the shoreland grant made by the commissioner of natural resources to the city of Laporte may be used by the city for administration of the city's shoreland ordinance.

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.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Subd. 3. Forest Management	-0-	75,000

This appropriation is to the commissioner of natural resources to plan and begin restoration and enhancement of Oak Forest and Oak Savannah natural communities in St. Paul's Indian Mounds Park and Battle Creek regional park.

Subd. 4. Parks and Recreation	-0-	270,000
Subd. 5. Trails and Waterways	(25,000)	650,000

Summary by Fund

General	-0-	675,000
Game and Fish	(25,000)	(25,000)

$600,000 is appropriated in fiscal year 1995 for grant-in-aid snowmobile trail maintenance and construction during the fiscal year ending June 30, 1995. 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	(938,000)	(2,197,000)

Summary by Fund

General	-0-	177,000
Game and Fish	(938,000)	(2,374,000)

$87,000 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.

$90,000 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. Enforcement	(100,000)	(308,000)

These reductions are from the game and fish fund.

Subd. 8. Operations Support	(143,000)	(312,000)

Summary by Fund

General	-0-	188,000
Game and Fish	(143,000)	(500,000)

$150,000 is added to the appropriation in Laws 1993, chapter 172, section 5, subdivision 9, to the commissioner of natural resources for transfer to the environmental quality board. The money must be

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
used for activities related to achieving the sustainable economic development and environmental protection goals of the environmental quality board's sustainable development initiative.		
$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).		
Sec. 6. 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	650,000	
This amount is added to the appropriation contained in Laws 1993, chapter 172, section 14, subdivision 10, paragraph (a).		
Lake Minnetonka Water Access Acquisition	850,000	
This amount is added to the appropriation contained in Laws 1993, chapter 172, section 14, subdivision 10, paragraph (n).		
Of this amount, $154,000 is from the Minnesota future resources fund and $696,000 is from the environmental trust fund.		
Silver Bay Harbor	1,000,000	
This amount is added to the appropriation contained in Laws 1993, chapter 172, section 14, subdivision 10, paragraph (o).		
Local Recreation Grants	250,000	
This appropriation is from the Minnesota future resources fund to the commissioner of natural resources to provide matching grants of $100,000 each to the White Earth and Leech Lake Reservations and $50,000 to the Nett Lake Reservation for community recreation facilities in communities with disproportionate incidences of juvenile delinquency.		
Sec. 7. CITIZEN'S COUNCIL ON VOYAGEURS NATIONAL PARK	-0-	58,000
Sec. 8. OFFICE OF STRATEGIC AND LONG RANGE PLANNING	-0-	300,000
$250,000 is appropriated for the fiscal year ending June 30, 1995. This is a one-time appropriation for a grant to the Northern Counties Land Use Coordinating Board.		

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
$50,000 is appropriated for fiscal year 1995 to the environmental quality board through the director of the office of strategic and long-range planning for the purposes of groundwater protection coordination.		
Sec. 9. 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. 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, adopt rules for, and implement 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 to develop procedures for implementing the program. The commissioner shall develop administrative guidelines to implement the pilot projects specifying criteria, standards, and procedures for making loans.

Subd. 3. [APPROPRIATIONS.] Up to $20,000,000 of the balance in the water pollution control revolving fund in section 446A.07, as determined by the public facilities authority, is appropriated to the commissioner for the establishment of this program.

Subd. 4. [DEFINITIONS.] For the purposes of this section, the terms defined in this subdivision have the meanings given them.

(a) "Applicant" means a county or a local government unit designated by a county under subdivision 8, paragraph (a).

(b) "Authority" means the Minnesota public facilities authority as established in section 446A.03.

(c) "Best management practices" has the meaning given in sections 103F.711, subdivision 3, and 103H.151, subdivision 2.

(d) "Chair" means the chair of the board of water and soil resources or the designee of the chair.

(e) "Borrower" means an individual farmer, an agriculture supply business, or rural landowner applying for a low-interest loan.

(f) "Commissioner" means the commissioner of agriculture or the designee of the commissioner.

(g) "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.

(h) "County allocation request" means a loan allocation request from an applicant to implement agriculturally related best management practices defined in paragraph (c).

(i) "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.

(j) "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.

(k) "Local lender" means a local government unit as defined in paragraph (j), a state or federally chartered bank, a savings and loan association, a state or federal credit union, or Farm Credit Services.

(l) "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, if a local lender other than the applicant is to be used.

(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 (h). A county or a group of counties may designate another local government unit as defined in subdivision 4, paragraph (j), 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, subdivision 2, paragraph (b), 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 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) whether the applicant intends to establish a revolving loan program under subdivision 10, paragraph (b);

(3) the potential that the proposed activities have for improving or protecting surface and groundwater quality;

(4) the extent that the proposed activities support areawide or multijurisdictional approaches to protecting water quality based on defined watershed;

(5) whether the activities are needed for compliance with existing water related laws or rules;

(6) whether the proposed activities demonstrate participation, coordination, and cooperation between local units of government and other public agencies;

(7) whether there is coordination with other public and private funding sources and programs; and

(8) whether there are off-site public benefits such as preventing downstream degradation and siltation.

Subd. 10. [AUTHORITY OF APPLICANTS.] (a) Applicants may enter into agreements with borrowers to finance projects under this section.

(b) Applicants may establish revolving loan programs to finance projects under this section.

(c) In approving county allocation requests, the commissioner shall allow applicants to provide loans under revolving loan programs established under paragraph (b), until 50 percent of the amount appropriated and available under subdivision 3 has been allocated to applicants establishing these programs. In approving any additional county allocation requests, the commissioner may allow applicants to provide loans under these programs.

Subd. 11. [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. For revolving loan programs established under subdivision 10, paragraph (b), the lender agreement must provide that:

(1) repayment of principal to the commissioner must begin ten years after the date the applicant receives the allocation; and

(2) the applicant shall report to the commissioner annually regarding the intended uses of the money in the revolving loan program.

Subd. 12. [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. 13. [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. 14. [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, a state or federal credit union, or an entity of Farm Credit Services.

Subd. 15. [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.

Subd. 16. [ASSESSMENT AGAINST REAL PROPERTY.] A county may assess and charge against real property amounts loaned and servicing fees for projects funded under this section. The auditor of the county where the project is located shall extend the amounts assessed and charged on the tax roll of the county against the real property on which the project is located.

Sec. 12. 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. 13. Minnesota Statutes 1992, section 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. 14. [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 media advertising, or 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 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.

Sec. 15. Minnesota Statutes 1992, section 41A.09, subdivision 2, is amended to read:

Subd. 2. [DEFINITIONS.] For purposes of this section the terms defined in this subdivision have the meanings given them.

(a) "Ethanol" means agriculturally derived fermentation ethyl alcohol derived from agricultural products, including potatoes, cereal, grains, cheese whey, and sugar beets, forest products, or other renewable resources, including residue and waste generated from the production, processing, and marketing of agricultural products, forest products, and other renewable resources, that:

(1) meets all of the specifications in ASTM specification D 4806-88; and

(2) is denatured with unleaded gasoline or rubber hydrocarbon solvent as defined in Code of Federal Regulations, title 27, parts 211 and 212, as adopted by the Bureau of Alcohol, Tobacco and Firearms of the United States Treasury Department.

(b) "Wet alcohol" means agriculturally derived fermentation ethyl alcohol having a purity of at least 50 percent but less than 99 percent.

Sec. 16. Minnesota Statutes 1993 Supplement, section 41A.09, subdivision 3, is amended to read:

Subd. 3. [PAYMENTS FROM ACCOUNT.] (a) The commissioner of agriculture shall make cash payments from the account to producers of ethanol or wet alcohol located in the state. These payments shall apply only to ethanol or wet alcohol fermented in the state. The amount of the payment for each producer's annual production shall be as follows:

~~(a)~~ (1) for each gallon of ethanol produced on or before June 30, ~~2000~~ 1995, 20 cents per gallon~~.~~;

~~(b)~~ (2) for each gallon of ethanol produced on or before June 30, 2010, 25 cents per gallon; and

(3) for each gallon produced of wet alcohol on or before June 30, ~~2000~~ 2010, a payment in cents per gallon calculated by the formula "alcohol purity in percent divided by five," and rounded to the nearest cent per gallon, but not less than 11 cents per gallon.

The producer payment for wet alcohol under this section may be paid to either the original producer of wet alcohol or the secondary processor, at the option of the original producer, but not to both.

~~(c)~~ (b) The commissioner shall make payments to producers of ethanol in the amount of 1.5 cents for each kilowatt hour of electricity generated using closed-loop biomass in a cogeneration facility at an ethanol plant located in the state. Payments under this paragraph shall be made only for electricity generated at cogeneration facilities that begin operation by June 30, 2000. The payments apply to electricity generated on or before the date ten years after the producer first qualifies for payment under this paragraph. Total payments under this paragraph in any fiscal year may not exceed $750,000. For the purposes of this paragraph:

(1) "closed-loop biomass" means any organic material from a plant that is planted exclusively for purposes of being used to generate electricity; and

(2) "cogeneration" means the combined generation of:

(i) electrical or mechanical power; and

(ii) steam or forms of useful energy, such as heat, that are used for industrial, commercial, heating, or cooling purposes.

(c) The total payments from the account to all producers may not exceed ~~$10,000,000~~ $20,000,000 in any fiscal year during the period beginning July 1, ~~1993~~ 1994, and ending June 30, ~~2000~~ 2010. Total payments from the account to any producer ~~in any fiscal year~~ under paragraph (a) may not exceed:

(1) $3,000,000 in fiscal year 1995; and

(2) $3,750,000 in fiscal year 1996 and subsequent fiscal years.

(d) By the last day of October, January, April, and July, each producer shall file a claim for payment for production during the preceding three calendar months. The volume of production must be verified by a certified financial audit performed by an independent certified public accountant using generally accepted accounting procedures.

(e) Payments shall be made November 15, February 15, May 15, and August 15.

Sec. 17. Minnesota Statutes 1992, section 41A.09, subdivision 5, is amended to read:

Subd. 5. [EXPIRATION.] This section expires July 1, ~~2000~~ 2010, and the unobligated balance of each appropriation under this section on that date reverts to the general fund.

Sec. 18. Minnesota Statutes 1992, section 84.0887, is amended by adding a subdivision to read:

Subd. 7. [GROUP HEALTH AND ACCIDENTAL DEATH INSURANCE.] The commissioner may provide group health and accidental death insurance coverage for youth and young adult corps members through an insurance carrier under contract with the National Association of Service and Conservation Corps.

Sec. 19. Minnesota Statutes 1992, section 84.0887, is amended by adding a subdivision to read:

Subd. 8. [EDUCATION AWARDS.] (a) A person employed as a corps member for one year of continuous service, as determined by standards adopted by the commissioner, and who receives a satisfactory evaluation upon termination of employment may be provided an incentive award of $500 or an education certificate in an amount not less than $1,000 nor more than stipulated in the National and Community Service Act (Public Law Number 101-610, United States Code, title 42, sections 12501 through 12681).

(b) The commissioner may authorize a partial incentive award or education certificate to a person employed as a corps member who receives a satisfactory evaluation upon termination of employment if the person is employed as a corps member for less than one year of continuous employment if the commissioner determines that employment

was terminated because of special circumstances beyond the control of the corps member. Partial awards may also be made if the person is employed as a corps member for at least ten months but less than one year and the commissioner determines that employment was terminated in order to enable the person to attend an institution of higher education, vocational institution, or other training program or to enable the person to obtain other employment.

(c) The education certificate is valid for seven years after the date of issuance for the payment of tuition, related educational expenses, and required program activity fees at any institution of higher education which accepts the certificate. In instances where a corps member has attained a degree or certificate from an institution of higher education and has an education loan outstanding, the education certificate may be used to repay that loan. The commissioner shall authorize payment to the institution of face value of the certificate upon presentation.

Sec. 20. 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. 21. 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. 22. 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. 23. Minnesota Statutes 1993 Supplement, section 97A.028, subdivision 3, is amended to read:

Subd. 3. [EMERGENCY DETERRENT MATERIALS ASSISTANCE.] (a) For the purposes of this subdivision, "cooperative damage management agreement" means an agreement between a landowner and the commissioner that establishes a program for addressing the problem of destruction of specialty crops by wild animals on the landowner's property.

(b) A person may apply to the commissioner for emergency deterrent materials assistance in controlling destruction of specialty crops by wild animals. Subject to the availability of money appropriated for this purpose, the commissioner shall provide suitable deterrent materials, up to $3,000 in value per individual or corporation, when the commissioner determines that:

(1) immediate action is necessary to prevent significant damage from continuing; and

(2) a cooperative damage management agreement cannot be implemented immediately.

(c) As a condition of receiving emergency deterrent materials assistance under this subdivision, a landowner shall enter into a cooperative damage management agreement with the commissioner. Deterrent materials provided by the commissioner may include repellents, fencing materials, or other materials recommended in the agreement to alleviate the damage problem. If requested by a landowner, any fencing materials provided must be capable of providing long-term protection of specialty crops. A landowner may not receive emergency deterrent materials assistance under this subdivision more than once. A landowner who receives emergency deterrent materials assistance under this subdivision shall comply with the terms of the cooperative damage management agreement.

Sec. 24. Minnesota Statutes 1992, section 97A.441, is amended by adding a subdivision to read:

Subd. 6a. [TAKING SMALL GAME; DISABLED VETERANS.] A person authorized to issue licenses must issue, without a fee, a license to take small game to a resident who is a veteran, as defined in section 197.447, and who has a 100 percent service connected disability as defined by the United States Veterans Administration upon being furnished satisfactory evidence.

Sec. 25. 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 may not be returned prior to the end of the license year unless the appointment of the subagent is revoked under subdivision 3, or voluntarily terminated by the subagent.

Sec. 26. Minnesota Statutes 1993 Supplement, section 97B.071, is amended to read:

97B.071 [BLAZE ORANGE REQUIREMENTS.]

(a) Except as provided in paragraph (b), a person may not hunt or trap during the open season ~~in a zone or area~~ where deer may be taken by firearms under applicable laws and ordinances, unless the visible portion of the person's cap and outer clothing above the waist, excluding sleeves and gloves, is blaze orange. 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.~~

(b) The commissioner may, by rule, prescribe an alternative color in cases where paragraph (a) would violate the Religious Freedom Restoration Act of 1993, Public Law Number 103-141.

Sec. 27. Minnesota Statutes 1992, section 103F.725, is amended by adding a subdivision to read:

Subd. 1a. [FINANCIAL ASSISTANCE; LOANS.] (a) Up to $10,000,000 of the balance in the water pollution control revolving fund in section 446A.07, as determined 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. 28. 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. 29. 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. 30. 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. 31. Minnesota Statutes 1992, section 116.07, is amended by adding a subdivision to read:

Subd. 11. [PERMITS; LANDFARMING CONTAMINATED SOIL.] (a) If the agency receives an application for a permit to spread soil contaminated by a harmful substance as defined in section 115B.25, subdivision 7a, on land in a township other than the township of origin of the soil, the agency must notify the board of the township where the spreading would occur at least 60 days prior to issuing the permit.

(b) The agency must not issue a permit to spread contaminated soil on land outside the township of origin if, by resolution, the township board of the township where the soil is to be spread requests that the agency not issue a permit.

Sec. 32. 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. 33. 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. 34. 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. 35. 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. 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 296.02, subdivision 7, is amended to read:

Subd. 7. [TAX CREDIT FOR AGRICULTURAL ALCOHOL GASOLINE.] Until October 1, 1997, a distributor shall be allowed a credit on each gallon of denatured ethanol commercially blended with gasoline or blended in a tank truck with gasoline on which the tax imposed by subdivision 1 is due and payable. Denatured ethanol is defined in section 296.01, subdivision 13. ~~After June 30, 1987,~~ The amount of the credit for every gallon of denatured ethanol blended with gasoline to produce agricultural alcohol gasoline is:

(1) until October 1, 1994, 20 cents;

(2) until October 1, 1995, 15 cents;

(3) until October 1, 1996, ten cents; and

(4) until October 1, 1997, five cents.

The credit allowed a distributor must not exceed the total tax liability under subdivision 1. The tax credit received by a distributor on denatured ethanol blended with motor fuels shall be passed on to the retailer.

Sec. 40. 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. 41. 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. 42. 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 agriculture, and ~~three additional members appointed by the governor from the general public with the advice and consent of the senate~~ the commissioner of health.

Sec. 43. Minnesota Statutes 1992, section 446A.03, is amended by adding a subdivision to read:

Subd. 3a. [DELEGATION.] In addition to any powers to delegate that members of the authority have as commissioners, they may delegate to the commissioner of trade and economic development their responsibilities as members of the authority for reviewing and approving financing of eligible projects that have been certified to the authority.

Sec. 44. 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 pollution control agency by the appropriate state agency or department within 30 days of written notification by the pollution control agency. The pollution control 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. 45. 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 pollution control agency~~,~~ or shall provide funding for the appropriate state agency or department to make loans for eligible activities certified by the pollution control agency provided the use of funds and the terms and conditions of the loans ~~must be~~ are in conformance with the Federal Water Pollution Control Act, this section, and rules of the pollution control agency~~,~~ and the authority adopted under this section.

Sec. 46. 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 11, 27, 116J.403, 116J.617, and 462A.05; provided that no more than $2,000,000 of the balance in the fund may be used for the small cities block grant program under section 116J.403 and the tourism loan program under section 116J.617, taken together, and no more than $2,000,000 of the balance in the fund may be used for home improvement loan programs under section 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. 47. 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 for projects other than those funded under section 11, 27, 116J.403, 116J.617, or 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. 48. 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. 49. 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. 50. [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. 51. 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. 52. 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. 53. 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. 54. Minnesota Statutes 1992, section 477A.12, is amended to read:

477A.12 [ANNUAL APPROPRIATIONS; LANDS ELIGIBLE; CERTIFICATION OF ACREAGE.]

There is annually appropriated to the commissioner of natural resources from the general fund for payment to counties within the state an amount equal to:

(1) for acquired natural resources land, $3 multiplied by the number of acres ~~of acquired natural resources land~~, or three-fourths of one percent of the appraised value, whichever is greater;

(2) ~~75~~ 85 cents multiplied by the number of acres of county-administered other natural resources land~~,~~; and

(3) ~~37.5~~ 42 cents multiplied by the number of acres of commissioner-administered other natural resources land located in each county as of July 1 of each year.

Lands for which payments in lieu are made pursuant to section 97A.061, subdivision 3, and Laws 1973, chapter 567, shall not be eligible for payments under this section. Each county auditor shall certify to the department of natural resources during July of each year the number of acres of county-administered other natural resources land within the county. The department of natural resources may, in addition to the certification of acreage, require descriptive lists of land so certified. The commissioner of natural resources shall determine and certify the number of acres of acquired natural resources land and commissioner-administered natural resources land within each county.

For the purposes of this section, the appraised value of acquired natural resources land is the purchase price for the first five years after acquisition. The appraised value of acquired natural resources land received as a donation is the value determined for the commissioner of natural resources by a licensed appraiser, or the county assessor's estimated market value if no appraisal is done. The appraised value must be determined by the county assessor every five years after the land is acquired.

Sec. 55. Minnesota Statutes 1993 Supplement, section 477A.14, is amended to read:

477A.14 [USE OF FUNDS.]

Forty percent of the total payment to the county shall be deposited in the county general revenue fund to be used to provide property tax levy reduction. The remainder shall be distributed by the county in the following priority:

(a) ~~37.5~~ 42.5 cents for each acre of county-administered other natural resources land shall be deposited in a resource development fund to be created within the county treasury for use in resource development, forest management, game and fish habitat improvement, and recreational development and maintenance of county-administered other natural resources land. Any county receiving less than $5,000 annually for the resource development fund may elect to deposit that amount in the county general revenue fund;

(b) From the funds remaining, within 30 days of receipt of the payment to the county, the county treasurer shall pay each organized township 30 cents per acre of acquired natural resources land and ~~7.5~~ 8.5 cents per acre of other natural resources land located within its boundaries. Payments for natural resources lands not located in an organized township shall be deposited in the county general revenue fund. Payments to counties and townships pursuant to this paragraph shall be used to provide property tax levy reduction. Provided that, if the total payment to the county pursuant to section 477A.12 is not sufficient to fully fund the distribution provided for in this clause, the amount available shall be distributed to each township and the county general revenue fund on a pro rata basis; and

(c) Any remaining funds shall be deposited in the county general revenue fund. Provided that, if the distribution to the county general revenue fund exceeds $35,000, the excess shall be used to provide property tax levy reduction.

Sec. 56. [SUSTAINABLE ECONOMIC DEVELOPMENT AND ENVIRONMENTAL PROTECTION TASK FORCE; STAFF.]

Subdivision 1. [PURPOSE; TASK FORCE MEMBERSHIP.] In order to build a consensus on how to achieve the sustainable economic development and environmental protection goals of the environmental quality board sustainable development initiative throughout the state, the sustainable economic development and environmental protection task force is established. The task force consists of 17 members who serve at the pleasure of the appointing authority as follows:

(1) six legislators, including 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 of the house; and

(2) 11 public members who are residents of the state, appointed by the chair of the environmental quality board. Of the 11 members appointed by the chair of the environmental quality board, at least one member shall represent towns, one member shall represent cities, one member shall represent counties, and one shall represent regional development commissions.

At least one legislator from each house appointed under clause (1) must be a member of the minority caucus.

Subd. 2. [CHAIRS.] The legislative appointing authorities shall designate a legislative appointee to serve as co-chair of the task force and the chair of the environmental quality board shall designate one of the 11 public members as the other co-chair.

Subd. 3. [STAFF.] The environmental quality board shall provide coordination and staff support for the task force.

Subd. 4. [SUNSET.] The task force shall expire on June 30, 1995, at which time a final report and recommendation are due.

Sec. 57. [DUTIES.]

The task force shall research and recommend:

(1) what policies or goals are of statewide interest relating to sustainable communities and land use that should guide decision making at state, regional, and local levels;

(2) what planning framework and process will enhance collaboration at all levels to help achieve the goals; and

(3) how the planning framework will incorporate the following nonexclusive list of issues: sustainable economic development, protection of natural resources, urban-rural linkages, and citizen involvement.

Sec. 58. [PUBLIC INVOLVEMENT.]

The environmental quality board and the task force shall ensure extensive, broad-based involvement of citizens and both public and private sectors in the recommendations. The environmental quality board may contract with facilitators or other consultants to help ensure extensive public participation and to help incorporate public comments into the process.

Sec. 59. [REPORT.]

By January 1, 1995, the environmental quality board and the task force shall submit to the governor and the legislature an initial report of the task force's and the board's findings and recommendations for legislation.

Sec. 60. [PAYMENTS IN LIEU OF TAXES; ACQUIRED NATURAL RESOURCES LANDS.]

(a) The payments required to be made in July 1994 under section 54 must be made as provided in this section.

(b) In July 1994, the commissioner of natural resources shall make payments to counties based on the per-acre amounts in section 54.

(c) By December 1, 1994, each county auditor shall certify the total appraised value of natural resources land acquired in the county prior to July 1, 1990, or shall certify that the county will accept payment of $3 per acre of acquired natural resources land in the county as payment in full of amounts due under section 54, clause (1). The commissioner shall make payments of any additional amounts due under section 54, clause (1), by March 1, 1995.

Sec. 61. [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. If the Babbitt waste tire facility is sold, and if the revenue from the sale exceeds the outstanding principal and interest owed to St. Louis county, the excess revenue must be paid to the state.

Sec. 62. [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. 63. [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 by October 1, 1995.

Sec. 64. [MINNESOTA ZOOLOGICAL BOARD STUDY.]

The Minnesota Zoological board shall study alternatives to the two free days per month requirement in Minnesota Statutes 1992, section 85A.02, subdivision 17. Alternatives to be considered shall include, but not be limited to:

(1) distributing free admission tickets equal to ten percent of the average total yearly admissions; and

(2) limiting the number of admissions on free days.

Alternatives to be considered must promote zoo visits by low-income residents of Minnesota, and shall include proposals for transporting visitors to and from the zoo.

By January 1, 1995, the board shall submit a report to the house committee on environment and natural resources finance and the senate environment and natural resources finance division. The report must include an implementation plan for the 1995 season.

Sec. 65. [LEWIS AND CLARK PROJECT.]

Subdivision 1. [NEGOTIATIONS; COORDINATION.] (a) 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.

(b) 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.

Subd. 2. [WORK PROGRAM; PROGRESS REPORTS.] (a) The southwest regional development commission shall submit a work program for approval by the commissioner before spending any money appropriated for the purposes of this paragraph under section 5, subdivision 2. The work program 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:

(1) water conservation activities including leak detection, water use restrictions, water pricing policies, and public education;

(2) groundwater protection activities, including public education programs and technical assistance provided to local water systems;

(3) reporting and coordination of water exploration activity with the Minnesota geological survey and the department of natural resources;

(4) 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.

(b) 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.

Sec. 66. [NONSEVERABILITY.]

Sections 15 to 17 and 39 are not severable. If the appropriation in section 16 is vetoed, sections 15 to 17 and 39 are void.

Sec. 67. [REPEALER.]

Minnesota Statutes 1992, sections 446A.03, subdivision 3, and 446A.08, are repealed.

Sec. 68. [EFFECTIVE DATE.]

(a) Except as provided in paragraph (c), this article is effective the day following final enactment.

(b) Section 31 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 31 or that is pending on that date.

(c) Section 16, paragraph (b), is effective July 1, 1995, and applies to electricity generated on or after that date.

ARTICLE 3

STATE GOVERNMENT

Section 1. [STATE GOVERNMENT APPROPRIATIONS.]

The sums set forth in the columns headed "APPROPRIATIONS" are appropriated from the general fund, or another 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	$ 95,000	$ 17,987,000

	APPROPRIATIONS Available for the Year Ending June 30	
	1994	1995
Sec. 2. LEGISLATURE	$	$ 200,000
This amount is for the legislative auditor to conduct a best practices review.		
Sec. 3. BOARD OF JUDICIAL STANDARDS	60,000	24,000
These appropriations are added to the appropriations in Laws 1993, chapter 192, section 6, and are for professional and technical services involving the investigations of complaints presented to the board.		

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Sec. 4. SECRETARY OF STATE		
Voter Information Telephone Line		80,000
Sec. 5. ATTORNEY GENERAL		
(a) Intellectual Property Agreements		161,000
This appropriation is to carry out the attorney general's duties under new Minnesota Statutes, section 16B.482.		
(b) Long-Term Care Appeals		
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 of 1993, chapter 192, section 11, subdivision 3.		
Sec. 6. 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. 7. ADMINISTRATION	5,000	683,000
$107,000 in fiscal year 1995 is for agency relocations.		
$126,000 in fiscal year 1995 is to pay real estate taxes due and payable against history center property for the year 1986.		
$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 to broadcast throughout the entire southeasternmost region of Minnesota. Any amount not spent in the first year is available in the second year.		
$100,000 of the money appropriated in section 8 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 and to the legislative commission on planning and fiscal policy by January 15, 1995. Money previously appropriated to the information policy office may be used for this evaluation.		
Sec. 8. FINANCE	30,000	14,845,000
$14,600,000 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.		
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.		
Sec. 9. 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 public employees insurance task force established in section 63 in research, obtaining expert witnesses, and hiring consultants.		
$50,000 the second year is for the stress program study required in section 64.		
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.		

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995

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.

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. 10. 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. 11. HUMAN RIGHTS 279,000

This appropriation 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. 12. MILITARY AFFAIRS 50,000

This appropriation is to the adjutant general for a grant to the Minnesota National Guard youth camp to set up and provide initial funding for a foundation to run the camp. The appropriation must be matched by an equal amount from nonstate sources.

Sec. 13. VETERANS AFFAIRS 472,000

(a) County Veterans Services Officers

Of this appropriation, $75,000 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, $146,000 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 transferred to 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 transferred to 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 7.

Sec. 14. AMORTIZATION AID (1,000,000)

The amount appropriated for fiscal year 1995 in Laws 1993, chapter 192, section 32, for police and fire amortization aid is reduced by $1,000,000. 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. 15. 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. 16. 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. The legislative auditor and the board of government innovation and cooperation shall notify each other of projects being conducted relating to improving local government services.

(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. 17. Minnesota Statutes 1992, section 13.99, is amended by adding a subdivision to read:

Subd. 6a. [STATE DEBT COLLECTION DATA.] Data on debtors received, collected, created, or maintained by the commissioner of finance are classified under section 16C.06.

Sec. 18. 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. 19. [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. 20. [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 appointed by the Minnesota AFL-CIO;

(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): telephone companies, the cable television industry, and librarians who manage government information;

(15) four additional members representing diverse communities, or private citizens with unique perspectives regarding information policy, appointed by the members of the council appointed under clauses (1) to (14);

(16) one person representing a telecommunication carrier providing interexchange service to the largest number of customers within the state, appointed by the members of the council appointed under clauses (1) to (14);

(17) one member representing a public utility regulated under chapter 216B, appointed by the members of the council appointed under clauses (1) to (14); and

(18) one member representing nonprofit cable communication access centers serving community populations, appointed by members of the council appointed under clauses (1) to (14).

One member of the house of representatives, appointed by the speaker; 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 minority leader; and one member of the senate, appointed by the minority leader shall serve as members of the council without votes.

Subd. 2. [TERMS; COMPENSATION.] Members serve at the pleasure of the appointing authority, and shall be appointed by September 1, 1994. 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. All meetings of the council, the executive committee, and work groups are subject to section 471.705.

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, the AFL-CIO representative, and one other member 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, in addition to information that is available for inspection free of charge under section 13.03, subdivision 3;

(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) the impact of data collection and dissemination practices on privacy rights of individuals;

(10) 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

(11) 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. 21. [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. 22. [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 post-secondary 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.

Sec. 23. [15.98] [INDOOR ICE FACILITIES.]

This section applies to an indoor ice arena operated by a political subdivision, a state agency, the University of Minnesota, a state higher education institution, or any other organization that makes an arena available to the public. If the arena provides more prime ice time to groups of one gender than to groups of the other gender, the arena may not deny a request for prime ice time from the group of the underrepresented gender, provided that the group of the underrepresented gender pays the same price charged to groups of the other gender. An underrepresented gender group must be allowed up to 15 percent of prime ice time for the 1994-1995 season, up to 30 percent by the 1995-1996 season, and up to 50 percent by the 1996-1997 season. This section does not: (1) require an arena to allocate more time to any one group than is generally allocated to other groups; or (2) affect a political subdivision's ability to grant preference to groups based in the political subdivision, provided this preference is not based on gender. 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. Any group that generates revenue as a result of tickets sold to persons in attendance at arena events must be excluded in determining if the arena provides more prime ice time to groups of one gender than the other.

Sec. 24. 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. 25. Minnesota Statutes 1992, section 16A.124, subdivision 7, is amended to read:

Subd. 7. [REPORT TO LEGISLATURE.] The commissioner shall report to the legislature each year summarizing the state's payment record for the preceding year. The report shall include ~~the number and dollar amount of late payments made by each agency,~~ the amount of interest penalties ~~and collection costs paid,~~ and the specific steps being taken to reduce the incidence of late payments in the future.

Sec. 26. 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~~ general fund expenditures made 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. 27. 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. 28. 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. 29. 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. 30. 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. 31. 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. 32. 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 to the commissioner to implement further energy efficiency improvements in state-owned or wholly-leased buildings.

Sec. 33. [16B.482] [INTELLECTUAL PROPERTY.]

Before executing a contract or license agreement involving intellectual property developed or acquired by the state, a state agency shall seek review and comment from the attorney general on the terms and conditions of the contract or agreement.

Sec. 34. [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 arena, 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 subdivision.

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. 35. [16C.01] [CITATION AND SCOPE.]

Subdivision 1. [CITATION.] This chapter may be cited as the "debt collection 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. 36. [16C.02] [DEFINITIONS.]

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

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of finance.

Subd. 3. [DEBT.] "Debt" means an amount owed to the state directly, or through a state agency, on account of a fee, duty, lease, direct loan, loan insured or guaranteed by the state, 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, or any other source of indebtedness to the state. 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. Debt also includes an amount owed to the courts or University of Minnesota for which the commissioner provides collection services pursuant to contract.

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, that is liable for a debt or against whom there is a claim for a debt.

Subd. 5. [DEBT QUALIFICATION PLAN.] "Debt qualification plan" means an agreement entered into between a referring agency and the commissioner that defines the terms and conditions by which the commissioner will provide collection services to the referring agency.

Subd. 6. [REFERRING AGENCY.] "Referring agency" means a state agency, the University of Minnesota, or a court that has entered into a debt qualification plan with the commissioner to refer debts to the commissioner for collection.

Subd. 7. [STATE AGENCY.] "State agency" means a state office, officer, board, commission, bureau, division, department, authority, agency, public corporation, or other unit of state government.

Sec. 37. [16C.03] [SUPERVISION OF STATE DEBT COLLECTION.]

Subdivision 1. [RESPONSIBILITY.] The commissioner of finance shall supervise and report on state debt collection.

Subd. 2. [STATE AGENCY REPORTS.] State agencies shall report quarterly to the commissioner the debts owed to them. The commissioner, in consultation with the commissioners of revenue and human services, and the attorney general, shall establish internal guidelines for the recognition, tracking, reporting, and collection of debts owed the state. The internal guidelines must include accounting standards, performance measurements, and uniform reporting requirements applicable to all state agencies.

Subd. 3. [REPORT OF THE COMMISSIONER.] By January 15 of each year, the commissioner 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 commissioner. 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. 38. [16C.04] [COLLECTION ACTIVITIES.]

Subdivision 1. [DUTIES.] The commissioner shall provide services to the state and its agencies to collect debts owed the state. The commissioner is not a collection agency as defined by section 332.31, subdivision 3, and is not licensed, bonded, or regulated by the commissioner of commerce under sections 332.31 to 332.35 or 332.38 to 332.45. The commissioner is subject to section 332.37, except clause (9) or (10). The commissioner may contract with the commissioner of revenue for collection services.

Subd. 2. [AGENCY PARTICIPATION.] A state agency may, at its option, refer debts to the commissioner for collection. The ultimate responsibility for the debt, including the reporting of the debt to the commissioner and the decision with regard to the continuing collection and uncollectibility of the debt, remains with the referring state agency.

Subd. 3. [SERVICES.] The commissioner shall provide collection services for a state agency, and may provide for collection services for the University of Minnesota or a court, in accordance with the terms and conditions of a signed debt qualification plan.

Subd. 4. [AUTHORITY TO CONTRACT.] The commissioner may contract with credit bureaus, private collection agencies, and other entities as necessary for the collection of debts. A private collection agency acting under a contract with the commissioner is subject to sections 332.31 to 332.45, except that the private collection agency may indicate that it is acting under a contract with the commissioner. The commissioner may not delegate the powers provided under section 16C.08 to any nongovernmental entity.

Sec. 39. [16C.05] [PRIORITY OF SATISFACTION OF DEBTS.]

Subdivision 1. [MULTIPLE DEBTS.] If two or more debts owed by the same debtor are submitted to the commissioner, amounts collected on those debts must be applied as prescribed in this section.

Subd. 2. [ENFORCEMENT OF LIENS.] If the money received is collected on a judgment lien under chapter 550, 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 commissioner is enforcing rights in a particular debt, the money must be applied to that particular debt.

Subd. 3. [OTHER METHODS OF COLLECTION.] If the money is collected in any manner not specified in subdivision 2, 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 commissioner received the debts from the referring agency.

Sec. 40. [16C.06] [DEBTOR INFORMATION.]

Subdivision 1. [ACCESS TO GOVERNMENT DATA NOT PUBLIC.] Notwithstanding chapter 13 or any other state law classifying or restricting access to government data, upon request from the commissioner, state agencies, political subdivisions, and statewide systems shall disseminate not public data to the commissioner 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. [DISCLOSURE OF DATA.] Data received, collected, created, or maintained by the commissioner to collect debts are classified as private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9. The commissioner 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 commissioner, including a law enforcement person, attorney, or investigator acting for the commissioner 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 the 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.

The commissioner may not disclose data that is not public to a private collection agency or other entity with whom the commissioner has contracted under section 16C.04, subdivision 4, unless disclosure is otherwise authorized by law.

Sec. 41. [16C.07] [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 commissioner. 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.

Sec. 42. [16C.08] [COLLECTION DUTIES AND POWERS.]

Subdivision 1. [DUTIES.] The commissioner shall take all reasonable and cost-effective actions to collect debts referred to the commissioner.

Subd. 2. [POWERS.] In addition to the collection remedies available to private collection agencies in this state, the commissioner, with legal assistance from the attorney general, may utilize any statutory authority granted to a referring agency for purposes of collecting debt owed to that referring agency.

Sec. 43. [16C.09] [UNCOLLECTIBLE DEBTS.]

When a debt is determined by a 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, that may be available for payment of the debt are insufficient, (6) the debt has been 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 commissioner. Determining that the debt is uncollectible does not cancel the legal obligation of the debtor to pay the debt.

Sec. 44. [16C.10] [CASE REVIEWER.]

The commissioner 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 commissioner in regard to the collection action.

Sec. 45. [RECOMMENDATION; SUPERVISION OF STATE DEBT COLLECTION.]

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 appropriate state officer to supervise state debt collection under Minnesota Statutes, section 16C.04.

Sec. 46. 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. 47. 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. 48. 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. 49. 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.~~

~~(c)~~ (b) A station may use grant money under this section for any radio station expenses.

Sec. 50. 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:

Fiscal year	Percentage
1995	20
1996	40
1997	50
1998	60
1999	70
2000	80
2001	90
2002 and thereafter	100

Sec. 51. 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. 52. Minnesota Statutes 1992, section 176.611, subdivision 6a, is amended to read:

Subd. 6a. [APPROPRIATIONS CONSTITUTING FUND.] The revolving fund consists of $3,437,690 appropriated from the general fund and other funds, along with credited investment gains or losses attributable to balances in the account. The state board of investment shall invest the fund's assets according to section 11A.24.

Sec. 53. [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.] The commissioner of veterans affairs may adopt rules regarding the operation of the cemetery. 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. The money in the account, including interest earned, is appropriated to the commissioner to 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.] Any person who is eligible for burial in a national veterans cemetery is eligible for burial in the state veterans' cemetery.

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. 54. Minnesota Statutes 1992, section 204B.27, is amended by adding a subdivision to read:

Subd. 8. [VOTER INFORMATION TELEPHONE LINE.] The secretary of state shall provide a voter information telephone line for use during the period beginning two weeks before the state primary and ending three days after the state general election. A toll-free number must be provided for use by persons residing outside the metropolitan calling area. The secretary of state shall make available information concerning voter registration, absentee voting, election results, and other election-related information considered by the secretary of state to be useful to the public.

Sec. 55. 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. 56. 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.

(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).

Sec. 57. 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, ~~the commissioner of commerce~~ a representative of the Minnesota school boards association, 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. 58. 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. 59. 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. 60. 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. 61. Laws 1993, chapter 192, section 17, subdivision 3, is amended to read:

Subd. 3. Accounting Services

~~19,303,000~~	~~12,711,000~~
19,378,000	12,636,000

~~$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. 62. [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) ensuring 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) ensuring continued cooperation and coordination of television production and other public outreach activities;

(4) ensuring 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. 63. [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;

(12) the Minnesota professional firefighters; and

(13) the educational cooperative service units under Minnesota Statutes, section 123.58.

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. 64. [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. 65. [REPEALER.]

Minnesota Statutes 1992, sections 10.11, subdivision 1; 10.12; 10.14; 10.15; 16A.06, subdivision 8; 16A.124, subdivision 6; 197.235; 355.04; and 355.06, are repealed.

Laws 1985, First Special Session chapter 12, article 11, section 19, is repealed.

Sec. 66. [EFFECTIVE DATE.]

Sections 35 to 44 are effective July 1, 1994, and apply to the collection of any debt arising before, on, or after that date.

Section 34, subdivisions 1 to 3, are effective July 1, 1995.

ARTICLE 4

COMMUNITY DEVELOPMENT

Section 1. [COMMUNITY DEVELOPMENT APPROPRIATIONS.]

The sums set forth in the columns headed "APPROPRIATIONS" are appropriated from the general fund, or other named fund, to the agencies for the purposes specified in this article and are added to or, if shown in parenthesis, are subtracted from 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	$ 123,000	$2,694,000
Workers' Compensation Fund		50,000
TOTAL	$ 123,000	$2,694,000

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Sec. 2. TRADE AND ECONOMIC DEVELOPMENT	$	$ 1,550,000
(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

This appropriation is added to the appropriations made in Laws 1993, chapter 369, section 2, subdivision 5, and the total is the budget base for the next biennium. The appropriation is added to the $1,088,000 for fiscal year 1995 for the job skills partnership. The purpose for the original $1,088,000 and the additional appropriation is for the job skills partnership program under Minnesota Statutes, chapter 116L.

(d) Phalen Corridor 450,000

This appropriation is to make a grant to the city of Saint Paul for the first phase of development and for infrastructure analysis of the Phalen corridor, a redevelopment program to transform an underutilized railroad corridor into a 100-acre industrial park for, primarily, manufacturing and industrial employment. This appropriation is not available unless matched by an equal amount from nonstate sources.

(e) Women-Owned Businesses 25,000

This appropriation is to conduct a study of women-owned businesses.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
(f) North Metro Business Retention and Development Commission		35,000
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.		
(g) Agricultural Processing Facility		500,000
This appropriation is for a grant to a city that is the site of an agricultural processing facility with a project cost estimated to be at least $100,000,000. The grant shall be made only if such a facility is located in the city. The grant must be used to pay costs related to the project.		
Sec. 3. LABOR INTERPRETIVE CENTER	45,000	140,000
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.		
Of the money appropriated for 1994, up to $10,000 is available immediately to repay any amount owed the bond proceeds fund.		
Sec. 4. MINNESOTA TECHNOLOGY INCORPORATED	-0-	200,000
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. JOBS AND TRAINING		
Total Appropriation	-0-	600,000
(a) This appropriation is added to the appropriation in Laws 1993, chapter 369, section 5.		
(b) Supported Employment		150,000
$75,000 of this appropriation must be used to fund direct services for persons with severe disabilities. $75,000 of this appropriation is for staff salary cost of living adjustments to extended employment program grants for extended employment and long-term employment under Minnesota Statutes, section 268A.09.		

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
(c) Displaced homemaker		165,000
This appropriation is for the purpose of the displaced homemaker program under Minnesota Statutes, section 268.96.		
(d) Minnesota Youth Programs		235,000
This appropriation is for the summer youth program under Minnesota Statutes, sections 268.56 and 268.561, for a grant of $150,000 to the Minneapolis park and recreation board and $85,000 to the city of St. Paul for demonstration programs in hiring youth for summer jobs. These grants must be matched from nonstate sources. The demonstration programs must otherwise comply with Minnesota Statutes, sections 268.56 and 268.561.		
(e) Employment Services for Persons With Mental Illness		50,000
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.		
Sec. 6. LABOR AND INDUSTRY	-0-	50,000
SUMMARY BY FUND		
General Fund	$ -0-	$ -0-
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) OSHA Inspectors		
Notwithstanding Minnesota Statutes, section 79.253, $90,000 is appropriated for fiscal year 1995 from the assigned risk safety account in the special compensation fund to the commissioner of labor and industry for the purpose of hiring two occupational safety and health inspectors. The inspectors shall perform safety consultations for employers through labor-management committees as defined in section 179.81, subdivision 2, under an interagency agreement entered into between the commissioners of labor and industry and mediation services.		
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:		

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
(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 WORLD TRADE CENTER CORPORATION	78,000	111,000
The appropriation for the first year is from the balance reduction in the export finance working capital account under Minnesota Statutes, section 116J.9673, subdivision 4. The appropriation for the second year is not available unless matched $1 for every $2 of the state appropriation by the St. Paul business community.		
The appropriation is for the purposes of paying the accrued debt of the World Trade Center Corporation.		
Sec. 10. MINNESOTA HISTORICAL SOCIETY	-0-	150,000
(a) Archaeology		50,000
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. 11. BOARD OF THE ARTS	-0-	115,000
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. 12. 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.		
The council shall report to the legislature by February 1, 1995, on the results and effects of the statewide outreach.		
Sec. 13. 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.		
The council shall report to the legislature by February 1, 1995, on the results and effects of the statewide outreach.		
Sec. 14. 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.		

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
The council shall report to the legislature by February 1, 1995, on the results and effects of the statewide outreach.		
Sec. 15. 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.		
The council shall report to the legislature by February 1, 1995, on the results and effects of the statewide outreach.		

Sec. 16. [STUDY; WOMEN-OWNED BUSINESSES.]

The commissioner of trade and economic development, in consultation with the commissioner of commerce, shall conduct a study of the status of women-owned businesses 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 women-owned businesses' access to capital and credit;

(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 the barriers, by industry, which inhibit the ability of women to compete for and obtain contracts.

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 and present it to the legislature by January 30, 1995.

Sec. 17. [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. 18. Minnesota Statutes 1993 Supplement, section 15.50, subdivision 2, is amended to read:

Subd. 2. [CAPITOL AREA PLAN.] (a) The board shall prepare, prescribe, and from time to time, after a public hearing, amend a comprehensive use plan for the capitol area, called the area in this subdivision, which consists of that portion of the city of Saint Paul comprehended within the following boundaries: Beginning at the point of intersection of the center line of the Arch-Pennsylvania freeway and the center line of Marion Street, thence southerly along the center line of Marion Street extended to a point 50 feet south of the south line of Concordia Avenue, thence southeasterly along a line extending 50 feet from the south line of Concordia Avenue to a point 125 feet from the west line of John Ireland Boulevard, thence southwesterly along a line extending 125 feet from the west line of John Ireland Boulevard to the south line of Dayton Avenue, thence northeasterly from the south line of Dayton Avenue to the west line of John Ireland Boulevard, thence northeasterly to the center line of the intersection of Old Kellogg Boulevard and Summit Avenue, thence northeasterly along the center line of Summit Avenue to the center line of the new West Kellogg Boulevard, thence southerly along the east line of the new West Kellogg Boulevard, to the center line of West Seventh Street, thence northeasterly along the center line of West Seventh Street to the center line of the Fifth Street ramp, thence northwesterly along the center line of the Fifth Street ramp to the east line of the right-of-way of Interstate Highway 35-E, thence northeasterly along the east line of the right-of-way of Interstate Highway 35-E to the south line of the right-of-way of Interstate Highway 94, thence easterly along the south line of the right-of-way of Interstate Highway 94 to the west line of St. Peter Street, thence southerly to the south line of Eleventh Street, thence easterly along the south line of Eleventh Street to the west line of Cedar Street, thence southeasterly along the west line of Cedar Street to the center line of Tenth Street, thence northeasterly along the center line of Tenth Street to the center line of Minnesota Street, thence northwesterly along the center line of Minnesota Street to the center line of Eleventh Street, thence northeasterly along the center line of Eleventh Street to the center line of Jackson Street, thence northwesterly along the center line of Jackson Street to the center line of the Arch-Pennsylvania freeway extended, thence westerly along the center line of the Arch-Pennsylvania freeway extended and Marion Street to the point of origin. If construction of the labor interpretive center does not commence prior to December 31, ~~1996~~ 1998, at the site recommended by the board, the boundaries of the capitol area revert to their configuration as of 1992.

Under the comprehensive plan, or a portion of it, the board may regulate, by means of zoning rules adopted under the administrative procedure act, the kind, character, height, and location, of buildings and other structures constructed or used, the size of yards and open spaces, the percentage of lots that may be occupied, and the uses of land, buildings and other structures, within the area. To protect and enhance the dignity, beauty, and architectural integrity of the capitol area, the board is further empowered to include in its zoning rules design review procedures and standards with respect to any proposed construction activities in the capitol area significantly affecting the dignity, beauty, and architectural integrity of the area. No person may undertake these construction activities as defined in the board's rules in the capitol area without first submitting construction plans to the board, obtaining a zoning permit from the board, and receiving a written certification from the board specifying that the person has complied with all design review procedures and standards. Violation of the zoning rules is a misdemeanor. The board may, at its option, proceed to abate any violation by injunction. The board and the city of St. Paul shall cooperate in assuring that the area adjacent to the capitol area is developed in a manner that is in keeping with the purpose of the board and the provisions of the comprehensive plan.

(b) The commissioner of administration shall act as a consultant to the board with regard to the physical structural needs of the state. The commissioner shall make studies and report the results to the board when it requests reports for its planning purpose.

(c) No public building, street, parking lot, or monument, or other construction may be built or altered on any public lands within the area unless the plans for the project conform to the comprehensive use plan as specified in paragraph (d) and to the requirement for competitive plans as specified in paragraph (e). No alteration substantially changing the external appearance of any existing public building approved in the comprehensive plan or the exterior or interior design of any proposed new public building the plans for which were secured by competition under paragraph (e) may be made without the prior consent of the board. The commissioner of administration shall consult with the board regarding internal changes having the effect of substantially altering the architecture of the interior of any proposed building.

(d) The comprehensive plan must show the existing land uses and recommend future uses including: areas for public taking and use; zoning for private land and criteria for development of public land, including building areas, open spaces, monuments, and other memorials; vehicular and pedestrian circulation; utilities systems; vehicular storage; elements of landscape architecture. No substantial alteration or improvement may be made to public lands or buildings in the area without the written approval of the board.

(e) The board shall secure by competitions plans for any new public building. Plans for any comprehensive plan, landscaping scheme, street plan, or property acquisition that may be proposed, or for any proposed alteration of any existing public building, landscaping scheme or street plan may be secured by a similar competition. A competition must be conducted under rules prescribed by the board and may be of any type which meets the competition standards of the American Institute of Architects. Designs selected become the property of the state of Minnesota, and the board may award one or more premiums in each competition and may pay the costs and fees that may be required for its conduct. At the option of the board, plans for projects estimated to cost less than $1,000,000 may be approved without competition provided the plans have been considered by the advisory committee described in paragraph (h). Plans for projects estimated to cost less than $400,000 and for construction of streets need not be considered by the advisory committee if in conformity with the comprehensive plan.

(f) Notwithstanding paragraph (e), an architectural competition is not required for the design of any light rail transit station and alignment within the capitol area. The board and its advisory committee shall select a preliminary design for any transit station in the capitol area. Each stage of any station's design through working drawings must be reviewed by the board's advisory committee and approved by the board to ensure that the station's design is compatible with the comprehensive plan for the capitol area and the board's design criteria. The guideway and track design of any light rail transit alignment within the capitol area must also be reviewed by the board's advisory committee and approved by the board.

(g) Of the amount available for the light rail transit design, adequate funds must be available to the board for design framework studies and review of preliminary plans for light rail transit alignment and stations in the capitol area.

(h) The board may not adopt any plan under paragraph (e) unless it first receives the comments and criticism of an advisory committee of three persons, each of whom is either an architect or a planner, who have been selected and appointed as follows: one by the board of the arts, one by the board, and one by the Minnesota Society of the American Institute of Architects. Members of the committee may not be contestants under paragraph (e). The comments and criticism must be a matter of public information. The committee shall advise the board on all architectural and planning matters. For that purpose, the committee must be kept currently informed concerning, and have access to, all data, including all plans, studies, reports and proposals, relating to the area as the data are developed or in the process of preparation, whether by the commissioner of administration, the commissioner of trade and economic development, the metropolitan council, the city of Saint Paul, or by any architect, planner, agency or organization, public or private, retained by the board or not retained and engaged in any work or planning relating to the area, and a copy of any data prepared by any public employee or agency must be filed with the board promptly upon completion.

The board may employ stenographic or technical help that may be reasonable to assist the committee to perform its duties.

When so directed by the board, the committee may serve as, and any member or members of the committee may serve on, the jury or as professional advisor for any architectural competition, and the board shall select the architectural advisor and jurors for any competition with the advice of the committee.

The city of Saint Paul shall advise the board.

(i) The comprehensive plan for the area must be developed and maintained in close cooperation with the commissioner of trade and economic development, the planning department and the council for the city of Saint Paul, and the board of the arts, and no plan or amendment of a plan may be effective without 90 days' notice to the planning department of the city of Saint Paul and the board of the arts and without a public hearing with opportunity for public testimony.

(j) The board and the commissioner of administration, jointly, shall prepare, prescribe, and from time to time revise standards and policies governing the repair, alteration, furnishing, appearance, and cleanliness of the public and ceremonial areas of the state capitol building. The board shall consult with and receive advice from the director of

the Minnesota state historical society regarding the historic fidelity of plans for the capitol building. The standards and policies developed under this paragraph are binding upon the commissioner of administration. The provisions of sections 14.02, 14.04 to 14.36, 14.38, and 14.44 to 14.45 do not apply to this paragraph.

(k) The board in consultation with the commissioner of administration shall prepare and submit to the legislature and the governor no later than October 1 of each even-numbered year a report on the status of implementation of the comprehensive plan together with a program for capital improvements and site development, and the commissioner of administration shall provide the necessary cost estimates for the program. The board shall report any changes to the comprehensive plan adopted by the board to the committee on governmental operations and gambling of the house of representatives and the committee on governmental operations and reform of the senate and upon request shall provide testimony concerning the changes. The board shall also provide testimony to the legislature on proposals for memorials in the capitol area as to their compatibility with the standards, policies, and objectives of the comprehensive plan.

(l) The state shall, by the attorney general upon the recommendation of the board and within appropriations available for that purpose, acquire by gift, purchase, or eminent domain proceedings any real property situated in the area described in this section, and it may also acquire an interest less than a fee simple interest in the property, if it finds that the property is needed for future expansion or beautification of the area.

(m) The board is the successor of the state veterans' service building commission, and as such may adopt rules and may reenact the rules adopted by its predecessor under Laws 1945, chapter 315, and amendments to it.

(n) The board shall meet at the call of the chair and at such other times as it may prescribe.

(o) The commissioner of administration shall assign quarters in the state veterans service building to (1) the department of veterans affairs, of which a part that the commissioner of administration and commissioner of veterans affairs may mutually determine must be on the first floor above the ground, and (2) the American Legion, Veterans of Foreign Wars, Disabled American Veterans, Military Order of the Purple Heart, United Spanish War Veterans, and Veterans of World War I, and their auxiliaries, incorporated, or when incorporated, under the laws of the state, and (3) as space becomes available, to other state departments and agencies as the commissioner may deem desirable.

Sec. 19. 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. 20. 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. 21. 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. 22. 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. 23. 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 fraternals 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. 24. 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. 25. 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 ~~(c)~~ (a), clause ~~(10)~~ (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. 26. 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. 27. 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. 28. 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. 29. 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 ~~(c)~~ (a).

An applicant who surrenders an insurance license pursuant to this subdivision retains licensed status until an amended license is received.

Sec. 30. Minnesota Statutes 1992, section 60K.06, is amended to read:

60K.06 [~~RENEWAL FEE~~ FEES.]

Subdivision 1. [RENEWAL FEES.] (a) Each agent licensed pursuant to section 60K.03 shall ~~annually~~ pay in accordance with the procedure adopted by the commissioner a renewal fee as prescribed by ~~section 60A.14,~~ subdivision ~~1, paragraph (c), clause (10)~~ 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. 31. 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. 32. 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. 33. 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. 34. 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. 35. 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. 36. 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. 37. 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. 38. 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. 39. 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. 40. 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. 41. 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. 42. 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. 43. 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. 44. 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. 45. 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. 46. Minnesota Statutes 1992, section 116J.9673, subdivision 4, is amended to read:

Subd. 4. [WORKING CAPITAL ACCOUNT.] An export finance authority working capital account is created as a special account in the state treasury. All premiums and interest collected under subdivision 3, clause (6), must be deposited into this account. Fees collected must be credited to the general fund. The balance in the account may exceed $918,000 on June 30, 1994, and $1,000,000 on June 30 of each subsequent year through accumulated earnings. Any balance in excess of $918,000 on June 30, 1994, and $1,000,000 on June 30 of every subsequent year must be transferred to the general fund. Money in the account including interest earned and appropriations made by the legislature for the purposes of this section, is appropriated annually to the finance authority for the purposes of this section. The balance in the account may decline below $918,000 on June 30, 1994, and $1,000,000 on June 30 of each subsequent year as required to pay defaults on guaranteed loans.

Sec. 47. 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. 48. 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. 49. 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 in the range of salaries paid to comparable 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. 50. 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. 51. 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. 52. 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. 53. 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. 54. 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. 55. 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. 56. [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) 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; or

(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.

(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. 57. 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. 58. 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 are payable to the special compensation fund.

Sec. 59. [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. 60. 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. 61. 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. 62. 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~~ serves 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. 63. 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. 64. 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. 65. Minnesota Statutes 1992, section 268.53, subdivision 5, is amended to read:

Subd. 5. [FUNCTIONS; POWERS.] A community action agency shall:

(a) Plan systematically for an effective community action program; develop information as to the problems and causes of poverty in the community; determine how much and how effectively assistance is being provided to deal with those problems and causes; and establish priorities among projects, activities and areas as needed for the best and most efficient use of resources;

(b) Encourage agencies engaged in activities related to the community action program to plan for, secure, and administer assistance available under section 268.52 or from other sources on a common or cooperative basis; provide planning or technical assistance to those agencies; and generally, in cooperation with community agencies and officials, undertake actions to improve existing efforts to reduce poverty, such as improving day-to-day communications, closing service gaps, focusing resources on the most needy, and providing additional opportunities to low-income individuals for regular employment or participation in the programs or activities for which those community agencies and officials are responsible;

(c) Initiate and sponsor projects responsive to needs of the poor which are not otherwise being met, with particular emphasis on providing central or common services that can be drawn upon by a variety of related programs, developing new approaches or new types of services that can be incorporated into other programs, and filling gaps pending the expansion or modification of those programs;

(d) Establish effective procedures by which the poor and area residents concerned will be enabled to influence the character of programs affecting their interests, provide for their regular participation in the implementation of those programs, and provide technical and other support needed to enable the poor and neighborhood groups to secure on their own behalf available assistance from public and private sources;

(e) Join with and encourage business, labor and other private groups and organizations to undertake, together with public officials and agencies, activities in support of the community action program which will result in the additional use of private resources and capabilities, with a view to developing new employment opportunities, stimulating investment that will have a measurable impact on reducing poverty among residents of areas of concentrated poverty, and providing methods by which residents of those areas can work with private groups, firms, and institutions in seeking solutions to problems of common concern.

Community action agencies, the Minnesota migrant council, and the Indian reservations, may enter into cooperative purchasing agreements and self-insurance programs with local units of government. Nothing in this section expands or limits the current private or public nature of a local community action agency.

Sec. 66. [268.56] [MINNESOTA YOUTH PROGRAM; DEFINITIONS.]

Subdivision 1. [SCOPE.] For the purposes of sections 268.56 and 268.561, the terms defined in this section have the meanings given them.

Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of jobs and training.

Subd. 3. [ELIGIBLE APPLICANT.] "Eligible applicant" means an individual who is between the ages of 14 and 21 and economically disadvantaged.

An at-risk youth who is classified as a family of one is deemed economically disadvantaged. For purposes of eligibility determination the following individuals are considered at risk:

(1) a pregnant or parenting youth;

(2) a youth with limited English proficiency;

(3) a potential or actual school dropout;

(4) a youth in an offender or diversion program;

(5) a public assistance recipient or a recipient of group home services;

(6) a youth with disabilities including learning disabilities;

(7) a chemically dependent youth or child of drug or alcohol abusers;

(8) a homeless or runaway youth;

(9) a youth with basic skills deficiency;

(10) a youth with an educational attainment of one or more levels below grade level appropriate to age; or

(11) a foster child.

Subd. 4. [EMPLOYER.] "Employer" means a private or public employer.

Sec. 67. [268.561] [MINNESOTA YOUTH PROGRAM.]

Subdivision 1. [PURPOSE.] The Minnesota youth program is established to:

(1) improve the employability of eligible applicants through exposure to public or private sector work;

(2) enhance the basic educational skills of eligible applicants;

(3) encourage the completion of high school or equivalency;

(4) assist eligible applicants to enter employment, school-to-work transition programs, the military, or post-secondary education or training;

(5) enhance the citizenship skills of eligible applicants 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 may 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. [EMPLOYMENT CONTRACTS.] The commissioner may enter into arrangements with existing public and private nonprofit organizations and agencies with experience in administering youth employment programs for the purpose of providing employment opportunities for eligible applicants in furtherance of sections 268.56 and 268.561. The department of jobs and training shall retain ultimate responsibility for the administration of this employment program.

Subd. 4. [CONTRACT ADMINISTRATION.] Preference shall 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. 5. [ALLOCATION FORMULA.] Seventy percent of Minnesota youth program 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. 6. [ALLOWABLE COST CATEGORIES.] Of the total allocation, up to 15 percent may be used for administrative purposes and the remainder may be used for a combination of training and participant support activities.

Subd. 7. [REPORTS.] Each contractor 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. 8. [PART-TIME EMPLOYMENT.] Wages and subsidies under this section may be paid for part-time employment.

Subd. 9. [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. 10. [RULES.] The commissioner may adopt rules to implement this section.

Sec. 68. [268.9783] [RETRAINING AND TARGETED TRAINING GRANTS.]

Subdivision 1. [ESTABLISHED.] The commissioner may make grants to substate grantees or other eligible organizations designed to provide for the employment of dislocated workers or targeted training assistance to workers at risk of dislocation. The focus of the grants must be on the provision of skill-based training required by the worker's employer or prospective employer. The grants must be developed to meet the worker training needs of employers individually or together. Two or more organizations may jointly apply for a grant.

Subd. 2. [RETRAINING GRANTS.] An organization interested in applying for a grant to retrain workers who are at risk of becoming dislocated workers must apply to the commissioner. As part of the application process, an applicant must provide:

(1) a statement of need that identifies the causes contributing to the workers being at risk of dislocation, the prospects for reemployment of the workers in the employer's industry or the worker's occupation, and the employer's past record of permanently laying off workers;

(2) a description of the current skill level of the workers targeted for training and the skills needed by the workers to significantly reduce their vulnerability to becoming displaced from employment;

(3) a description of the actions and investments made and planned by the employer to avert or minimize worker dislocation, including the adoption of high performance workplace and worker participation systems and practices;

(4) a training plan that details who will receive training, the type and scope of training assistance to be provided to workers, the providers of the training, and any impact on worker wages;

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

(6) any other relevant information the commissioner requires in the grant application.

Subd. 3. [TARGETED TRAINING GRANTS.] An organization interested in applying for a grant to target training for dislocated workers being hired by an employer must apply to the commissioner. As part of the application process, applicants must provide:

(1) a statement of need;

(2) a description of local labor market characteristics, including the area's unemployment rate, types of workers available to be employed in terms of occupation, and the local availability of workers in the industry of the employer or employers;

(3) a description of the actions and investments made and planned by the employer or employers to create and retain jobs, including past employment history, wages paid for the same or similar work, and whether high performance workplace and worker participation systems and practices have been adopted;

(4) a description of the type of work to be performed, the work-related skills needed, projected wages, and the target group of workers requiring the training assistance;

(5) a training plan that details who will receive training, the type and scope of training assistance to be provided workers, and the providers of the training;

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

(7) any other relevant information the commissioner requires in the grant application.

Subd. 4. [CRITERIA.] The criteria used to award targeted training grants must include the severity of need, the target group of workers, training assistance, worker wages, utilization of resources, cost effectiveness, grantee management capability, and other considerations adopted by the commissioner.

Subd. 5. [COVERAGE.] Persons eligible to receive retraining assistance under this section include workers at risk of dislocation from employment and dislocated workers as defined in Minnesota Statutes, section 268.975, subdivision 3. Workers are considered to be at risk of dislocation as evidenced by a pattern of worker layoffs from an employer, a pattern of substantial layoffs or plant closures in the same or related industry, or where worker skills needed by the employer have become obsolete due to advances in technology.

Subd. 6. [FUNDING.] The commissioner may award retraining and targeted training grants, if approved by the governor's job training council, through a request for proposal process if:

(1) employers benefiting from a retraining and targeted training grant provide a match of at least one for one that may be in the form of funding, equipment, staff, instructors, and work release time for workers enrolled in training;

(2) employers benefiting from a retraining and targeted training grant to retrain workers at risk of dislocation maintain their past rate of expenditure from other sources for that training during the grant period; and

(3) employers benefiting from a retraining and targeted training grant to train new workers do not have workers in layoff status, unless it can be documented the layoff is temporary or seasonal.

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

Subd. 8. [SUNSET.] This section expires June 30, 1996.

Sec. 69. Minnesota Statutes 1993 Supplement, section 268.98, subdivision 1, is amended to read:

Subdivision 1. [PERFORMANCE STANDARDS.] The commissioner shall establish performance standards for the programs and activities administered or funded under sections 268.975 to 268.98. The commissioner may use, when appropriate, existing federal performance standards or, if the commissioner determines that the federal standards are inadequate or not suitable, may formulate new performance standards to ensure that the programs and activities of the dislocated worker program are effectively administered.

The commissioner shall, at a minimum, establish performance standards which appropriately gauge the program's effectiveness at achieving the following objectives:

(1) placement of dislocated workers in employment;

(2) replacing lost income resulting from worker dislocation from employment;

(3) early intervention with workers shortly after becoming displaced from employment; and

(4) retraining of workers from one occupation or industry to another.

The standards shall be applied to plans or grants authorized under sections 268.9781, 268.9782, 268.9783 and for other activities the commissioner considers appropriate.

Sec. 70. 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. 71. [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. 72. [268A.14] [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. 73. 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. 74. Minnesota Statutes 1992, section 462A.05, is amended by adding a subdivision to read:

Subd. 39. [YOUTH EMPLOYMENT AND TRAINING.] The agency may make matching grants for the purpose of employing and training resident youths or youths residing in the surrounding neighborhood in the construction, maintenance, or rehabilitation of multifamily housing financed by the agency.

Sec. 75. Minnesota Statutes 1992, section 466.01, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPALITY.] For the purposes of sections 466.01 to 466.15, "municipality" means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, special district, school district, however organized, county agricultural society organized pursuant to chapter 38, joint powers board or organization created under section 471.59 or other statute, public library, regional public library system, multicounty multitype library system, ~~or~~ other political subdivision, or community action agency.

Sec. 76. Minnesota Statutes 1993 Supplement, section 504.33, subdivision 5, is amended to read:

Subd. 5. [LOW-INCOME HOUSING.] (a) "Low-income housing" means either:

(1) rental housing with a rent less than or equal to 30 percent of 50 percent of the median income for the county in which the rental housing is located, adjusted by size, except that housing which receives a low-income housing credit under section 42 of the Internal Revenue Code of 1986, as amended through December 31, 1990, is considered low-income housing, if such rent levels do not exceed 30 percent of 60 percent of the median income for the metropolitan area as defined in section 473.121, subdivision 2, adjusted by size; or

(2) rental housing occupied by households with income below 30 percent of the median for the metropolitan area as defined in section 473.121, subdivision 2, adjusted by size.

(b) "Low-income housing" also includes rental housing that has been vacant for less than ~~two years~~ one year, that was low-income housing when it was last occupied, and that is not condemned as being unfit for human habitation by the applicable government unit.

Sec. 77. Minnesota Statutes 1993 Supplement, section 504.33, subdivision 7, is amended to read:

Subd. 7. [REPLACEMENT HOUSING.] (a) "Replacement housing" means rental housing that is:

(1) the lesser of (i) the number and corresponding size of low-income housing units displaced, or (ii) sufficient in number and corresponding size of those low-income housing units displaced to meet the demand for those units. Notwithstanding subclauses (i) and (ii), if the housing impact statement shows demonstrated need, displaced units may be replaced by fewer, larger units of comparable total size, except that ~~efficiency and~~ single room occupancy units may not be replaced by units of a larger size;

(2) low-income housing for at least 15 years. This section does not prohibit increases in rent to cover operating expenses;

(3) in at least standard condition; and

(4) located in the city where the displaced low-income housing units were located or in the surrounding metropolitan area as defined in section 473.121.

(b) Replacement housing provided in a different city shall have a preference for residents of the city where displacement occurred. The government unit providing such replacement housing shall affirmatively market the replacement housing to such residents.

(c) Replacement housing may be provided as newly constructed housing, or rehabilitated housing that was ~~previously unoccupied or vacant and in condemnable condition or rent subsidized existing housing that does not already qualify as low-income housing.~~:

(1) previously unoccupied or vacant and in condemnable condition; or

(2) in condemnable condition and required substantial rehabilitation equal to or in excess of 50 percent of the prerehabilitation value of the unit; or

(3) rent-subsidized, existing housing that does not already qualify as low-income housing; or

(4) rent-subsidized housing in the form of either project-based assistance or portable vouchers, including the use of new Section 8 certificates or vouchers, which reduce rents on units to meet the definitions of low-income housing under subdivision 5, paragraph (a), clause (1).

~~(b)~~ (d) Notwithstanding the requirements in ~~paragraph~~ paragraphs (a) to (c), public housing units which are a part of a disposition plan approved by the Department of Housing and Urban Development automatically qualify as replacement housing for public housing units which are displaced.

(e) "Replacement housing" may also mean owner-occupied housing which creates a home ownership opportunity for people whose income is at or below 50 percent of the median for the metropolitan area as defined in section 473.121, subdivision 2, adjusted for family size.

Sec. 78. Minnesota Statutes 1993 Supplement, section 504.34, subdivision 1, is amended to read:

Subdivision 1. [ANNUAL REPORT REQUIRED.] A government unit, or in the case of a government unit located in the metropolitan area as defined in section 473.121, the government unit and the metropolitan council, shall prepare a housing impact report either:

(1) for each year in which the government unit displaces ten or more units of low-income housing in a city of the first class as defined in section 410.01; or

(2) when a specific project undertaken by a government unit for longer than one year displaces a total of ten or more units of low-income housing in a city of the first class as defined in section 410.01.

Sec. 79. Minnesota Statutes 1993 Supplement, section 504.34, subdivision 2, is amended to read:

Subd. 2. [DRAFT ANNUAL HOUSING IMPACT REPORT.] As provided in subdivision 1, a government unit or a government unit participating with the metropolitan council subject to this section must prepare a draft annual housing impact report for review and comment by interested persons. The draft report must be completed by January 31 of the year immediately following a year in which the government unit has displaced ten or more units of low-income housing in a city. For a housing impact report required under subdivision 1, clause (2), the draft report must be completed by January 31 of the year immediately following the year in which the government unit has displaced a cumulative total of ten units of low-income housing in a city.

Sec. 80. Minnesota Statutes 1992, section 504.34, subdivision 3, is amended to read:

Subd. 3. [CONTENTS.] The draft and final annual housing impact reports must include:

(1) identification of each low-income housing unit that was displaced in the previous year in the city where housing was displaced by the government unit, including the unit's address, size, and rent; the number of persons who could have occupied the unit; the condition the unit was in, and whether it was habitable at the time of displacement; the owner of the unit; whether it was owner occupied; and how and when it was displaced;

(2) identification of each unit of replacement housing provided in the previous year in the city, including the unit's address, size, and rent; the number of persons who could occupy the unit; the owner of the unit; whether it is owner occupied; and an identification of the displaced low-income housing unit that was replaced by the unit of replacement housing;

(3) analysis of the supply of and demand for all sizes of low-income housing units, by size and rent, including the housing requirements of residents of shelters for the homeless, in the city;

(4) determination of whether there is an adequate supply of available and unoccupied low-income housing units to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit;

(5) estimation of the cost of providing replacement housing for low-income housing not in adequate supply to meet the demand for all sizes of low-income housing, by size and rent, in the city where housing has been displaced by the government unit; and

(6) analysis of the government unit's compliance with the replacement plans of previous housing annual impact reports and project housing impact statements.

Sec. 81. [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. 82. 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 new Minnesota Statutes, sections 268.56 and 268.561.

$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. 83. [TRANSITION.]

(a) Any member of the advisory committee existing under Minnesota Statutes, section 257.0768, before the effective date of section 64 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 64.

(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. 84. [REPEALER.]

(a) Minnesota Statutes 1992, sections 154.16; and 154.165, are repealed.

(b) Minnesota Statutes 1992, sections 268.31, 268.315, 268.32, 268.33, 268.34, 268.35, and 268.36, are repealed.

Sec. 85. [EFFECTIVE DATES.]

Sections 23 to 31 are effective September 1, 1994, and apply to licenses which become effective on or after November 1, 1994. Sections 32 to 38 are effective May 1, 1995, and apply to licenses which become effective on or after July 1, 1995. Sections 39 to 42 are effective July 1, 1994, and apply to licenses which become effective on or after September 1, 1994. Section 43 is effective May 1, 1995, and applies to licenses which become effective on or after July 1, 1995. Section 44 is effective the day following final enactment and applies to claims brought after June 4, 1987.

Sections 74 and 76 to 80 are effective the day following final enactment.

Any provisions appropriating money for fiscal year 1994 are effective the day following final enactment.

Sections 66, 67, and 82 are effective the day following final enactment. Section 84, paragraph (b), is effective July 1, 1995.

ARTICLE 5

BUDGET RESERVE

Section 1. Minnesota Statutes 1993 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget reserve and cash flow account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning July 1, 1993, forecast unrestricted budgetary general fund balances are first appropriated to restore the budget reserve and cash flow account to $500,000,000 ~~and then~~. Additional biennial unrestricted budgetary general fund balances available after November 1 of every odd-numbered calendar year are appropriated in January of the following year to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before additional money beyond $500,000,000 is allocated to the budget reserve and cash flow account ~~under the preceding sentence~~.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 2. [LEVY RECOGNITION ADJUSTMENTS.]

Notwithstanding Minnesota Statutes, sections 16A.152, subdivision 2; and 121.904, if planning estimates for the 1996-97 biennium prepared by the commissioner of finance at the close of the 1994 legislative session, or in November 1994, show a budgetary balance before reserves of less than $350,000,000 at the end of the 1996-97 biennium, the

commissioner may increase the revenue recognition percent established in Minnesota Statutes, section 121.904, beginning in fiscal year 1996 by the amount necessary to bring the budgetary balance before reserves to $350,000,000, except that it may not be increased beyond 48 percent. If the projected budgetary balance before reserves is greater than $350,000,000, the percentage is decreased by the amount necessary to bring the balance before reserves to $350,000,000, but not to less than zero.

Sec. 3. [CASH FLOW REFORM PROGRAM.]

The commissioner of finance shall establish an advisory committee to develop recommendations to the legislative commission on planning and fiscal policy by January 15, 1995, for improving school cash management while avoiding short-term borrowing by the state. The advisory committee shall consist of representatives of the commissioners of finance, revenue, and education, the legislative commission on planning and fiscal policy, the Minnesota school boards association, the school business officers association, and the association of Minnesota counties.

ARTICLE 6

TRANSPORTATION

Section 1. [TRANSPORTATION APPROPRIATIONS.]

The sums set forth in the columns headed "APPROPRIATIONS" are appropriated from the general fund, or another named fund, to the agencies and 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 266, or another named law.

SUMMARY BY FUND

	1995
General Fund	$ 10,000,000

	APPROPRIATIONS Available for the Year Ending June 30	
	1994	1995
Sec. 2. TRANSPORTATION		
Greater Minnesota Transit		$ 1,600,000
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.		
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.		
Sec. 3. REGIONAL TRANSIT BOARD		
(a) Regular Route Transit		5,000,000
(b) Metro Mobility		2,500,000
(c) Community-based, Rural, and Small-urban Transit Systems		900,000"

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, public safety, 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; 13.99, by adding subdivisions; 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; 16B.32, by adding a subdivision; 17B.15, subdivision 1; 32.103; 41A.09, subdivisions 2 and 5; 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; 84.0887, by adding subdivisions; 85.015, subdivision 1; 94.09, subdivision 5; 97A.441, by adding a subdivision; 97A.485, subdivision 8; 103F.725, by adding a subdivision; 103F.745; 103F.761, subdivision 2; 115A.5501, subdivision 2; 116.07, by adding a subdivision; 116.182, subdivisions 2, 3, 4, and 5; 116J.9673, subdivision 4; 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; 168A.29, subdivision 1; 171.06, subdivision 3; 176.102, subdivisions 3a and 14; 176.611, subdivision 6a; 204B.27, by adding a subdivision; 257.0762, subdivision 2; 257.0768; 268.53, subdivision 5; 296.02, subdivision 7; 298.2211, by adding a subdivision; 326.12, subdivision 3; 345.47, subdivision 4; 353.65, subdivision 7; 354.06, subdivision 1; 446A.02, subdivision 1, and by adding a subdivision; 446A.03, by adding a subdivision; 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; 462A.05, by adding a subdivision; 466.01, subdivision 1; 477A.12; 504.34, subdivision 3; 570.01; 570.02, subdivision 1; 570.025, subdivision 2; Minnesota Statutes 1993 Supplement, sections 15.50, subdivision 2; 15.91; 16A.152, subdivision 2; 16B.06, subdivision 2a; 16B.08, subdivision 7; 41A.09, subdivision 3; 44A.025; 60A.198, subdivision 3; 82.21, subdivision 1; 82.22, subdivisions 6 and 13; 82.34, subdivision 3; 84.872; 97A.028, subdivision 3; 97B.071; 115C.09, subdivision 1; 116J.966, subdivision 1; 138.763, subdivision 1; 144C.03, subdivision 2; 144C.07, subdivision 2; 239.785, subdivision 2, and by adding a subdivision; 257.0755; 268.98, subdivision 1; 446A.03, subdivision 1; 477A.14; 504.33, subdivisions 5 and 7; and 504.34, subdivisions 1 and 2; Laws 1993, chapters 192, section 17, subdivision 3; and 369, section 5, subdivision 4; proposing coding for new law in Minnesota Statutes, chapters 15; 16B; 17; 32; 154; 181; 197; 268; 268A; 299D; 446A; and 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; 154.16; 154.165; 197.235; 268.31; 268.315; 268.32; 268.33; 268.34; 268.35; 268.36; 355.04; 355.06; 446A.03, subdivision 3; and 446A.08; Laws 1985, First Special Session chapter 12, article 11, section 19."

We request adoption of this report and repassage of the bill.

Senate Conferees: GENE MERRIAM, RICHARD J. COHEN, STEVEN MORSE, CARL W. KROENING AND DENNIS R. FREDERICKSON.

House Conferees: RICHARD "RICK" KRUEGER, DAVID BATTAGLIA, JAMES I. RICE, LEE GREENFIELD AND BOB ANDERSON.

Krueger moved that the report of the Conference Committee on S. F. No. 2913 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 117 yeas and 16 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Abrams	Gruenes	Krinkie	Macklin	Pawlenty	Stanius
Commers	Haukoos	Limmer	Olson, E.	Perlt	
Erhardt	Knight	Lindner	Onnen	Rhodes	

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

MOTION FOR RECONSIDERATION

Nelson moved that the vote whereby the House refused to adopt the Conference Committee report on S. F. No. 103 and returned the bill to Conference Committee be now reconsidered.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Swenson and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 81 yeas and 48 nays as follows:

Those who voted in the affirmative were:

Abrams	Cooper	Greiling	Kalis	McGuire	Pelowski	Tompkins
Anderson, R.	Dawkins	Gruenes	Kelley	Milbert	Peterson	Trimble
Bauerly	Dehler	Hasskamp	Kinkel	Morrison	Pugh	Tunheim
Beard	Delmont	Haukoos	Klinzing	Mosel	Reding	Vellenga
Bergson	Dempsey	Holsten	Koppendrayer	Munger	Rest	Vickerman
Bertram	Dorn	Huntley	Krinkie	Neary	Rukavina	Wagenius
Bishop	Evans	Jacobs	Krueger	Nelson	Sarna	Wenzel
Brown, C.	Farrell	Jaros	Lieder	Olson, K.	Sekhon	Winter
Brown, K.	Frerichs	Jefferson	Lourey	Opatz	Simoneau	Spk. Anderson, I.
Carlson	Garcia	Johnson, A.	Luther	Osthoff	Solberg	
Carruthers	Girard	Johnson, R.	Mahon	Ozment	Sviggum	
Clark	Greenfield	Kahn	McCollum	Pauly	Tomassoni	

Those who voted in the negative were:

Asch	Finseth	Knight	Macklin	Orfield	Seagren	Waltman
Battaglia	Goodno	Lasley	Mariani	Ostrom	Skoglund	Weaver
Bettermann	Gutknecht	Leppik	Molnau	Pawlenty	Smith	Wejcman
Commers	Hugoson	Limmer	Murphy	Perlt	Steensma	Wolf
Dauner	Johnson, V.	Lindner	Olson, E.	Rhodes	Swenson	Worke
Davids	Kelso	Long	Olson, M.	Rice	Van Dellen	Workman
Erhardt	Knickerbocker	Lynch	Onnen	Rodosovich	Van Engen	

The motion prevailed.

The Swenson motion that the House refuse to adopt the Conference Committee report on S. F. No. 103, and that the bill be returned to the Conference Committee, was again reported to the House.

A roll call was requested and properly seconded.

The question was taken on the Swenson motion and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 53 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Asch	Finseth	Krinkie	Macklin	Orfield	Skoglund	Weaver
Battaglia	Goodno	Lasley	Molnau	Ostrom	Stanius	Wejcman
Bettermann	Gutknecht	Leppik	Mosel	Pawlenty	Steensma	Wenzel
Commers	Hugoson	Limmer	Murphy	Rest	Swenson	Worke
Dauner	Johnson, V.	Lindner	Ness	Rhodes	Tompkins	Workman
Davids	Kalis	Long	Olson, M.	Rice	Van Engen	
Erhardt	Knickerbocker	Lourey	Onnen	Rodosovich	Vellenga	
Farrell	Knight	Lynch	Orenstein	Seagren	Waltman	

Those who voted in the negative were:

Abrams	Dawkins	Hasskamp	Kelso	Morrison	Peterson	Tunheim
Anderson, R.	Dehler	Haukoos	Kinkel	Munger	Pugh	Van Dellen
Bauerly	Delmont	Holsten	Klinzing	Neary	Reding	Vickerman
Beard	Dempsey	Huntley	Koppendrayer	Nelson	Rukavina	Wagenius
Bergson	Dorn	Jacobs	Krueger	Olson, E.	Sarna	Winter
Bertram	Evans	Jaros	Lieder	Olson, K.	Sekhon	Wolf
Bishop	Frerichs	Jefferson	Luther	Opatz	Simoneau	Spk. Anderson, I.
Brown, C.	Garcia	Jennings	Mahon	Osthoff	Smith	
Brown, K.	Girard	Johnson, A.	Mariani	Ozment	Solberg	
Carruthers	Greenfield	Johnson, R.	McCollum	Pauly	Sviggum	
Clark	Greiling	Kahn	McGuire	Pelowski	Tomassoni	
Cooper	Gruenes	Kelley	Milbert	Perlt	Trimble	

The motion did not prevail.

S. F. No. 103, as amended by Conference, was reported to the House.

CONFERENCE COMMITTEE REPORT ON 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.

May 4, 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. 103, 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. 103 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

PARI-MUTUEL RACING

Section 1. Minnesota Statutes 1992, section 240.05, subdivision 1, is amended to read:

Subdivision 1. [CLASSES.] The commission may issue ~~five~~ four classes of licenses:

(a) class A licenses, for the ownership and operation of a racetrack with horse racing on which pari-mutuel betting is conducted;

(b) class B licenses, for the sponsorship and management of horse racing on which pari-mutuel betting is conducted;

(c) class C licenses, for the privilege of engaging in certain occupations related to horse racing; and

(d) class D licenses, for the conduct of pari-mutuel horse racing by county agricultural societies or associations~~; and~~

~~(e) class E licenses, for the management of a teleracing facility~~.

No person may engage in any of the above activities without first having obtained the appropriate license from the commission.

Sec. 2. Minnesota Statutes 1992, section 240.06, subdivision 7, is amended to read:

Subd. 7. [LICENSE SUSPENSION AND REVOCATION.] The commission:

(1) may revoke a class A license for (i) a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, or for an intentional false statement made in a license application, or ~~for~~ (ii) a willful failure to pay any money required to be paid by Laws 1983, chapter 214, and

(2) may revoke a class A license for failure to perform material covenants or representations made in a license application; and

(3) shall revoke a class A license if live racing has not been conducted on at least 50 racing days assigned by the commission during any period of 12 consecutive months, unless the commission authorizes a shorter period because of circumstances beyond the licensee's control.

The commission may suspend a class A license for up to one year for a violation of law, order, or rule which in the commission's opinion adversely affects the integrity of horse racing in Minnesota, and may suspend a class A license indefinitely if it determines that the licensee has as an officer, director, shareholder, or other person with a direct, indirect, or beneficial interest a person who is in the commission's opinion inimical to the integrity of horse racing in Minnesota or who cannot be certified under subdivision 1, clause (d).

A license revocation or suspension under this subdivision is a contested case under sections 14.57 to 14.69 of the Administrative Procedure Act, and is in addition to criminal penalties imposed for a violation of law or rule.

Sec. 3. Minnesota Statutes 1992, section 240.09, is amended by adding a subdivision to read:

Subd. 3a. [INVESTIGATION.] Before granting a class D license the director shall conduct, or request the division of gambling enforcement to conduct, a comprehensive background and financial investigation of the applicant and the sources of financing. The director may charge an applicant an investigation fee to cover the cost of the investigation, and shall from this fee reimburse the division of gambling enforcement for its share of the cost of the investigation. The director has access to all criminal history data compiled by the division of gambling enforcement on class A licensees and applicants.

Sec. 4. Minnesota Statutes 1992, section 240.13, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZED.] (a) Class B and class D licenses give the licensees authority to conduct pari-mutuel betting on the results of races run at the licensed racetrack, and on other races as authorized by the commission under this section.

(b) A class B or class ~~E~~ D license gives the licensee the authority to transmit and receive telecasts and conduct pari-mutuel betting on the results of horse races run at its class A facility, and of other horse races run at other locations ~~outside of the state~~, as authorized by the commission. ~~A class E licensee must present, for pari-mutuel wagering purposes, all live horse races conducted at its class A facility.~~ The class B or class ~~E~~ D licensee may present racing programs separately or concurrently.

(c) Subject to the approval of the commission~~, for simulcasts and telerace simulcasts~~ the types of betting, takeout, and distribution of winnings on pari-mutuel pools ~~of~~ on simulcast races at a class B or class ~~E~~ D facility are those in effect at the sending racetrack. ~~Pari-mutuel pools accumulated at a class E facility must be commingled with the pools at the class A facility for comparable pools on those races that are being simultaneously presented at both facilities.~~ Pari-mutuel pools may be commingled with pools at the sending racetrack, for the purposes of determining odds and payout prices, via the totalizator computer at the class A facility.

(d) The commission may not authorize a class B ~~or class E~~ licensee to conduct simulcasting or telerace simulcasting unless 125 days of live racing, consisting of not less than eight live races on each racing day, have been conducted at the class A facility within the preceding 12 months. The number of live racing days required may be adjusted by agreement between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months. The number of live racing days required must be reduced by one day for each assigned racing day that the licensee is unable to conduct live racing due to natural occurrences or catastrophes beyond its control.

(e) The commission may authorize no more than five class D licensees to conduct simucasting in any year. Simulcasting may be conducted at each class D licensee's facility:

(1) only on races conducted at another class D facility during a county fair day at that facility; and

(2) only on standardbred races.

A class D licensee may not conduct simulcasting for wagering purposes unless the licensee has a written contract, permitting the simulcasting, with a horseperson's organization representing the standardbred industry the breed being simulcast under authority of the class D license.

Sec. 5. Minnesota Statutes 1992, section 240.13, subdivision 2, is amended to read:

Subd. 2. [REQUIREMENTS.] (a) A licensee conducting pari-mutuel betting must provide at the licensed track ~~or at the teleracing facility~~:

(1) the necessary equipment for issuing pari-mutuel tickets; and

(2) mechanical or electronic equipment for displaying information the commission requires. All mechanical or electronic devises must be approved by the commission before being used.

(b) A licensee conducting pari-mutuel betting must post prominently at each point of sale of pari-mutuel tickets, in a manner approved by the commissioner of human services, the toll-free telephone number established by the commissioner of human services in connection with the compulsive gambling program established under section 245.98.

Sec. 6. Minnesota Statutes 1992, section 240.13, subdivision 3, is amended to read:

Subd. 3. [TYPES OF BETTING.] The commission shall by rule designate those types of pari-mutuel pools which are permitted at licensed racetracks ~~and teleracing facilities~~, and no licensee may conduct any type of pari-mutuel pool which has not been so designated. ~~Pari-mutuel pools permitted at licensed racetracks and pari-mutuel pools designated by the commission are permitted at teleracing facilities.~~

Sec. 7. Minnesota Statutes 1992, section 240.13, subdivision 5, is amended to read:

Subd. 5. [PURSES.] (a) From the amounts deducted from all pari-mutuel pools by a licensee, an amount equal to not less than the following percentages of all money in all pools must be set aside by the licensee and used for purses for races conducted by the licensee, provided that a licensee may agree by contract with an organization representing a majority of the horsepersons racing the breed involved to set aside amounts in addition to the following percentages:

(1) for live races conducted at a class A facility, and for races that are part of full racing card simulcasting ~~or full racing card telerace simulcasting~~ that takes place within the time period of the live races, 8.4 percent;

(2) for simulcasts ~~and telerace simulcasts~~ conducted during the racing season other than as provided for in clause (1), 50 percent of the takeout remaining after deduction for taxes on pari-mutuel pools, payment to the breeders fund, and payment to the sending out-of-state racetrack for receipt of the signal; and

(3) for simulcasts ~~and telerace simulcasts~~ conducted outside of the racing season, 25 percent of the takeout remaining after deduction for the state pari-mutuel tax, payment to the breeders fund, payment to the sending out-of-state racetrack for receipt of the signal and, before January 1, 2005, a further deduction of eight percent of all money in all pools~~; provided, however, that~~. In the event that wagering on simulcasts ~~and telerace simulcasts~~ outside of the racing season exceeds $125 million in any calendar year, the amount set aside for purses by this formula is increased to 30 percent on amounts between $125,000,000 and $150,000,000 wagered; 40 percent on amounts between $150,000,000 and $175,000,000 wagered; and 50 percent on amounts in excess of $175,000,000 wagered. In lieu of the eight percent deduction, a deduction as agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing at the licensee's class A facility during the preceding 12 months, is allowed after December 31, 2004.

The commission may by rule provide for the administration and enforcement of this subdivision. The deductions for payment to the sending out-of-state racetrack must be actual, except that when there exists any overlap of ownership, control, or interest between the sending out-of-state racetrack and the receiving licensee, the deduction must not be greater than three percent unless agreed to between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races during the existing racing meeting or, if outside of the racing season, during the most recent racing meeting.

In lieu of the amount the licensee must pay to the commission for deposit in the Minnesota breeders fund under section 240.15, subdivision 1, the licensee shall pay 5-1/2 percent of the takeout from all pari-mutuel pools generated by wagering at the licensee's facility on full racing card simulcasts ~~and full racing card telerace simulcasts~~ of races not conducted in this state.

(b) From the money set aside for purses, the licensee shall pay to the horseperson's organization representing the majority of the horsepersons racing the breed involved and contracting with the licensee with respect to purses and the conduct of the racing meetings and providing representation, benevolent programs, benefits, and services for horsepersons and their on-track employees, an amount, sufficient to perform these services, as may be determined by agreement by the licensee and the horseperson's organization. The amount paid may be deducted only from the money set aside for purses to be paid in races for the breed represented by the horseperson's organization. With respect to racing meetings where more than one breed is racing, the licensee may contract independently with the horseperson's organization representing each breed racing.

(c) Notwithstanding sections 325D.49 to 325D.66, a horseperson's organization representing the majority of the horsepersons racing a breed at a meeting, and the members thereof, may agree to withhold horses during a meeting.

(d) Money set aside for purses from wagering, during the racing season, on simulcasts ~~and telerace simulcasts~~ must be used for purses for live races conducted at the licensee's class A facility during the same racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state. Money set aside for purses from wagering, outside of the racing season, on simulcasts ~~and telerace simulcasts~~ must be for purses for live races conducted at the licensee's class A facility during the next racing season, over and above the 8.4 percent purse requirement or any higher requirement to which the parties agree, for races conducted in this state.

(e) Money set aside for purses from wagering on simulcasts ~~and telerace simulcasts~~ must be used for purses for live races involving the same breed involved in the simulcast ~~or telerace simulcast~~ except that money set aside for purses and payments to the breeders fund from wagering on full racing card simulcasts ~~and full racing card telerace simulcasts~~ of races not conducted in this state, occurring during a live mixed meet, must be allotted to the purses and breeders fund for each breed participating in the mixed meet in the same proportion that the number of live races run by each breed bears to the total number of live races conducted during the period of the mixed meet.

(f) The allocation of money set aside for purses to particular racing meets may be adjusted, relative to overpayments and underpayments, by contract between the licensee and the horsepersons' organization representing the majority of horsepersons racing the breed involved at the licensee's facility.

(g) Subject to the provisions of this chapter, money set aside from pari-mutuel pools for purses must be for the breed involved in the race that generated the pool, except that if the breed involved in the race generating the pari-mutuel pool is not racing in the current racing meeting, or has not raced within the preceding 12 months at the licensee's class A facility, money set aside for purses may be distributed proportionately to those breeds that have run during the preceding 12 months or paid to the commission and used for purses or to promote racing for the breed involved in the race generating the pari-mutuel pool, or both, in a manner prescribed by the commission.

(h) This subdivision does not apply to a class D licensee.

Sec. 8. Minnesota Statutes 1992, section 240.13, subdivision 6, is amended to read:

Subd. 6. [SIMULCASTING.] (a) The commission may permit an authorized licensee to conduct simulcasting ~~or telerace simulcasting~~ at the licensee's facility on any day authorized by the commission. All simulcasts ~~and telerace simulcasts~~ must comply with the Interstate Horse Racing Act of 1978, United States Code, title 15, sections 3001 to 3007. ~~In addition to teleracing programs featuring live racing conducted at the licensee's class A facility, the class E licensee may conduct not more than seven teleracing programs per week during the racing season, unless additional telerace simulcasting is authorized by the director and approved by the horsepersons' organization representing the majority of horsepersons racing the breed racing the majority of races at the licensee's class A facility during the preceding 12 months.~~

(b) The commission may not authorize any day for simulcasting at a class A facility during the racing season, and a licensee may not be allowed to transmit out-of-state telecasts of races the licensee conducts, unless the licensee has obtained the approval of the horsepersons' organization representing the majority of the horsepersons racing the breed involved at the licensed racetrack during the preceding 12 months.

(c) The licensee may pay fees and costs to an entity transmitting a telecast of a race to the licensee for purposes of conducting pari-mutuel wagering on the race. The licensee may deduct fees and costs related to the receipt of televised transmissions from a pari-mutuel pool on the televised race, provided that one-half of any amount recouped in this manner must be added to the amounts required to be set aside for purses.

(e) With the approval of the commission and subject to the provisions of this subdivision, a licensee may transmit telecasts of races it conducts, for wagering purposes, to locations outside the state, and the commission may allow this to be done on a commingled pool basis.

(f) Except as otherwise provided in this section, simulcasting ~~and telerace simulcasting~~ may be conducted on a separate pool basis or, with the approval of the commission, on a commingled pool basis. All provisions of law governing pari-mutuel betting apply to simulcasting ~~and telerace simulcasting~~ except as otherwise provided in this subdivision or in the commission's rules. If pools are commingled, wagering at the licensed facility must be on equipment electronically linked with the equipment at the licensee's class A facility or with the sending racetrack via the totalizator computer at the licensee's class A facility. Subject to the approval of the commission, the types of betting, takeout, and distribution of winnings on commingled pari-mutuel pools are those in effect at the sending racetrack. Breakage for pari-mutuel pools on a televised race must be calculated in accordance with the law or rules governing the sending racetrack for these pools, and must be distributed in a manner agreed to between the licensee and the sending racetrack. Notwithstanding subdivision 7 and section 240.15, subdivision 5, the commission may approve procedures governing the definition and disposition of unclaimed tickets that are consistent with the law and rules governing unclaimed tickets at the sending racetrack. For the purposes of this section, "sending racetrack" is either the racetrack outside of this state where the horse race is conducted or, with the consent of the racetrack, an alternative facility that serves as the racetrack for the purpose of commingling pools.

(g) If there is more than one class B licensee conducting racing within the seven-county metropolitan area, simulcasting ~~and telerace simulcasting~~ may be conducted only on races run by a breed that ran at the licensee's class A facility within the 12 months preceding the event.

~~Contractual agreements between licensees and horsepersons' organizations entered into before June 5, 1991, regarding money to be set aside for purses from pools generated by simulcasts at a class A facility, are controlling regarding purse requirements through the end of the 1992 racing season.~~

Sec. 9. Minnesota Statutes 1992, section 240.13, subdivision 8, is amended to read:

Subd. 8. [PROHIBITED ACTS.] (a) A licensee may not accept a bet or a pari-mutuel ticket for payment from any person under the age of 18 years~~; and a licensee may not accept a bet of less than $1~~. It is an affirmative defense to a charge under this paragraph for the licensee to prove by a preponderance of the evidence that the licensee, reasonably and in good faith, relied upon representation of proof of age described in section 340A.503, subdivision 6, in accepting the bet or pari-mutuel ticket for payment.

Sec. 10. Minnesota Statutes 1992, section 240.15, subdivision 6, is amended to read:

Subd. 6. [DISPOSITION OF PROCEEDS.] The commission shall distribute all money received under this section, and all money received from license fees and fines it collects, as follows: all money designated for deposit in the Minnesota breeders fund must be paid into that fund for distribution under section 240.18 except that all money generated by full racing card simulcasts~~, or full racing card telerace simulcasts of races not conducted in this state,~~ must be distributed as provided in section 240.18, subdivisions 2, paragraph (d), clauses (1), (2), and (3); and 3. Revenue from an admissions tax imposed under subdivision 1 must be paid to the local unit of government at whose request it was imposed, at times and in a manner the commission determines. All other revenues received under this section by the commission, and all license fees, fines, and other revenue it receives, must be paid to the state treasurer for deposit in the general fund.

Sec. 11. Minnesota Statutes 1992, section 240.16, subdivision 1a, is amended to read:

Subd. 1a. [SIMULCAST.] All simulcasts ~~and telerace simulcasts~~ are subject to the regulation of the commission. The commission may assign an official to preside over these activities and, if so assigned, the official has the powers and duties provided by rule.

Sec. 12. Minnesota Statutes 1992, section 240.25, subdivision 2, is amended to read:

Subd. 2. [OFF-TRACK BETS.] ~~(a)~~ No person shall:

(1) for a fee, directly or indirectly, accept anything of value from another to be transmitted or delivered for wager in any licensed pari-mutuel system of wagering on horse races, or for a fee deliver anything of value which has been received outside of the enclosure of a licensed racetrack holding a race meet licensed under this chapter ~~or a teleracing facility~~, to be placed as wagers in the pari-mutuel system of wagering on horse racing within the enclosure or facility; or

(2) give anything of value to be transmitted or delivered for wager in any licensed pari-mutuel system of wagering on horse races to another who charges a fee, directly or indirectly, for the transmission or delivery.

~~(b) Nothing in this subdivision prohibits the conducting of pari-mutuel wagering at a licensed teleracing facility.~~

Sec. 13. Minnesota Statutes 1992, section 240.25, is amended by adding a subdivision to read:

Subd. 8. [AGE UNDER 18.] A person under the age of 18 may not place a bet or present a pari-mutuel ticket for payment with an approved pari-mutuel system.

Sec. 14. Minnesota Statutes 1992, section 240.26, subdivision 3, is amended to read:

Subd. 3. [MISDEMEANORS.] A violation of any other provision of ~~Laws 1983,~~ this chapter ~~214~~ or of a rule or order of the commission for which another penalty is not provided is a misdemeanor.

Sec. 15. Minnesota Statutes 1992, section 240.27, subdivision 1, is amended to read:

Subdivision 1. [PERSONS EXCLUDED.] The commission may exclude from any and all licensed racetracks ~~or licensed teleracing facilities~~ in the state a person who:

(a) has been convicted of a felony under the laws of any state or the United States;

(b) has had a license suspended, revoked, or denied by the commission or by the racing authority of any other jurisdiction; or

(c) is determined by the commission, on the basis of evidence presented to it, to be a threat to the integrity of racing in Minnesota.

Sec. 16. Minnesota Statutes 1992, section 240.28, subdivision 1, is amended to read:

Subdivision 1. [FINANCIAL INTEREST.] No person may serve on or be employed by the commission who has an interest in any corporation, association, or partnership which holds a license from the commission or which holds a contract to supply goods or services to a licensee or at a licensed racetrack ~~or a licensed teleracing facility~~, including concessions contracts. No member or employee of the commission may own, wholly or in part, or have an interest in a horse which races at a licensed racetrack in Minnesota. No member or employee of the commission may have a financial interest in or be employed in a profession or business which conflicts with the performance of duties as a member or employee.

Sec. 17. [REPEALER.]

Minnesota Statutes 1992, section 240.091, is repealed.

Sec. 18. [EFFECTIVE DATE.]

Sections 1, 3 to 8, 10 to 12, and 14 to 17 are effective the day following final enactment. Sections 9 and 13 are effective August 1, 1994. Section 2 is effective April 1, 1995.

ARTICLE 2

GAMBLING TAX RECODIFICATION

Section 1. [297E.01] [DEFINITIONS.]

Subdivision 1. [SCOPE.] Unless otherwise defined in this chapter, or unless the context clearly indicates otherwise, the terms used in this chapter have the meaning given them in chapter 349. The definitions in this section are for tax administration purposes and apply to this chapter.

Subd. 2. [BINGO.] For purposes of this chapter "bingo" means the game of bingo as defined in section 349.12, subdivision 4, and as conducted under chapter 349, and any other game that is substantially the same as or similar to that game, including but not limited to a game where:

(1) players pay compensation for a game sheet, card, or paper that has spaces arranged on it in columns and rows containing printed numbers or figures, or that has spaces in which players are allowed to place their own numbers or figures, or for an electronic, mechanical, or other facsimile of such sheets, cards or paper;

(2) numbers or figures are randomly selected for comparison with the numbers or figures on each game sheet, card, paper, or facsimile;

(3) game winners are those who have a game sheet, card, paper, or facsimile with some or all of the randomly selected numbers or figures displayed thereon, in the same pattern or arrangement that has been previously designated or understood to be a winning pattern or arrangement for the game; and

(4) game winner receive or are eligible to receive a prize such as money, property, or other reward or benefit.

Subd. 3. [COMMISSIONER.] "Commissioner" means the commissioner of revenue or a person to whom the commissioner has delegated functions.

Subd. 4. [CONTRABAND.] For purposes of this chapter, "contraband" means all of the items listed in section 349.2125, and all pull-tab or tipboard deals or portions of deals on which the tax imposed under section 297E.02 has not been paid.

Subd. 5. [DISTRIBUTOR.] "Distributor" means a distributor as defined in section 349.12, subdivision 11, or a person who markets, sells, or provides gambling product to a person or entity for resale or use at the retail level.

Subd. 6. [FISCAL YEAR.] "Fiscal year" means the period from July 1 to June 30.

Subd. 7. [GAMBLING PRODUCT.] "Gambling product" means bingo cards, paper, or sheets; pull-tabs; tipboards; paddletickets and paddleticket cards; raffle tickets; or any other ticket, card, board, placard, device, or token that represents a chance, for which consideration is paid, to win a prize.

Subd. 8. [GROSS RECEIPTS.] "Gross receipts" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo hard cards and paper sheets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab and tipboard deals or games less the value of unsold and defective tickets and before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and paddle tickets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include proceeds from rental under section 349.164 or 349.18, subdivision 3.

Subd. 9. [IDEAL GROSS.] "Ideal gross" means the total amount of receipts that would be received if every individual ticket in the pull-tab or tipboard deal was sold at its face value. In the calculation of ideal gross and prizes, a free play ticket shall be valued at face value.

Subd. 10. [MANUFACTURER.] "Manufacturer" means a manufacturer as defined in section 349.12, subdivision 26, or a person or entity who: (1) assembles from raw materials, or from subparts or other components, a completed item of gambling product for resale, use, or receipt in Minnesota; or (2) sells, furnishes, ships, or imports completed gambling product from outside Minnesota for resale, use, receipt, or storage in Minnesota; or (3) being within the state, assembles, produces, or otherwise creates gambling products.

Subd. 11. [PRIZE.] "Prize" means a thing of value, other than a free play, offered or awarded to the winner of a gambling game.

Subd. 12. [PULL-TAB.] "Pull-tab" is a pull-tab as defined in section 349.12, subdivision 32, or any other gambling ticket or device that is substantially the same as or similar to such a pull-tab, including but not limited to, a ticket or card that:

(1) has one or more concealed numbers, figures, or symbols, or combination thereof, printed on it;

(2) may be used in games where the player knows in advance, or can determine in advance, what the pre-designated winning numbers, figures, symbols, or combinations are; and

(3) may be played by revealing the concealed ticket information and comparing that information with the pre-designated winning numbers, figures, symbols, or combinations in order to determine a winner.

Subd. 13. [RAFFLE.] "Raffle" means a raffle as defined in section 349.12, subdivision 33, and any other game that is played in a manner substantially similar to the play of such a raffle, including but not limited to raffles in which compensation is paid for the chance to win a thing of value, the chance is evidenced by a ticket, card, token, or equivalent item, and the winner is selected by random drawing.

Subd. 14. [RETAIL LEVEL.] "Retail level" means an activity where gambling product is sold to players or participants in gambling games and where the players or participants give consideration for a chance to win a prize.

Subd. 15. [TAXPAYER.] "Taxpayer" means a person subject to or liable for a tax imposed by this chapter, a person required to file reports or returns with the commissioner under this chapter, a person required to keep or retain records under this chapter, or a person required by this chapter to obtain or hold a permit.

Subd. 16. [TICKET.] "Ticket" means a valid token, card, or other tangible voucher, other than bingo cards, sheets, or paper, that grants the holder a chance or chances to participate in a game of gambling.

Subd. 17. [TIPBOARD.] "Tipboard" means a tipboard as defined in section 349.12, subdivision 34, and any game that is substantially the same as or similar to the game of tipboards authorized under chapter 349, including but not limited to any of the following games:

(1) a game that consists of one or more boards, placards, or other devices in which (i) the board, placard, or other device has been marked off into a grid or columns in which each section represents a chance to win a prize, (ii) participants pay a consideration to select a section or sections, (iii) all or some of the winning numbers, figures, symbols, or other winning criteria for the game are concealed or otherwise not known by the player at the time the player obtains a chance in the game, and (iv) the numbers, figures, symbols, or other criteria for winning the game are later revealed for comparison with the information on the board, placard, or other device in order to determine a winner;

(2) a game that consists of one or more boards, placards, or other devices that (i) have tickets attached to or otherwise associated with them, and that have one or more concealed numbers, figures, or combination thereof on the tickets; (ii) participants pay a consideration to obtain the tickets, (iii) all or some of the winning numbers, figures, symbols, or other winning criteria for the game are concealed or otherwise not known by the player at the time the player obtains a chance in the game, and (iv) the numbers, figures, symbols, or other criteria for winning the game are later revealed for comparison with the information on the game tickets in order to determine a winner; or

(3) a game that consists of a deal or set of tickets that (i) have one or more concealed numbers, figures, or symbols, or combination thereof, on the tickets, (ii) participants pay a consideration to obtain the tickets, (iii) all or some of the winning numbers, figures, symbols, or combination thereof, are concealed or otherwise not known to the player at the time the player obtains the ticket, and (iv) the tickets are used in games where the numbers, figures, symbols, or other winning criteria are later revealed for comparison with the information on the game tickets in order to determine a winner.

"Tipboards" includes any game otherwise described in this subdivision in which the winning chances are determined in whole or in part by the outcome of one or more sporting events. "Tipboard" does not include boards, placards, tickets, or other devices lawfully used in connection with the operation of the state lottery under chapter 349A or the lawful conduct of pari-mutuel betting on horse racing under chapter 240.

Subd. 18. [OTHER WORDS.] Unless specifically defined in this chapter, or unless the context clearly indicates otherwise, the words used in this chapter have the meanings given them in chapter 349.

Sec. 2. [297E.02] [TAX IMPOSED.]

Subdivision 1. [IMPOSITION.] A tax is imposed on all lawful gambling other than (1) pull-tabs purchased and placed into inventory after January 1, 1987, and (2) tipboards purchased and placed into inventory after June 30, 1988, at the rate of ten percent on the gross receipts as defined in section 349.12, subdivision 21, less prizes actually paid. The tax imposed by this subdivision is in lieu of the tax imposed by section 297A.02 and all local taxes and license fees except a fee authorized under section 349.16, subdivision 8, or a tax authorized under subdivision 5.

The tax imposed under this subdivision is payable by the organization or party conducting, directly or indirectly, the gambling.

Subd. 2. [TAX-EXEMPT GAMBLING.] An organization's receipts from lawful gambling that are excluded or exempt from licensing under section 349.166, are not subject to the tax imposed by this section or section 297A.02. This exclusion from tax is only valid if at the time of the event giving rise to the tax the organization either has an exclusion under section 349.166, subdivision 1, or has applied for and received a valid exemption from the lawful gambling control board.

Subd. 3. [COLLECTION; DISPOSITION.] Taxes imposed by this section are due and payable to the commissioner when the gambling tax return is required to be filed. Returns covering the taxes imposed under this section must be filed with the commissioner on or before the 20th day of the month following the close of the previous calendar month. The commissioner may require that the returns be filed via magnetic media or electronic data transfer. The proceeds, along with the revenue received from all license fees and other fees under sections 349.11 to 349.191, 349.211, and 349.213, must be paid to the state treasurer for deposit in the general fund.

Subd. 4. [PULL-TAB AND TIPBOARD TAX.] (a) A tax is imposed on the sale of each deal of pull-tabs and tipboards sold by a distributor. The rate of the tax is two percent of the ideal gross of the pull-tab or tipboard deal. The sales tax imposed by chapter 297A on the sale of the pull-tabs and tipboards by the distributor is imposed on the retail sales price less the tax imposed by this subdivision. The retail sale of pull-tabs or tipboards by the organization is exempt from taxes imposed by chapter 297A and is exempt from all local taxes and license fees except a fee authorized under section 349.16, subdivision 8.

(b) The liability for the tax imposed by this section is incurred when the pull-tabs and tipboards are delivered by the distributor to the customer or to a common or contract carrier for delivery to the customer, or when received by the customer's authorized representative at the distributor's place of business, regardless of the distributor's method of accounting or the terms of the sale.

The tax imposed by this subdivision is imposed on all sales of pull-tabs and tipboards, except the following:

(1) sales to the governing body of an Indian tribal organization for use on an Indian reservation;

(2) sales to distributors licensed under the laws of another state or of a province of Canada, as long as all statutory and regulatory requirements are met in the other state or province;

(3) sales of promotional tickets as defined in section 349.12; and

(4) pull-tabs and tipboards sold to an organization that sells pull-tabs and tipboards under the exemption from licensing in section 349.166, subdivision 2. A distributor shall require an organization conducting exempt gambling to show proof of its exempt status before making a tax-exempt sale of pull-tabs or tipboards to the organization. A distributor shall identify, on all reports submitted to the commissioner, all sales of pull-tabs and tipboards that are exempt from tax under this subdivision.

(c) A distributor having a liability of $120,000 or more during a fiscal year ending June 30 must remit all liabilities in the subsequent calendar year by a funds transfer as defined in section 336.4A-104, paragraph (a). The funds transfer payment date, as defined in section 336.4A-401, must be on or before the date the tax is due. If the date the tax is due is not a funds transfer business day, as defined in section 336.4A-105, paragraph (a), clause (4), the payment date must be on or before the funds transfer business day next following the date the tax is due.

Subd. 5. [LOCAL GAMBLING TAX.] A statutory or home rule charter city that has one or more licensed organizations operating lawful gambling, and a county that has one or more licensed organizations outside incorporated areas operating lawful gambling, may impose a local gambling tax on each licensed organization within the city's or county's jurisdiction. The tax may be imposed only if the amount to be received by the city or county is necessary to cover the costs incurred by the city or county to regulate lawful gambling. The tax imposed by this subdivision may not exceed three percent of the gross receipts of a licensed organization from all lawful gambling less prizes actually paid out by the organization. A city or county may not use money collected under this subdivision for any purpose other than to regulate lawful gambling. A tax imposed under this subdivision is in lieu of all other local taxes and local investigation fees on lawful gambling. A city or county that imposes a tax under this subdivision shall annually, by March 15, file a report with the board in a form prescribed by the board showing (1) the amount of revenue produced by the tax during the preceding calendar year, and (2) the use of the proceeds of the tax.

Subd. 6. [COMBINED RECEIPTS TAX.] In addition to the taxes imposed under subdivisions 1 and 4, a tax is imposed on the combined receipts of the organization. As used in this section, "combined receipts" is the sum of the organization's gross receipts from lawful gambling less gross receipts directly derived from the conduct of bingo, raffles, and paddlewheels, as defined in section 349.12, subdivision 21, for the fiscal year. The combined receipts of an organization are subject to a tax computed according to the following schedule:

If the combined receipts for the fiscal year are:	The tax is:
Not over $500,000	zero
Over $500,000, but not over $700,000	two percent of the amount over $500,000, but not over $700,000
Over $700,000, but not over $900,000	$4,000 plus four percent of the amount over $700,000, but not over $900,000
Over $900,000	$12,000 plus six percent of the amount over $900,000

Subd. 7. [UNTAXED GAMBLING PRODUCT.] (a) In addition to penalties or criminal sanctions imposed by this chapter, a person, organization, or business entity possessing or selling a pull-tab or tipboard upon which the tax imposed by subdivision 4 has not been paid is liable for a tax of six percent of the ideal gross of each pull-tab or tipboard. The tax on a partial deal must be assessed as if it were a full deal.

(b) In addition to penalties and criminal sanctions imposed by this chapter, a person not licensed by the board who conducts bingo, raffles, or paddlewheel games is liable for a tax of six percent of the gross receipts from that activity.

(c) The tax must be assessed by the commissioner. An assessment must be considered a jeopardy assessment or jeopardy collection as provided in section 270.70. The commissioner shall assess the tax based on personal knowledge or information available to the commissioner. The commissioner shall mail to the taxpayer at the taxpayer's last known address, or serve in person, a written notice of the amount of tax, demand its immediate payment, and, if payment is not immediately made, collect the tax by any method described in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270. The tax assessed by the commissioner is presumed to be valid and correctly determined and assessed. The burden is upon the taxpayer to show its incorrectness or invalidity. The tax imposed under this subdivision does not apply to gambling that is exempt from taxation under subdivision 2.

Subd. 8. [PERSONAL DEBT.] The tax imposed by this section, and interest and penalties imposed with respect to it, are a personal debt of the person required to file a return from the time the liability for it arises, irrespective of when the time for payment of the liability occurs. The debt must, in the case of the executor or administrator of the estate of a decedent and in the case of a fiduciary, be that of the person in the person's official or fiduciary capacity only unless the person has voluntarily distributed the assets held in that capacity without reserving sufficient assets to pay the tax, interest, and penalties, in which event the person is personally liable for any deficiency.

Subd. 9. [PUBLIC INFORMATION.] All records concerning the administration of the taxes under this chapter are classified as public information.

Subd. 10. [REFUNDS; APPROPRIATION.] A person who has, under this chapter, paid to the commissioner an amount of tax for a period in excess of the amount legally due for that period, may file with the commissioner a claim for a refund of the excess. The amount necessary to pay the refunds is appropriated from the general fund to the commissioner.

Subd. 11. [UNPLAYED OR DEFECTIVE PULL-TABS OR TIPBOARDS.] If a deal of pull-tabs or tipboards registered with the board or bar coded in accordance with chapter 349 and upon which the tax imposed by subdivision 4 has been paid is returned unplayed to the distributor, the commissioner shall allow a refund of the tax paid.

If a defective deal registered with the board or bar coded in accordance with chapter 349 and upon which the taxes have been paid is returned to the manufacturer, the distributor shall submit to the commissioner of revenue certification from the manufacturer that the deal was returned and in what respect it was defective. The certification must be on a form prescribed by the commissioner and must contain additional information the commissioner requires.

The commissioner may require that no refund under this subdivision be made unless the returned pull-tabs or tipboards have been set aside for inspection by the commissioner's employee.

Reductions in previously paid taxes authorized by this subdivision must be made when and in the manner prescribed by the commissioner.

Sec. 3. [297E.03] [SPORTS BOOKMAKING TAX.]

Subdivision 1. [IMPOSITION OF TAX.] An excise tax of six percent is imposed on the value of all bets received by, recorded by, accepted by, forwarded by, or placed with a person engaged in sports bookmaking.

Subd. 2. [BET DEFINED.] For purposes of this section, the term "bet" has the meaning given it in section 609.75, subdivision 2.

Subd. 3. [SPORTS BOOKMAKING DEFINED.] For purposes of this section, the term "sports bookmaking" has the meaning given it in section 609.75, subdivision 7.

Subd. 4. [AMOUNT OF BET.] In determining the value or amount of any bet for purposes of this section, all charges incident to the placing of the bet must be included.

Subd. 5. [TAX RETURNS.] A person engaged in sports bookmaking shall file monthly tax returns with the commissioner of revenue, in the form required by the commissioner, of all bookmaking activity, and shall include information on all bets recorded, accepted, forwarded, and placed. The returns must be filed on or before the 20th day of the month following the month in which the bets reported were recorded, accepted, forwarded, or placed. The tax imposed by this section is due and payable at the time when the returns are filed.

Subd. 6. [PERSONS LIABLE FOR TAX.] Each person who is engaged in receiving, recording, forwarding, or accepting sports bookmaking bets is liable for and shall pay the tax imposed under this section.

Subd. 7. [JEOPARDY ASSESSMENT; JEOPARDY COLLECTION.] The tax may be assessed by the commissioner of revenue. An assessment made pursuant to this section shall be considered a jeopardy assessment or jeopardy collection as provided in section 270.70. The commissioner shall assess the tax based on personal knowledge or information available to the commissioner. The commissioner shall mail to the taxpayer at the taxpayer's last known

address, or serve in person, a written notice of the amount of tax, demand its immediate payment, and, if payment is not immediately made, collect the tax by any method described in chapter 270, except that the commissioner need not await the expiration of the times specified in chapter 270. The tax assessed by the commissioner is presumed to be valid and correctly determined and assessed.

Subd. 8. [DISCLOSURE PROHIBITED.] (a) Notwithstanding any law to the contrary, neither the commissioner nor a public employee may reveal facts contained in a sports bookmaking tax return filed with the commissioner of revenue as required by this section, nor can any information contained in the report or return be used against the tax obligor in any criminal proceeding, unless independently obtained, except in connection with a proceeding involving taxes due under this section, or as provided in section 270.064.

(b) Any person violating this section is guilty of a gross misdemeanor.

(c) This section does not prohibit the commissioner from publishing statistics that do not disclose the identity of tax obligors or the contents of particular returns or reports.

Sec. 4. [297E.031] [GAMBLING TAX PERMIT.]

Subdivision 1. [APPLICATION AND ISSUANCE.] A distributor who sells gambling products under this chapter must file with the commissioner an application, on a form prescribed by the commissioner, for a gambling tax permit and identification number. The commissioner, when satisfied that the applicant has a valid license from the board, shall issue the applicant a permit and number. A permit is not assignable and is valid only for the distributor in whose name it is issued.

Subd. 2. [SUSPENSION; REVOCATION.] (a) If a distributor fails to comply with this chapter or a rule of the commissioner, or if a license issued under chapter 349 is revoked or suspended, the commissioner, after giving notice, may for reasonable cause revoke or suspend a permit held by a distributor. A notice must be sent to the distributor at least 15 days before the proposed suspension or revocation is to take effect. The notice must give the reason for the proposed suspension or revocation and must require the distributor to show cause why the proposed action should not be taken. The notice may be served personally or by mail.

(b) The notice must inform the distributor of the right to a contested case hearing. If a request in writing is made to the commissioner within 14 days of the date of the notice, the commissioner shall defer action on the suspension or revocation and shall refer the case to the office of administrative hearings for the scheduling of a contested case hearing. The distributor must be served with 20 days' notice in writing specifying the time and place of the hearing and the allegations against the distributor.

(c) The commissioner shall issue a final order following receipt of the recommendation of the administrative law judge.

(d) Under section 271.06, subdivision 1, an appeal to the tax court may be taken from the commissioner's order of revocation or suspension. The commissioner may not issue a new permit after revocation except upon application accompanied by reasonable evidence of the intention of the applicant to comply with all applicable laws and rules.

Sec. 5. [297E.04] [MANUFACTURER'S REPORTS AND RECORDS.]

Subdivision 1. [REPORTS OF SALES.] A manufacturer who sells gambling product for use or resale in this state, or for receipt by a person or entity in this state, shall file with the commissioner, on a form prescribed by the commissioner, a report of gambling product sold to any person in the state, including the established governing body of an Indian tribe recognized by the United States Department of the Interior. The report must be filed monthly on or before the 20th day of the month succeeding the month in which the sale was made. The commissioner may require that the report be submitted via magnetic media or electronic data transfer. The commissioner may inspect the premises, books, records, and inventory of a manufacturer without notice during the normal business hours of the manufacturer. A person violating this section is guilty of a misdemeanor.

Subd. 2. [BAR CODES.] The flare of each pull-tab and tipboard game must be imprinted by the manufacturer with a bar code that provides all information prescribed by the commissioner. The commissioner must require that the bar code include the serial number of the game. A manufacturer must also affix to the outside of the box containing these games a bar code providing all information prescribed by the commissioner. The commissioner may also prescribe additional bar coding requirements.

No person may alter the bar code that appears on the outside of a box containing a deal of pull-tabs and tipboards. Possession of a box containing a deal of pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

Subd. 3. [PADDLETICKET CARD MASTER FLARES.] Each sealed grouping of 100 paddleticket cards must have its own individual master flare. The manufacturer of the paddleticket cards must affix to or imprint at the bottom of each master flare a bar code that provides:

(1) the name of the manufacturer;

(2) the first paddleticket card number in the group;

(3) the number of paddletickets attached to each paddleticket card in the group; and

(4) all other information required by the commissioner. This subdivision applies to paddleticket cards (i) sold by a manufacturer after June 30, 1995, for use or resale in Minnesota or (ii) shipped into or caused to be shipped into Minnesota by a manufacturer after June 30, 1995. Paddleticket cards that are subject to this subdivision may not have a registration stamp affixed to the master flare.

Sec. 6. [297E.05] [DISTRIBUTOR REPORTS AND RECORDS.]

Subdivision 1. [BUSINESS RECORDS.] A distributor shall keep at each place of business complete and accurate records for that place of business, including itemized invoices of gambling product held, purchased, manufactured, or brought in or caused to be brought in from without this state, and of all sales of gambling product. The records must show the names and addresses of purchasers, the inventory at the close of each period for which a return is required of all gambling product on hand, and other pertinent papers and documents relating to the purchase, sale, or disposition of gambling product. Books, records, itemized invoices, and other papers and documents required by this section must be kept for a period of at least 3-1/2 years after the date of the documents, or the date of the entries appearing in the records, unless the commissioner of revenue authorizes in writing their destruction or disposal at an earlier date.

Subd. 2. [SALES RECORDS.] A distributor must maintain a record of all gambling product that it sells. The record must include:

(1) the identity of the person from whom the distributor purchased the product;

(2) the registration number of the product;

(3) the name, address, and license or exempt permit number of the organization or person to which the sale was made;

(4) the date of the sale;

(5) the name of the person who ordered the product;

(6) the name of the person who received the product;

(7) the type of product;

(8) the serial number of the product;

(9) the name, form number, or other identifying information for each game; and

(10) in the case of bingo hard cards or sheets sold on and after January 1, 1991, the individual number of each card or sheet.

Subd. 3. [INVOICES.] A distributor shall give with each sale of gambling product an itemized invoice showing the distributor's name and address, the purchaser's name and address, the date of the sale, description of the deals, including the ideal gross from every deal of pull-tabs and every deal of tipboards.

Subd. 4. [REPORTS.] A distributor shall report monthly to the commissioner, on a form the commissioner prescribes, its sales of each type of gambling product. This report must be filed monthly on or before the 20th day of the month succeeding the month in which the sale was made. The commissioner may require that a distributor submit the monthly report and invoices required in this subdivision via magnetic media or electronic data transfer.

Subd. 5. [CERTIFIED PHYSICAL INVENTORY.] The commissioner may, upon request, require a distributor to furnish a certified physical inventory of all gambling product in stock. The inventory must contain the information required by the commissioner.

Sec. 7. [297E.06] [ORGANIZATION REPORTS AND RECORDS.]

Subdivision 1. [REPORTS.] An organization must file with the commissioner, on a form prescribed by the commissioner, a report showing all gambling activity conducted by that organization for each month. Gambling activity includes all gross receipts, prizes, all gambling taxes owed or paid to the commissioner, all gambling expenses, and all lawful purpose and board-approved expenditures. The report must be filed with the commissioner on or before the 20th day of the month following the month in which the gambling activity takes place. The commissioner may require that the reports be filed via magnetic media or electronic data transfer.

Subd. 2. [BUSINESS RECORDS.] An organization shall maintain records supporting the gambling activity reported to the commissioner. Records include, but are not limited to, the following items:

(1) all winning and unsold tickets, cards, or stubs for pull-tab, tipboard, paddlewheel, and raffle games;

(2) all reports and statements, including checker's records, for each bingo occasion;

(3) all cash journals and ledgers, deposit slips, register tapes, and bank statements supporting gambling activity receipts;

(4) all invoices that represent purchases of gambling product;

(5) all canceled checks, check recorders, journals and ledgers, vouchers, invoices, bank statements, and other documents supporting gambling activity expenditures; and

(6) all organizational meeting minutes.

All records required to be kept by this section must be preserved by the organization for at least 3-1/2 years and may be inspected by the commissioner of revenue at any reasonable time without notice or a search warrant.

Subd. 3. [ACCOUNTS.] All gambling activity transactions must be segregated from all other revenues and expenditures made by the conducting organization.

Subd. 4. [ANNUAL AUDIT.] (a) An organization licensed under chapter 349 with gross receipts from lawful gambling of more than $250,000 in any year must have an annual financial audit of its lawful gambling activities and funds for that year. An organization licensed under chapter 349 with gross receipts from lawful gambling of more than $50,000 but not more than $250,000 in any year must have an annual financial review of its lawful gambling activities and funds for that year. Audits and financial reviews under this subdivision must be performed by an independent accountant licensed by the state of Minnesota.

(b) The commissioner of revenue shall prescribe standards for audits and financial review required under this subdivision. The standards may vary based on the gross receipts of the organization. The standards must incorporate and be consistent with standards prescribed by the American institute of certified public accountants. A complete, true, and correct copy of the audit report must be filed as prescribed by the commissioner.

Sec. 8. [297E.07] [INSPECTION RIGHTS.]

At any reasonable time, without notice and without a search warrant, the commissioner may enter a place of business of a manufacturer, distributor, or organization; any site from which pull-tabs or tipboards or other gambling equipment or gambling product are being manufactured, stored, or sold; or any site at which lawful gambling is being conducted, and inspect the premises, books, records, and other documents required to be kept under this chapter to

determine whether or not this chapter is being fully complied with. If the commissioner is denied free access to or is hindered or interfered with in making an inspection of the place of business, books, or records, the permit of the distributor may be revoked by the commissioner, and the license of the manufacturer, the distributor, or the organization may be revoked by the board.

Sec. 9. [297E.08] [EXAMINATIONS.]

Subdivision 1. [EXAMINATION OF TAXPAYER.] To determine the accuracy of a return or report, or in fixing liability under this chapter, the commissioner may make reasonable examinations or investigations of a taxpayer's place of business, tangible personal property, equipment, computer systems and facilities, pertinent books, records, papers, vouchers, computer printouts, accounts, and documents.

Subd. 2. [ACCESS TO RECORDS OF OTHER PERSONS IN CONNECTION WITH EXAMINATION OF TAXPAYER.] When conducting an investigation or an audit of a taxpayer, the commissioner may examine, except where privileged by law, the relevant records and files of a person, business, institution, financial institution, state agency, agency of the United States government, or agency of another state where permitted by statute, agreement, or reciprocity. The commissioner may compel production of these records by subpoena. A subpoena may be served directly by the commissioner.

Subd. 3. [POWER TO COMPEL TESTIMONY.] In the administration of this chapter, the commissioner may:

(1) administer oaths or affirmations and compel by subpoena the attendance of witnesses, testimony, and the production of a person's pertinent books, records, papers, or other data;

(2) examine under oath or affirmation any person regarding the business of a taxpayer concerning a matter relevant to the administration of this chapter. The fees of witnesses required by the commissioner to attend a hearing are equal to those allowed to witnesses appearing before courts of this state. The fees must be paid in the manner provided for the payment of other expenses incident to the administration of state tax law; and

(3) in addition to other remedies available, bring an action in equity by the state against a taxpayer for an injunction ordering the taxpayer to file a complete and proper return or amended return. The district courts of this state have jurisdiction over the action, and disobedience of an injunction issued under this clause must be punished as for contempt.

Subd. 4. [THIRD-PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS KNOWN.] An investigation may extend to any person that the commissioner determines has access to information that may be relevant to the examination or investigation. If a subpoena requiring the production of records under subdivision 2 is served on a third-party record keeper, written notice of the subpoena must be mailed to the taxpayer and to any other person who is identified in the subpoena. The notices must be given within three days of the day on which the subpoena is served. Notice to the taxpayer required by this section is sufficient if it is mailed to the last address on record with the commissioner of revenue.

The provisions of this subdivision relating to notice to the taxpayer or other parties identified in the subpoena do not apply if there is reasonable cause to believe that the giving of notice may lead to attempts to conceal, destroy, or alter records relevant to the examination, to prevent the communication of information from other persons through intimidation, bribery, or collusion, or to flee to avoid prosecution, testifying, or production of records.

Subd. 5. [THIRD-PARTY SUBPOENA WHERE TAXPAYER'S IDENTITY IS NOT KNOWN.] A subpoena that does not identify the person or persons whose tax liability is being investigated may be served only if:

(1) the subpoena relates to the investigation of a particular person or ascertainable group or class of persons;

(2) there is a reasonable basis for believing that the person or group or class of persons may fail or may have failed to comply with tax laws administered by the commissioner of revenue;

(3) the subpoena is clear and specific concerning information sought to be obtained; and

(4) the information sought to be obtained is limited solely to the scope of the investigation.

A party served with a subpoena that does not identify the person or persons with respect to whose tax liability the subpoena is issued may, within three days after service of the subpoena, petition the district court in the judicial district in which that party is located for a determination whether the commissioner of revenue has complied with all the requirements in clauses (1) to (4), and whether the subpoena is enforceable. If no petition is made by the party served within the time prescribed, the subpoena has the effect of a court order.

Subd. 6. [REQUEST BY TAXPAYER FOR SUBPOENA.] If the commissioner has the power to issue a subpoena for investigative or auditing purposes, the commissioner shall honor a reasonable request by the taxpayer to issue a subpoena on the taxpayer's behalf in connection with the investigation or audit.

Subd. 7. [APPLICATION TO COURT FOR ENFORCEMENT OF SUBPOENA.] The commissioner or the taxpayer may apply to the district court of the county of the taxpayer's residence, place of business, or county where the subpoena can be served as with any other case at law, for an order compelling the appearance of the subpoenaed witness or the production of the subpoenaed records. Failure to comply with the order of the court for the appearance of a witness or the production of records may be punished by the court as for contempt.

Subd. 8. [COST OF PRODUCTION OF RECORDS.] The cost of producing records of a third party required by a subpoena must be paid by the taxpayer if the taxpayer requests the subpoena to be issued or if the taxpayer has the records available but has refused to provide them to the commissioner. In other cases where the taxpayer cannot produce records and the commissioner then issues a subpoena for third-party records, the commissioner shall pay the reasonable cost of producing the records. The commissioner may later assess the reasonable costs against the taxpayer if the records contribute to the determination of an assessment of tax against the taxpayer.

Sec. 10. [297E.09] [ASSESSMENTS.]

Subdivision 1. [GENERALLY.] The commissioner shall make determinations, corrections, and assessments with respect to taxes, including interest, additions to taxes, and assessable penalties, imposed under this chapter.

Subd. 2. [COMMISSIONER FILED RETURNS.] If a taxpayer fails to file a return required by this chapter, the commissioner may make a return for the taxpayer from information in the commissioner's possession or obtainable by the commissioner. The return is prima facie correct and valid.

Subd. 3. [ORDER OF ASSESSMENT; NOTICE AND DEMAND TO TAXPAYER.] (a) If a return has been filed and the commissioner determines that the tax disclosed by the return is different from the tax determined by the examination, the commissioner shall send an order of assessment to the taxpayer. The order must explain the basis for the assessment and must explain the taxpayer's appeal rights. An assessment by the commissioner must be made by recording the liability of the taxpayer in the office of the commissioner, which may be done by keeping a copy of the order of assessment sent to the taxpayer. An order of assessment is final when made but may be reconsidered by the commissioner under section 349.219.

(b) The amount of unpaid tax shown on the order must be paid to the commissioner:

(1) within 60 days after notice of the amount and demand for its payment have been mailed to the taxpayer by the commissioner; or

(2) if an administrative appeal is filed under section 349.219 within 60 days following the determination or compromise of the appeal.

Subd. 4. [ERRONEOUS REFUNDS.] An erroneous refund is considered an underpayment of tax on the date made. An assessment of a deficiency arising out of an erroneous refund may be made at any time within two years from the making of the refund. If part of the refund was induced by fraud or misrepresentation of a material fact, the assessment may be made at any time.

Subd. 5. [ASSESSMENT PRESUMED VALID.] A return or assessment made by the commissioner is prima facie correct and valid. The taxpayer has the burden of establishing the incorrectness or invalidity of the return or assessment in any action or proceeding in respect to it.

Subd. 6. [AGGREGATE REFUND OR ASSESSMENT.] On examining returns of a taxpayer for more than one year or period, the commissioner may issue one order covering the period under examination that reflects the aggregate refund or additional tax due.

Subd. 7. [SUFFICIENCY OF NOTICE.] An order of assessment sent by United States mail, postage prepaid to the taxpayer at the taxpayer's last known address, is sufficient even if the taxpayer is deceased or is under a legal disability, or, in the case of a corporation, has terminated its existence, unless the department has been provided with a new address by a party authorized to receive notices of assessment.

Sec. 11. [297E.10] [EXTENSIONS FOR FILING RETURNS AND PAYING TAXES.]

If, in the commissioner's judgment, good cause exists, the commissioner may extend the time for filing tax returns, paying taxes, or both, for not more than six months.

Sec. 12. [297E.11] [LIMITATIONS ON TIME FOR ASSESSMENT OF TAX.]

Subdivision 1. [GENERAL RULE.] Except as otherwise provided in this chapter, the amount of taxes assessable must be assessed within 3-1/2 years after the return is filed, whether or not the return is filed on or after the date prescribed. A return must not be treated as filed until it is in processible form. A return is in processible form if it is filed on a permitted form and contains sufficient data to identify the taxpayer and permit the mathematical verification of the tax liability shown on the return.

Subd. 2. [FALSE OR FRAUDULENT RETURN.] Notwithstanding subdivision 1, the tax may be assessed at any time if a false or fraudulent return is filed or if a taxpayer fails to file a return.

Subd. 3. [OMISSION IN EXCESS OF 25 PERCENT.] Additional taxes may be assessed within 6-1/2 years after the due date of the return or the date the return was filed, whichever is later, if the taxpayer omits from a tax return taxes in excess of 25 percent of the taxes reported in the return.

Subd. 4. [TIME LIMIT FOR REFUNDS.] Unless otherwise provided in this chapter, a claim for a refund of an overpayment of tax must be filed within 3-1/2 years from the date prescribed for filing the return, plus any extension of time granted for filing the return, but only if filed within the extended time, or two years from the time the tax is paid, whichever period expires later. Interest on refunds must be computed at the rate specified in section 270.76 from the date of payment to the date the refund is paid or credited. For purposes of this subdivision, the date of payment is the later of the date the tax was finally due or was paid.

Subd. 5. [BANKRUPTCY; SUSPENSION OF TIME.] The time during which a tax must be assessed or collection proceedings begun is suspended during the period from the date of a filing of a petition in bankruptcy until 30 days after either:

(1) notice to the commissioner that the bankruptcy proceedings have been closed or dismissed; or

(2) the automatic stay has been ended or has expired, whichever occurs first.

The suspension of the statute of limitations under this subdivision applies to the person the petition in bankruptcy is filed against, and all other persons who may also be wholly or partially liable for the tax.

Subd. 6. [EXTENSION AGREEMENT.] If before the expiration of time prescribed in subdivisions 1 and 4 for the assessment of tax or the filing of a claim for refund, both the commissioner and the taxpayer have consented in writing to the assessment or filing of a claim for refund after that time, the tax may be assessed or the claim for refund filed at any time before the expiration of the agreed upon period. The period may be extended by later agreements in writing before the expiration of the period previously agreed upon.

Sec. 13. [297E.13] [CIVIL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO PAY TAX.] If a tax is not paid within the time specified for payment, a penalty is added to the amount required to be shown as tax. The penalty is five percent of the unpaid tax if the failure is for not more than 30 days, with an additional penalty of five percent of the amount of tax remaining unpaid during each additional 30 days or fraction of 30 days during which the failure continues, not exceeding 15 percent in the aggregate.

If the taxpayer has not filed a return, for purposes of this subdivision the time specified for payment is the final date a return should have been filed.

Subd. 2. [PENALTY FOR FAILURE TO MAKE AND FILE RETURN.] If a taxpayer fails to make and file a return within the time prescribed or an extension, a penalty is added to the tax. The penalty is five percent of the amount of tax not paid on or before the date prescribed for payment of the tax.

If a taxpayer fails to file a return within 60 days of the date prescribed for filing of the return (determined with regard to any extension of time for filing), the addition to tax under this subdivision must be at least the lesser of: (1) $200; or (2) the greater of (i) 25 percent of the amount required to be shown as tax on the return without reduction for any payments made or refundable credits allowable against the tax, or (ii) $50.

Subd. 3. [COMBINED PENALTIES.] When penalties are imposed under subdivisions 1 and 2, except for the minimum penalty under subdivision 2, the penalties imposed under both subdivisions combined must not exceed 38 percent.

Subd. 4. [PENALTY FOR INTENTIONAL DISREGARD OF LAW OR RULES.] If part of an additional assessment is due to negligence or intentional disregard of the provisions of this chapter or rules of the commissioner of revenue (but without intent to defraud), there is added to the tax an amount equal to ten percent of the additional assessment.

Subd. 5. [PENALTY FOR FALSE OR FRAUDULENT RETURN; EVASION.] If a person files a false or fraudulent return, or attempts in any manner to evade or defeat a tax or payment of tax, there is imposed on the person a penalty equal to 50 percent of the tax found due for the period to which the return related, less amounts paid by the person on the basis of the false or fraudulent return.

Subd. 6. [PENALTY FOR REPEATED FAILURES TO FILE RETURNS OR PAY TAXES.] If there is a pattern by a person of repeated failures to timely file returns or timely pay taxes, and written notice is given that a penalty will be imposed if such failures continue, a penalty of 25 percent of the amount of tax not timely paid as a result of each such subsequent failure is added to the tax. The penalty can be abated under the abatement authority in section 270.07, subdivisions 1, paragraph (e), and 6.

Subd. 7. [PENALTY FOR SALES AFTER REVOCATION, SUSPENSION, OR EXPIRATION.] A distributor who engages in, or whose representative engages in, the offering for sale, sale, transport, delivery, or furnishing of gambling equipment to a person, firm, or organization, after the distributor's license or permit has been revoked or suspended, or has expired, and until such license or permit has been reinstated or renewed, is liable for a penalty of $1,000 for each day the distributor continues to engage in the activity. This subdivision does not apply to the transport of gambling equipment for the purpose of returning the equipment to a licensed manufacturer.

Subd. 8. [PAYMENT OF PENALTIES.] The penalties imposed by this section must be collected and paid in the same manner as taxes.

Subd. 9. [PENALTIES ARE ADDITIONAL.] The civil penalties imposed by this section are in addition to the criminal penalties imposed by this chapter.

Subd. 10. [ORDER PAYMENTS CREDITED.] All payments received may be credited first to the oldest liability not secured by a judgment or lien in the discretion of the commissioner of revenue, but in all cases must be credited first to penalties, next to interest, and then to the tax due.

Sec. 14. [297E.13] [TAX-RELATED CRIMINAL PENALTIES.]

Subdivision 1. [PENALTY FOR FAILURE TO FILE OR PAY.] (a) A person required to file a return, report, or other document with the commissioner, who knowingly fails to file it when required, is guilty of a gross misdemeanor. A person required to file a return, report, or other document who willfully attempts to evade or defeat a tax by failing to file it when required is guilty of a felony.

(b) A person required to pay or to collect and remit a tax, who knowingly fails to do so when required, is guilty of a gross misdemeanor. A person required to pay or to collect and remit a tax, who willfully attempts to evade or defeat a tax law by failing to do so when required is guilty of a felony.

Subd. 2. [FALSE OR FRAUDULENT RETURNS; PENALTIES.] (a) A person required to file a return, report, or other document with the commissioner, who delivers to the commissioner a return, report, or other document known by the person to be fraudulent or false concerning a material matter is guilty of a felony.

(b) A person who knowingly aids or assists in, or advises in the preparation or presentation of a return, report, or other document that is fraudulent or false concerning a material matter, whether or not the falsity or fraud committed is with the knowledge or consent of the person authorized or required to present the return, report, or other document, is guilty of a felony.

Subd. 3. [FALSE INFORMATION.] A person is guilty of a felony if the person:

(1) is required by section 297E.05 to keep records or to make returns, and falsifies or fails to keep the records or falsifies or fails to make the returns; or

(2) knowingly submits materially false information in any report, document, or other communication submitted to the commissioner in connection with lawful gambling or with this chapter.

Subd. 4. [SALES WITHOUT PERMIT; VIOLATIONS.] (a) A person who engages in the business of selling gambling product in Minnesota without the licenses or permits required under this chapter or chapter 349, or an officer of a corporation who so engages in the sales, is guilty of a gross misdemeanor.

(b) A person selling gambling product in Minnesota after revocation of a license or permit under this chapter or chapter 349, when the commissioner or the board has not issued a new license or permit, is guilty of a felony.

Subd. 5. [UNTAXED GAMBLING EQUIPMENT.] It is a gross misdemeanor for a person to possess gambling equipment for resale in this state that has not been stamped or bar-coded in accordance with chapter 349 and upon which the taxes imposed by chapter 297A or section 297E.02, subdivision 4, have not been paid. The director of gambling enforcement or the commissioner or the designated inspectors and employees of the director or commissioner may seize in the name of the state of Minnesota any unregistered or untaxed gambling equipment.

Subd. 6. [CRIMINAL PENALTIES.] (a) Criminal penalties imposed by this section are in addition to civil penalties imposed by this chapter.

(b) A person who violates a provision of this chapter for which another penalty is not provided is guilty of a misdemeanor.

(c) A person who violates a provision of this chapter for which another penalty is not provided is guilty of a gross misdemeanor if the violation occurs within five years after a previous conviction under a provision of this chapter.

(d) A person who in any manner violates a provision of this chapter to evade a tax imposed by this chapter, or who aids and abets the evasion of a tax, or hinders or interferes with a seizing authority when a seizure is made as provided by section 297E.16 is guilty of a gross misdemeanor.

(e) This section does not preclude civil or criminal action under other applicable law or preclude any agency of government from investigating or prosecuting violations of this chapter or chapter 349. County attorneys have primary responsibility for prosecuting violations of this chapter, but the attorney general may prosecute a violation of this chapter.

Subd. 7. [STATUTE OF LIMITATIONS.] Notwithstanding section 628.26, or other provision of the criminal laws of this state, an indictment may be found and filed, or a complaint filed, upon a criminal offense named in this section, in the proper court within six years after the offense is committed.

Sec. 15. [297E.14] [INTEREST.]

Subdivision 1. [INTEREST RATE.] If an interest assessment is required under this section, interest is computed at the rate specified in section 270.75.

Subd. 2. [LATE PAYMENT.] If a tax is not paid within the time specified by law for payment, the unpaid tax bears interest from the date the tax should have been paid until the date the tax is paid.

Subd. 3. [EXTENSIONS.] If an extension of time for payment has been granted, interest must be paid from the date the payment should have been made if no extension had been granted, until the date the tax is paid.

Subd. 4. [ADDITIONAL ASSESSMENTS.] If a taxpayer is liable for additional taxes because of a redetermination by the commissioner, or for any other reason, the additional taxes bear interest from the time the tax should have been paid, without regard to any extension allowed, until the date the tax is paid.

Subd. 5. [ERRONEOUS REFUNDS.] In the case of an erroneous refund, interest accrues from the date the refund was paid unless the erroneous refund results from a mistake of the department, then no interest or penalty is imposed unless the deficiency assessment is not satisfied within 60 days of the order.

Subd. 6. [INTEREST ON JUDGMENTS.] Notwithstanding section 549.09, if judgment is entered in favor of the commissioner with regard to any tax, the judgment bears interest at the rate specified in section 270.75 from the date the judgment is entered until the date of payment.

Subd. 7. [INTEREST ON PENALTIES.] (a) A penalty imposed under section 297E.12, subdivision 1, 2, 3, 4, or 5, bears interest from the date the return or payment was required to be filed or paid, including any extensions, to the date of payment of the penalty.

(b) A penalty not included in paragraph (a) bears interest only if it is not paid within ten days from the date of notice. In that case interest is imposed from the date of notice to the date of payment.

Sec. 16. [297E.15] [ADMINISTRATIVE REVIEW.]

Subdivision 1. [TAXPAYER RIGHT TO RECONSIDERATION.] A taxpayer may obtain reconsideration by the commissioner of an order assessing tax, a denial of a request for abatement of penalty, or a denial of a claim for refund of money paid to the commissioner under provisions, assessments, or orders under this chapter by filing an administrative appeal as provided in subdivision 4. A taxpayer cannot obtain reconsideration if the action taken by the commissioner of revenue is the outcome of an administrative appeal.

Subd. 2. [APPEAL BY TAXPAYER.] A taxpayer who wishes to seek administrative review shall follow the procedure in subdivision 4.

Subd. 3. [NOTICE DATE.] For purposes of this section, "notice date" means the date of the order adjusting the tax or order denying a request for abatement or, in the case of a denied refund, the date of the notice of denial.

Subd. 4. [TIME AND CONTENT FOR ADMINISTRATIVE APPEAL.] Within 60 days after the notice date, the taxpayer must file a written appeal with the commissioner of revenue. The appeal need not be in any particular form, but must contain the following information:

(1) name and address of the taxpayer;

(2) if a corporation, the state of incorporation of the taxpayer, and the principal place of business of the corporation;

(3) the Minnesota identification number or social security number of the taxpayer;

(4) the type of tax involved;

(5) the date;

(6) the tax years or periods involved and the amount of tax involved for each year or period;

(7) the findings in the notice that the taxpayer disputes;

(8) a summary statement that the taxpayer relies on for each exception; and

(9) the taxpayer's signature or signature of the taxpayer's duly authorized agent.

Subd. 5. [EXTENSIONS.] If requested in writing and within the time allowed for filing an administrative appeal, the commissioner may extend the time for filing an appeal for a period of not more than 30 days from the expiration of the 60 days from the notice date.

Subd. 6. [AUTOMATIC EXTENSION OF STATUTE OF LIMITATIONS.] Notwithstanding any statute of limitations to the contrary, if the commissioner has made a determination and the taxpayer has authority to file an administrative appeal, the period during which the commissioner can make further assessments or other determinations does not expire before:

(1) 90 days after the notice date if no protest is filed under subdivision 4; or

(2) 90 days after the commissioner notifies the taxpayer of the determination on the appeal.

Subd. 7. [DETERMINATION OF APPEAL.] On the basis of applicable law and available information, the commissioner shall determine the validity, if any, in whole or part of the appeal and notify the taxpayer of the decision. This notice must be in writing and contain the basis for the determination.

Subd. 8. [AGREEMENT DETERMINING TAX LIABILITY.] If it appears to be in the best interests of the state, the commissioner may settle taxes, penalties, or interest that the commissioner has under consideration by virtue of an appeal filed under this section. An agreement must be in writing and signed by the commissioner and the taxpayer or the taxpayer's representative authorized by the taxpayer to enter into an agreement. An agreement must be filed in the office of the commissioner.

Subd. 9. [APPEAL OF AN ADMINISTRATIVE APPEAL.] Following the determination or settlement of an appeal, the commissioner must issue an order reflecting that disposition. Except in the case of an agreement determining tax under this section, the order is appealable to the Minnesota tax court under section 271.06.

Subd. 10. [APPEAL WHERE NO DETERMINATION.] If the commissioner does not make a determination within six months of the filing of an administrative appeal, the taxpayer may elect to appeal to tax court.

Subd. 11. [EXEMPTION FROM ADMINISTRATIVE PROCEDURE ACT.] This section is not subject to chapter 14.

Sec. 17. [297E.16] [CONTRABAND.]

Subdivision 1. [SEIZURE.] Contraband may be seized by the commissioner or by any sheriff or other police officer, hereinafter referred to as the "seizing authority," with or without process, and is subject to forfeiture as provided in subdivisions 2 and 3.

Subd. 2. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within ten days after the seizure of alleged contraband, the person making the seizure shall make available an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner or the director of gambling enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 60 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and law involved. If a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced by the seizing authority as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade the tax imposed by section 297E.02, the seizing authority shall release the property seized without further legal proceedings.

Subd. 3. [DISPOSAL.] (a) The property described in section 349.2125, subdivision 1, clauses (4) and (5), must be confiscated after conviction of the person from whom it was seized, upon compliance with the following procedure: the seizing authority shall file with the court a separate complaint against the property, describing it and charging its use in the specific violation, and specifying substantially the time and place of the unlawful use. A copy of the

complaint must be served upon the defendant or person in charge of the property at the time of seizure, if any. If the person arrested is acquitted, the court shall dismiss the complaint against the property and order it returned to the persons legally entitled to it. Upon conviction of the person arrested, the court shall issue an order directed to any person known or believed to have any right, title or interest in, or lien upon, any of the property, and to persons unknown claiming any right, title, interest, or lien in it, describing the property and (1) stating that it was seized and that a complaint against it, charging the specified violation, has been filed with the court, (2) requiring the persons to file with the court administrator their answer to the complaint, setting forth any claim they may have to any right or title to, interest in, or lien upon the property, within 30 days after the service of the order, and (3) notifying them in substance that if they fail to file their answer within the time, the property will be ordered sold by the seizing authority. The court shall cause the order to be served upon any person known or believed to have any right, title, interest, or lien as in the case of a summons in a civil action, and upon unknown persons by publication, as provided for service of summons in a civil action. If no answer is filed within the time prescribed, the court shall, upon affidavit by the court administrator, setting forth the fact, order the property sold by the seizing authority. Seventy percent of the proceeds of the sale of forfeited property, after payment of seizure, storage, forfeiture, and sale expenses, must be forwarded to the seizing authority for deposit as a supplement to its operating fund or similar fund for official use, and 20 percent must be forwarded to the county attorney or other prosecuting agency that handled the forfeiture for deposit as a supplement to its operating fund or similar fund for prosecutorial purposes. The remaining ten percent of the proceeds must be forwarded within 60 days after resolution of the forfeiture to the department of human services to fund programs for the treatment of compulsive gamblers. If an answer is filed within the time provided, the court shall fix a time for a hearing, which must not be less than ten nor more than 30 days after the time for filing an answer expires. At the time fixed for hearing, unless continued for cause, the matter must be heard and determined by the court, without a jury, as in other civil actions.

(b) If the court finds that the property, or any part of it, was used in the violation specified in the complaint, it shall order the unlawfully used property sold as provided by law, unless the owner shows to the satisfaction of the court that the owner had no notice or knowledge or reason to believe that the property was used or intended to be used in the violation. The officer making a sale, after deducting the expense of keeping the property, the fee for seizure, and the costs of the sale, shall pay all liens according to their priority, which are established at the hearing as being bona fide and as existing without the lienor having any notice or knowledge that the property was being used or was intended to be used for or in connection with the violation specified in the order of the court, and shall pay the balance of the proceeds to the seizing authority for official use and sharing in the manner provided in paragraph (a). A sale under this section frees the property sold from all liens on it. Appeal from the order of the district court is available as in other civil cases. At any time after seizure of the articles specified in this subdivision, and before the hearing provided for, the property must be returned to the owner or person having a legal right to its possession, upon execution of a good and valid bond to the state, with corporate surety, in the sum of at least $100 and not more than double the value of the property seized, to be approved by the court in which the case is triable, or a judge of it, conditioned to abide any order and the judgment of the court, and to pay the full value of the property at the time of the seizure. The seizing authority may dismiss the proceedings outlined in this subdivision when the seizing authority considers it to be in the public interest to do so.

Sec. 18. [297E.17] [DISTRIBUTOR'S BOND.]

On finding it necessary to ensure compliance with this chapter, the commissioner may require that a distributor deposit with the commissioner security in the form and amount determined by the commissioner, but not more than the lesser of (1) twice the estimated average monthly tax liability for the previous 12 months, or (2) $10,000.

In lieu of security, the commissioner may require a distributor to file a bond issued by a surety company authorized to transact business in this state and approved by the commissioner of commerce as to solvency and responsibility.

The commissioner may make claim against this security or bond for all taxes, penalties, and interest owed by the distributor.

Sec. 19. [INSTRUCTIONS TO REVISOR.]

(a) If a provision of a section of Minnesota Statutes repealed or amended by this article is amended or referred to by an act enacted in 1994, the revisor shall codify the amendment or reference consistent with the recodification of the affected section by this act, notwithstanding any law to the contrary.

(b) In the next edition of Minnesota Statutes, in the sections referred to in column A, the revisor of statutes shall delete the reference in column B and insert the reference in column C. The revisor may change the references in column C to the sections of Minnesota Statutes in which the bill sections are compiled.

Column A	Column B	Column C
270.101, subd. 1	349.212	297E.02
349.12, subd. 25	349.19, subd. 9	297E.06, subd. 4
349.12, subd. 25	349.212, subd. 1 and 4	297E.02, subd. 1 and 4
349.15	349.212, subd. 1	297E.02, subd. 1
349.16, subd. 2	349.212, subd. 6	297E.02, subd. 6
349.166, subd. 2, paragraph (a)	349.212	297E.02
349.166, subd. 2, paragraph (e)	349.212, subd. 4, paragraph (c)	297E.02, subd. 4, paragraph (b), clause (4)
349.2125, subd. 3	349.2121, subd. 4	297E.02
349.213, subd. 1	349.212	297E.02
349.22, subd. 2	349.219	349.213, and chapter 297E

(c) In the next edition of Minnesota Statutes, the revisor shall change the reference to taxes under or by "this chapter" to taxes under or by "chapter 297E" in sections 349.16, subdivision 5; 349.1641; and 349.2127, subdivision 1.

Sec. 20. [PURPOSE.]

It is the intent of the legislature to simplify Minnesota's lawful gambling tax laws by consolidating and recodifying tax administration and compliance provisions now contained throughout Minnesota Statutes, chapter 349. Due to the complexity of the recodification, prior provisions are repealed on the effective date of the new provisions. The repealed provisions, however, continue to remain in effect until superseded by the analogous provision in the new law.

Sec. 21. [REPEALER.]

Minnesota Statutes 1992, sections 349.166, subdivision 4; 349.212, subdivisions 1, 2, 5, 6, and 7; 349.2121; 349.2122; 349.215; 349.2151; 349.2152; 349.216; 349.217, subdivisions 3, 4, 5, 6, 7, 8, and 9; 349.2171; and 349.219; and Minnesota Statutes 1993 Supplement, sections 349.2115; 349.212, subdivision 4; and 349.217, subdivisions 1, 2, and 5a, are repealed.

Sec. 22. [EFFECTIVE DATE.]

Sections 1, 8 to 16, and 18 to 20 are effective the day following final enactment.

Sections 2, 3, 4, 5, 6, 7, and 21 are effective for returns, reports, records, assessments, taxes, or other payments first becoming due on or after August 1, 1994.

Section 4 is effective for sales or shipments of gambling product inventory made on or after August 1, 1994.

ARTICLE 3

GAMBLING TAX AMENDMENTS

Section 1. Minnesota Statutes 1992, section 270.101, subdivision 1, is amended to read:

Subdivision 1. [LIABILITY IMPOSED.] A person who, either singly or jointly with others, has the control of, supervision of, or responsibility for filing returns or reports, paying taxes, or collecting or withholding and remitting taxes and who fails to do so, or a person who is liable under any other law, is liable for the payment of taxes, penalties, and interest arising under chapters 296, 297, 297A, and 297C, or sections 290.92~~, 349.212,~~ and ~~349.2121~~ 297E.02.

Sec. 2. Minnesota Statutes 1992, section 349.2123, is amended to read:

349.2123 [CERTIFIED PHYSICAL INVENTORY.]

The board ~~or commissioner of revenue~~ may, upon request, require a distributor to furnish a certified physical inventory of all gambling equipment in stock. The inventory must contain the information required by the board ~~or the commissioner~~.

Sec. 3. Minnesota Statutes 1992, section 349.22, subdivision 1, is amended to read:

Subdivision 1. [PENALTY.] (a) A person who violates any provision of sections 349.11 to 349.23 for which another penalty is not provided is guilty of a misdemeanor.

(b) A person who violates any provision of sections 349.11 to 349.23 for which another penalty is not provided is guilty of a gross misdemeanor if the violation occurs within five years after a previous conviction under any provision of sections 349.11 to 349.23.

(c) A person who in any manner ~~violates sections 349.11 to 349.23 to evade a tax imposed by a provision of this chapter, or who aids and abets the evasion of a tax, or~~ hinders or interferes with a seizing authority when a seizure is made as provided by section 349.2125, is guilty of a gross misdemeanor.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective for taxes, returns, or reports first becoming due on or after August 1, 1994.

Sections 2 and 3 are effective August 1, 1994.

ARTICLE 4

GAMBLING ENFORCEMENT

Section 1. Minnesota Statutes 1992, section 299L.01, subdivision 1, is amended to read:

Subdivision 1. [DEFINITIONS.] (a) For the purposes of this chapter, the terms defined in this subdivision have the meanings given them.

(b) "Division" means the division of gambling enforcement.

(c) "Commissioner" means the commissioner of public safety.

(d) "Director" means the director of gambling enforcement.

(e) "Manufacturer" means a person who assembles from raw materials or subparts a gambling device for sale or use in Minnesota.

(f) "Distributor" means a person who sells, offers to sell, or otherwise provides a gambling device to a person in Minnesota.

(g) "Used gambling device" means a gambling device five or more years old from the date of manufacture.

Sec. 2. Minnesota Statutes 1992, section 299L.01, is amended by adding a subdivision to read:

Subd. 4. [CONFLICT OF INTEREST.] (a) The director and any person employed by the division may not have a direct or indirect financial interest in:

(1) a class A or B licensee of the racing commission;

(2) a lottery retailer under contract with the state lottery;

(3) a person who is under a lottery procurement contract with the state lottery;

(4) a bingo hall, manufacturer, or distributor licensed under chapter 349; or

(5) a manufacturer or distributor licensed under this chapter.

(b) The director or an employee of the division of gambling enforcement may not participate in the conducting of lawful gambling under chapter 349.

Sec. 3. Minnesota Statutes 1992, section 299L.02, subdivision 2, is amended to read:

Subd. 2. [GAMBLING.] The director shall:

(1) conduct background investigations of applicants for licensing as a manufacturer or distributor of gambling equipment or as a bingo hall under chapter 349; and

(2) when requested by the director of gambling control, or when the director believes it to be reasonable and necessary, inspect the premises of a licensee under chapter 349 to determine compliance with law and with the rules of the board, or to conduct an audit of the accounts, books, records, or other documents required to be kept by the licensee.

The director may charge applicants under clause (1) a reasonable fee to cover the costs of the investigation.

Sec. 4. Minnesota Statutes 1992, section 299L.02, is amended by adding a subdivision to read:

Subd. 6. [RESPONSE TO REQUESTS.] An applicant, licensee, or the person subject to the jurisdiction of the commissioner or director under this chapter, must:

(1) comply with a request from the commissioner or director for information, documents, or other material within 30 days of the mailing of the request by the commissioner or director unless the notice specifies a different time; and

(2) appear before the commissioner or director when requested to do so, and must bring documents or materials that the commissioner or director has requested.

Sec. 5. Minnesota Statutes 1992, section 299L.03, subdivision 1, is amended to read:

Subdivision 1. [INSPECTIONS; ACCESS.] In conducting any inspection authorized under this chapter or chapter 240, 349, or 349A, the employees of the division of gambling enforcement have free and open access to all parts of the regulated business premises, and may conduct the inspection at any reasonable time without notice and without a search warrant. For purposes of this subdivision, "regulated business premises" means premises where:

(1) lawful gambling is conducted by an organization licensed under chapter 349 or by an organization exempt from licensing under section 349.166;

(2) gambling equipment is manufactured, sold, distributed, or serviced by a manufacturer or distributor licensed under chapter 349;

(3) records required to be maintained under chapter 240, 297E, 349, or 349A are prepared or retained;

(4) lottery tickets are sold by a lottery retailer under chapter 340A; ~~or~~

(5) races are conducted by a person licensed under chapter 240; or

(6) gambling devices are manufactured or distributed, including places of storage under section 299L.07.

Sec. 6. Minnesota Statutes 1992, section 299L.03, subdivision 2, is amended to read:

Subd. 2. [ITEMS REQUIRED TO BE PRODUCED.] In conducting an audit or inspection authorized under this chapter or chapter 240, 349 or 349A the director may inspect any book, record, or other document the licensee, retailer, or vendor is required to keep.

Sec. 7. Minnesota Statutes 1992, section 299L.03, subdivision 6, is amended to read:

Subd. 6. [UNLICENSED SELLERS.] (a) If anyone not licensed under chapter 349 sells gambling equipment at a business establishment, the director may, in addition to any other provisions of chapter 349:

(1) assess a civil penalty of not more than $300 for each violation against each person participating in the sales and assess a civil penalty of not more than $1,000 for each violation against the owner or owners of the business establishment; or

(2) if the subject violation is the second or subsequent violation of this subdivision at the same business establishment within any 24-month period, assess a civil penalty of not more than $300 for each violation against each person participating in such sales, and assess a civil penalty of not more than $5,000 for each violation against the owner or owners of the business establishment.

(b) The assessment of a civil penalty under this section does not preclude a recommendation by the director at any time deemed appropriate to a licensing authority for revocation, suspension, or denial of a license controlled by the licensing authority.

(c) Within ten days of an assessment under this subdivision, the person assessed the penalty must pay the assessment or request that a hearing be held under chapter 14. If a hearing is requested, the hearing must be scheduled within 20 days of the request, and the recommendations of the administrative law judge must be issued within five working days of the close of the hearing. The director's final determination must be issued within five working days of the issuance of the recommendations of the administrative law judge.

Sec. 8. Minnesota Statutes 1992, section 299L.03, is amended by adding a subdivision to read:

Subd. 12. [CEASE AND DESIST ORDERS.] (a) When it appears to the director that any person has engaged in or is about to engage in any act or practice constituting a violation of this chapter, or any rule or order issued under this chapter, the director may issue and cause to be served on the person an order requiring the person to cease and desist from violations of this chapter, or any rule or order issued under this chapter. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing must be held not later than seven days after receiving the request for a hearing. Within 20 days of receiving the administrative law judge's report and subsequent exceptions and argument, the director shall issue an order vacating the cease and desist order, modifying the order, or making it permanent, as the facts require. 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 commissioner. All hearings under this subdivision must be conducted in accordance with sections 14.57 to 14.69 of the administrative procedure act. If the person to whom a cease and desist order has been issued under this subdivision fails to appear at a hearing after being notified of the hearing, the person is deemed in default and the proceeding may be determined against the person on consideration of the cease and desist order, the allegations of which are deemed to be true.

(b) When it appears to the director that any person has engaged in or is about the engage in any act or practice constituting a violation of this chapter, or any rule adopted or subpoena or order issued under this chapter, the director may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter or any rule, subpoena, or order issued or adopted under this chapter, and may refer the matter to the attorney general. On a proper showing, the court shall grant a permanent or temporary injunction, restraining order, or writ of mandamus. The court may not require the director to post a bond.

Sec. 9. Minnesota Statutes 1992, section 299L.07, is amended to read:

299L.07 [GAMBLING DEVICES.]

Subdivision 1. [~~RESTRICTION~~ LICENSE REQUIRED.] Except as provided in subdivision 2, a person may not manufacture, sell, offer to sell, lease, rent, or otherwise provide, in whole or in part, a gambling device as defined in sections 349.30, subdivision 2, and 609.75, subdivision 4, ~~except that a gambling device may be:~~

~~(1) manufactured as provided in section 349.40;~~

~~(2) sold, offered for sale, or otherwise provided to a distributor licensed under subdivision 3;~~

~~(3) sold, offered for sale, or otherwise provided to the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal state compact under the Indian Gaming Regulatory Act, United States Code, title 25, sections 2701 to 2721;~~

~~(4) sold, offered for sale, or otherwise provided to a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value; or~~

~~(5) sold by a person who is not licensed under this section and who is not engaged in the trade or business of selling gambling devices, if the person does not sell more than one gambling device in any calendar year~~ without first obtaining a license under this section.

Subd. 2. [~~LICENSE REQUIRED~~ EXCLUSIONS.] ~~A person may not manufacture or distribute gambling devices without having obtained a license under this section.~~ Notwithstanding subdivision 1, a gambling device:

(1) may be manufactured without a license as provided in section 349.40; and

(2) may be sold by a person who is not licensed under this section, if the person (i) is not engaged in the trade or business of selling gambling devices, and (ii) does not sell more than one gambling device in any calendar year.

Subd. 2a. [RESTRICTIONS.] (a) A manufacturer licensed under this section may sell, offer to sell, lease, or rent, in whole or in part, a gambling device only to a distributor licensed under this section.

(b) A distributor licensed under this section may sell, offer to sell, market, rent, lease, or other provide, in whole or in part, a gambling device only to:

(1) the governing body of a federally recognized Indian tribe that is authorized to operate the gambling device under a tribal state compact under the Indian Gaming Regulatory Act, Public Law Number 100-497, and future amendments to it;

(2) a person for use in the person's dwelling for display or amusement purposes in a manner that does not afford players an opportunity to obtain anything of value.

Subd. 3. [LICENSE ISSUANCE.] The commissioner may issue a license under this section if the commissioner determines that the applicant will conduct the business in a manner that will not adversely affect the public health, welfare, and safety or be detrimental to the effective regulation and control of gambling. ~~A license may not be issued under this section to a person, or a corporation, firm, or partnership that has an officer, director, or other person with a direct or indirect financial or management interest of five percent or more, who has ever:~~

~~(1) been convicted of a felony;~~

~~(2) been convicted of a crime involving gambling;~~

~~(3) been connected with or engaged in an illegal business; or~~

~~(4) had a license revoked or denied by another jurisdiction for a violation of law or rule related to gambling.~~

Subd. 4. [APPLICATION.] An application for a manufacturer's or distributor's license must be on a form prescribed by the commissioner and must, at a minimum, contain:

(1) the name and address of the applicant and, if it is a corporation, the names of all officers, directors, and shareholders with a financial interest of five percent or more;

(2) the names and addresses of any holding corporation, subsidiary, or affiliate of the applicant, without regard to whether the holding corporation, subsidiary, or affiliate does business in Minnesota; and

(3) if the applicant does not maintain a Minnesota office, an irrevocable consent statement signed by the applicant, stating that suits and actions relating to the subject matter of the application or acts of omissions arising from it may be commenced against the applicant in a court of competent jurisdiction in this state by service on the secretary of state of any summons, process, or pleadings authorized by the laws of this state. If any summons, process, or pleading is served upon the secretary of state, it must be by duplicate copies. One copy must be retained in the office of the secretary of state and the other copy must be forwarded immediately by certified mail to the address of the applicant, as shown on the application.

Subd. 5. [INVESTIGATION.] Before a manufacturer's or distributor's license is granted, the director may conduct a background and financial investigation of the applicant, including the applicant's sources of financing. The director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for a national criminal history check. The director may charge an investigation fee to cover the cost of the investigation.

Subd. 6. [LICENSE FEES.] (a) A license issued under this section is valid for one year.

(b) For a person who distributes 100 or fewer used gambling devices per year, the fee is $1,500. For a person who distributes more than 100 used gambling devices per year, the fee is $2,000. ~~For purposes of this subdivision, a used gambling device is a gambling device five or more years old.~~

(c) For a person who manufactures or distributes 100 or fewer new, or new and used gambling devices in a year, the fee is $5,000. For a person who manufactures or distributes more than 100 new, or new and used gambling devices in a year, the fee is $7,500.

~~Subd. 7. [RENEWAL.] Upon making the same determination as in subdivision 3, the commissioner may renew a license issued under this section.~~

Subd. 8. [LICENSE ~~SUSPENSION AND, REVOCATION, DENIAL~~ ACTIONS.] ~~(a) The commissioner may suspend a license under this section for a violation of law or rule. The commissioner may revoke a license:~~

~~(1) for a violation of law or rule which, in the commissioner's opinion, adversely affects the integrity of gambling in Minnesota;~~

~~(2) for an intentional false statement in a license application; or~~

~~(3) if the licensee is the subject of a disciplinary proceeding in another jurisdiction which results in the revocation of a license.~~

~~A revocation or suspension is a contested case under sections 14.57 to 14.69.~~

~~(b) The commissioner may summarily suspend a license prior to a contested case hearing if the commissioner determines that a summary suspension is necessary to ensure the integrity of gambling. A contested case hearing must be held within 20 days of the summary suspension and the administrative law judge must issue a report within 20 days of the close of the hearing record. The commissioner shall issue a final decision within 30 days from receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61.~~ (a) The commissioner may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, an employee eligible to make sales on behalf of the applicant or licensee, or direct or indirect holder of more than a five percent financial interest in the applicant or licensee:

(1) has ever been convicted of a felony, or of a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever connected with or engaged in an illegal business;

(4) owes $500 or more in delinquent taxes as defined in section 270.72;

(5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years;

(6) after demand, has not filed tax returns required by the commissioner of revenue; or

(7) had a license or permit revoked or denied by another jurisdiction for a violation of law or rule relating to gambling.

The commissioner may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this subdivision is applicable to an affiliate of or a direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) The commissioner may by order deny, suspend, revoke, refuse to renew a license or premises permit, or censure a licensee or applicant, if the commissioner finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, person in a supervisory or management position of the applicant of licensee, or an employee eligible to make sales on behalf of the applicant or licensee:

(1) has violated or failed to comply with any provision of chapter 297E, 299L, or 349, or any rule adopted or order issued thereunder;

(2) has filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation;

(3) has made a false statement in a document or report required to be submitted to the director, the commissioner, or the commissioner of revenue, or has made a false statement in a statement made to the director or commissioner;

(4) has been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota;

(5) is permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling;

(6) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of $2,500 or more, by a gambling regulator in another state or jurisdiction, or has violated or failed to comply with an order of such a regulator that imposed those actions;

(7) has been the subject of any of the following actions by the director or commissioner: (i) had a license under chapter 299L denied, suspended or revoked, (ii) been censured, reprimanded, has paid or been required to pay a monetary penalty or fine, or (iii) has been the subject of any other discipline by the director;

(8) has engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or

(9) based on the licensee's past activities or criminal record, poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the danger of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to the conduct of gambling.

Subd. 8a. [CIVIL PENALTIES.] The commissioner may impose a civil penalty not to exceed $500 per violation on a person who has violated this chapter, or any rule adopted or order issued under this chapter, unless a different penalty is specified.

Subd. 8b. [SHOW CAUSE ORDERS.] (a) If the commissioner determines that one of the conditions listed in subdivision 8 exists, or that a licensee is no longer conducting business in the manner required by subdivision 2a, the commissioner may issue an order requiring a person to show cause why any or all of the following should not occur: (1) the license be revoked or suspended, (2) the licensee be censured, (3) a civil penalty be imposed or (4) corrective action be taken.

(b) The order must give reasonable notice of the time and place for hearing on the matter, and must state the reasons for the entry of the order. The commissioner may by order summarily suspend a license pending final determination of any order to show cause. If a license is suspended pending final determination of an order to show cause, a hearing on the merits must be held within 30 days of the issuance of the order of suspension. All hearings must be conducted in accordance with sections 14.57 to 14.69 of the administrative procedure act.

(c) After the hearing the commissioner must enter an order disposing of the matter as the facts require. If the licensee fails to appear at a hearing after being notified of the hearing, the person is deemed in default and the proceeding may be determined against the person on consideration of the order to show cause, the allegations of which are deemed to be true.

Subd. 8c. [APPLICATIONS; RENEWALS.] (a) When it appears to the commissioner that a license application or renewal should be denied under subdivision 8, the commissioner must promptly give to the applicant a written notice of the denial. The notice must state the grounds for the denial and give reasonable notice of the rights of the applicant to request a hearing. A hearing must be held not later than 30 days after the request for the hearing is

received by the commissioner, unless the applicant and the commissioner agree that the hearing may be held at a later date. If no hearing is requested within 30 days of the service of the notice, the denial becomes final. All hearings under this subdivision must be conducted in accordance with sections 14.57 to 14.69 of the administrative procedure act.

(b) After the hearing, the commissioner shall enter an order making such disposition as the facts require. If the applicant fails to appear at a hearing after being notified of the hearing, the applicant is deemed in default and the proceeding may be determined against the applicant on consideration of the notice denying application or renewal, the allegations of which are deemed to be true. All fees accompanying the initial or renewal application are considered earned and are not refundable.

Subd. 8d. [ACTIONS AGAINST LAPSED LICENSE.] If a license lapses, is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the commissioner may institute a proceeding under this subdivision within two years after the license was last effective and enter a revocation or suspension order as of the last day on which the license was in effect, or impose a civil penalty as provided in subdivision 8a.

Subd. 8e. [NOTIFICATION OF ACTIONS TAKEN BY OTHER STATE.] A licensee under this section must notify the commissioner within 30 days of the action whenever any of the actions listed in subdivision 8, paragraph (b), clause (6) have been taken against the licensee in another state or jurisdiction.

Subd. 9. [REQUIRED INFORMATION.] A person to whom a license is issued under this section shall provide, in a manner prescribed by the commissioner, information required by the commissioner relating to the shipment and sale of gambling devices.

Subd. 10. [TRANSPORTATION OF GAMBLING DEVICES.] In addition to the requirements of this section, the transportation of gambling devices into Minnesota must be in compliance with United States Code, title 15, sections 1171 to 1177, as amended.

Subd. 11. [INSPECTION.] The commissioner, director, and employees of the division may inspect the business premises of a licensee under this section.

Sec. 10. Minnesota Statutes 1992, section 609.755, is amended to read:

609.755 [ACTS OF OR RELATING TO GAMBLING.]

Whoever does any of the following is guilty of a misdemeanor:

(1) makes a bet;

(2) sells or transfers a chance to participate in a lottery;

(3) disseminates information about a lottery, except a lottery conducted by an adjoining state, with intent to encourage participation therein;

(4) permits a structure or location owned or occupied by the actor or under the actor's control to be used as a gambling place; or

(5) ~~operates~~ except where authorized by statute, possesses a gambling device.

Clause (5) does not prohibit ~~operation~~ possession of a gambling device in a person's dwelling for amusement purposes in a manner that does not afford players an opportunity to obtain anything of value.

Sec. 11. [REPEALER.]

Minnesota Statutes 1992, sections 299L.04 and 299L.07, subdivision 7, are repealed.

Sec. 12. [EFFECTIVE DATE.]

Section 10 is effective August 1, 1994, and applies to crimes committed on and after that date.

ARTICLE 5

LAWFUL GAMBLING REGULATION

Section 1. Minnesota Statutes 1992, section 349.12, subdivision 1, is amended to read:

Subdivision 1. As used in sections 349.11 to ~~349.22~~ 349.23 the ~~following~~ terms in this section have the meanings given them.

Sec. 2. Minnesota Statutes 1992, section 349.12, subdivision 3a, is amended to read:

Subd. 3a. [ALLOWABLE EXPENSE.] "Allowable expense" means ~~an expense directly related to the conduct of lawful gambling~~ the percentage of the total cost incurred by the organization in the purchase of any good, service, or other item which corresponds to the proportion of the total actual use of the good, service, or other item that is directly related to conduct of lawful gambling. Allowable expense includes the advertising of the conduct of lawful gambling, provided that the amount expended does not exceed five percent of the annual gross profits of the organization or $5,000 per year per organization, whichever is less. The board may adopt rules to regulate the content of the advertising to ensure that the content is consistent with the public welfare.

Sec. 3. Minnesota Statutes 1992, section 349.12, subdivision 4, is amended to read:

Subd. 4. [BINGO.] "Bingo" means a game where each player has a bingo hard card or ~~board~~ bingo paper sheet, for which a consideration has been paid, and played in accordance with this chapter and with rules of the board for the conduct of bingo. ~~containing five horizontal rows of spaces, with each row except the central one containing five figures. The central row has four figures with the word "free" marked in the center space thereof. Bingo also includes games which are as described in this subdivision except for the use of cards where the figures are not preprinted but are filled in by the players. A player wins a game of bingo by completing a preannounced combination of spaces or, in the absence of a preannouncement of a combination of spaces, any combination of five spaces in a row, either vertical, horizontal or diagonal.~~

Sec. 4. Minnesota Statutes 1992, section 349.12, subdivision 8, is amended to read:

Subd. 8. [CHECKER.] "Checker" means a person who records the number of bingo hard cards purchased and played during each game and records the prizes awarded to the recorded hard cards, but does not collect the payment for the hard cards.

Sec. 5. Minnesota Statutes 1992, section 349.12, subdivision 11, is amended to read:

Subd. 11. [DISTRIBUTOR.] "Distributor" is a person who sells gambling equipment for use within the state to licensed organizations, or to organizations conducting excluded or exempt activities under section 349.166~~, or to other distributors~~.

Sec. 6. Minnesota Statutes 1992, section 349.12, subdivision 16, is amended to read:

Subd. 16. [FLARE.] "Flare" is the posted display, with registration stamp affixed or bar code imprinted or affixed, that sets forth the rules of a particular game of pull-tabs or tipboards and that is associated with a specific deal of pull-tabs or grouping of tipboards.

Sec. 7. Minnesota Statutes 1992, section 349.12, subdivision 18, is amended to read:

Subd. 18. [GAMBLING EQUIPMENT.] "Gambling equipment" means: bingo hard cards or paper sheets, devices for selecting bingo numbers, pull-tabs, jar tickets, paddlewheels, ~~and~~ paddlewheel tables, paddletickets, paddleticket cards, tipboards , tipboard tickets, and pull-tab dispensing devices.

Sec. 8. Minnesota Statutes 1992, section 349.12, subdivision 19, is amended to read:

Subd. 19. [GAMBLING MANAGER.] "Gambling manager" means a person who ~~has paid all dues to an organization and~~ has been ~~a~~ an active member of the organization for at least two years and has been designated by the organization to supervise lawful gambling conducted by it.

Sec. 9. Minnesota Statutes 1992, section 349.12, subdivision 21, is amended to read:

Subd. 21. [GROSS RECEIPTS.] "Gross receipts" means all receipts derived from lawful gambling activity including, but not limited to, the following items:

(1) gross sales of bingo hard cards and paper sheets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(2) the ideal gross of pull-tab and tipboard deals or games less the value of unsold and defective tickets and before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(3) gross sales of raffle tickets and paddletickets before reduction for prizes, expenses, shortages, free plays, or any other charges or offsets;

(4) admission, commission, cover, or other charges imposed on participants in lawful gambling activity as a condition for or cost of participation; and

(5) interest, dividends, annuities, profit from transactions, or other income derived from the accumulation or use of gambling proceeds.

Gross receipts does not include proceeds from rental under section 349.164 or 349.18, subdivision 3~~, for duly licensed bingo hall lessors~~.

Sec. 10. Minnesota Statutes 1992, section 349.12, subdivision 23, is amended to read:

Subd. 23. [IDEAL NET.] "Ideal net" means the pull-tab or tipboard deal's ideal gross, as defined under subdivision ~~19~~ 22, less the total predetermined prize amounts available to be paid out. When the prize is not entirely a monetary one, the ideal net is 50 percent of the ideal gross.

Sec. 11. Minnesota Statutes 1993 Supplement, section 349.12, subdivision 25, is amended to read:

Subd. 25. [LAWFUL PURPOSE.] (a) "Lawful purpose" means one or more of the following:

(1) any expenditure by or contribution to a 501(c)(3) organization, provided that the organization and expenditure or contribution are in conformity with standards prescribed by the board under section 349.154;

(2) a contribution to an individual or family suffering from poverty, homelessness, or physical or mental disability, which is used to relieve the effects of that poverty, homelessness, or disability;

(3) a contribution to an individual for treatment for delayed posttraumatic stress syndrome or a contribution to a recognized program for the treatment of compulsive gambling on behalf of an individual who is a compulsive gambler;

(4) a contribution to or expenditure on a public or private nonprofit educational institution registered with or accredited by this state or any other state;

(5) a contribution to a scholarship fund for defraying the cost of education to individuals where the funds are awarded through an open and fair selection process;

(6) activities by an organization or a government entity which recognize humanitarian or military service to the United States, the state of Minnesota, or a community, subject to rules of the board, provided that the rules must not include mileage reimbursements in the computation of the per occasion reimbursement limit and must impose no aggregate annual limit on the amount of reasonable and necessary expenditures made to support:

(i) members of a military marching or colorguard unit for activities conducted within the state; or

(ii) members of an organization solely for services performed by the members at funeral services;

(7) recreational, community, and athletic facilities and activities intended primarily for persons under age 21, provided that such facilities and activities do not discriminate on the basis of gender~~, as evidenced by (i) provision of equipment and supplies, (ii) scheduling of activities, including games and practice times, (iii) supply and assignment of coaches or other adult supervisors, (iv) provision and availability of support facilities, and (v) whether the opportunity to participate reflects each gender's demonstrated interest in the activity, provided that nothing in this clause prohibits a contribution to or expenditure on an educational institution or other entity that is excepted from the prohibition against discrimination based on sex contained in the Higher Education Act Amendments of 1976, United States Code, title 20, section 1681~~ and the organization complies with section 349.154;

(8) payment of local taxes authorized under this chapter, taxes imposed by the United States on receipts from lawful gambling, ~~and~~ the ~~tax~~ taxes imposed by section ~~349.212~~ 297E.02, subdivisions 1 ~~and~~, 4, 5, and 6, and the tax imposed on unrelated business income by section 290.05, subdivision 3;

(9) payment of real estate taxes and assessments on ~~licensed~~ permitted gambling premises wholly owned by the licensed organization paying the taxes, not to exceed:

(i) the amount which an organization may expend under board rule on rent for premises used for bingo; or

(ii) $15,000 per year for premises used for other forms of lawful gambling;

(10) a contribution to the United States, this state or any of its political subdivisions, or any agency or instrumentality thereof other than a direct contribution to a law enforcement or prosecutorial agency;

(11) a contribution to or expenditure by a nonprofit organization~~,~~ which is a church~~,~~ or body of communicants gathered in common membership for mutual support and edification in piety, worship, or religious observances; ~~or~~

(12) payment of one-half of the reasonable costs of an audit required in section 349.19, subdivision 9;

(13) a contribution to or expenditure on a wildlife management project that benefits the public at-large, provided that the state agency with authority over that wildlife management project approves the project before the contribution or expenditure is made; or

(14) expenditures, approved by the commissioner of natural resources, by an organization for grooming and maintaining snowmobile trails that are (1) grant-in-aid trails established under section 116J.406, or (2) other trails open to public use, including purchase or lease of equipment for this purpose.

(b) Notwithstanding paragraph (a), "lawful purpose" does not include:

(1) any expenditure made or incurred for the purpose of influencing the nomination or election of a candidate for public office or for the purpose of promoting or defeating a ballot question;

(2) any activity intended to influence an election or a governmental decision-making process;

(3) the erection, acquisition, improvement, expansion, repair, or maintenance of real property or capital assets owned or leased by an organization, ~~except as provided in clause (6),~~ unless the board has first specifically authorized the expenditures after finding that (i) the real property or capital assets will be used exclusively for one or more of the purposes in paragraph (a); (ii) with respect to expenditures for repair or maintenance only, that the property is or will be used extensively as a meeting place or event location by other nonprofit organizations or community or service groups and that no rental fee is charged for the use; (iii) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building, a building owned by the organization and destroyed or made uninhabitable by fire or natural disaster, provided that the expenditure may be only for that part of the replacement cost not reimbursed by insurance; or (iv) with respect to expenditures, including a mortgage payment or other debt service payment, for erection or acquisition only, that the erection or acquisition is necessary to replace with a comparable building a building owned by the organization that was acquired from the organization by eminent domain or sold by the organization to a purchaser that the organization reasonably believed would otherwise have acquired the building by eminent domain, provided that the expenditure may be only for that part of the replacement cost that exceeds the compensation received by the organization for the building being replaced;

(4) an expenditure by an organization which is a contribution to a parent organization, foundation, or affiliate of the contributing organization, if the parent organization, foundation, or affiliate has provided to the contributing organization within one year of the contribution any money, grants, property, or other thing of value;

(5) a contribution by a licensed organization to another licensed organization unless the board has specifically authorized the contribution. The board must authorize such a contribution when requested to do so by the contributing organization unless it makes an affirmative finding that the contribution will not be used by the recipient organization for one or more of the purposes in paragraph (a); or

(6) ~~the erection, acquisition, improvement, or expansion of real property or capital assets which will be used for one or more of the purposes in paragraph (a), clause (7), unless the organization making the expenditures notifies the board at least 15 days before making the expenditure; or~~

~~(7)~~ a contribution to a statutory or home rule charter city, county, or town by a licensed organization with the knowledge that the governmental unit intends to use the contribution for a pension or retirement fund.

Sec. 12. Minnesota Statutes 1992, section 349.12, is amended by adding a subdivision to read:

Subd. 26a. [MASTER FLARE.] "Master flare" is the posted display, with registration stamp affixed or bar code imprinted or affixed, that is used in conjunction with sealed groupings of 100 sequentially numbered paddleticket cards.

Sec. 13. Minnesota Statutes 1992, section 349.12, is amended by adding a subdivision to read:

Subd. 28a. [PADDLETICKET.] "Paddleticket" means a preprinted ticket that can be used to place wagers on the spin of a paddlewheel.

Sec. 14. Minnesota Statutes 1992, section 349.12, is amended by adding a subdivision to read:

Subd. 28b. [PADDLETICKET CARD.] "Paddleticket card" means a card to which detachable paddletickets are attached.

Sec. 15. Minnesota Statutes 1992, section 349.12, is amended by adding a subdivision to read:

Subd. 28c. [PADDLETICKET CARD NUMBER.] "Paddleticket card number" means the unique serial number preprinted by the manufacturer on the stub of a paddleticket card and the paddletickets attached to the card.

Sec. 16. Minnesota Statutes 1992, section 349.12, subdivision 30, is amended to read:

Subd. 30. [PERSON.] "Person" is an individual, organization, firm, association, partnership, limited liability company, corporation, trustee, or legal representative.

Sec. 17. Minnesota Statutes 1992, section 349.12, subdivision 32, is amended to read:

Subd. 32. [PULL-TAB.] "Pull-tab" means a single folded or banded ticket or a multi-ply card with a perforated break-open tabs, the face of which is initially covered to conceal one or more numbers or symbols, where one or more of each set of tickets or cards has been designated in advance as a winner. ~~"Pull-tab" also includes a ticket sold in a gambling device known as a ticket jar.~~

Sec. 18. Minnesota Statutes 1992, section 349.12, is amended by adding a subdivision to read:

Subd. 32a. [PULL-TAB DISPENSING DEVICE.] "Pull-tab dispensing device" means a mechanical device that dispenses paper pull-tabs and has no additional function as an amusement or gambling device.

Sec. 19. Minnesota Statutes 1992, section 349.12, subdivision 34, is amended to read:

Subd. 34. "Tipboard" means a board, placard or other device ~~marked off in a grid or columns, in which each section contains a hidden number or numbers, or other symbol, which determines the winning chances~~ containing a seal that conceals the winning number or symbol, and that serves as the game flare for a tipboard game.

Sec. 20. Minnesota Statutes 1992, section 349.12, is amended by adding a subdivision to read:

Subd. 35. [TIPBOARD TICKET.] "Tipboard ticket" is a single folded or banded ticket, or multi-ply card, the face of which is initially covered or otherwise hidden from view to conceal a number, symbol, or set of symbols, some of which have been designated in advance and at random as prize winners.

Sec. 21. Minnesota Statutes 1992, section 349.13, is amended to read:

349.13 [LAWFUL GAMBLING.]

Lawful gambling is not a lottery or gambling within the meaning of sections 609.75 to 609.76 if it is conducted under this chapter. A pull-tab dispensing device permitted by board rule is not a gambling device within the meaning of sections 609.75 to 609.76 and chapter 299L.

Sec. 22. Minnesota Statutes 1992, section 349.15, is amended to read:

349.15 [USE OF GROSS PROFITS.]

Subdivision 1. [EXPENDITURE RESTRICTIONS.] Gross profits from lawful gambling may be expended only for lawful purposes or allowable expenses as authorized by the membership of the conducting organization at a ~~regular~~ monthly meeting of the ~~conducting organization~~ organization's membership. Provided that no more than 60 percent of the gross profit less the tax imposed under section 349.212, subdivision 1, from bingo, and no more than 50 percent of the gross profit from other forms of lawful gambling, may be expended for allowable expenses related to lawful gambling.

Subd. 2. [CASH SHORTAGES.] In computing gross profit to determine maximum amounts which may be expended for allowable expenses under subdivision 1, an organization may not reduce its gross receipts by any cash shortages. An organization may report cash shortages to the board only as an allowable expense. An organization may not report cash shortages in any reporting period that in total exceed the following percentages of the organization's gross receipts from lawful gambling for that period: until August 1, 1995, four-tenths of one percent; and on and after August 1, 1995, three-tenths of one percent.

Sec. 23. Minnesota Statutes 1992, section 349.151, subdivision 4, is amended to read:

Subd. 4. [POWERS AND DUTIES.] (a) The board has the following powers and duties:

(1) to regulate lawful gambling to ensure it is conducted in the public interest;

(2) to issue licenses to organizations, distributors, bingo halls, manufacturers, and gambling managers;

(3) to collect and deposit license, permit, and registration fees due under this chapter;

(4) to receive reports required by this chapter and inspect all premises, records, books, and other documents of organizations, distributors, manufacturers, and bingo halls to insure compliance with all applicable laws and rules;

(5) to make rules authorized by this chapter;

(6) to register gambling equipment and issue registration stamps;

(7) to provide by rule for the mandatory posting by organizations conducting lawful gambling of rules of play and the odds and/or house percentage on each form of lawful gambling;

(8) to report annually to the governor and legislature on its activities and on recommended changes in the laws governing gambling;

(9) to impose civil penalties of not more than $500 per violation on organizations, distributors, manufacturers, bingo halls, and gambling managers for failure to comply with any provision of this chapter or any rule or order of the board;

(10) to issue premises permits to organizations licensed to conduct lawful gambling;

(11) to delegate to the director the authority to issue or deny ~~licenses~~ license and premises ~~permits~~ permit applications and renewals under criteria established by the board;

(12) to suspend or revoke licenses and premises permits of organizations, distributors, manufacturers, bingo halls, or gambling managers as provided in this chapter;

(13) to register employees of organizations licensed to conduct lawful gambling;

(14) to require fingerprints from persons determined by board rule to be subject to fingerprinting; ~~and~~

(15) to delegate to a compliance review group of the board the authority to investigate alleged violations, issue consent orders, and initiate contested cases on behalf of the board;

(16) to order organizations, distributors, manufacturers, bingo halls, and gambling managers to take corrective actions; and

~~(15)~~ (17) to take all necessary steps to ensure the integrity of and public confidence in lawful gambling.

(b) The board, or director if authorized to act on behalf of the board, may by citation assess any organization, distributor, manufacturer, bingo hall licensee, or gambling manager a civil penalty of not more than $500 per violation for a failure to comply with any provision of this chapter or any rule adopted or order issued by the board. Any organization, distributor, bingo hall ~~operator~~ licensee, gambling manager, or manufacturer assessed a civil penalty under this paragraph may request a hearing before the board. ~~Hearings conducted on appeals of imposition of penalties~~ Appeals of citations imposing a civil penalty are not subject to the provisions of the administrative procedure act.

(c) All fees and penalties received by the board must be deposited in the general fund.

Sec. 24. Minnesota Statutes 1992, section 349.151, is amended by adding a subdivision to read:

Subd. 4b. [PULL-TAB SALES FROM DISPENSING DEVICES.] (a) The board may by rule authorize but not require the use of pull-tab dispensing devices.

(b) Rules adopted under paragraph (a):

(1) must limit the number of pull-tab dispensing devices on any permitted premises to three;

(2) must limit the use of pull-tab dispensing devices to a permitted premises which is (i) a licensed premises for on-sales of intoxicating liquor or 3.2 percent malt beverages or (ii) a licensed bingo hall that allows gambling only by persons 18 years or older; and

(3) must prohibit the use of pull-tab dispensing devices at any licensed premises where pull-tabs are sold other than through a pull-tab dispensing device by an employee of the organization who is also the lessor or an employee of the lessor.

Sec. 25. Minnesota Statutes 1992, section 349.151, is amended by adding a subdivision to read:

Subd. 7. [ORDERS.] The board may order any person subject to its jurisdiction who has violated this chapter or a board rule or order to take appropriate action to correct the violation.

Sec. 26. Minnesota Statutes 1992, section 349.151, is amended by adding a subdivision to read:

Subd. 8. [CRIMINAL HISTORY.] The board may request the director of gambling enforcement to assist in investigating the background of an applicant for a license under this chapter, and the director of gambling enforcement may bill the license applicant for the cost thereof. The board has access to all criminal history data compiled by the division of gambling enforcement on licensees and applicants.

Sec. 27. Minnesota Statutes 1992, section 349.151, is amended by adding a subdivision to read:

Subd. 9. [RESPONSE TO REQUESTS.] An applicant, licensee, or other person subject to the board's jurisdiction must:

(1) comply with requests for information or documents, or other requests, from the board or director within the time specified in the request or, if no time is specified, within 30 days of the date the board or director mails the request; and

(2) appear before the board or director when requested to do so, and must bring documents or materials requested by the board or director.

Sec. 28. Minnesota Statutes 1992, section 349.151, is amended by adding a subdivision to read:

Subd. 10. [PRODUCTION OF EVIDENCE.] For the purpose of any investigation, inspection, compliance review, audit, or proceeding under this chapter, the board or director may (1) administer oaths and affirmations, (2) subpoena witnesses and compel their attendance, (3) take evidence, and (4) require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the board or director determines are relevant or material to the inquiry.

Sec. 29. Minnesota Statutes 1992, section 349.151, is amended by adding a subdivision to read:

Subd. 11. [COURT ORDERS.] In the event of a refusal to appear by, or refusal to obey a subpoena issued to, any person under this chapter, the district court may on application of the board or director issue to the person an order directing the person to appear before the board or director, and to produce documentary evidence if so ordered or to give evidence relating to the matter under investigation or in question. Failure to obey such an order may be punished by the court as contempt of court.

Sec. 30. Minnesota Statutes 1992, section 349.151, is amended by adding a subdivision to read:

Subd. 12. [ACCESS.] The board or director has free access during normal business hours to the offices and places of business of licensees or organizations conducting excluded or exempt gambling, and to all books, accounts, papers, records, files, safes, and vaults maintained in the places of business or required to be maintained.

Sec. 31. Minnesota Statutes 1992, section 349.151, is amended by adding a subdivision to read:

Subd. 13. [RULEMAKING.] In addition to any authority to adopt rules specifically authorized under this chapter, the board may adopt, amend, or repeal rules, including emergency rules, under chapter 14, when necessary or proper in discharging the board's powers and duties.

Sec. 32. Minnesota Statutes 1992, section 349.152, subdivision 2, is amended to read:

Subd. 2. [DUTIES OF THE DIRECTOR.] The director has the following duties:

(1) to carry out gambling policy established by the board;

(2) to employ and supervise personnel of the board;

(3) to advise and make recommendations to the board on rules;

(4) to issue licenses and premises permits as authorized by the board;

(5) to issue cease and desist orders;

(6) to make recommendations to the board on license issuance, denial, censure, suspension and revocation, ~~and~~ civil penalties, and corrective action the board imposes; ~~and~~

(7) to ensure that board rules, policy, and decisions are adequately and accurately conveyed to the board's licensees;

(8) to conduct investigations, inspections, compliance reviews, and audits under this chapter; and

(9) to issue subpoenas to compel the attendance of witnesses and the production of documents, books, records, and other evidence relating to an investigation, compliance review, or audit the director is authorized to conduct.

Sec. 33. Minnesota Statutes 1992, section 349.152, subdivision 3, is amended to read:

Subd. 3. [CEASE AND DESIST ORDERS.] (a) Whenever it appears to the director that any person has engaged or is about to engage in any act or practice constituting a violation of this chapter or any board rule or order; ~~(a)~~ the director ~~has the power to~~ may issue and cause to be served upon the person an order requiring the person to cease and desist from violations of this chapter or board rule or order. The order must give reasonable notice of the rights of the person to request a hearing and must state the reason for the entry of the order. Unless otherwise agreed between the parties, a hearing shall be held not later than seven days after the request for the hearing is received by the board after which and within 20 days ~~of the date of the hearing~~ after the receipt of the administrative law judge's report and subsequent exceptions and argument the board shall issue an order vacating the cease and desist order, modifying it, or making it permanent as the facts require. If no hearing is requested within 30 days of the service of the order, the order becomes final and remains in effect until modified or vacated by the board or director. All hearings shall be conducted in accordance with the provisions of chapter 14. If the person to whom a cease and desist order is issued fails to appear at the hearing after being duly notified, the person shall be deemed in default, and the proceeding may be determined against the person upon consideration of the cease and desist order, the allegations of which may be deemed to be true.

(b) Whenever it appears to the board that any person has engaged or is about to engage in any act or practice that violates this chapter or any board rule or order, the board may bring an action in the district court in the appropriate county to enjoin the acts or practices and to enforce compliance with this chapter or any board rule or order and may refer the matter to the attorney general. Upon a proper showing, a permanent or temporary injunction, restraining order, or writ of mandamus shall be granted. The court may not require the board to post a bond.

Sec. 34. Minnesota Statutes 1992, section 349.153, is amended to read:

349.153 [CONFLICT OF INTEREST.]

(a) A person may not serve on the board, be the director, or be an employee of the board who has an interest in any corporation, association, limited liability company, or partnership that is licensed by the board as a distributor, manufacturer, or a bingo hall under section 349.164.

(b) A member of the board, the director, or an employee of the board may not ~~participate in the conducting of lawful gambling.~~ accept employment with, receive compensation directly or indirectly from, or enter into a contractual relationship with an organization that conducts lawful gambling, a distributor, a bingo hall or a manufacturer while employed with or a member of the board or within one year after terminating employment with or leaving the board.

(c) A distributor, bingo hall, manufacturer, or organization licensed to conduct lawful gambling may not hire a former employee, director, or member of the gambling control board for one year after the employee, director, or member has terminated employment with or left the gambling control board.

Sec. 35. Minnesota Statutes 1992, section 349.154, is amended to read:

349.154 [EXPENDITURE OF NET PROFITS FROM LAWFUL GAMBLING.]

Subdivision 1. [STANDARDS FOR CERTAIN ORGANIZATIONS.] The board shall by rule prescribe standards that must be met by any licensed organization that is a 501(c)(3) organization. The standards must provide:

(1) operating standards for the organization, including a maximum percentage or percentages of the organization's total expenditures that may be expended for the organization's administration and operation; and

(2) standards for any expenditure by the organization of net profits from lawful gambling, including a requirement that the expenditure be related to the primary purpose of the organization.

Subd. 2. [NET PROFIT REPORTS.] (a) Each licensed organization must report monthly to the board on a form prescribed by the board each expenditure and contribution of net profits from lawful gambling. The reports must provide for each expenditure or contribution:

(1) the name, address, and telephone number of the recipient of the expenditure or contribution;

(2) the date the contribution was approved by the organization;

(3) the date, amount, and check number of the expenditure or contribution; ~~and~~

(4) a brief description of how the expenditure or contribution meets one or more of the purposes in section 349.12, subdivision 25~~, paragraph (a)~~; and

(5) in the case of expenditures authorized under section 349.12, subdivision 25, paragraph (a), clause (7), whether the expenditure is for a facility or activity that primarily benefits male or female participants.

(b) The board shall ~~provide~~ make available to the commissioners of revenue and public safety copies of ~~each report~~ reports received under this subdivision and requested by them.

Subd. 3a. [EXPENDITURES FOR RECREATIONAL, COMMUNITY, AND ATHLETIC PROGRAMS.] An organization that makes a greater percentage of its lawful purpose expenditures under section 349.12, subdivision 25, paragraph (a), clause (7) on facilities or activities for one gender rather than another may not deny a reasonable request for funding of a facility or activity for the underrepresented gender if the request is for funding for a facility or activity that is a lawful purpose under that clause. An applicant for funding for a facility or activity for an underrepresented gender who believes that an application for funding was denied in violation of this subdivision may file a complaint with the board. The board shall prescribe a form for the complaint and shall furnish a copy of the form to any requester. The board shall investigate each complaint filed and, if the board finds that the organization against which the complaint was filed has violated this subdivision, shall issue an order directing the organization to take such corrective action as the board deems necessary to bring the organization into compliance with this subdivision.

Sec. 36. [349.155] [LICENSES; LICENSE ACTIONS.]

Subdivision 1. [FORMS.] All applications for a license must be on a form prescribed by the board. In the case of applications by an organization the board may require the organization to submit a copy of its articles of incorporation and other documents the board deems necessary.

Subd. 2. [INVESTIGATION FEE.] In addition to initial and renewal application fees, the board may charge license and renewal applicants a fee to cover the costs of background investigations conducted under this chapter.

Subd. 3. [MANDATORY DISQUALIFICATIONS.] (a) In the case of licenses for manufacturers, distributors, bingo halls, and gambling managers, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, or an employee eligible to make sales on behalf of the applicant or licensee:

(1) has ever been convicted of a felony or a crime involving gambling;

(2) has ever been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats;

(3) is or has ever been connected with or engaged in an illegal business;

(4) owes $500 or more in delinquent taxes as defined in section 270.72;

(5) had a sales and use tax permit revoked by the commissioner of revenue within the past two years; or

(6) after demand, has not filed tax returns required by the commissioner of revenue. The board may deny or refuse to renew a license under this chapter, and may revoke a license under this chapter, if any of the conditions in this paragraph is applicable to an affiliate or direct or indirect holder of more than a five percent financial interest in the applicant or licensee.

(b) In the case of licenses for organizations, the board may not issue or renew a license under this chapter, and shall revoke a license under this chapter, if the organization, or an officer or member of the governing body of the organization:

(1) has been convicted of a felony or gross misdemeanor within the five years before the issuance or renewal of the license;

(2) has ever been convicted of a crime involving gambling; or

(3) has had a license issued by the board or director permanently revoked for violation of law or board rule.

Subd. 4. [LICENSE REVOCATION, SUSPENSION, DENIAL; CENSURE.] The board may by order (i) deny, suspend, revoke, or refuse to renew a license or premises permit, or (ii) censure a licensee or applicant, if it finds that the order is in the public interest and that the applicant or licensee, or a director, officer, partner, governor, person in a supervisory or management position of the applicant or licensee, an employee eligible to make sales on behalf of the applicant or licensee, or direct or indirect holder of more than a five percent financial interest in the applicant or licensee:

(1) has violated or failed to comply with any provision of chapter 297E, 299L, or 349, or any rule adopted or order issued thereunder;

(2) has filed an application for a license that is incomplete in any material respect, or contains a statement that, in light of the circumstances under which it was made, is false, misleading, fraudulent, or a misrepresentation;

(3) has made a false statement in a document or report required to be submitted to the board or the commissioner of revenue, or has made a false statement to the board, the compliance review group, or the director;

(4) has been convicted of a crime in another jurisdiction that would be a felony if committed in Minnesota;

(5) is permanently or temporarily enjoined by any gambling regulatory agency from engaging in or continuing any conduct or practice involving any aspect of gambling;

(6) has had a gambling-related license revoked or suspended, or has paid or been required to pay a monetary penalty of $2,500 or more, by a gambling regulator in another state or jurisdiction;

(7) has been the subject of any of the following actions by the director of gambling enforcement or commissioner of public safety: (i) had a license under chapter 299L denied, suspended or revoked, (ii) been censured, reprimanded, has paid or been required to pay a monetary penalty or fine, or (iii) has been the subject of any other discipline by the director or commissioner; or

(8) has engaged in conduct that is contrary to the public health, welfare, or safety, or to the integrity of gambling; or

(9) based on past activities or criminal record poses a threat to the public interest or to the effective regulation and control of gambling, or creates or enhances the dangers of unsuitable, unfair, or illegal practices, methods, and activities in the conduct of gambling or the carrying on of the business and financial arrangements incidental to the conduct of gambling.

Subd. 5. [CONTESTED CASE.] When the board, or director if the director is authorized to act on behalf of the board, determines that a license should be revoked, suspended or a licensee be censured under subdivision 3 or 4, or a civil penalty be imposed or a person be required to take corrective action, the board or director shall issue an order initiating a contested case hearing. Hearings under this subdivision must be conducted in accordance with chapter 14.

Subd. 6. [NOTICE OF DENIAL.] When the board, or director if authorized to act on behalf of the board, determines that a license or premises permit application or renewal should be denied under subdivision 3 or 4, the board or director shall promptly give a written notice to the licensee or applicant stating ground for the action and giving reasonable notice of the rights of the licensee or applicant to request a hearing. A hearing must be held not later than 30 days after the board receives the request for the hearing, unless the licensee or applicant and the board agree on a later date. If no hearing is requested within 30 days of the service of the notice, the denial becomes final. Hearings under this subdivision must be conducted in accordance with chapter 14. After the hearing the board may enter an order making such disposition as the facts require. If the applicant fails to appear at the hearing after having been notified of it under this subdivision, the applicant is considered in default and the proceeding may be determined against the person on consideration of the written notice of denial, the allegations of which may be considered to be true. All fees accompanying the license or renewal application are considered earned and are not refundable.

Subd. 7. [LAPSED LICENSES.] If a license lapses, or is surrendered, withdrawn, terminated, or otherwise becomes ineffective, the board may (1) institute a proceeding under this section within two years after the last date on which the license was effective, (2) enter a revocation or suspension order as of the date on which the license was effective, (3) impose a civil penalty as provided under section 349.151, subdivision 4, or (4) order corrective action as provided in section 349.151, subdivision 7.

Subd. 8. [ACTIONS IN ANOTHER STATE.] A licensee under this chapter must notify the board within 30 days of the action whenever any of the actions listed in subdivision 4, clause (6) have been taken against the licensee in another state or jurisdiction.

Sec. 37. Minnesota Statutes 1992, section 349.16, subdivision 2, is amended to read:

Subd. 2. [ISSUANCE OF GAMBLING LICENSES.] (a) Licenses authorizing organizations to conduct lawful gambling may be issued by the board to organizations meeting the qualifications in paragraphs (b) to (h) if the board determines that the license is consistent with the purpose of sections 349.11 to 349.22.

(b) The organization must have been in existence for the most recent three years preceding the license application as a registered Minnesota nonprofit corporation or as an organization designated as exempt from the payment of income taxes by the Internal Revenue Code.

(c) The organization at the time of licensing must have at least 15 active members.

(d) The organization must not be in existence solely for the purpose of conducting gambling.

(e) ~~The organization must not have as an officer or member of the governing body any person who, within the five years before the issuance of the license, has been convicted in a federal or state court of a felony or gross misdemeanor or who has ever been convicted of a crime involving gambling or who has had a license issued by the board or director revoked for a violation of law or board rule.~~

~~(f)~~ The organization has identified in its license application the lawful purposes on which it proposes to expend net profits from lawful gambling.

~~(g)~~ (f) The organization has identified on its license application a gambling manager and certifies that the manager is qualified under this chapter.

~~(h)~~ (g) The organization must not, in the opinion of the board after consultation with the commissioner of revenue, be seeking licensing primarily for the purpose of evading or reducing the tax imposed by section 349.212, subdivision 6.

Sec. 38. Minnesota Statutes 1992, section 349.16, subdivision 3, is amended to read:

Subd. 3. [TERM OF LICENSE; ~~SUSPENSION AND REVOCATION~~.] Licenses issued under this section are valid for two years ~~and may be suspended by the board for a violation of law or board rule or revoked for what the board determines to be a willful violation of law or board rule. A revocation or suspension is a contested case under sections 14.57 to 14.69 of the administrative procedure act~~.

Sec. 39. Minnesota Statutes 1992, section 349.16, subdivision 6, is amended to read:

Subd. 6. [~~FEES~~ LICENSE CLASSIFICATIONS.] The board may issue four classes of organization licenses: a class A license authorizing all forms of lawful gambling; a class B license authorizing all forms of lawful gambling except bingo; a class C license authorizing bingo only, or bingo and pull-tabs if the gross receipts for any combination of bingo and pull-tabs does not exceed $50,000 per year; and a class D license authorizing raffles only. The board shall not charge a fee for an organization license.

Sec. 40. Minnesota Statutes 1992, section 349.16, subdivision 8, is amended to read:

Subd. 8. [LOCAL INVESTIGATION FEE.] A statutory or home rule charter city or county notified under section 349.213, subdivision 2, may assess an investigation fee on organizations or bingo halls applying for or renewing a ~~license to conduct lawful gambling~~ premises permit or ~~operate~~ a bingo hall license. An investigation fee may not exceed the following limits:

(1) for cities of the first class, $500;

(2) for cities of the second class, $250;

(3) for all other cities, $100; and

(4) for counties, $375.

Sec. 41. Minnesota Statutes 1992, section 349.16, is amended by adding a subdivision to read:

Subd. 9. [LICENSE RENEWALS; NOTICE.] The board may not deny or delay the renewal of a license under this section, a premises permit, or a gambling manager's license under section 349.167 because of the licensee's failure to submit a complete application by a specified date before the expiration of the license or permit, unless the board has first (1) sent the applicant by registered mail a written notice of the incomplete application, and (2) given the applicant at least five business days from the date of receipt of the notice to submit a complete application, or the information necessary to complete the application.

Sec. 42. Minnesota Statutes 1992, section 349.161, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS; LICENSES REQUIRED.] No person may:

(1) sell, offer for sale, or furnish gambling equipment for use within the state ~~for gambling purposes,~~ other than for lawful gambling exempt or excluded from licensing, except to an organization licensed for lawful gambling;

(2) sell, offer for sale, or furnish gambling equipment for ~~lawful gambling~~ use within the state without having obtained a distributor license under this section;

(3) sell, offer for sale, or furnish gambling equipment for use within the state that is not purchased or obtained from a manufacturer or distributor licensed under this chapter; or

(4) sell, offer for sale, or furnish gambling equipment for use within the state that has the same serial number as another item of gambling equipment of the same type sold or offered for sale or furnished for use in the state by that distributor.

Sec. 43. Minnesota Statutes 1992, section 349.161, subdivision 5, is amended to read:

Subd. 5. [PROHIBITION.] (a) No distributor, or employee of a distributor, may also be a wholesale distributor of alcoholic beverages or an employee of a wholesale distributor of alcoholic beverages.

(b) No distributor, or any representative, agent, affiliate, or employee of a distributor, may ~~be:~~ (1) be involved in the conduct of lawful gambling by an organization; (2) keep or assist in the keeping of an organization's financial records, accounts, and inventories; or (3) prepare or assist in the preparation of tax forms and other reporting forms required to be submitted to the state by an organization.

(c) No distributor or any representative, agent, affiliate, or employee of a distributor may provide a lessor of gambling premises any compensation, gift, gratuity, premium, or other thing of value.

(d) No distributor or any representative, agent, affiliate, or employee of a distributor may participate in any gambling activity at any gambling site or premises where gambling equipment purchased from that distributor is being used in the conduct of lawful gambling.

(e) No distributor or any representative, agent, affiliate, or employee of a distributor may alter or modify any gambling equipment, except to add a "last ticket sold" prize sticker.

(f) No distributor or any representative, agent, affiliate, or employee of a distributor may: (1) recruit a person to become a gambling manager of an organization or identify to an organization a person as a candidate to become gambling manager for the organization; or (2) identify for an organization a potential gambling location.

(g) No distributor may purchase gambling equipment for resale to a person for use within the state from any person not licensed as a manufacturer under section 349.163.

(h) No distributor may sell gambling equipment to any person for use in Minnesota other than (i) a licensed organization or organization excluded or exempt from licensing, or (ii) the governing body of an Indian tribe.

(i) No distributor may sell or otherwise provide a pull-tab or tipboard deal with the symbol required by section 349.163, subdivision 5, paragraph (h), visible on the flare to any person other than in Minnesota to a licensed organization or organization exempt from licensing.

Sec. 44. Minnesota Statutes 1992, section 349.162, subdivision 1, is amended to read:

Subdivision 1. [STAMP REQUIRED.] ~~(a)~~ A distributor may not sell, transfer, furnish, or otherwise provide to a person, ~~organization, or distributor,~~ and no person~~, organization, or distributor~~ may purchase, borrow, accept, or acquire from a distributor gambling equipment for use within the state unless the equipment has been registered with the board and has a registration stamp affixed, except for gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8. The board shall charge a fee of five cents for each stamp. Each stamp must bear a registration number assigned by the board. A distributor or manufacturer is entitled to a refund for unused registration stamps and replacement for registration stamps which are defective or canceled by the distributor or manufacturer.

(b) ~~From January 1, 1991, to June 30, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "For Sale in Minnesota Only."~~ A manufacturer must return all unused registration stamps in its possession to the board by February 1, 1995. No manufacturer may possess unaffixed registration stamps after February 1, 1995.

(c) ~~On and after July 1, 1992, no distributor, organization, or other person may sell a pull-tab which is not clearly marked "Manufactured in Minnesota For Sale in Minnesota Only."~~

~~(d) Paragraphs (b) and (c) do not apply to pull-tabs sold by a distributor to the governing body of an Indian tribe.~~ After February 1, 1996, no person may possess any unplayed pull-tab or tipboard deals with a registration stamp affixed to the flare or any unplayed paddleticket cards with a registration stamp affixed to the master flare. Gambling equipment kept in violation of this paragraph is contraband under section 349.2125.

Sec. 45. Minnesota Statutes 1992, section 349.162, subdivision 2, is amended to read:

Subd. 2. [RECORDS REQUIRED.] A distributor must maintain a record of all gambling equipment which it sells to organizations. The record must include:

(1) the identity of the person ~~or firm~~ from whom the distributor purchased the equipment;

(2) the registration number of the equipment;

(3) the name, address, and license or exempt permit number of the organization to which the sale was made;

(4) the date of the sale;

(5) the name of the person who ordered the equipment;

(6) the name of the person who received the equipment;

(7) the type of equipment;

(8) the serial number of the equipment;

(9) the name, form number, or other identifying information for each game; and

(10) in the case of bingo hard cards or paper sheets sold on and after January 1, 1991, the individual number of each card or sheet.

The invoice for each sale must be retained for at least 3-1/2 years after the sale is completed and a copy of each invoice is to be delivered to the board in the manner and time prescribed by the board. For purposes of this section, a sale is completed when the gambling equipment is physically delivered to the purchaser.

Each distributor must report monthly to the board, in a form the board prescribes, its sales of each type of gambling equipment. Employees of the board and the division of gambling enforcement may inspect the business premises, books, records, and other documents of a distributor at any reasonable time without notice and without a search warrant.

The board may require that a distributor submit the monthly report and invoices required in this subdivision via magnetic media or electronic data transfer.

Sec. 46. Minnesota Statutes 1992, section 349.162, subdivision 4, is amended to read:

Subd. 4. [PROHIBITION.] (a) No person other than a licensed distributor or licensed manufacturer may possess unaffixed registration stamps.

(b) Unless otherwise provided in this chapter, no person may possess gambling equipment that has not been stamped and registered.

(c) On and after January 1, 1991, no distributor may:

(1) sell a bingo hard card or paper sheet that does not bear an individual number; or

(2) sell a package of bingo ~~cards~~ paper sheets that does not contain bingo ~~cards~~ paper sheets in numerical order.

Sec. 47. Minnesota Statutes 1992, section 349.162, subdivision 5, is amended to read:

Subd. 5. [SALES FROM FACILITIES.] (a) All gambling equipment purchased or possessed by a licensed distributor for resale to any person for use in Minnesota must, prior to the equipment's resale, be unloaded into a ~~sales or~~ storage facility located in Minnesota which the distributor owns or leases; and which has been registered, in advance and in writing, with the division of gambling enforcement as a ~~sales or~~ storage facility of the ~~distributor's~~ distributor. All unregistered gambling equipment and all unaffixed registration stamps owned by, or in the possession of, a licensed distributor in the state of Minnesota shall be stored at a ~~sales or~~ storage facility which has been registered with the division of gambling enforcement. No gambling equipment may be moved from the facility unless the gambling equipment has been first registered with the board, except for gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8.

(b) Notwithstanding section 349.163, subdivisions 5, 6, and 8, a licensed manufacturer may ship into Minnesota approved or unapproved gambling equipment if the licensed manufacturer ships the gambling equipment to a Minnesota storage facility that is: (1) owned or leased by the licensed manufacturer; and (2) registered, in advance and in writing, with the division of gambling enforcement as a manufacturer's storage facility. No gambling equipment may be shipped into Minnesota to the manufacturer's registered storage facility unless the shipment of the gambling equipment is reported to the department of revenue in a manner prescribed by the department. No gambling equipment may be moved from the storage facility unless the gambling equipment is sold to a licensed distributor and is otherwise in conformity with this chapter, is shipped to an out-of-state site and the shipment is reported to the department of revenue in a manner prescribed by the department, or is otherwise sold and shipped as permitted by board rule.

(c) All ~~sales and~~ storage facilities owned, leased, used, or operated by a licensed distributor or manufacturer may be entered upon and inspected by the employees of the division of gambling enforcement ~~or~~, the division of gambling enforcement director's authorized representatives, employees of the gambling control board or its authorized representatives, employees of the department of revenue, or authorized representatives of the director of the division of special taxes of the department of revenue during reasonable and regular business hours. Obstruction of, or failure to permit, entry and inspection is cause for revocation or suspension of a manufacturer's or distributor's licenses and permits issued under this chapter.

~~(c)~~ (d) Unregistered gambling equipment and unaffixed registration stamps found at any location in Minnesota other than the manufacturing plant of a licensed manufacturer or a registered ~~sales or~~ storage facility are contraband under section 349.2125. This paragraph does not apply:

(1) to unregistered gambling equipment being transported in interstate commerce between locations outside this state, if the interstate shipment is verified by a bill of lading or other valid shipping document; and

(2) to gambling equipment not stamped by the manufacturer pursuant to section 349.163, subdivision 5 or 8.

Sec. 48. Minnesota Statutes 1992, section 349.163, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No manufacturer of gambling equipment may sell any gambling equipment to any person for use or resale within the state, unless the manufacturer has a current and valid license issued by the board under this section and has satisfied other criteria prescribed by the board by rule.

A manufacturer licensed under this section may not also be directly or indirectly licensed as a distributor under section 349.161 unless the manufacturer (1) does not manufacture any gambling equipment other than paddlewheels, and (2) was licensed as both a manufacturer and distributor on May 1, 1990.

Sec. 49. Minnesota Statutes 1992, section 349.163, subdivision 3, is amended to read:

Subd. 3. [PROHIBITED SALES.] (a) A manufacturer may not:

(1) sell gambling equipment for use or resale within the state to any person not licensed as a distributor unless the manufacturer is also a licensed distributor; or

(2) sell gambling equipment to a distributor in this state that has the same serial number as another item of gambling equipment of the same type that is sold by that manufacturer for use or resale in this state;.

~~(3) from January 1, 1991, to June 30, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "For Sale in Minnesota Only";~~

~~(4) on and after July 1, 1992, sell to any person in Minnesota, other than the governing body of an Indian tribe, a pull-tab on which the manufacturer has not clearly printed the words "Manufactured in Minnesota For Sale In Minnesota Only"; or~~

~~(5) sell a pull-tab marked as required in clauses (3) and (4) to any person inside or outside the state, including the governing body of an Indian tribe, who is not a licensed distributor.~~

(b) ~~On and after July 1, 1992, all pull-tabs sold by a licensed manufacturer to a person in Minnesota must be manufactured in Minnesota.~~

~~(c)~~ A manufacturer, affiliate of a manufacturer, or person acting as a representative or agent of a manufacturer may not provide a lessor of gambling premises or an appointed official any compensation, gift, gratuity, premium, contribution, or other thing of value.

(c) A manufacturer may not sell or otherwise provide a pull-tab or tipboard deal with the symbol required by section 349.163, subdivision 5, paragraph (h), imprinted on the flare to any person other than a licensed distributor unless the manufacturer first renders the symbol permanently invisible.

Sec. 50. Minnesota Statutes 1992, section 349.163, subdivision 5, is amended to read:

Subd. 5. [PULL-TAB AND TIPBOARD FLARES.] (a) A manufacturer may not ship or cause to be shipped into this state or sell for use or resale in this state any deal of pull-tabs or tipboards that does not have its own individual flare as required for that deal by this subdivision and rule of the board. A person other than a manufacturer may not manufacture, alter, modify, or otherwise change a flare for a deal of pull-tabs or tipboards except as allowed by this chapter or board rules.

(b) A manufacturer must comply with either paragraphs (c) to (g) or (f) to (j) with respect to pull-tabs and tipboards sold by the manufacturer before January 1, 1995, for use or resale in Minnesota or shipped into or caused to be shipped into Minnesota by the manufacturer before January 1, 1995. A manufacturer must comply with paragraphs (f) to (j) with respect to pull-tabs and tipboards sold by the manufacturer on and after January 1, 1995, for use or resale in Minnesota or shipped into or caused to be shipped into Minnesota by the manufacturer on and after January 1, 1995. Paragraphs (c) to (e) expire January 1, 1995.

(c) The flare of each deal of pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have the Minnesota gambling stamp affixed. The flare, with the stamp affixed, must be placed inside the wrapping of the deal which the flare describes.

~~(c)~~ (d) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

"Pull-tab (or tipboard) purchasers -- This pull-tab (or tipboard) game is not legal in Minnesota unless:

-- a Minnesota gambling stamp is affixed to this sheet, and

-- the serial number handwritten on the gambling stamp is the same as the serial number printed on this sheet and on the pull-tab (or tipboard) ticket you have purchased."

~~(d)~~ (e) The flare of each pull-tab and tipboard game must bear the serial number of the game, printed in numbers at least one-half inch high.

~~(e)~~ (f) The flare of each pull-tab and tipboard game must ~~be~~ have affixed to or imprinted at the bottom ~~with~~ a bar code that provides~~:~~ all information required by the commissioner of revenue under section 297E.04, subdivision 2.

~~(1) the name of the game;~~

~~(2) the serial number of the game;~~

~~(3) the name of the manufacturer;~~

~~(4) the number of tickets in the deal;~~

~~(5) the odds of winning each prize in the deal; and~~

~~(6) other information the board by rule requires.~~

The serial number included in the bar code must be the same as the serial number of the tickets included in the deal. A manufacturer who manufactures a deal of pull-tabs must affix to the outside of the box containing that game the same bar code that is affixed to or imprinted at the bottom of a flare for that deal.

~~(f)~~ (g) No person may alter the bar code that appears on the outside of a box containing a deal of pull-tabs and tipboards. Possession of a box containing a deal of pull-tabs and tipboards that has a bar code different from the bar code of the deal inside the box is prima facie evidence that the possessor has altered the bar code on the box.

(h) The flare of each deal of pull-tabs and tipboards sold by a manufacturer for use or resale in Minnesota must have imprinted on it a symbol that is at least one inch high and one inch wide consisting of an outline of the geographic boundaries of Minnesota with the letters "MN" inside the outline. The flare must be placed inside the wrapping of the deal which the flare describes.

(i) Each pull-tab and tipboard flare must bear the following statement printed in letters large enough to be clearly legible:

"Pull-tab (or tipboard) purchasers -- This pull-tab (or tipboard) game is not legal in Minnesota unless:

-- an outline of Minnesota with letters "MN" inside it is imprinted on this sheet, and

-- the serial number imprinted on the bar code at the bottom of this sheet is the same as the serial number on the pull-tab (or tipboard) ticket you have purchased."

(j) The flare of each pull-tab and tipboard game must have the serial number of the game imprinted on the bar code at the bottom of the flare in numerals at least one-half inch high.

Sec. 51. Minnesota Statutes 1992, section 349.163, subdivision 6, is amended to read:

Subd. 6. [SAMPLES OF GAMBLING EQUIPMENT.] The board shall require each licensed manufacturer to submit to the board one or more samples of each item of gambling equipment the manufacturer manufactures for ~~sale~~ use or resale in this state. The board shall inspect and test all the equipment it deems necessary to determine the

equipment's compliance with law and board rules. Samples required under this subdivision must be approved by the board before the equipment being sampled is shipped into or sold for use or resale in this state. The board may request the assistance of the commissioner of public safety and the director of the state lottery board in performing the tests.

Sec. 52. Minnesota Statutes 1992, section 349.163, is amended by adding a subdivision to read:

Subd. 8. [PADDLETICKET CARD MASTER FLARES.] Each sealed grouping of 100 paddleticket cards must have its own individual master flare. The manufacturer must affix to or imprint at the bottom of the master flare a bar code that provides all information required by the commissioner of revenue under section 297E.04, subdivision 3.

This subdivision applies to paddleticket cards sold by a manufacturer after June 30, 1995, for use or resale in Minnesota or shipped into or caused to be shipped into Minnesota by a manufacturer after June 30, 1995. Paddleticket cards which are subject to this subdivision shall not have a registration stamp affixed to the master flare.

Sec. 53. Minnesota Statutes 1992, section 349.164, subdivision 1, is amended to read:

Subdivision 1. [LICENSE REQUIRED.] No person may lease a facility to more than one ~~individual, corporation, partnership, or~~ organization to conduct bingo without a current and valid bingo hall license under this section.

Sec. 54. Minnesota Statutes 1992, section 349.164, subdivision 6, is amended to read:

Subd. 6. [PROHIBITED ACTS.] No bingo hall licensee, person holding a financial or managerial interest in a bingo hall, or affiliate thereof may:

(1) be a licensed distributor or licensed manufacturer or affiliate of the distributor or manufacturer under section 349.161 or 349.163 or a wholesale distributor of alcoholic beverages;

(2) provide any staff to conduct or assist in the conduct of bingo or any other form of lawful gambling on the premises;

(3) acquire, provide ~~storage or~~ inventory control for, or report the use of any gambling equipment used by an organization that conducts lawful gambling on the premises;

(4) provide accounting services to an organization conducting lawful gambling on the premises;

(5) solicit, suggest, encourage, or make any expenditures of gross receipts of an organization from lawful gambling;

(6) charge any fee to a person without which the person could not play a bingo game or participate in another form of lawful gambling on the premises;

(7) provide assistance or participate in the conduct of lawful gambling on the premises; or

(8) permit more than 21 bingo occasions to be conducted on the premises in any week.

Sec. 55. Minnesota Statutes 1992, section 349.164, is amended by adding a subdivision to read:

Subd. 10. [RECORDS.] A bingo hall licensee must maintain and preserve for at least 3-1/2 years records of all remuneration it receives from organizations conducting lawful gambling.

Sec. 56. Minnesota Statutes 1992, section 349.1641, is amended to read:

349.1641 [LICENSES; SUMMARY SUSPENSION.]

The board may (1) summarily suspend the license of an organization that is more than three months late in filing a tax return or in paying a tax required under ~~this~~ chapter 297E and may keep the suspension in effect until all required returns are filed and required taxes are paid; and (2) summarily suspend for not more than 90 days any license issued by the board or director for what the board determines are actions detrimental to the integrity of lawful gambling in Minnesota. The board must notify the licensee at least 14 days before suspending the license under this ~~paragraph~~ section. ~~A contested case hearing must be held within 20 days of the summary suspension and~~ If a license

is summarily suspended under this section, a contested case hearing on the merits must be held within 20 days of the issuance of the order of suspension, unless the parties agree to a later hearing date. The administrative law judge's report must be issued within 20 days after the close of the hearing record. In all cases involving summary suspension, the board must issue its final decision within 30 days after receipt of the report of the administrative law judge and subsequent exceptions and argument under section 14.61. When an organization's license is suspended ~~or revoked~~ under this ~~subdivision~~ section, the board shall within three days notify all municipalities in which the organization's gambling premises are located and all licensed distributors in the state.

Sec. 57. Minnesota Statutes 1992, section 349.166, subdivision 1, is amended to read:

Subdivision 1. [EXCLUSIONS.] (a) Bingo may be conducted without a license and without complying with sections 349.168, subdivisions 1 and 2; 349.17, ~~subdivision~~ subdivisions 1, 4, and 5; 349.18, subdivision 1; and 349.19, if it is conducted:

(1) by an organization in connection with a county fair, the state fair, or a civic celebration ~~if it~~ and is not conducted for more than 12 consecutive days and is limited to no more than four separate applications for activities applied for and approved in a calendar year; or

(2) by an organization that conducts four or fewer bingo occasions in a calendar year.

An organization that holds a license to conduct lawful gambling under this chapter may not conduct bingo under this subdivision.

(b) Bingo may be conducted within a nursing home or a senior citizen housing project or by a senior citizen organization without compliance with sections 349.11 to 349.15 and 349.153 to 349.213 if the prizes for a single bingo game do not exceed $10, total prizes awarded at a single bingo occasion do not exceed $200, no more than two bingo occasions are held by the organization or at the facility each week, only members of the organization or residents of the nursing home or housing project are allowed to play in a bingo game, no compensation is paid for any persons who conduct the bingo, a manager is appointed to supervise the bingo, and the manager registers with the board. The gross receipts from bingo conducted under the limitations of this subdivision are exempt from taxation under chapter 297A.

(c) Raffles may be conducted by an organization without a license and without complying with sections ~~349.11 to 349.13 and 349.151~~ 349.154 to 349.165 and 349.167 to 349.213 if the value of all raffle prizes awarded by the organization in a calendar year does not exceed $750.

(d) The organization must maintain all required records of excluded gambling activity for 3-1/2 years.

Sec. 58. Minnesota Statutes 1992, section 349.166, subdivision 2, is amended to read:

Subd. 2. [EXEMPTIONS.] (a) Lawful gambling may be conducted by an organization ~~as defined in section 349.12, subdivision 28,~~ without a license and without complying with sections ~~349.151 to 349.16; 349.167;~~ 349.168, subdivisions 1 and 2; 349.17, subdivisions 4 and 5; 349.18, subdivision 1; and 349.19~~; and 349.212~~ if:

(1) the organization conducts lawful gambling on five or fewer days in a calendar year;

(2) the organization does not award more than $50,000 in prizes for lawful gambling in a calendar year;

(3) the organization pays a fee of $25 to the board, notifies the board in writing not less than 30 days before each lawful gambling occasion of the date and location of the occasion, or 60 days for an occasion held in the case of a city of the first class, the types of lawful gambling to be conducted, the prizes to be awarded, and receives an exemption identification number;

(4) the organization notifies the local government unit 30 days before the lawful gambling occasion, or 60 days for an occasion held in a city of the first class;

(5) the organization purchases all gambling equipment and supplies from a licensed distributor; and

(6) the organization reports to the board, on a single-page form prescribed by the board, within 30 days of each gambling occasion, the gross receipts, prizes, expenses, expenditures of net profits from the occasion, and the identification of the licensed distributor from whom all gambling equipment was purchased.

(b) If the organization fails to file a timely report as required by paragraph (a), clause (3) or (6), a $250 penalty is imposed on the organization. Failure to file a timely report does not disqualify the organization as exempt under this ~~paragraph~~ subdivision if a report is later filed and the penalty paid.

(c) Merchandise prizes must be valued at their fair market value.

(d) Unused pull-tab and tipboard deals must be returned to the distributor within seven working days after the end of the lawful gambling occasion. The distributor must accept and pay a refund for all returns of unopened and undamaged deals returned under this paragraph.

(e) An organization that is exempt from taxation on purchases of pull-tabs and tipboards under section 349.212, subdivision 4, paragraph (c), must return to the distributor any tipboard or pull-tab deal no part of which is used at the lawful gambling occasion for which it was purchased by the organization.

(f) The organization must maintain all required records of exempt gambling activity for 3-1/2 years.

Sec. 59. Minnesota Statutes 1992, section 349.166, subdivision 3, is amended to read:

Subd. 3. [RAFFLES; CERTAIN ORGANIZATIONS.] Sections ~~349.21~~ 349.168, subdivisions 3 and 4; and 349.211, subdivision 3, and the membership requirements of ~~sections 349.14 and 349.20~~ section 349.16, subdivision 2, paragraph (c), do not apply to raffles conducted by an organization that directly or under contract to the state or a political subdivision delivers health or social services and that is a 501(c)(3) organization if the prizes awarded in the raffles are real or personal property donated by an individual, firm, or other organization. The person who accounts for the gross receipts, expenses, and profits of the raffles may be the same person who accounts for other funds of the organization.

Sec. 60. Minnesota Statutes 1992, section 349.167, subdivision 1, is amended to read:

Subdivision 1. [GAMBLING MANAGER REQUIRED.] (a) All lawful gambling conducted by a licensed organization must be under the supervision of a gambling manager. A gambling manager designated by an organization to supervise lawful gambling is responsible for the gross receipts of the organization and for its conduct in compliance with all laws and rules. A person designated as a gambling manager shall maintain a fidelity bond in the sum of $10,000 in favor of the organization conditioned on the faithful performance of the manager's duties. The terms of the bond must provide that notice be given to the board in writing not less than 30 days before its cancellation.

(b) A person may not act as a gambling manager for more than one organization.

(c) An organization may not conduct lawful gambling without having a gambling manager. ~~The board must be notified in writing of a change in gambling managers. Notification must be made within ten days of the date the gambling manager assumes the manager's duties.~~

(d) An organization may not have more than one gambling manager at any time.

Sec. 61. Minnesota Statutes 1992, section 349.167, subdivision 2, is amended to read:

Subd. 2. [GAMBLING MANAGERS; LICENSES.] A person may not serve as a gambling manager for an organization unless the person possesses a valid gambling manager's license issued by the board. In addition to the disqualifications in section 349.155, subdivision 3, the board may not issue a gambling manager's license to a person applying for the license who:

(1) has not complied with subdivision 4, clause (1);

(2) ~~has never been convicted of a felony;~~

~~(3)~~ within the five years before the date of the license application, has ~~not~~ committed a violation of law or board rule that resulted in the revocation of a license issued by the board;

~~(4)~~ (3) has ~~never~~ ever been convicted of a criminal violation involving fraud, theft, tax evasion, misrepresentation, or gambling; or

~~(5) has never been convicted of (i) assault, (ii) a criminal violation involving the use of a firearm, or (iii) making terroristic threats; and~~

~~(6)~~ (4) has ~~not~~ engaged in conduct the board determines is contrary to the public health, welfare, or safety or the integrity of lawful gambling.

A gambling manager's license ~~is valid for one year~~ runs concurrent with the organization's license unless the gambling manager's license is suspended or revoked. The ~~annual~~ fee for a gambling manager's license is ~~$100~~ $200. During the second year of an organization's license the license fee for a new gambling manager is $100.

Sec. 62. Minnesota Statutes 1992, section 349.167, subdivision 4, is amended to read:

Subd. 4. [TRAINING OF GAMBLING MANAGERS.] The board shall by rule require all persons licensed as gambling managers to receive periodic training in laws and rules governing lawful gambling. The rules must contain the following requirements:

(1) each gambling manager must receive training before being issued a new license, except that in the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must receive the training within 90 days of being issued a license;

(2) each gambling manager applying for a renewal of a license must have received continuing education training ~~within the three years prior to the date of application for the renewal,~~ as required by board rule, each year of the two-year license period; and

(3) the training required by this subdivision may be provided by a person~~, firm, association, or organization~~ authorized by the board to provide the training. Before authorizing a person~~, firm, association, or organization~~ to provide training, the board must determine that:

(i) the provider and all of the provider's personnel conducting the training are qualified to do so;

(ii) the curriculum to be used fully and accurately covers all elements of lawful gambling law and rules that the board determines are necessary for a gambling manager to know and understand;

(iii) the fee to be charged for participants in the training sessions is fair and reasonable; and

(iv) the training provider has an adequate system for documenting completion of training.

The rules may provide for differing training requirements for gambling managers based on the class of license held by the gambling manager's organization.

The board or the director may provide the training required by this subdivision using employees of the board.

Sec. 63. Minnesota Statutes 1992, section 349.167, is amended by adding a subdivision to read:

Subd. 7. [GAMBLING MANAGER EXAMINATION.] (a) By January 1, 1996, each gambling manager must pass an examination prepared and administered by the board that tests the gambling manager's knowledge of the responsibilities of gambling managers and of gambling procedures, laws, and rules. The board shall revoke the license of any gambling manager who has not passed the examination by January 1, 1996.

(b) On and after January 1, 1996, each applicant for a new gambling manager's license must pass the examination provided for in paragraph (a) before being issued the license. In the case of the death, disability, or termination of a gambling manager, a replacement gambling manager must pass the examination within 90 days of being issued a gambling manager's license. The board shall revoke the replacement gambling manager's license if the replacement gambling manager fails to pass the examination as required in this paragraph.

Sec. 64. Minnesota Statutes 1992, section 349.168, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION.] Compensation to persons who participate in the conduct of lawful gambling may be paid only to active members of the conducting organization or its auxiliary, or the spouse or surviving spouse of an active member, except that the following persons may receive compensation without being active members: (1)

sellers of pull-tabs, tipboards, raffle tickets, ~~paddlewheel tickets~~ paddletickets, and bingo hard cards or paper sheets; (2) accountants performing auditing or bookkeeping services for the organization; and (3) attorneys providing legal services to the organization. The board may by rule allow other persons not active members of the organization to receive compensation.

Sec. 65. Minnesota Statutes 1992, section 349.168, subdivision 6, is amended to read:

Subd. 6. [COMPENSATION PAID BY CHECK.] Compensation paid by an organization in connection with lawful gambling must be in the form of a check drawn on the organization's gambling account, as specified in section 349.19, and paid directly to the ~~employee~~ person being compensated.

Sec. 66. Minnesota Statutes 1992, section 349.168, is amended by adding a subdivision to read:

Subd. 9. [COMPENSATION REPORT.] A licensed organization must submit to the board once each year, on a form the board prescribes, a compensation report that specifies for the year being reported: (1) each job category for which the organization pays compensation, (2) each compensation rate paid in each job category, and (3) the number of employees being paid each compensation rate during the year.

Sec. 67. Minnesota Statutes 1992, section 349.169, subdivision 1, is amended to read:

Subdivision 1. [FILING REQUIRED.] All manufacturers and distributors must file with the director, not later than the first day of each month, the prices at which the manufacturer or distributor will sell all gambling equipment in that month. The filing must be on a form the director prescribes. Prices filed must include all charges the manufacturer or distributor makes for each item of gambling equipment sold, including all volume discounts, exclusive of transportation costs. All filings are effective on the first day of the month for which they are filed, except that a manufacturer or distributor may amend a filed price within five days of filing it and may file a price any time during a month for gambling equipment not previously included on that month's filed pricing report, but may not later amend the price during the month.

Sec. 68. Minnesota Statutes 1992, section 349.17, subdivision 2, is amended to read:

Subd. 2. [BINGO ~~ON LEASED PREMISES~~.] During any bingo occasion conducted by an organization, the organization is directly responsible for the:

(1) staffing of the bingo occasion;

(2) conducting of lawful gambling during the bingo occasion;

(3) acquiring, storage, inventory control, and reporting of all gambling equipment used by the organization;

(4) receipt, accounting, and all expenditures of gross receipts from lawful gambling; and

(5) preparation of the bingo packets.

Sec. 69. Minnesota Statutes 1992, section 349.17, subdivision 4, is amended to read:

Subd. 4. [CHECKERS.] One or more checkers must be engaged for each bingo occasion when bingo is conducted using bingo hard cards. The checker or checkers must record, on a form the board provides, the number of hard cards played in each game and the prizes awarded to recorded hard cards. The form must provide for the inclusion of the ~~registration~~ face number of each winning hard card and must include a checker's certification that the figures recorded are correct to the best of the checker's knowledge.

Sec. 70. Minnesota Statutes 1992, section 349.17, subdivision 5, is amended to read:

Subd. 5. [BINGO ~~CARD NUMBERING~~ CARDS AND SHEETS.] (a) The board shall by rule require that all licensed organizations: (1) conduct bingo only using liquid daubers on ~~cards~~ bingo paper sheets that bear an individual number recorded by the distributor; and (2) ~~sell all bingo cards only in the order of the numbers appearing on the cards; and (3)~~ use each bingo ~~card~~ paper sheet for no more than one bingo occasion. In lieu of the requirements of ~~clauses~~ clause (2) ~~and (3)~~, a licensed organization may electronically record the sale of each bingo hard card or paper sheet at each bingo occasion using an electronic recording system approved by the board.

(b) The requirements of paragraph (a) ~~do not~~ shall only apply to a licensed organization that ~~has never~~ received gross receipts from bingo in excess of $150,000 in ~~any~~ the organization's last fiscal year.

Sec. 71. Minnesota Statutes 1992, section 349.17, is amended by adding a subdivision to read:

Subd. 6. [CONDUCT OF BINGO.] (a) Each bingo hard card and paper sheets must have five horizontal rows of spaces with each row except one having five numbers. The center row must have four numbers and the center space marked "free." Each column must have one of the letters B-I-N-G-O in order at the top. Bingo paper sheets may also have numbers that are not preprinted but are filled in by players.

(b) A game of bingo begins with the first letter and number called. Each player must cover or mark with a liquid dauber the numbers when bingo balls, similarly numbered, are randomly drawn, announced, and displayed to the players, either manually or with a flashboard or monitor. The game is won when a player has covered or marked a previously designated arrangement of numbers on the card or sheet and declared bingo. The game is completed when a winning card or sheet is verified and a prize awarded.

Sec. 72. [349.1711] [CONDUCT OF TIPBOARDS.]

Subdivision 1. [SALE OF TICKETS.] Tipboard games must be played using only tipboard tickets that are either (1) attached to a placard and arranged in columns or rows, or (2) separate from the placard and contained in a receptacle while the game is in play. The placard serves as the game flare. The placard must contain a seal that conceals the winning number or symbol. When a tipboard ticket is purchased and opened, each player having a tipboard ticket with one or more predesignated numbers or symbols must sign the placard at the line indicated by the number or symbol on the tipboard ticket.

Subd. 2. [DETERMINATION OF WINNERS.] When the predesignated numbers or symbols have all been purchased, or all of the tipboard tickets for that game have been sold, the seal must be removed to reveal a number or symbol that determines which of the predesignated numbers or symbols is the winning number or symbol. A tipboard may also contain consolation winners that need not be determined by the use of the seal.

Subd. 3. [PRIZES.] Cash or merchandise prizes may be awarded in a tipboard game. All prizes available in each game must be stated on the game flare.

Sec. 73. Minnesota Statutes 1992, section 349.174, is amended to read:

349.174 [PULL-TABS; DEADLINE FOR USE.]

A deal of pull-tabs ~~and~~ or tipboards received by an organization before September 1, 1989, must be put into play by that organization before September 1, 1990, unless the deal bears a serial number that allows it to be traced back to its manufacturer and to the distributor who sold it to the organization. An organization in possession on and after September 1, 1990, of a deal of pull-tabs ~~and~~ or tipboards the organization received before September 1, 1989, may not put such a deal in play but must remove it from the organization's inventory and return it to the manufacturer.

Sec. 74. Minnesota Statutes 1992, section 349.18, subdivision 1, is amended to read:

Subdivision 1. [LEASE OR OWNERSHIP REQUIRED.] (a) An organization may conduct lawful gambling only on premises it owns or leases. Leases ~~must be for a period of at least one year and~~ must be on a form prescribed by the board. Except for leases entered into before the effective date of this section, the term of the lease may not begin before the effective date of the premises permit and must expire on the same day that the premises permit expires. Copies of all leases must be made available to employees of the board and the division of gambling enforcement on request. A lease may not provide for payments determined directly or indirectly by the receipts or profits from lawful gambling. The board may prescribe by rule limits on the amount of rent which an organization may pay to a lessor for premises leased for lawful gambling provided that no rule of the board may prescribe a limit of less than $1,000 per month on rent paid for premises used for lawful gambling other than bingo. Any rule adopted by the board limiting the amount of rent to be paid may only be effective for leases entered into, or renewed, after the effective date of the rule.

(b) No person, distributor, manufacturer, lessor, or organization other than the licensed organization leasing the space may conduct any activity on the leased premises during times when lawful gambling is being conducted on the premises.

(c) At a site where the leased premises consists of an area on or behind a bar at which alcoholic beverages are sold and employees of the lessor are employed by the organization as pull-tab sellers at the site, pull-tabs and tipboard tickets may be sold and redeemed by those employees at any place on or behind the bar, but the tipboards and receptacles for pull-tabs and cash drawers for lawful gambling receipts must be maintained only within the leased premises.

(d) Employees of a lessor may participate in lawful gambling on the premises provided (1) if pull-tabs or tipboards are sold, the organization voluntarily posts, or is required to post, the major prizes as specified in section 349.172; and (2) any employee of the lessor participating in lawful gambling is not a gambling employee for the organization conducting lawful gambling on the premises.

Sec. 75. Minnesota Statutes 1992, section 349.18, subdivision 1a, is amended to read:

Subd. 1a. [STORAGE OF GAMBLING EQUIPMENT.] (a) Gambling equipment owned by or in the possession of an organization must be kept at a ~~licensed gambling~~ permitted premises owned or ~~operated~~ leased by the organization, or at other storage sites within the state that the organization has notified the board are being used as gambling equipment storage sites. At each storage site or ~~licensed~~ permitted premises, the organization must have the invoices or true and correct copies of the invoices for the purchase of all gambling equipment at the site or premises. Gambling equipment owned by an organization may not be kept at a distributor's office, warehouse, storage unit, or other place of the distributor's business.

(b) Gambling equipment, other than devices for selecting bingo numbers, owned by an organization must be secured and kept separate from gambling equipment owned by other persons, organizations, distributors, or manufacturers.

(c) Paddlewheels must be covered or disabled when not in use by the organization in the conduct of lawful gambling.

(d) Gambling equipment kept in violation of this subdivision is contraband under section 349.2125.

(e) An organization may transport gambling equipment it owns or possesses between approved gambling equipment storage sites and to and from licensed distributors, if the invoices or true and correct copies of the invoices for the organization's acquisition of the gambling equipment accompany the gambling equipment at all times and are available for inspection.

Sec. 76. Minnesota Statutes 1992, section 349.18, subdivision 2, is amended to read:

Subd. 2. [EXCEPTIONS.] (a) An organization may conduct raffles on a premise it does not own or lease.

(b) An organization may, with the permission of the board, conduct bingo on premises it does not own or lease for up to 12 consecutive days in a calendar year, in connection with a county fair, the state fair, or a civic celebration.

(c) A licensed organization may, after compliance with section 349.213, conduct lawful gambling on premises other than the organization's ~~licensed premise~~ permitted premises for one day per year for not more than 12 hours that day. A lease for that time period for the exempted premises must accompany the request to the board.

Sec. 77. Minnesota Statutes 1992, section 349.19, subdivision 2, is amended to read:

Subd. 2. [ACCOUNTS.] Gross receipts from lawful gambling by each organization must be segregated from all other revenues of the conducting organization and placed in a separate account. All expenditures for expenses, taxes, and lawful purposes must be made from the separate account except in the case of expenditures previously approved by the organization's membership for emergencies as defined by board rule. The name and address of the bank, the account number for the separate account, and the names of organization members authorized as signatories on the separate account must be provided to the board when the application is submitted. Changes in the information must be submitted to the board at least ten days before the change is made. Gambling receipts must be deposited into the gambling bank account within ~~three~~ four business days of completion of the bingo occasion, deal, or game from which they are received. A deal of pull-tabs is considered complete when either the last pull-tab of the deal is sold or the organization does not continue the play of the deal during the next scheduled period of time in which the organization will conduct pull-tabs. A tipboard game is considered complete when the seal on the game flare is uncovered. Deposit records must be sufficient to allow determination of deposits made from each bingo occasion, deal, or game at each permitted premises. The person who accounts for gambling gross receipts and profits may not be the same person who accounts for other revenues of the organization.

Sec. 78. Minnesota Statutes 1992, section 349.19, subdivision 5, is amended to read:

Subd. 5. [REPORTS.] A licensed organization must report to the board and to its membership monthly, or quarterly in the case of a class C licensee or licensed organization which does not report more than $1,000 in gross receipts from lawful gambling in any calendar quarter, on its gross receipts, expenses, profits, and expenditure of profits from lawful gambling. The report must include a reconciliation of the organization's profit carryover with its cash balance on hand. If the organization conducts both bingo and other forms of lawful gambling, the figures for both must be reported separately. In addition, a licensed organization must report to the board monthly on its purchases of gambling equipment and must include the type, quantity, and dollar amount from each supplier separately. The reports must be on a form the board prescribes. Submission of the report required by section 349.154 satisfies the requirement for reporting monthly to the board on expenditure of net profits.

Sec. 79. Minnesota Statutes 1992, section 349.19, subdivision 8, is amended to read:

Subd. 8. [TERMINATION PLAN.] Upon termination of a license for any reason, a licensed organization must notify the board in writing within ~~15~~ 30 calendar days of the license termination date of its plan for disposal of ~~registered~~ gambling equipment and distribution of remaining gambling proceeds. Before implementation, a plan must be approved by the board as provided in board rule. The board may accept or reject a plan and order submission of a new plan or amend a proposed plan. The board may specify a time for submission of new or amended plans or for completion of an accepted plan.

Sec. 80. Minnesota Statutes 1992, section 349.19, subdivision 9, is amended to read:

Subd. 9. [ANNUAL AUDIT; FILING REQUIREMENT.] An organization licensed under this chapter must have an annual financial audit ~~of its lawful gambling activities and funds performed by an independent accountant licensed by the state of Minnesota. The commissioner of revenue shall prescribe standards for the audit. A complete, true, and correct copy of the audit report must be filed as prescribed by the commissioner of revenue~~ or financial review when required by section 297E.06, subdivision 4.

Sec. 81. Minnesota Statutes 1992, section 349.19, subdivision 10, is amended to read:

Subd. 10. [PULL-TAB RECORDS.] (a) The board shall by rule require a licensed organization to require each winner of a pull-tab prize of $50 or more to present identification in the form of a drivers license, Minnesota identification card, or other identification the board deems sufficient to allow the identification and tracing of the winner. The rule must require the organization to retain winning pull-tabs of $50 or more, and the identification of the winner of the pull-tab, for 3-1/2 years.

(b) An organization must maintain separate cash banks for each deal of pull-tabs unless (1) two or more deals are commingled in a single receptacle, or (2) the organization uses a cash register, of a type approved by the board, which records all sales of pull-tabs by separate deals. The board shall (1) by rule adopt minimum technical standards for cash registers that may be used by organizations, and shall approve for use by organizations any cash register that meets the standards, and (2) before allowing an organization to use a cash register that commingles receipts from several different pull-tab games in play, adopt rules that define how cash registers may be used and that establish a procedure for organizations to reconcile all pull-tab games in play at the end of each month.

Sec. 82. Minnesota Statutes 1992, section 349.191, subdivision 1, is amended to read:

Subdivision 1. [CREDIT RESTRICTION.] A manufacturer may not offer or extend to a distributor, and a distributor may not offer or extend to an organization, credit for a period of more than 30 days for the sale of any gambling equipment. No right of action exists for the collection of any claim based on credit prohibited by this subdivision. The 30-day period allowed by this subdivision begins with the day immediately following the day of invoice and includes all successive days, including Sundays and holidays, to and including the 30th successive day.

Sec. 83. Minnesota Statutes 1992, section 349.191, is amended by adding a subdivision to read:

Subd. 1a. [CREDIT AND SALES TO DELINQUENT ORGANIZATIONS.] (a) If a distributor does not receive payment in full from an organization within 30 days of the delivery of gambling equipment, the distributor must notify the board in writing of the delinquency.

(b) If a distributor who has notified the board under paragraph (a) has not received payment in full from the organization within 60 days of the notification under paragraph (a), the distributor must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all distributors that until further notice from the board, they may sell gambling equipment to the delinquent organizations only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all distributors not to sell any gambling equipment to the delinquent organization.

(d) No distributor may extend credit or sell gambling equipment to an organization in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 84. Minnesota Statutes 1992, section 349.191, is amended by adding a subdivision to read:

Subd. 1b. [CREDIT AND SALES TO DELINQUENT DISTRIBUTORS.] (a) If a manufacturer does not receive payment in full from a distributor within 30 days of the delivery of gambling equipment, the manufacturer must notify the board in writing of the delinquency.

(b) If a manufacturer who has notified the board under paragraph (a) has not received payment in full from the distributor within 60 days of the notification under paragraph (a), the manufacturer must notify the board of the continuing delinquency.

(c) On receipt of a notice under paragraph (a), the board shall order all manufacturers that until further notice from the board, they may sell gambling equipment to the delinquent distributor only on a cash basis with no credit extended. On receipt of a notice under paragraph (b), the board shall order all manufacturers not to sell any gambling equipment to the delinquent distributor.

(d) No manufacturer may extend credit or sell gambling equipment to a distributor in violation of an order under paragraph (c) until the board has authorized such credit or sale.

Sec. 85. Minnesota Statutes 1992, section 349.191, subdivision 4, is amended to read:

Subd. 4. [CREDIT; POSTDATED CHECKS.] For purposes of this ~~subdivision~~ section, "credit" includes acceptance by a manufacturer or distributor of a postdated check in payment for gambling equipment.

Sec. 86. Minnesota Statutes 1992, section 349.211, subdivision 1, is amended to read:

Subdivision 1. [BINGO.] Except as provided in subdivision 2, prizes for a single bingo game may not exceed $100 except prizes for a cover-all game, which may exceed $100 if the aggregate value of all cover-all prizes in a bingo occasion does not exceed ~~$500~~ $1,000. Total prizes awarded at a bingo occasion may not exceed $2,500, unless a cover-all game is played in which case the limit is ~~$3,000~~ $3,500. For purposes of this subdivision, a cover-all game is one in which a player must cover all spaces except a single free space to win.

Sec. 87. Minnesota Statutes 1992, section 349.211, subdivision 2, is amended to read:

Subd. 2. [~~BINGO CUMULATIVE PRICES~~ PROGRESSIVE BINGO GAMES.] A prize of up to $1,000 may be awarded for a ~~single~~ progressive bingo game ~~if the prize is an accumulation of prizes not won in games in previous bingo occasions~~, including a cover-all game. The prize for a progressive bingo game may start at $300 and be increased by up to $100 for each occasion during which the progressive bingo game is played. A consolation prize of up to $100 for a progressive bingo game may be awarded in each occasion during which the progressive bingo game is played and the accumulated prize is not won. The total amount awarded in ~~cumulative~~ progressive bingo game prizes in any calendar year may not exceed ~~$12,000~~ $36,000. ~~For bingo occasions in which a cumulative prize is awarded the aggregate value of prizes which may be awarded for the occasion is increased by the amount of the cumulative prize so awarded less $100.~~

Sec. 88. Minnesota Statutes 1992, section 349.211, subdivision 2a, is amended to read:

Subd. 2a. [PULL-TAB PRIZES.] The maximum prize which may be awarded for any single pull-tab is ~~$250~~ $500. An organization may not sell any pull-tab for more than $2.

Sec. 89. Minnesota Statutes 1992, section 349.2125, subdivision 1, is amended to read:

Subdivision 1. [CONTRABAND DEFINED.] The following are contraband:

(1) all pull-tab or tipboard deals ~~that do not have stamps affixed to them as provided in section 349.162~~ or paddleticket cards not stamped or bar coded in accordance with this chapter or chapter 297E;

(2) all pull-tab or tipboard deals in the possession of any unlicensed person, firm, or organization, whether stamped or unstamped;

(3) any container used for the storage and display of any contraband pull-tab or tipboard deals as defined in clauses (1) and (2);

(4) all currency, checks, and other things of value used for pull-tab or tipboard transactions not expressly permitted under this chapter, and any cash drawer, cash register, or any other container used for illegal pull-tab or tipboard transactions including its contents;

(5) any device including, but not limited to, motor vehicles, trailers, snowmobiles, airplanes, and boats used, with the knowledge of the owner or of a person operating with the consent of the owner, for the storage or transportation of more than five pull-tab or tipboard deals that are contraband under this subdivision. When pull-tabs and tipboards are being transported in the course of interstate commerce~~, or from one distributor to another~~ between locations outside this state, the pull-tab and tipboard deals are not contraband, notwithstanding the provisions of ~~clause~~ clauses (1) and (12);

(6) any unaffixed registration stamps except as provided in section 349.162, subdivision 4;

(7) any prize used or offered in a game utilizing contraband as defined in this subdivision;

(8) any altered, modified, or counterfeit pull-tab or tipboard ticket;

(9) any unregistered gambling equipment except as permitted by this chapter;

(10) any gambling equipment kept in violation of section 349.18; ~~and~~

(11) any gambling equipment not in conformity with law or board rule~~.~~;

(12) any pull-tab or tipboard deal in the possession of a person other than a licensed distributor or licensed manufacturer for which the person, upon demand of a licensed peace officer or authorized agent of the commissioner of revenue or director of gambling enforcement, does not immediately produce for inspection the invoice or a true and correct copy of the invoice for the acquisition of the deal from a licensed distributor; and

(13) any pull-tab or tipboard deals or portions of deals on which the tax imposed under chapter 297E has not been paid.

Sec. 90. Minnesota Statutes 1992, section 349.2125, subdivision 3, is amended to read:

Subd. 3. [INVENTORY; JUDICIAL DETERMINATION; APPEAL; DISPOSITION OF SEIZED PROPERTY.] Within ten days after the seizure of any alleged contraband, the person making the seizure shall make available an inventory of the property seized to the person from whom the property was seized, if known, and file a copy with the commissioner of revenue or the director of gambling enforcement. Within ten days after the date of service of the inventory, the person from whom the property was seized or any person claiming an interest in the property may file with the seizing authority a demand for judicial determination of whether the property was lawfully subject to seizure and forfeiture. Within 60 days after the date of filing of the demand, the seizing authority must bring an action in the district court of the county where seizure was made to determine the issue of forfeiture. The action must be brought in the name of the state and be prosecuted by the county attorney or by the attorney general. The court shall hear the action without a jury and determine the issues of fact and laws involved. When a judgment of forfeiture is entered, the seizing authority may, unless the judgment is stayed pending an appeal, either (1) cause the forfeited property to be destroyed; or (2) cause it to be sold at a public auction as provided by law.

If demand for judicial determination is made and no action is commenced by the seizing authority as provided in this subdivision, the property must be released by the seizing authority and delivered to the person entitled to it. If no demand is made, the property seized is considered forfeited to the seizing authority by operation of law and may be disposed of by the seizing authority as provided where there has been a judgment of forfeiture. When the seizing authority is satisfied that a person from whom property is seized was acting in good faith and without intent to evade ~~the~~ a tax imposed by ~~section 349.2121, subdivision 4~~ chapter 297E, the seizing authority shall release the property seized without further legal proceedings.

Sec. 91. Minnesota Statutes 1992, section 349.2127, subdivision 2, is amended to read:

Subd. 2. [PROHIBITION AGAINST POSSESSION.] (a) A person~~, other than a licensed distributor,~~ is guilty of a crime who sells, offers for sale, or possesses a pull-tab or tipboard deal or paddleticket cards not stamped or bar coded in accordance with the provisions of this chapter or chapter 297E. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

(b) A person, other than a licensed manufacturer, a licensed distributor, or an organization licensed or exempt or excluded from licensing under this chapter, is guilty of a crime who sells, offers to sell, or possesses gambling equipment. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

(c) A person~~, firm, or organization~~ is guilty of a crime who alters, modifies, or counterfeits pull-tabs, tipboards, or tipboard tickets, or possesses altered, modified, or counterfeit pull-tabs, tipboards, or tipboard tickets. A violation of this paragraph is a gross misdemeanor if the total face value for all such pull-tabs, tipboards, or tipboard tickets does not exceed $200. A violation of this paragraph is a felony if the total face value exceeds $200. For purposes of this paragraph, the face value of all pull-tabs, tipboards, and tipboard tickets altered, modified, or counterfeited within a six-month period may be aggregated and the defendant charged accordingly.

(d) A person, other than a licensed distributor or licensed manufacturer, is guilty of a crime who possesses a pull-tab or tipboard deal for which the person, upon demand of a licensed peace officer or authorized agent of the commissioner of revenue or director of gambling enforcement, does not immediately produce for inspection the invoice or a true and correct copy of the invoice for the acquisition of the deal from a licensed distributor. A violation of this paragraph is a gross misdemeanor if it involves ten or fewer pull-tab or tipboard deals. A violation of this paragraph is a felony if it involves more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards. This paragraph does not apply to pull-tab and tipboard deals being transported in interstate commerce between locations outside this state.

Sec. 92. Minnesota Statutes 1992, section 349.2127, subdivision 3, is amended to read:

Subd. 3. [FALSE INFORMATION.] ~~(a) A person is guilty of a felony if the person is required by section 349.2121, subdivision 2, to keep records or to make returns and falsifies or fails to keep the records or falsifies or fails to make the returns.~~

~~(b)~~ A person is guilty of a felony who:

(1) knowingly submits materially false information in any license application or other document or communication submitted to the board; ~~or~~

(2) ~~knowingly submits materially false information in any report, document, or other communication submitted to the commissioner of revenue in connection with lawful gambling or with any provision of this chapter~~ knowingly places materially false information on a pull-tab or tipboard deal invoice or a copy of the invoice; or

(3) knowingly presents to a licensed peace officer or authorized agent of the commissioner of revenue or director of gambling enforcement a pull-tab or tipboard deal invoice, or a copy of the invoice, that contains materially false information.

Sec. 93. Minnesota Statutes 1992, section 349.2127, subdivision 4, is amended to read:

Subd. 4. [TRANSPORTING UNSTAMPED DEALS.] A person is guilty of a gross misdemeanor who transports into, ~~or~~ causes to be transported into, receives, carries, ~~or~~ moves from place to place, or causes to be moved from place to place in this state, any paddleticket cards or deals of pull-tabs or tipboards not stamped or bar coded in accordance with this chapter or chapter 297E except in the course of interstate commerce between locations outside this state. A person is guilty of a felony who violates this subdivision with respect to more than ten pull-tab or tipboard deals, or a combination of more than ten deals of pull-tabs and tipboards.

Sec. 94. Minnesota Statutes 1992, section 349.2127, is amended by adding a subdivision to read:

Subd. 8. [MINIMUM AGE.] (a) A person under the age of 18 years may not buy a pull-tab, tipboard ticket, paddlewheel ticket, or raffle ticket, or a chance to participate in a bingo game other than a bingo game exempt or excluded from licensing. Violation of this paragraph is a misdemeanor.

(b) A licensed organization or employee may not allow a person under age 18 to participate in lawful gambling in violation of paragraph (a). Violation of this paragraph is a misdemeanor.

(c) In a prosecution under paragraph (b), it is a defense for the defendant to prove by a preponderance of the evidence that the defendant reasonably and in good faith relied upon representations of proof of age authorized in section 340A.503, subdivision 6, paragraph (a).

Sec. 95. Minnesota Statutes 1992, section 349.2127, is amended by adding a subdivision to read:

Subd. 9. [TIPBOARD DEFINED.] For purposes of this section "tipboard" includes tipboards as defined in section 349.12, subdivision 34, and any board, placard or other device marked off in a grid or columns, in which each section contains a hidden number or numbers, or other symbol, which determines the winning chances.

Sec. 96. Minnesota Statutes 1992, section 349.213, subdivision 1, is amended to read:

Subdivision 1. [LOCAL REGULATION.] (a) A statutory or home rule city or county has the authority to adopt more stringent regulation of lawful gambling within its jurisdiction, including the prohibition of lawful gambling, and may require a permit for the conduct of gambling exempt from licensing under section 349.166. The fee for a permit issued under this subdivision may not exceed $100. The authority granted by this subdivision does not include the authority to require a license or permit to conduct gambling by organizations or sales by distributors licensed by the board. The authority granted by this subdivision does not include the authority to require an organization to make specific expenditures of more than ten percent from its net profits derived from lawful gambling. For the purposes of this subdivision, net profits are gross profits less amounts expended for allowable expenses and paid in taxes assessed on lawful gambling. A statutory or home rule charter city or a county may not require an organization conducting lawful gambling within its jurisdiction to make an expenditure to the city or county as a condition to operate within that city or county, except as authorized under section 349.16, subdivision 4 8, or ~~349.212~~ 297E.02; provided, however, that an ordinance requirement that such organizations must contribute ten percent of their net profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction to a fund administered and regulated by the responsible local unit of government without cost to such fund, for disbursement by the responsible local unit of government of the receipts for lawful purposes, is not considered an expenditure to the city or county nor a tax under section 349.212, and is valid and lawful.

(b) A statutory or home rule city or county may by ordinance require that a licensed organization conducting lawful gambling within its jurisdiction expend all or a portion of its expenditures for lawful purposes on lawful purposes conducted or located within the city's or county's trade area. Such an ordinance must be limited to lawful purpose expenditures of gross profits derived from lawful gambling conducted at premises within the city's or county's jurisdiction, must define the city's or county's trade area, and must specify the percentage of lawful purpose expenditures which must be expended within the trade area. A trade area defined by a city under this subdivision must include each city contiguous to the defining city.

(c) A more stringent regulation or prohibition of lawful gambling adopted by a political subdivision under this subdivision must apply equally to all forms of lawful gambling within the jurisdiction of the political subdivision, except a political subdivision may prohibit the use of paddlewheels.

Sec. 97. Minnesota Statutes 1992, section 541.21, is amended to read:

541.21 [COMMITMENTS FOR GAMBLING DEBT VOID.]

Every note, bill, bond, mortgage, or other security or conveyance in which the whole or any part of the consideration shall be for any money or goods won by gambling or playing at cards, dice, or any other game whatever, or by betting on the sides or hands of any person gambling, or for reimbursing or repaying any money knowingly lent or advanced at the time and place of such gambling or betting, or lent and advanced for any gambling or betting to any persons so gambling or betting, shall be void and of no effect as between the parties to the same, and as to all persons except such as hold or claim under them in good faith, without notice of the illegality of the consideration of such contract or conveyance. The provisions of this section shall not apply to: (1) pari-mutuel wagering conducted under a license issued pursuant to ~~chapters~~ chapter 240 ~~and 349 or~~; (2) purchase of tickets in the state lottery under chapter 349A~~, or to~~; (3) gaming activities conducted pursuant to the Indian Gaming Regulatory Act, 25 U.S.C. 2701 et seq.; or (4) lawful gambling activities permitted under chapter 349.

Sec. 98. [REPORT ON RULES.]

The board shall develop and submit to the legislature by January 15, 1995, a detailed implementation plan, including proposed rules and legislation to provide for sale of pull-tabs from dispensing devices. The rules must not be effective before June 1, 1995.

Sec. 99. [REPEALER.]

Minnesota Statutes 1992, sections 349.16, subdivisions 4 and 5; 349.161, subdivisions 3, 6, and 7; 349.163, subdivisions 1a and 2a; 349.164, subdivisions 3, 5, and 8; and 349.167, subdivisions 3 and 5; are repealed.

Sec. 100. [EFFECTIVE DATE.]

The requirement that a paddleticket must have a bar code is effective July 1, 1995. The rulemaking authority granted in this act is effective the day following final enactment. Section 41 is effective the day following final enactment and applies to all applications submitted to the board on or after December 1, 1993.

ARTICLE 6

STATE LOTTERY

Section 1. 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 in at least each concourse of the Lindbergh terminal, or at other locations mutually agreed to by the director and the commission. The director shall issue a contract to a nonprofit organization to operate an independent kiosk to sell lottery tickets at the airport.

Sec. 2. Minnesota Statutes 1992, section 349A.10, is amended by adding a subdivision to read:

Subd. 6. [BUDGET APPEARANCE.] The director shall appear at least once each fiscal year before the senate and house of representatives committees having jurisdiction over gambling policy to present and explain the lottery's budget and spending plans for the next fiscal year.

Sec. 3. Minnesota Statutes 1992, section 349A.12, subdivision 1, is amended to read:

Subdivision 1. [PURCHASE BY MINORS.] A person under the age of 18 years may not buy or redeem for a prize a ticket in the state lottery.

Sec. 4. Minnesota Statutes 1992, section 349A.12, subdivision 2, is amended to read:

Subd. 2. [SALE TO MINORS.] A lottery retailer may not sell and a lottery retailer or other person may not furnish or redeem for a prize a ticket in the state lottery to any person under the age of 18 years. It is an affirmative defense to a charge under this subdivision for the lottery retailer or other person to prove by a preponderance of the evidence that the lottery retailer or other person reasonably and in good faith relied upon representation of proof of age described in section 340A.503, subdivision 6, in making the sale or furnishing or redeeming the ticket.

Sec. 5. Minnesota Statutes 1992, section 349A.12, subdivision 5, is amended to read:

Subd. 5. [EXCEPTIONS.] Nothing in this chapter prohibits giving a state lottery ticket as a gift, ~~or buying~~ provided that a state lottery ticket ~~as a gift for~~ may not be given to a person under the age of 18.

Sec. 6. Minnesota Statutes 1992, section 349A.12, subdivision 6, is amended to read:

Subd. 6. [VIOLATIONS.] ~~A violation of subdivision 1 is a petty misdemeanor.~~ A violation of subdivision 1 or 2 or a rule adopted by the director is a misdemeanor. A violation of subdivision 3 or 4 is a gross misdemeanor.

Sec. 7. [TRANSITION.]

Sections 2 to 4 shall not prohibit a person under the age of 18 from redeeming a prize for a lottery ticket furnished to that person if the ticket was purchased prior to the effective date of these sections or if the lottery ticket was for an instant game that was introduced by the Minnesota state lottery prior to the effective date of this act. A person under the age of 18 may only claim a prize for the lottery under this section by presenting the lottery ticket at a Minnesota state lottery office or by mailing the ticket to the Minnesota state lottery. Any prize for the lottery redeemed under this section will be subject to Minnesota Statutes, section 349A.08, subdivision 3, and the applicable game procedures adopted by the director of the lottery.

Sec. 8. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1995. Sections 2 to 7 are effective August 1, 1994.

ARTICLE 7

INDIAN GAMING

Section 1. Minnesota Statutes 1992, section 3.9221, subdivision 2, is amended to read:

Subd. 2. [NEGOTIATIONS AUTHORIZED.] The governor or the governor's designated representatives shall, pursuant to section 11 of the act, negotiate in good faith a tribal-state compact regulating the conduct of class III gambling, as defined in section 4 of the act, on Indian lands of a tribe requesting negotiations. The agreement may include any provision authorized under section 11(d)(3)(C) of the act. The attorney general is the legal counsel for the governor or the governor's representatives in regard to negotiating a compact under this section. If the governor appoints designees to negotiate under this subdivision, the designees must include at least two members of the senate and two members of the house of representatives, two of whom must be the chairs of the senate and house of representatives standing committees with jurisdiction over gambling policy.

Sec. 2. Minnesota Statutes 1992, section 3.9221, subdivision 5, is amended to read:

Subd. 5. [REPORT.] The governor, the attorney general, and the governor's designated representatives shall report to the house and senate committees having jurisdiction over gambling regulation ~~semiannually~~ annually. This report shall contain information on compacts negotiated, and an outline of prospective negotiations.

Sec. 3. [INDIAN GAMING REVOLVING ACCOUNT.]

The attorney general shall deposit in a separate account in the state treasury all money received from Indian tribal governments for the purpose of defraying the attorney general's costs in providing legal services with respect to Indian gaming. Money in the account is appropriated to the attorney general for that purpose.

Sec. 4. Minnesota Statutes 1992, section 299L.02, subdivision 5, is amended to read:

Subd. 5. [BACKGROUND CHECKS.] In any background check required to be conducted by the division of gambling enforcement under this chapter, chapter 240, 349, ~~or~~ 349A, or section 3.9221, the director may, or shall when required by law, require that fingerprints be taken and the director may forward the fingerprints to the Federal Bureau of Investigation for the conducting of a national criminal history check. The director may charge a fee for fingerprint recording and investigation under section 3.9221.

Sec. 5. Minnesota Statutes 1992, section 299L.02, is amended by adding a subdivision to read:

Subd. 6. [REVOLVING ACCOUNT.] The director shall deposit in a separate account in the state treasury all money received from Indian tribal governments for charges for investigations and background checks under compacts negotiated under section 3.9221. Money in the account is appropriated to the director for the purpose of carrying out the director's powers and duties under those compacts.

Sec. 6. [MINIMUM AGE.]

Subdivision 1. [RENEGOTIATION OF COMPACTS.] The governor, pursuant to Minnesota Statutes, section 3.9221, shall take all feasible steps to renegotiate all compacts negotiated under that section for the purpose of establishing a minimum age of 21 years for participating in gambling authorized under the Indian gaming regulatory act, Public Law Number 100-497, and future amendments to it.

Subd. 2. [LEGISLATIVE INTENT.] It is the intent of the legislature that, in the event a minimum age of 21 is negotiated with more than one-half of the tribes that conduct gaming in Minnesota, legislation will be enacted adopting the same minimum age for gambling conducted under Minnesota Statutes, chapters 240, 349, and 349A.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 and 2 are effective June 1, 1994. Sections 3 to 5 are effective July 1, 1994. Section 6 is effective the day following final enactment.

ARTICLE 8

MISCELLANEOUS

Section 1. [4.47] [REPORT ON COMPULSIVE GAMBLING.]

The governor shall report to the legislature by February 1 of each odd-numbered year on the state's progress in addressing the problem of compulsive gambling. The report must include:

(1) a summary of available data describing the extent of the problem in Minnesota;

(2) a summary of programs, both governmental and private, that

(i) provide diagnosis and treatment for compulsive gambling,

(ii) enhance public awareness of the problem and the availability of compulsive gambling services,

(iii) are designed to prevent compulsive gambling and other problem gambling by elementary and secondary school students and vulnerable adults;

(iv) offer professional training in the identification, referral, and treatment of compulsive gamblers;

(3) the likely impact on compulsive gambling of each form of gambling; and

(4) budget recommendations for state-level compulsive gambling programs and activities.

Sec. 2. [325E.42] [DECEPTIVE TRADE PRACTICES; GAMBLING ADVERTISING AND MARKETING CLAIMS.]

Subdivision 1. [REGULATION.] All advertising or marketing materials relating to the conduct of any form of legal gambling in Minnesota, including informational or promotional materials, must:

(1) be sufficiently clear to prevent deception; and

(2) not overstate expressly, or by implication, the attributes or benefits of participating in legal gambling.

Subd. 2. [ATTORNEY GENERAL'S ACTIONS.] The attorney general may bring an action against any person violating this section in accordance with section 8.31, except that no private action is permitted to redress or correct a violation of this section.

Subd. 3. [ADVERTISING MEDIA EXCLUDED.] This section applies to actions of the owner, publisher, agent, or employee of newspapers, magazines, other printed matter, or radio or television stations or other advertising media used for the publication or dissemination of an advertisement or marketing materials, only if the owner, publisher, agent, or employee has been personally served with a certified copy of a court order or consent judgment or agreement prohibiting the publication of particular gambling advertising or marketing materials and thereafter publishes such materials.

Sec. 3. [LEGISLATIVE FINDINGS.]

The legislature finds that:

(a) The professional and amateur sports protection act of 1992 has been signed into law as Public Law Number 102-559.

(b) Public Law Number 102-559 prohibits any state from operating or permitting any organized wagering on sports events, but excludes those states which had as of October 2, 1992, enacted legislation or had a referendum pending that would legalize organized wagering on sports events, either by the state or by private entities.

(c) By passage of Public Law Number 102-559 Congress has infringed on the traditional rights of states to make their own determinations as to appropriate methods of controlling or combatting illegal gambling or raising state revenue, and raises serious questions as to possible violations of the tenth amendment to the United States Constitution.

(d) The exemptions granted in Public Law Number 102-559 to a handful of states are unreasonable, arbitrary, and discriminatory.

Sec. 4. [ATTORNEY GENERAL TO CONSIDER ACTION.]

The attorney general shall examine and analyze the legal issues involved and the propriety of bringing an action in the appropriate federal court to determine the constitutionality of Public Law Number 102-559 to the extent that it infringes on the authority of the legislature to enact legislation relating to organized wagering on sports events. After this examination and analysis the attorney general may, at the attorney general's discretion, bring such an action to determine the constitutionality of Public Law Number 102-559. No such action may be brought before May 1, 1995. By March 1, 1995, the attorney general shall report to the legislature on the attorney general's activities under this section.

Sec. 5. [ADVISORY COUNCIL.]

Subdivision 1. [COUNCIL ESTABLISHED.] An advisory council on gambling is created to study the conduct of all forms of gambling in Minnesota and advise the governor and legislature on all aspects of state policy on gambling.

Subd. 2. [MEMBERSHIP.] The council consists of 14 members, as follows:

(1) one member, appointed by the governor, who shall be the person on the governor's staff who is the primary responsible person on the governor's staff for gambling policy, who shall act as chair of the council;

(2) eight members appointed by the governor, each of whom must reside in a different congressional district;

(3) one member appointed by the attorney general who must be an attorney in the attorney generals' office; and

(4) the chairs of the committees having jurisdiction over gambling in the senate and the house of representatives, a member of the minority party in the house of representatives appointed by the speaker of the house and a member of the minority party of the senate appointed by the subcommittee on committees of the senate committee on rules and administration.

Subd. 3. [DUTIES.] The council has the following duties:

(1) to consult with state agencies responsible for gambling operation, policy, regulation, or enforcement, either on its own initiative or on the initiative of the agency;

(2) to assist the governor in making recommendations contained in the compulsive gambling report required by section 1;

(3) to advise the governor on the development of a socio-economic model to support decision making on gambling issues; and

(4) conduct the study required under subdivision 4.

Subd. 4. [STUDY.] The advisory council shall study all forms of gambling conducted in Minnesota. The study shall include but not be limited to the following areas and issues:

(1) the extent of all forms of gambling in this state;

(2) the purpose, intent, application, integration, and relationship of the provisions of Minnesota laws relating to all forms of gambling in the state;

(3) the relationship among the state government boards and agencies that regulate gambling, including consideration of abolishing the current boards that regulate gambling and replacing them with a single permanent advisory board;

(4) the nature and extent of gambling in the state that is not subject to state regulation;

(5) the financial and social impact of the growth of gambling in the last decade;

(6) the likely results of authorization of use of video lottery machines in the state;

(7) the appropriate level of regulation for the lawful gambling industry in Minnesota;

(8) proposals for changes in taxes on pull-tabs and tipboards to reflect unsold tickets; and

(9) expenditures of net profits from lawful gambling for real estate taxes on premises used for lawful gambling.

Subd. 5. [CONTENTS OF REPORT.] The advisory council's report to the legislature and governor must include recommendations regarding:

(1) development of a comprehensive public policy on gambling;

(2) establishment of an efficient state government structure for regulation of gambling; and

(3) implementation and funding of compulsive gambling programs.

Subd. 6. [STAFF.] The staff of the state lottery and legislative staff shall provide administrative and staff assistance when requested by the advisory council. Administrative costs of the advisory council will be paid by the state lottery.

Subd. 7. [COOPERATION BY OTHER AGENCIES.] State agencies shall, upon request of the advisory council, provide data or other information that the agencies collect or possess and that is necessary or useful in conducting the study and preparing the report required by this section.

Subd. 8. [REPORTS.] The advisory council shall, on February 1, 1995, and February 1, 1996, report to the governor and legislature on the results of it studies under subdivisions 4 and 5.

Sec. 6. [SOCIO-ECONOMIC MODEL.]

The governor shall include in the governor's budget proposals for the 1996-1997 biennium a proposal to create and maintain a socio-economic model that will allow executive agencies and the legislature to estimate the social, economic, and public revenue effects of different forms of gambling and changes in Minnesota gambling laws.

Sec. 7. [INTENT.]

It is the intent of the legislature to establish a permanent source of funding for compulsive gambling programs using state revenues generated from legal forms of gambling in the state and contributions from Indian tribes conducting gaming under tribal-state compacts.

Sec. 8. [APPROPRIATIONS.]

Subdivision 1. [COMPULSIVE GAMBLING.] For the fiscal year beginning July 1, 1994, the state lottery board shall deposit $1,000,000 in the general fund for use by the commissioner of human services to pay for compulsive gambling services. The amount deposited by the board shall be deducted from the lottery prize fund established under Minnesota Statutes, section 349A.10, subdivision 2. The amount deposited is appropriated to the commissioner of human services for this purpose. No more than 12 percent of the amount appropriated for compulsive gambling services under this section may be used to pay administrative costs of the department of human services. The deposit in this section is in addition to the reimbursement required by Laws 1993, chapter 146, article 3, section 4.

Subd. 2. [GAMBLING CONTROL BOARD.] $45,000 is appropriated from the general fund to the gambling control board for fiscal year 1995. Of this amount:

(1) $5,000 is for rulemaking to provide for implementation of pull-tab dispensing devices; and

(2) $40,000 is for increased duties under article 5, section 41.

Sec. 9. [EFFECTIVE DATE.]

Sections 3 and 4 are effective the day following final enactment. Section 5 is effective the day following final enactment and is repealed February 1, 1996. Section 8 is effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to gambling; repealing references in law to off-track betting on horse racing; authorizing revocation of racetrack license for failure to conduct live racing; recodifying gambling tax laws and applying them to gambling other than lawful gambling; setting out licensing qualifications for the division of gambling enforcement; prohibiting unauthorized possession of a gambling device; redefining lawful purposes; allowing pull-tab dispensing devices under certain circumstances; setting out licensing procedures for the gambling control board; repealing requirements for gambling stamps and substituting requirements for bar coding of gambling equipment; specifying who may negotiate tribal-state compacts on behalf of the state; establishing revolving funds and appropriating money; prescribing penalties; providing for a report on state gambling policy; providing appointments; amending Minnesota Statutes 1992, sections 3.9221, subdivisions 2 and 5; 240.05, subdivision 1; 240.06, subdivision 7; 240.09, by adding a subdivision; 240.13, subdivisions 1, 2, 3, 5, 6, and 8; 240.15, subdivision 6; 240.16, subdivision 1a; 240.25, subdivision 2, and by adding a subdivision; 240.26, subdivision 3; 240.27, subdivision 1; 240.28, subdivision 1; 270.101, subdivision 1; 299L.01, subdivision 1, and by adding a subdivision; 299L.02, subdivisions 2, 5, and by adding subdivisions; 299L.03, subdivisions 1, 2, 6, and by adding a subdivision; 299L.07; 349.12, subdivisions 1, 3a, 4, 8, 11, 16, 18, 19, 21, 23, 30, 32, 34, and by adding subdivisions; 349.13; 349.15; 349.151, subdivision 4, and by adding subdivisions; 349.152, subdivisions 2 and 3; 349.153; 349.154; 349.16, subdivisions 2, 3, 6, 8, and by adding a subdivision; 349.161, subdivisions 1 and 5; 349.162, subdivisions 1, 2, 4, and 5; 349.163, subdivisions 1, 3, 5, 6, and by adding a subdivision; 349.164, subdivisions 1, 6, and by adding a subdivision; 349.1641; 349.166, subdivisions 1, 2, and 3; 349.167, subdivisions 1, 2, 4, and by adding a subdivision; 349.168, subdivisions 3, 6, and by adding a subdivision; 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, 8, 9, and 10; 349.191, subdivisions 1, 4, and by adding subdivisions; 349.211, subdivisions 1, 2, and 2a; 349.2123; 349.2125, subdivisions 1 and 3; 349.2127, subdivisions 2, 3, 4, and by adding subdivisions; 349.213, subdivision 1; 349.22, subdivision 1; 349A.06, by adding a subdivision; 349A.10, by adding a subdivision; 349A.12, subdivisions 1, 2, 5, and 6; 541.21; and 609.755; Minnesota Statutes 1993 Supplement, section 349.12, subdivision 25; proposing coding for new law in Minnesota Statutes, chapters 4; 325E; and 349; proposing coding for new law as Minnesota Statutes, chapter 297E; repealing Minnesota Statutes 1992, sections 240.091; 299L.04; 299L.07, subdivision 7; 349.16, subdivisions 4 and 5; 349.161, subdivisions 3, 6, and 7; 349.163, subdivisions 1a and 2a; 349.164, subdivisions 3, 5, and 8; 349.166, subdivision 4; 349.167, subdivisions 3 and 5; 349.212, subdivisions 1, 2, 5, 6, and 7; 349.2121; 349.2122; 349.215; 349.2151; 349.2152; 349.216; 349.217, subdivisions 3, 4, 5, 6, 7, 8, and 9; 349.2171; and 349.219; Minnesota Statutes 1993 Supplement, sections 349.2115; 349.212, subdivision 4; and 349.217, subdivisions 1, 2, and 5a."

We request adoption of this report and repassage of the bill.

Senate Conferees: CHARLES A. BERG, JERRY R. JANEZICH AND THOMAS M. NEUVILLE.

House Conferees: PHYLLIS KAHN, TOM OSTHOFF AND RON ABRAMS.

Kahn moved that the report of the Conference Committee on S. F. No. 103 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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.

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.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 89 yeas and 44 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hasskamp	Kelley	Molnau	Peterson	Tomassoni
Anderson, R.	Dehler	Haukoos	Kelso	Morrison	Pugh	Trimble
Bauerly	Delmont	Holsten	Kinkel	Mosel	Reding	Tunheim
Beard	Dempsey	Hugoson	Klinzing	Munger	Rhodes	Van Dellen
Bergson	Dorn	Huntley	Koppendrayer	Neary	Rukavina	Vellenga
Bertram	Evans	Jacobs	Krueger	Nelson	Sarna	Vickerman
Bettermann	Farrell	Jaros	Lasley	Ness	Sekhon	Weaver
Bishop	Frerichs	Jefferson	Leppik	Olson, K.	Simoneau	Winter
Brown, C.	Garcia	Jennings	Lourey	Opatz	Smith	Wolf
Brown, K.	Girard	Johnson, A.	Lynch	Osthoff	Solberg	Workman
Carlson	Greenfield	Johnson, R.	Mahon	Ozment	Stanius	Spk. Anderson, I.
Carruthers	Greiling	Johnson, V.	McGuire	Pauly	Sviggum	
Cooper	Gruenes	Kahn	Milbert	Pelowski	Swenson	

Those who voted in the negative were:

Asch	Finseth	Lieder	McCollum	Ostrom	Skoglund	Wenzel
Battaglia	Goodno	Limmer	Murphy	Pawlenty	Steensma	Worke
Clark	Gutknecht	Lindner	Olson, E.	Perlt	Tompkins	
Commers	Kalis	Long	Olson, M.	Rest	Van Engen	
Dauner	Knickerbocker	Luther	Onnen	Rice	Wagenius	
Davids	Knight	Macklin	Orenstein	Rodosovich	Waltman	
Erhardt	Krinkie	Mariani	Orfield	Seagren	Wejcman	

The bill was repassed, as amended by Conference, 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.

The following Conference Committee Report was received:

CONFERENCE COMMITTEE REPORT ON H. F. NO. 984

A bill for an act relating to state government; modifying provisions relating to the department of administration; amending Minnesota Statutes 1992, sections 13B.04; 15.061; 16B.06, subdivision 2; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6, and by adding a subdivision; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42; 16B.465, subdivision 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.85, subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; and 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; Laws 1987, chapter 394, section 13.

April 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. 984, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 984 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

DEPARTMENT OF ADMINISTRATION

Section 1. Minnesota Statutes 1992, section 13B.04, is amended to read:

13B.04 [REPORT.]

A responsible authority that participates in a matching program shall prepare a report describing matching programs in which the responsible authority has participated during the previous calendar year. The report must be ~~included in a state agency's description of its information systems prepared under section 3.3026, subdivision 3~~ filed annually with the department of administration.

Sec. 2. Minnesota Statutes 1992, section 16B.24, subdivision 6, is amended to read:

Subd. 6. [PROPERTY RENTAL.] (a) [LEASES.] The commissioner shall rent land and other premises when necessary for state purposes. Notwithstanding subdivision 6a, paragraph (a), the commissioner may lease land or premises for ~~five~~ up to ten years ~~or less~~, subject to cancellation upon 30 days written notice by the state for any reason except rental of other land or premises for the same use. The commissioner may not rent non-state-owned land and buildings or substantial portions of land or buildings within the capitol area as defined in section 15.50 unless the commissioner first consults with the capitol area architectural and planning board. If the commissioner enters into a lease-purchase agreement for buildings or substantial portions of buildings within the capitol area, the commissioner shall require that any new construction of non-state-owned buildings conform to design guidelines of the capitol area architectural and planning board. Lands needed by the department of transportation for storage of vehicles or road materials may be rented for five years or less, such leases for terms over two years being subject to cancellation upon

30 days written notice by the state for any reason except rental of other land or premises for the same use. An agency or department head must consult with the chairs of the house appropriations and senate finance committees before entering into any agreement that would cause an agency's rental costs to increase by ten percent or more per square foot or would increase the number of square feet of office space rented by the agency by 25 percent or more in any fiscal year.

(b) [USE VACANT PUBLIC SPACE.] No agency may initiate or renew a lease for space for its own use in a private building unless the commissioner has thoroughly investigated presently vacant space in public buildings, such as closed school buildings, and found that none is available or use of the space is not feasible, prudent, and cost effective compared with available alternatives.

(c) [PREFERENCE FOR CERTAIN BUILDINGS.] For needs beyond those which can be accommodated in state-owned buildings, the commissioner shall acquire and utilize space in suitable buildings of historical, architectural, or cultural significance for the purposes of this subdivision unless use of that space is not feasible, prudent and cost effective compared with available alternatives. Buildings are of historical, architectural, or cultural significance if they are listed on the national register of historic places, designated by a state or county historical society, or designated by a municipal preservation commission.

(d) [RECYCLING SPACE.] Leases for space of 30 days or more for 5,000 square feet or more must require that space be provided for recyclable materials.

Sec. 3. Minnesota Statutes 1992, section 16B.32, subdivision 2, is amended to read:

Subd. 2. [ENERGY CONSERVATION GOALS; EFFICIENCY PROGRAM.] (a) The commissioner of administration in consultation with the department of public service, in cooperation with one or more public utilities or comprehensive energy services providers, may conduct a shared-savings program involving energy conservation expenditures ~~of up to $15,000,000 by July 1, 1996,~~ on state-owned buildings. The public utility or energy services provider shall contract with appropriate state agencies to implement energy efficiency improvements in the selected buildings. A contract must require the public utility or energy services provider to include all energy efficiency improvements in selected buildings that are calculated to achieve a cost payback within ten years. The contract must require that the public utility or energy services provider be repaid solely from energy cost savings and only to the extent of energy cost savings. Repayments must be interest-free. The goal of the program in this paragraph is to demonstrate that through effective energy conservation the total energy consumption per square foot of state-owned and wholly state-leased buildings could be reduced by at least 25 percent~~, and climate control energy consumption per square foot could be reduced by at least 15 percent~~ from consumption in the base year of 1990. All agencies participating in the program must report to the commissioner of administration their monthly energy usage, building schedules, inventory of energy-consuming equipment, and other information as needed by the commissioner to manage and evaluate the program.

(b) The commissioner may exclude from the program of paragraph (a) a building in which energy conservation measures are carried out. "Energy conservation measures" means measures that are applied to a state building that improve energy efficiency and have a simple return of investment in ~~five~~ ten years or within the remaining period of a lease, whichever time is shorter, and involves energy conservation, conservation facilities, renewable energy sources, improvements in operations and maintenance efficiencies, or retrofit activities.

~~(c) By January 1, 1993, the commissioner shall submit to the legislature a report that includes:~~

~~(1) an energy use survey of new or added space state buildings occupy;~~

~~(2) a plan for conserving energy without undertaking any physical alterations of the space;~~

~~(3) recommendations for physical alterations that would enable the agency to conserve additional energy along with an estimate of the cost of the alterations; and~~

~~(4) recommendations for additional legislation needed to achieve the goal along with an estimate of any costs associated with the recommended legislation.~~

Sec. 4. Minnesota Statutes 1993 Supplement, section 16B.42, subdivision 1, is amended to read:

Subdivision 1. [COMPOSITION.] The ~~commissioner of administration shall appoint an~~ intergovernmental information systems advisory council~~, to serve at the pleasure of the commissioner of administration, consisting of 25 members. Fourteen members shall be appointed or elected officials of local governments, seven shall be representatives of state agencies, and four shall be selected from the community at large. Further, the council shall be~~ is composed of (1) two members from each of the following groups: counties outside of the seven county metropolitan area, cities of the second and third class outside the metropolitan area, cities of the second and third class within the metropolitan area, and cities of the fourth class; (2) one member from each of the following groups: the metropolitan council, an outstate regional body, counties within the metropolitan area, cities of the first class, school districts in the metropolitan area, ~~and~~ school districts outside the metropolitan area, and public libraries; (3) one member each ~~from~~ appointed by the state departments of ~~administration,~~ education, human services, revenue, and jobs and training, the office of strategic and long-range planning, and the legislative auditor; (4) one member from the office of the state auditor, appointed by the auditor; ~~and~~ (5) ~~four members from the state community at large. To the extent permitted by resources the commissioner shall furnish staff and other assistance as requested by the council~~ the assistant commissioner of administration for the information policy office; (6) one member appointed by each of the following organizations: league of Minnesota cities, association of Minnesota counties, Minnesota association of township officers, and Minnesota association of school administrators; and (7) one member of the house of representatives appointed by the speaker and one member of the senate appointed by the subcommittee on committees of the committee on rules and administration. The legislative members appointed under clause (7) are nonvoting members. The commissioner of administration shall appoint members under clauses (1) and (2). The terms, compensation, and removal of the appointed members of the advisory council ~~shall be~~ are as provided in section 15.059, but the council does not expire until June 30, ~~1995~~ 1997.

Sec. 5. Minnesota Statutes 1992, section 16B.42, subdivision 2, is amended to read:

Subd. 2. [DUTIES.] The council shall: assist ~~the commissioner~~ state and local agencies in developing and updating intergovernmental information systems~~, including data definitions, format, and retention standards; recommend to the commissioner policies and procedures governing the collection, security, and confidentiality of data~~; facilitate participation of users during the development of major revisions of intergovernmental information systems; review intergovernmental information and computer systems involving intergovernmental funding; encourage cooperative efforts among state and local governments in developing intergovernmental information systems ~~to meet individual and collective, operational, and external needs; bring about the necessary degree of standardization consistent with local prerogatives; yield fiscal and other information required by state and federal laws and regulations in readily usable form~~; present local government concerns to state government and state government concerns to local government with respect to intergovernmental information systems; develop and recommend standards and policies for intergovernmental information systems to the information policy office; foster the efficient use of available federal, state, local, and private resources for the development of intergovernmental systems; keep ~~local governments~~ government agencies abreast of the state of the art in information systems~~, and~~; prepare guidelines for intergovernmental systems; assist the commissioner of administration in the development of cooperative contracts for the purchase of information system equipment and software; and assist the legislature by providing advice on intergovernmental information systems issues.

Sec. 6. Minnesota Statutes 1992, section 16B.42, subdivision 3, is amended to read:

Subd. 3. [OTHER DUTIES.] The intergovernmental informations systems advisory council shall (1) recommend to the commissioners of state departments, the legislative auditor, and the state auditor a method for the expeditious gathering and reporting of information and data between agencies and units of local government in accordance with cooperatively developed standards; (2) elect an executive committee, not to exceed seven members from its membership; (3) develop an annual plan, to include administration and evaluation of grants, in compliance with applicable rules; (4) provide technical information systems assistance or guidance to local governments for development, implementation, and modification of automated systems, including formation of consortiums for those systems; and (5) appoint committees and task forces, which may include persons other than council members, to assist the council in carrying out its duties.

Sec. 7. Minnesota Statutes 1992, section 16B.42, subdivision 4, is amended to read:

Subd. 4. [FUNDING.] Appropriations and other funds made available to the council for staff, operational expenses, projects, and grants ~~must be administered through the department of administration~~ are under the control of the council. The council may contract with the department of administration for staff services and administrative support.

The council shall reimburse the department for these services. The council may request assistance from other state and local agencies in carrying out its duties. Fees charged to local units of government for the administrative costs of the council and revenues derived from royalties, reimbursements, or other fees from software programs, systems, or technical services arising out of activities funded by current or prior state appropriations must be credited to the general fund. The unencumbered balance of an appropriation ~~for grants~~ in the first year of a biennium does not cancel but is available for the second year of the biennium.

Sec. 8. Minnesota Statutes 1992, section 16B.465, subdivision 3, is amended to read:

Subd. 3. [DUTIES.] The commissioner, after consultation with the council, shall:

(1) provide voice, data, video, and other telecommunications transmission services to the state and to political subdivisions through ~~the statewide telecommunications access routing system~~ an account in the intertechnologies revolving fund;

(2) manage vendor relationships, network function, and capacity planning in order to be responsive to the needs of the system users;

(3) set rates and fees for services;

(4) approve contracts relating to the system;

(5) develop the system plan, including plans for the phasing of its implementation and maintenance of the initial system, and the annual program and fiscal plans for the system; and

(6) develop a plan for interconnection of the network with private colleges in the state.

Sec. 9. Minnesota Statutes 1992, section 16B.465, subdivision 6, is amended to read:

Subd. 6. [REVOLVING FUND.] ~~The statewide telecommunications access and routing system shall operate as part of the intertechnologies revolving fund.~~ Money appropriated ~~to the account~~ for the statewide telecommunications access routing system and fees for ~~communications~~ telecommunications services ~~provided by the statewide telecommunications access and routing system~~ must be deposited in ~~the~~ an account in the intertechnologies revolving fund. Money in the account is appropriated annually to the commissioner to operate ~~the statewide~~ telecommunications ~~access and routing system~~ services.

Sec. 10. Minnesota Statutes 1992, section 16B.48, subdivision 2, is amended to read:

Subd. 2. [PURPOSE OF FUNDS.] Money in the state treasury credited to the general services revolving fund and money that is deposited in the fund is appropriated annually to the commissioner for the following purposes:

(1) to operate a central store and equipment service;

(2) to operate a central duplication and printing service;

(3) to ~~purchase postage and related items and to refund postage deposits as necessary to~~ operate the central mailing service, including purchasing postage and related items and refunding postage deposits;

(4) to operate a documents service as prescribed by section 16B.51;

(5) ~~to provide advice and other services to political subdivisions for the management of their telecommunication systems;~~

~~(6)~~ to provide services for the maintenance, operation, and upkeep of buildings and grounds managed by the commissioner of administration;

~~(7)~~ (6) to provide analytical, statistical, and organizational development services to state agencies, local units of government, metropolitan and regional agencies, and school districts;

~~(8)~~ (7) to provide capitol security services through the department of public safety;

~~(9)~~ (8) to operate a records center and provide micrographics products and services; and

~~(10)~~ (9) to perform services for any other agency. Money may be expended for this purpose only when directed by the governor. The agency receiving the services shall reimburse the fund for their cost, and the commissioner shall make the appropriate transfers when requested. The term "services" as used in this clause means compensation paid officers and employees of the state government; supplies, materials, equipment, and other articles and things used by or furnished to an agency; and utility services and other services for the maintenance, operation, and upkeep of buildings and offices of the state government.

Sec. 11. Minnesota Statutes 1992, section 16B.48, subdivision 3, is amended to read:

Subd. 3. [INTERTECHNOLOGIES REVOLVING FUND.] Money in the intertechnologies revolving fund is appropriated annually to the commissioner to operate information, ~~records,~~ and telecommunications services, including management, consultation, and design services.

Sec. 12. [16B.482] [REIMBURSEMENT FOR MATERIALS AND SERVICES.]

The commissioner may provide materials and services under this chapter to state legislative and judicial branch agencies, political subdivisions, the University of Minnesota, and federal government agencies. Legislative and judicial branch agencies, political subdivisions, the University of Minnesota, and federal government agencies purchasing materials and services from the commissioner shall reimburse the general services, intertechnologies, and cooperative purchasing revolving funds for costs.

Sec. 13. Minnesota Statutes 1992, section 16B.49, is amended to read:

16B.49 [CENTRAL MAILING SYSTEM.]

The commissioner shall maintain and operate for agencies a central mailing system. Official mail of an agency occupying quarters ~~either in the capitol or in adjoining state buildings~~ within the boundaries of the city of St. Paul must be delivered unstamped to the central mailing station. Account must be kept of the postage required on that mail, which is then a proper charge against the agency delivering the mail. To provide funds for the payment of postage, each agency shall make advance payments to the commissioner sufficient to cover its postage obligations for at least 60 days.

Sec. 14. Minnesota Statutes 1992, section 16B.51, subdivision 2, is amended to read:

Subd. 2. [PRESCRIBE FEES.] The commissioner may prescribe fees to be charged for services rendered by the state or an agency in furnishing to those who request them certified copies of records or other documents, certifying that records or documents do not exist and furnishing other reports, publications, data, or related material which is requested. The fees, unless otherwise prescribed by law, may be fixed at the market rate. The commissioner of finance is authorized to approve the prescribed rates for the purpose of assuring that they, in total, will result in receipts greater than costs in the fund. Fees prescribed under this subdivision are deposited in the state treasury by the collecting agency and credited to the general services revolving fund. Nothing in this subdivision permits the commissioner of administration to furnish any service which is now prohibited or unauthorized by law.

Sec. 15. Minnesota Statutes 1992, section 16B.51, subdivision 3, is amended to read:

Subd. 3. [SALE OF PUBLICATIONS.] The commissioner may sell official reports, documents, data, and ~~other~~ publications of all kinds, may delegate their sale to state agencies, and may establish facilities for their sale within the department of administration and elsewhere within the state service. The commissioner may remit a portion of the price of any publication or data to the agency producing the publication or data. Money that is remitted to an agency is annually appropriated to that agency to discharge the costs of preparing the publications or data.

Sec. 16. [16B.581] [DISTINCTIVE TAX-EXEMPT LICENSE PLATES.]

Vehicles owned or leased by the state of Minnesota must display distinctive tax-exempt license plates unless otherwise exempted under section 168.012. The commissioner shall design these distinctive plates subject to the approval of the registrar. An administrative fee of $20 and a license plate fee of $10 for two plates per vehicle or a license plate fee of $5 for one plate per trailer is paid at the time of registration. The license plate registration is valid for the life of the vehicle or until the vehicle is no longer owned or leased by the state of Minnesota.

When the state of Minnesota applies for distinctive tax-exempt plates on vehicles previously owned by local units of government, it shall pay an administrative fee of $10 and a plate fee that covers the cost of replacement.

Sec. 17. Minnesota Statutes 1992, section 16B.85, subdivision 1, is amended to read:

Subdivision 1. [ALTERNATIVES TO CONVENTIONAL INSURANCE.] The commissioner may implement programs of insurance or alternatives to the purchase of conventional insurance ~~for~~. This authority does not extend to areas of risk ~~not~~ subject to: (1) collective bargaining agreements, (2) plans established under section 43A.18, or (3) programs established under sections 176.540 to 176.611, except for the department of administration. The mechanism for implementing possible alternatives to conventional insurance is the risk management fund created in subdivision 2.

Sec. 18. Minnesota Statutes 1992, section 343.01, is amended by adding a subdivision to read:

Subd. 1a. [MINNESOTA HUMANE SOCIETY; CONTINUATION CONFIRMED.] The Minnesota humane society, also known as the Minnesota society for the prevention of cruelty, is confirmed and continued as a nonprofit organization under chapter 317A.

Sec. 19. Minnesota Statutes 1992, section 343.01, is amended by adding a subdivision to read:

Subd. 1b. [INDEPENDENT ORGANIZATIONS; POWERS OF THE FEDERATED HUMANE SOCIETIES.] (a) The Minnesota humane society, also known as the Minnesota society for the prevention of cruelty, and the Minnesota federated humane societies are not affiliated with each other or with the state of Minnesota.

(b) The Minnesota federated humane societies have the powers given to it under this chapter.

Sec. 20. Minnesota Statutes 1992, section 343.01, subdivision 2, is amended to read:

Subd. 2. [~~NAME OF FEDERATION~~ UNAUTHORIZED USE OF NAMES PROHIBITED.] It ~~shall be~~ is unlawful for any organization, association, firm or corporation not ~~authorized by~~ named in this chapter to refer to itself as or in any way to use the names Minnesota federated humane societies, Minnesota society for the prevention of cruelty, the Minnesota humane society, or any combination of words or phrases using the above names which would imply that it represents, acts in behalf or is a branch of the society or the federation.

Sec. 21. Minnesota Statutes 1992, section 343.01, subdivision 3, is amended to read:

Subd. 3. [POWERS AND DUTIES.] The federation and the society must each be governed by a board of directors designated in accordance with chapter 317A. The powers, duties, and organization of the federation and the society and other matters for the conduct of the business of the federation ~~shall be~~ and the society are as provided in chapter 317A and in the ~~federation's~~ articles of incorporation and bylaws of each organization.

Sec. 22. 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 company 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~~ of administration if the utility is included in an approved 911 plan and the charges have been certified and approved under subdivision 3. Money remaining in the 911 emergency telephone service account after all other obligations are paid must not cancel and is carried forward to subsequent years and may be appropriated from time to time to the commissioner of administration to provide financial assistance to counties for the improvement of local emergency telephone services. The improvements may include providing access to minimum 911 service for telephone service subscribers currently without access and upgrading existing 911 service to include automatic number identification, local location identification, automatic location identification, and other improvements specified in revised county 911 plans approved by the department.

(b) The fee may not be less than eight cents nor more than 30 cents a month for each customer access line, including trunk equivalents as designated by the public utilities commission for access charge purposes. The fee must be the same for all customers.

(c) The fee must be collected by each utility providing local exchange telephone service. 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 of the amount to be collected. Utilities must be given a minimum of 45 days notice of fee changes.

Sec. 23. Laws 1979, chapter 333, section 18, as amended by Laws 1987, chapter 365, section 23, is amended to read:

Sec. 18. [ADMINISTRATION]

General Operations and Management	15,136,500	15,595,900

Approved Complement - 956
General - 485
Special - 11
Federal - 7
Revolving - 453

The amounts that may be expended from this appropriation for each program are as follows:

Management Services

$ 3,311,200	$ 3,493,300

The commissioner of administration shall transfer two positions from management analysis to records management to allow the department to meet its responsibilities for records management. These positions may revert to management analysis when they are no longer needed to meet those responsibilities.

Real Property Management

$ 7,804,200	$ 7,780,900

~~The commissioner of administration shall charge the department of transportation and the iron range resources and rehabilitation board for engineering services performed on behalf of these agencies.~~

The unencumbered balance in appropriation accounts 16078:14-11 and 16072:14-11 shall be cancelled on July 1, 1979.

State Agency Services

$ 1,224,400	$ 1,222,000

For 1979 - $169,200

$169,200 is appropriated from the general fund to the surplus property revolving fund. Of this amount, $67,700 is immediately available for payment of outstanding obligations, $40,000 is immediately available as working capital, and $61,500 is available for the reduction of obligations incurred between March 1, 1979, and February 29, 1980.

The commissioner of administration shall provide a monthly report to the commissioner of finance consisting of: an operations statement, a balance sheet, an analysis of changes in retained earnings, and a source and use of funds statement. The commissioner of finance is responsible for approving the allotment of the $61,500 portion of the appropriation and shall give his approval when potential deficiencies are forecast. If it appears that the $61,500 portion of the appropriation will be exhausted prior to January 15, 1980, the commissioner of finance shall promptly notify the governor and the legislative advisory commission of the need for an additional appropriation.

The commissioner of administration shall by January 15, 1980, provide copies of all monthly reports through the period ending December 31, 1979, to the senate finance committee and the house appropriations committee. The commissioner of finance shall by January 15, 1980, recommend the continuance or discontinuance of the federal surplus property activity to the committee on finance in the senate and the committee on appropriations of the house of representatives.

Public Services

$ 1,748,900 $ 2,053,400

$37,000 the first year and $40,700 the second year is for the state contribution to the National Conference of State Legislatures.

$43,900 each year is for the state contribution to the Council of State Governments.

$6,500 each year is for the expenses of the Interstate Cooperation Commission.

$5,000 each year is for the Minnesota state employees band.

General Support

$ 1,047,800 $ 1,046,300

The commissioner of administration with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 24. Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended by Laws 1992, chapter 514, section 20, is amended to read:

Subd. 4. Property Management

23,387,000 8,349,000

$175,000 the first year and $175,000 the second year from the program's total appropriation are for capitol area repairs and replacements. Any unencumbered balance remaining in the first year does not cancel and is available for the second year.

$3,825,000 the first year and $3,884,000 the second year are for office space costs of the legislature and veterans organizations, for ceremonial space, and for statutorily free space.

The department of administration shall discontinue food service management in the state office building for the biennium ending June 30, 1993. Food service shall be managed by the house rules committee as a pilot project for the biennium.

$50,000 the first year is for the commissioner of administration to study the potential uses for the Waseca campus. The commissioner shall appoint an advisory committee to assist with the study. The commissioner shall report the findings and recommendations from the study to the board of regents, and the education, appropriations, and finance committees of the legislature by January 15, 1992. The appropriation is available if matched by $1 of nonstate money for each $10 of this appropriation. In addition, the board of regents of the University of Minnesota is requested to provide additional funding up to $50,000 to assist in the cost of the study.

The department of administration in consultation with the capitol area architectural and planning board shall study the historic renovation and potential reuse of the Dahl house and report to the senate finance and house appropriations committees by February 1, 1992.

~~By January 31, 1993,~~ The department of administration shall relocate the state printing ~~operation~~ and related operations from the Ford building to a more suitable location, ~~preferably outside the capitol complex~~ and shall relocate and consolidate offices of the attorney general in the Ford building. when the Ford building ~~shall be~~ is remodeled as office space or when a replacement building is constructed on the site.

By December 31, 1992, the department of administration shall relocate the office of the state auditor to a location within the capitol complex.

$350,000 the first year is for developing a framework for an integrated infrastructure management system including the establishment of a database of building classification standards. The commissioner of administration shall report by January 1, 1992, on the time and cost of continuing the program for fiscal year 1993.

$961,000 the first year is to improve security at state parking ramps and lots, to be available upon final enactment.

$13,781,000 is for the costs relating to agency relocation, consolidation, and collocation, to be available upon final enactment.

Sec. 25. [APPROPRIATION.]

(a) $100,000 is appropriated from the 911 emergency telephone service account in the special revenue fund to the commissioner of administration to provide emergency poison information through the 911 emergency telephone service. $50,000 is for fiscal year 1994 and $50,000 is for fiscal year 1995.

(b) $100,000 is appropriated from the 911 emergency telephone service account in the special revenue fund to the commissioner of administration to provide financial assistance to counties for the improvement of local emergency telephone services. The improvements may include providing access to minimum 911 service for telephone service subscribers currently without access and upgrading existing 911 service to include automatic number identification, local location identification, automatic location identification, and other improvements specified in revised county 911 plans approved by the department. $50,000 is for fiscal year 1994 and $50,000 is for fiscal year 1995.

Sec. 26. [REPEALER.]

Minnesota Statutes 1992, sections 3.3026; 16B.56, subdivision 4; and Laws 1987, chapter 394, section 13, are repealed.

Sec. 27. [EFFECTIVE DATE.]

Sections 7 to 10 are effective on July 1, 1994. Sections 1 to 6 and 11 to 26 are effective the day following final enactment.

ARTICLE 2

STATE BUILDING CODE

Section 1. Minnesota Statutes 1992, section 16B.60, subdivision 3, is amended to read:

Subd. 3. [MUNICIPALITY.] "Municipality" means a city, county, or town meeting the requirements of section 368.01, subdivision 1, the University of Minnesota, or the state for public buildings and state licensed facilities.

Sec. 2. Minnesota Statutes 1992, section 16B.60, is amended by adding a subdivision to read:

Subd. 11. [STATE LICENSED FACILITIES.] "State licensed facilities" means a building and its grounds that are licensed by the state as a hospital, nursing home, supervised living facility, free-standing outpatient surgical center, or correctional facility.

Sec. 3. Minnesota Statutes 1992, section 16B.61, subdivision 1a, is amended to read:

Subd. 1a. [ADMINISTRATION BY COMMISSIONER.] The commissioner shall administer and enforce the state building code as a municipality with respect to public buildings and state licensed facilities in the state. The commissioner shall establish appropriate permit, plan review, and inspection fees for public buildings and state licensed facilities. Fees and surcharges for public buildings and state licensed facilities must be remitted to the commissioner, who shall deposit them in the state treasury for credit to the special revenue fund.

Municipalities other than the state having a contractual agreement with the commissioner for code administration and enforcement service for public buildings and state licensed facilities shall charge their customary fees, including surcharge, to be paid directly to the contractual jurisdiction by the applicant seeking authorization to construct a public building or a state licensed facility. The commissioner shall contract with a municipality other than the state for plan review, code administration, and code enforcement service for public buildings and state licensed facilities in the contractual jurisdiction if the building officials of the municipality meet the requirements of section 16B.65 and wish to provide those services and if the commissioner determines that the municipality has enough adequately trained and qualified building inspectors to provide those services for the construction project.

Sec. 4. Minnesota Statutes 1992, section 16B.61, subdivision 4, is amended to read:

Subd. 4. [REVIEW OF PLANS FOR PUBLIC BUILDINGS AND STATE LICENSED FACILITIES.] Construction or remodeling may not begin on any public building ~~owned by the~~ or state licensed facility until the plans and specifications ~~of the public building~~ have been approved by the commissioner or municipality under contractual agreement pursuant to subdivision 1a. ~~In the case of any other public building,~~ The plans and specifications must be submitted ~~to the commissioner~~ for review, and within 30 days after receipt of the plans and specifications, the commissioner or municipality under contractual agreement shall notify the submitting authority of any ~~recommendations~~ corrections.

Sec. 5. Minnesota Statutes 1992, section 16B.62, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPAL ENFORCEMENT.] The state building code applies statewide and supersedes the building code of any municipality. The state building code does not apply to agricultural buildings except with respect to state inspections required or rulemaking authorized by sections 103F.141, 216C.19, subdivision 8, and 326.244. All municipalities shall adopt and enforce the state building code with respect to new construction within their respective jurisdictions.

If a city has adopted or is enforcing the state building code on June 3, 1977, or determines by ordinance after that date to undertake enforcement, it shall enforce the code within the city. A city may by ordinance extend the enforcement of the code to contiguous unincorporated territory not more than two miles distant from its corporate limits in any direction. Where two or more noncontiguous cities which have elected to enforce the code have boundaries less than four miles apart, each is authorized to enforce the code on its side of a line equidistant between them. Once enforcement authority is extended extraterritorially by ordinance, the authority may continue to be exercised in the designated territory even though another city less than four miles distant later elects to enforce the code. After the extension, the city may enforce the code in the designated area to the same extent as if the property were situated within its corporate limits.

A city which, on June 3, 1977, had not adopted the code may not commence enforcement of the code within or outside of its jurisdiction until it has provided written notice to the commissioner, the county auditor, and the town clerk of each town in which it intends to enforce the code. A public hearing on the proposed enforcement must be held not less than 30 days after the notice has been provided. Enforcement of the code by the city outside of its jurisdiction commences on the first day of January in the year following the notice and hearing.

Municipalities may provide for the issuance of permits, inspection, and enforcement within their jurisdictions by means which are convenient, and lawful, including by means of contracts with other municipalities pursuant to section 471.59, and with qualified individuals. ~~In areas outside of the enforcement authority of a city, the fee charged for the~~

~~issuance of permits and inspections for single family dwellings may not exceed the greater of $100 or .005 times the value of the structure, addition, or alteration.~~ The other municipalities or qualified individuals may be reimbursed by retention or remission of some or all of the building permit fee collected or by other means. In areas of the state where inspection and enforcement is unavailable from qualified employees of municipalities, the commissioner shall train and designate individuals available to carry out inspection and enforcement on a fee basis.

Sec. 6. Minnesota Statutes 1992, section 16B.66, is amended to read:

16B.66 [CERTAIN INSPECTIONS.]

The state building inspector may, upon an application setting forth a set of plans and specifications that will be used in more than one municipality to acquire building permits, review and approve the application for the construction or erection of any building or structure designed to provide dwelling space for no more than two families if the set of plans meets the requirements of the state building code. All costs incurred by the state building inspector by virtue of the examination of the set of plans and specifications must be paid by the applicant. ~~The plans and specifications or any plans and specifications required to be submitted to a state agency must be submitted to the state building inspector who shall examine them and if necessary distribute them to the appropriate state agencies for scrutiny regarding adequacy as to electrical, fire safety, and all other appropriate features. These state agencies shall examine and promptly return the plans and specifications together with their certified statement as to the adequacy of the instruments regarding that agency's area of concern.~~ A building official shall issue a building permit upon application and presentation to the official of a set of plans and specifications bearing the approval of the state building inspector if the requirements of all other local ordinances are satisfied.

Sec. 7. Minnesota Statutes 1992, section 16B.70, subdivision 2, is amended to read:

Subd. 2. [COLLECTION AND REPORTS.] All permit surcharges must be collected by each municipality and a portion of them remitted to the state. Each municipality having a population greater than 20,000 people shall prepare and submit to the commissioner once a month a report of fees and surcharges on fees collected during the previous month but shall retain the greater of two percent ~~of the surcharges~~ or that amount collected up to $25 to apply against the administrative expenses the municipality incurs in collecting the surcharges. All other municipalities shall submit the report and surcharges on fees once a quarter but shall retain the greater of four percent ~~of the surcharges~~ or that amount collected up to $25 to apply against the administrative expenses the municipalities incur in collecting the surcharges. The report, which must be in a form prescribed by the commissioner, must be submitted together with a remittance covering the surcharges collected by the 15th day following the month or quarter in which the surcharges are collected. All surcharges and other fees prescribed by sections 16B.59 to ~~16B.71~~ 16B.73, which are payable to the state, must be paid to the commissioner who shall deposit them in the state treasury for credit to the general fund.

Sec. 8. Minnesota Statutes 1992, section 16B.72, is amended to read:

16B.72 [REFERENDA ON STATE BUILDING CODE IN NONMETROPOLITAN COUNTIES.]

Notwithstanding any other provision of law to the contrary, a county that is not a metropolitan county as defined by section 473.121, subdivision 4, may provide, by a vote of the majority of its electors residing outside of municipalities that have adopted the state building code before January 1, 1977, that no part of the state building code except the building requirements for handicapped persons applies within its jurisdiction.

The county board may submit to the voters at a regular or special election the question of adopting the building code. The county board shall submit the question to the voters if it receives a petition for the question signed by a number of voters equal to at least five percent of those voting in the last general election. The question on the ballot must be stated substantially as follows:

"Shall the state building code be adopted in ..... County?"

If the majority of the votes cast on the proposition is in the negative, the state building code does not apply in the subject county, outside home rule charter or statutory cities or towns that adopted the building code before January 1, 1977, except the building requirements for handicapped persons do apply.

Nothing in this section precludes a ~~home rule charter or statutory city or town~~ municipality that did not adopt the state building code before January 1, 1977, from adopting and enforcing by ordinance or other legal means the state building code within its jurisdiction.

Sec. 9. Minnesota Statutes 1992, section 16B.73, is amended to read:

16B.73 [STATE BUILDING CODE IN MUNICIPALITIES UNDER 2,500; LOCAL OPTION.]

The governing body of a municipality whose population is less than 2,500 may provide that the state building code, except the requirements for handicapped persons, will not apply within the jurisdiction of the municipality, if the municipality is located in whole or in part within a county exempted from its application under section 16B.72. If more than one municipality has jurisdiction over an area, the state building code continues to apply unless all municipalities having jurisdiction over the area have provided that the state building code, except the requirements for handicapped persons, does not apply within their respective jurisdictions. Nothing in this section precludes a municipality from adopting and enforcing by ordinance or other legal means the state building code within its jurisdiction.

Sec. 10. [INSTRUCTION TO REVISOR.]

In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall change each reference to "state building inspector" to "state building official" in sections 16B.62, subdivision 2; 16B.63, subdivisions 1 to 4; 16B.64, subdivision 7; and 16B.66.

Sec. 11. [EFFECTIVE DATE.]

This article is effective the day following final enactment, except that section 7 is effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to state government; modifying provisions relating to the department of administration; including state licensed facilities in coverage by the state building code; clarifying certain language and changing certain duties of the state building inspector and fee provisions; appropriating money; amending Minnesota Statutes 1992, sections 13B.04; 16B.24, subdivision 6; 16B.32, subdivision 2; 16B.42, subdivisions 2, 3, and 4; 16B.465, subdivisions 3 and 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.60, subdivision 3, and by adding a subdivision; 16B.61, subdivisions 1a and 4; 16B.62, subdivision 1; 16B.66; 16B.70, subdivision 2; 16B.72; 16B.73; 16B.85, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; and 403.11, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.42, subdivision 1; Laws 1979, chapter 333, section 18, as amended; Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.56, subdivision 4; and Laws 1987, chapter 394, section 13."

We request adoption of this report and repassage of the bill.

House Conferees: RICHARD "RICK" KRUEGER, PHYLLIS KAHN, JERRY KNICKERBOCKER, JOE OPATZ AND PHIL KRINKIE.

Senate Conferees: PHIL J. RIVENESS, DEANNA WIENER, JOHN C. HOTTINGER, ROY W. TERWILLIGER AND LINDA RUNBECK.

Krueger moved that the report of the Conference Committee on H. F. No. 984 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 984, A bill for an act relating to state government; modifying provisions relating to the department of administration; amending Minnesota Statutes 1992, sections 13B.04; 15.061; 16B.06, subdivision 2; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6, and by adding a subdivision; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42; 16B.465, subdivision 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.85, subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; and 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; Laws 1987, chapter 394, section 13.

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 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Bergson

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

There being no objection, the order of business advanced to Motions and Resolutions.

MOTIONS AND RESOLUTIONS

Bishop moved that his name be stricken as an author on H. F. No. 2519. The motion prevailed.

Limmer moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Wednesday, May 4, 1994, when the vote was taken on the repassage of H. F. No. 2028, as amended by Conference." The motion prevailed.

Limmer moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Wednesday, May 4, 1994, when the vote was taken on the repassage of S. F. No. 2540, as amended by Conference." The motion prevailed.

Finseth moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Wednesday, May 4, 1994, when the vote was taken on the repassage of S. F. No. 2540, 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 negative on Wednesday, May 4, 1994, when the vote was taken on the repassage of H. F. No. 2617, as amended by Conference." The motion prevailed.

Wagenius moved that the name of Lynch be added as an author on H. F. No. 3086. 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.

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

May 4, 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. 2351, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2351 be further amended as follows:

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. They are added to the appropriations for the fiscal years ending June 30, 1994, and June 30, 1995, in Laws 1993, chapter 146, articles 2 and 3, or another named law.

SUMMARY BY FUND

	1994	1995	TOTAL
General Fund Total	$ 1,549,000	$ 35,164,000	$ 36,713,000

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Sec. 2. ATTORNEY GENERAL	$ -0-	$ 230,000

This appropriation is for four attorney positions for purposes of the merger of the public higher education systems. This appropriation shall not be included in the budget base for the 1996-1997 biennium.

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 10 shall make the proper base adjustments to the budgets of each agency in order to implement the funding changes that result from article 10.

Sec. 3. BOARD OF PUBLIC DEFENSE	-0-	4,368,000

$4,368,000 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, 1995, and shall be annualized for the 1996-1997 biennium. This appropriation may be used to fund no more than one dispositional advisor in each judicial district.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
Of this appropriation, the board may use up to $23,000 for the purpose of replacing discontinued federal funding, and up to $5,000 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.		
Sec. 4. BOARD OF PEACE OFFICER OFFICER STANDARDS AND TRAINING	-0-	25,000
This appropriation is for developing a model policy for child abduction investigations. The appropriation shall not be included in the budget base for the 1996-1997 biennium.		
Sec. 5. CORRECTIONS	1,549,000	21,348,000
Subdivision 1. Correctional Institutions		
	1,549,000	18,059,000
$2,480,000 is for 116 correctional positions at MCF-Oak Park Heights, MCF-St. Cloud, and MCF-Stillwater to be phased in between July 1, 1994, and June 30, 1995. The appropriation must be used to add the positions according to the plans agreed to by corrections department management and union officials at the three facilities.		
$9,000,000 is to provide for additional operating expenses associated with the conversion of the Lino Lakes correctional facility to a central adult reception center and expansion of male bed capacity at the facility, including 230 beds for chemical dependency treatment; and $5,478,000 is to provide for additional operating expenses associated with expansion of adult male bed capacity at the Faribault correctional facility upon the transfer of buildings from the department of human services to the department of corrections.		
Notwithstanding any law to the contrary, the commissioner of human services may transfer any building or buildings on the Faribault regional treatment center campus to the department of corrections upon a determination that the building or buildings are no longer needed for residential treatment services programs.		
$2,250,000 is for additional salary obligations.		
$400,000 is to provide for special medical care costs for correctional inmates.		
Subd. 2. Community Services		
	-0-	2,914,000
$400,000 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		

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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?

$400,000 is for the process of selecting and developing two work and learn sites.

$1,500,000 is for probation services statewide.

$174,000 is for a grant to the joint community corrections program of Dodge, Fillmore, and Olmsted counties to provide alternative programming for offenders who are presumptive commitments to state prison.

$440,000 is for reimbursements to counties for pretrial bail evaluation services.

Subd. 3. Management Services

-0- 300,000

$100,000 is for mini-grants to programs for juvenile female offenders.

$200,000 is for domestic abuse advocacy services in judicial assignment districts not currently receiving grants from the department.

These appropriations shall not be included in the budget base for the 1996-1997 biennium.

Subd. 4. 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

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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.

Subd. 5. Prairie Correctional Facility Study

-0- 75,000

To the commissioner of corrections, to study the feasibility of purchasing the Prairie correctional facility in the city of Appleton as a medium security correctional facility. The study must address at least the following: the availability of the facility; the purchase price of the facility; suitability of the facility for state use; capital and other improvements needed, and their cost, in order to ensure that the facility meets applicable state and federal standards; and operating costs of the facility. The commissioner of administration shall provide assistance to the commissioner of corrections as needed. The study must be reported by February 1, 1995, to the chairs of the senate crime prevention and house judiciary committees, the chairs of the senate crime prevention and house judiciary finance divisions, and the chairs of the senate finance and house ways and means committees.

If the facility becomes available when the legislature is not in session, the governor, after consulting with the legislative advisory commission under Minnesota Statutes, section 3.30, may direct the commissioner to enter into agreements concerning the facility.

Subd. 6. Corrections Pension Plan

The commissioners of corrections and human services shall meet with representatives of special teachers, nursing, direct care, support, trades, and other professional correctional personnel to develop a budget plan for bringing employees who spend over 50 percent of their time in direct contact with inmates into the corrections pension plan. This plan shall be submitted to the chair of the legislative commission on pensions and retirement and the chairs of the senate crime prevention finance division and the house judiciary finance division by December 1, 1994.

Subd. 7. Juvenile Female Offenders

The commissioner of corrections shall collaborate with the commissioners of human services, health, jobs and training, planning, education, public safety, and with representatives of the private sector to develop a comprehensive continuum of care to address the gender-specific needs of juvenile female offenders.

Sec. 6. CORRECTIONS OMBUDSMAN	-0-	67,000
Sec. 7. COUNCIL ON AFFAIRS OF SPANISH-SPEAKING PEOPLE	-0-	50,000

$50,000 is appropriated from the general fund to the council on the affairs of Spanish-speaking people to interview school district officials, and identify and interview Chicano/Latino student

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
drop-outs and their parents, by population subgroups in selected Minnesota school districts, to identify the causes and factors which lead Chicano/Latino students to leave school before completing the requirements to receive the diploma. The council shall make recommendations to the chairs of the senate crime prevention committee and the house of representatives judiciary committee by January 15, 1995. The council must consult with the state board of education in conducting this study. This appropriation shall not be included in the budget base for the 1996-1997 biennium.		
Sec. 8. DISTRICT COURTS	-0-	3,450,000
$3,420,000 is for human resources enhancements, including two new district court judgeships beginning October 1, 1994, and two new district court judgeships beginning March 1, 1995; jury service enhancements phased in after January 1, 1995; new judge orientation; and training for judges on the handling of child abduction cases. This appropriation shall be annualized for the 1996-1997 biennium. The supreme court, in consultation with the state court administrator, shall determine the order in which these judgeships shall be created in the districts in which they are authorized. The court reporter positions funded by this appropriation may be stenographic or electronic at the option of the appointing judge in accordance with Minnesota Statutes, section 486.01. Sufficient funds must be allocated for that purpose within the constraints of each judicial district budget.		
$30,000 is for training for judicial district coordinating councils on the dynamics of sexual assault and on model programs for handling sexual assault cases.		
Sec. 9. EDUCATION	-0-	100,000
$50,000 is to implement community-based truancy action projects. The project must provide a one-to-one funding match. Funds shall not be used to replace existing funding, but may be used to supplement it. This appropriation is available until expended.		
$50,000 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 greater nonstate match.		
The appropriations in this section shall not be included in the budget base for the 1996-1997 biennium.		
Sec. 10. HEALTH	-0-	230,000
These appropriations shall not be included in the budget base for the 1996-1997 biennium.		

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(a) Pilot Projects		
$150,000 is for the institute for child and adolescent sexual health to conduct pilot projects.		
(b) Teen Pregnancy Reduction		
$80,000 is to develop, in consultation with the commissioner of education and a representative from Minnesota planning, a program to reduce teen pregnancy modeled after the education now and babies later (ENABL) program in California.		
Sec. 11. HUMAN SERVICES	-0-	150,000
$100,000 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 $25,000 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 $25,000 by September 30, 1994, the money shall be available for funding an alternative HIPPY site.		
$50,000 is to implement the CHIPS-delinquent intervention demonstration project and to prepare the required report.		
The appropriations in this section shall not be included in the budget base for the 1996-1997 biennium.		
Sec. 12. JOBS AND TRAINING	-0-	1,850,000
$1,825,000 is for the Minnesota youth program for summer youth employment. This appropriation shall not be added to the budget base for the 1996-1997 biennium.		
$25,000 is for a juvenile match, to be used to maximize the federal funds available for juvenile justice programs that target at-risk youth.		
Sec. 13. PUBLIC SAFETY	-0-	2,011,000
Subdivision 1. Administration and Related Services		
	-0-	1,151,000
$200,000 is to fund neighborhood block clubs and community-oriented policing efforts. This appropriation shall not be added to the budget base for the 1996-1997 biennium.		
$100,000 is for the crime information reward fund. This appropriation shall not be added to the budget base for the 1996-1997 biennium.		

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$275,000 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.

$15,000 is to distribute a manual on child abduction investigations. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

$200,000 is to make grants to local law enforcement jurisdictions to develop three truancy service centers. Applicants must provide a one-to-one funding match. If the commissioner has received applications from fewer than three counties by the application deadline, the commissioner may make unallocated funds from this appropriation available to an approved grantee that can provide the required one-to-one funding match for the additional funds. This appropriation is available until expended. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

$100,000 is to implement intensive neglect intervention projects. Applicants must provide a one-to-one funding match. Funds shall not be used to replace existing funding for services to children. This appropriation is available until expended. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

$25,000 is for a grant to the Nett Lake community crime and drug prevention program. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

$56,000 is for a grant to the Region Nine development commission for grants to community-based early intervention and prevention projects. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

$10,000 is for the violence prevention study and report conducted by the chemical abuse and violence prevention council. The council may use part of this appropriation to hire up to one staff position. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

$50,000 is for a grant to fund the activities of a statewide youth safety initiative coordinated by the Minnesota student safety program. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

$100,000 is for the commissioner of public safety, in cooperation with the criminal and juvenile justice information policy group, to 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

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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. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

$20,000 is for an independent evaluation of the intensive probation grant program established under Minnesota Statutes, section 169.1265. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

Notwithstanding any other provision of law, during the biennium ending June 30, 1995, the commissioner of public safety may transfer up to $75,000 in unencumbered funds from the department's appropriation to the board of peace officer standards and training for payment of legal fees. The board must not rescind or otherwise change the action of its executive committee on April 26, 1994, concerning the transfer of funds from its reimbursement accounts to cover its operating deficits. It is not the legislature's intent, by this provision, to take a position regarding the merits of any pending litigation concerning the board.

Subd. 2. Criminal Apprehension

-0- 580,000

$170,000 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 624.7131 and 624.7132. 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.

$120,000 is to supplement current funding for drug abuse resistance education training programs.

$40,000 is to fund the gang resistance education training pilot program.

$50,000 is to establish and maintain the distinctive physical mark identification system.

$200,000 is for the fund established by Minnesota Statutes, section 299C.065.

Subd. 3. Crime Victim Services

-0- $280,000

$180,000 is for payment of crime victim reparations.

$100,000 is for the operation of the crime victim ombudsman. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

	APPROPRIATIONS Available for the Year Ending June 30 1994	1995
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.		
Sec. 14. SUPREME COURT	-0-	285,000

$10,000 is for training judges in handling child and adolescent sexual abuse cases.

$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.

$100,000 is for the remote electronic alcohol monitoring pilot program. The supreme court shall seek additional funding for the program from outside sources, and shall scale the program to the available funding resources. This appropriation shall not be added to the budget base for the 1996-1997 biennium.

"Breath analyzer unit" means a device that performs breath alcohol testing and is connected to a remote electronic alcohol monitoring system.

"Remote electronic alcohol monitoring system" means a system that electronically monitors the alcohol concentration of individuals in their homes to ensure compliance with court-ordered conditions of pretrial release, supervised release, or probation.

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.

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 for any costs they incur in participating in the pilot program.

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.

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Sec. 15. PRODUCTIVE DAY INITIATIVE PROGRAMS	-0-	1,000,000

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-	500,000

Of this amount, up to $90,000 shall be spent to administer the Northwest Law Enforcement Project.

Subd. 3. Ramsey County

-0-	250,000

Subd. 4. St. Louis County

-0-	250,000

Sec. 16. 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. 17. 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 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. 3. 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. 4. 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. 5. 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.

Sec. 6. 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 (c)~~ 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~~.

~~(c)~~ 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. 7. Minnesota Statutes 1992, section 219.383, subdivision 4, is amended to read:

Subd. 4. [PENALTY.] A railway corporation violating this section is guilty of a petty misdemeanor ~~and upon conviction is liable for a fine of not less than $25 nor more than $200~~. A corporation that commits a second or subsequent violation of this section is guilty of a misdemeanor.

Sec. 8. 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 shall 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. 9. Minnesota Statutes 1992, section 388.051, is amended by adding a subdivision to read:

Subd. 3. [CHARGING AND 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 charging and 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 making charging decisions and 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. 10. 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).

Sec. 11. 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) exclude the abusing party from a reasonable area surrounding the dwelling or residence, which area shall be described specifically in the order;

(4) 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)~~ (5) 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)~~ (6) provide upon request of the petitioner counseling or other social services for the parties, if married, or if there are minor children;

~~(6)~~ (7) order the abusing party to participate in treatment or counseling services;

~~(7)~~ (8) 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)~~ (9) 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)~~ (10) order the abusing party to pay restitution to the petitioner;

~~(10)~~ (11) order the continuance of all currently available insurance coverage without change in coverage or beneficiary designation; and

~~(11)~~ (12) 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. 12. 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. 13. 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. 14. 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. 15. [609.132] [CONTINUANCE FOR DISMISSAL.]

The decision to offer or agree to a continuance of a criminal prosecution is an exercise of prosecutorial discretion resting solely with the prosecuting attorney.

Sec. 16. Minnesota Statutes 1993 Supplement, section 609.1352, subdivision 1, is amended to read:

Subdivision 1. [SENTENCING AUTHORITY.] (a) A court shall commit a person to the commissioner of corrections for a period of time that is not less than double the presumptive sentence under the sentencing guidelines and not more than the statutory maximum, or if the statutory maximum is less than double the presumptive sentence, for a period of time that is equal to the statutory maximum, if:

(1) the court is imposing an executed sentence, based on a sentencing guidelines presumptive imprisonment sentence or a dispositional departure for aggravating circumstances or a mandatory minimum sentence, on a person convicted of committing or attempting to commit a violation of section 609.342, 609.343, 609.344, or 609.345, or on a person convicted of committing or attempting to commit any other crime listed in subdivision 2 if it reasonably appears to the court that the crime was motivated by the offender's sexual impulses or was part of a predatory pattern of behavior that had criminal sexual conduct as its goal;

(2) the court finds that the offender is a danger to public safety; and

(3) the court finds that the offender needs long-term treatment or supervision beyond the presumptive term of imprisonment and supervised release. The finding must be based on a professional assessment by an examiner experienced in evaluating sex offenders that concludes that the offender is a patterned sex offender. The assessment must contain the facts upon which the conclusion is based, with reference to the offense history of the offender or the severity of the current offense, the social history of the offender, and the results of an examination of the offender's mental status unless the offender refuses to be examined. The conclusion may not be based on testing alone. A patterned sex offender is one whose criminal sexual behavior is so engrained that the risk of reoffending is great without intensive psychotherapeutic intervention or other long-term controls.

(b) The court shall consider imposing a sentence under this section whenever a person is convicted of violating section 609.342 or 609.343.

Sec. 17. 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 unless the defendant demonstrates that the delay was purposefully caused by the state in order to gain an unfair advantage.

Sec. 18. 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 the court imposes a longer aggravated durational departure under subdivision 2, a person who is convicted of a violent crime that is a felony must be committed to the commissioner of corrections for a mandatory sentence of at least the length of the presumptive sentence under the sentencing guidelines if the court determines on the record at the time of sentencing that the person has two or more prior felony convictions for violent crimes. The court shall impose and execute the prison sentence regardless of whether the guidelines presume an executed prison sentence. For purposes of this subdivision, "violent crime" does not include a violation of section 152.023 or 152.024. 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.

Sec. 19. 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 or local correctional facility, with intent to effect the death of that person or another, while the peace officer or guard 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 the following laws of this state or any similar laws of the United States or any other state: 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, or any similar laws of the United States or any other state; 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. 20. Minnesota Statutes 1992, section 609.223, is amended by adding a subdivision to read:

Subd. 3. [FELONY; VICTIM UNDER FOUR.] Whoever assaults 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. 21. 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. 22. [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 a minor on whom it is performed or by the minor's parent 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. 23. Minnesota Statutes 1992, section 609.245, is amended to read:

609.245 [AGGRAVATED ROBBERY.]

Subdivision 1. [FIRST DEGREE.] Whoever, while committing a robbery, is armed with a dangerous weapon or 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 in the first degree 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.

Subd. 2. [SECOND DEGREE.] Whoever, while committing a robbery, implies, by word or act, possession of a dangerous weapon, is guilty of aggravated robbery in the second degree and may be sentenced to imprisonment for not more than 15 years or to payment of a fine of not more than $30,000, or both.

Sec. 24. 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.

Sec. 25. Minnesota Statutes 1992, section 609.26, subdivision 1, is amended to read:

Subdivision 1. [PROHIBITED ACTS.] Whoever intentionally does any of the following acts may be charged with a felony and, upon conviction, may be sentenced as provided in subdivision 6:

(1) conceals a minor child from the child's parent where the action manifests an intent substantially to deprive that parent of parental rights or conceals a minor child from another person having the right to visitation or custody where the action manifests an intent to substantially deprive that person of rights to visitation or custody;

(2) takes, obtains, retains, or fails to return a minor child in violation of a court order which has transferred legal custody under chapter 260 to the commissioner of human services, a child placing agency, or the county welfare board;

(3) takes, obtains, retains, or fails to return a minor child from or to the parent in violation of a court order, where the action manifests an intent substantially to deprive that parent of rights to visitation or custody;

(4) takes, obtains, retains, or fails to return a minor child from or to a parent after commencement of an action relating to child visitation or custody but prior to the issuance of an order determining custody or visitation rights, where the action manifests an intent substantially to deprive that parent of parental rights; ~~or~~

(5) retains a child in this state with the knowledge that the child was removed from another state in violation of any of the above provisions;

(6) refuses to return a minor child to a parent or lawful custodian, and is at least 18 years old and more than 24 months older than the child;

(7) causes or contributes to a child being a habitual truant as defined in section 260.015, subdivision 19, and is at least 18 years old and more than 24 months older than the child;

(8) causes or contributes to a child being a runaway as defined in section 260.015, subdivision 20, and is at least 18 years old and more than 24 months older than the child; or

(9) is at least 18 years old and resides with a minor under the age of 16 without the consent of the minor's parent or lawful custodian.

Sec. 26. Minnesota Statutes 1992, section 609.26, subdivision 6, is amended to read:

Subd. 6. [PENALTY.] (a) Except as otherwise provided in paragraph (b) and subdivision 5, whoever violates this section may be sentenced as follows:

(1) to imprisonment for not more than two years or to payment of a fine of not more than $4,000, or both; or

(2) to imprisonment for not more than four years or to payment of a fine of not more than $8,000, or both, if the court finds that:

(i) the defendant committed the violation while possessing a dangerous weapon or caused substantial bodily harm to effect the taking;

(ii) the defendant abused or neglected the child during the concealment, detention, or removal of the child;

(iii) the defendant inflicted or threatened to inflict physical harm on a parent or lawful custodian of the child or on the child with intent to cause the parent or lawful custodian to discontinue criminal prosecution;

(iv) the defendant demanded payment in exchange for return of the child or demanded to be relieved of the financial or legal obligation to support the child in exchange for return of the child; or

(v) the defendant has previously been convicted under this section or a similar statute of another jurisdiction.

(b) A violation of subdivision 1, clause (7), is a gross misdemeanor. The county attorney shall prosecute violations of subdivision 1, clause (7).

Sec. 27. Minnesota Statutes 1992, section 609.28, is amended to read:

609.28 [INTERFERING WITH RELIGIOUS OBSERVANCE.]

Subdivision 1. [INTERFERENCE.] Whoever, by threats or violence, intentionally prevents another person from performing any lawful act enjoined upon or recommended to the person by the religion which the person professes is guilty of a misdemeanor.

Subd. 2. [PHYSICAL INTERFERENCE PROHIBITED.] A person is guilty of a gross misdemeanor who intentionally and physically obstructs any individual's access to or egress from a religious establishment. This subdivision does not apply to the exclusion of a person from the establishment at the request of an official of the religious organization.

Subd. 3. [DEFINITION.] For purposes of subdivision 2, a "religious establishment" is a building used for worship services by a religious organization and clearly identified as such by a posted sign or other means.

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 4, is amended to read:

Subd. 4. (a) "Consent" means ~~a voluntary uncoerced manifestation of a present agreement to perform a particular sexual act with the actor~~ words or overt actions by a person indicating a freely given present agreement to perform a particular sexual act with the actor. Consent does not mean the existence of a prior or current social relationship between the actor and the complainant or that the complainant failed to resist a particular sexual act.

(b) A person who is mentally incapacitated or physically helpless as defined by this section cannot consent to a sexual act.

(c) Corroboration of the victim's testimony is not required to show lack of consent.

Sec. 31. Minnesota Statutes 1992, section 609.341, subdivision 9, is amended to read:

Subd. 9. "Physically helpless" means that a person is (a) asleep or not conscious, (b) unable to withhold consent or to withdraw consent because of a physical condition, or (c) unable to communicate nonconsent and the condition is known or reasonably should have been known to the actor.

Sec. 32. 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. 33. 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. 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 or induce 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.

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 or induce 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.

Sec. 37. 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. 38. 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. 39. 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. 40. 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. 41. 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.

Sec. 42. 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. 43. 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. 44. 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. 45. 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, vehicle or facility of public transportation 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. 46. 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. 47. Minnesota Statutes 1992, section 609.746, subdivision 1, is amended to read:

Subdivision 1. [SURREPTITIOUS INTRUSION; OBSERVATION DEVICE.] (a) A person is guilty of a misdemeanor who:

(1) enters upon another's property ~~and~~;

(2) surreptitiously gazes, stares, or peeps in the window or any other aperture of a house or place of dwelling of another; and

(3) does so with intent to intrude upon or interfere with the privacy of a member of the household ~~is guilty of a misdemeanor~~.

(b) A person is guilty of a misdemeanor who:

(1) enters upon another's property;

(2) surreptitiously installs or uses any device for observing, photographing, recording, amplifying, or broadcasting sounds or events through the window or any other aperture of a house or place of dwelling of another; and

(3) does so with intent to intrude upon or interfere with the privacy of a member of the household.

(c) A person is guilty of a gross misdemeanor if the person violates this subdivision after a previous conviction under this subdivision or section 609.749.

(d) Paragraph (b) does not apply to law enforcement officers or corrections investigators, or to those acting under their direction, while engaged in the performance of their lawful duties.

Sec. 48. 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. 49. Minnesota Statutes 1992, section 609.855, is amended to read:

609.855 [CRIMES ~~AGAINST~~ INVOLVING TRANSIT ~~PROVIDERS AND OPERATORS~~; SHOOTING AT TRANSIT VEHICLE.]

Subdivision 1. [UNLAWFULLY OBTAINING SERVICES; MISDEMEANOR.] ~~Whoever~~ A person is guilty of a misdemeanor who intentionally obtains or attempts to obtain service from a provider of ~~regular route~~ public transit ~~as defined in section 174.22, subdivision 8,~~ service or from a public conveyance, 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~~.

Subd. 2. [UNLAWFUL INTERFERENCE WITH TRANSIT OPERATOR.] (a) Whoever intentionally commits an act that ~~unreasonably~~ interferes with or obstructs, or tends to interfere with or obstruct, the operation of a transit vehicle is guilty of unlawful interference with a transit operator and may be sentenced as provided in ~~subdivision 4~~ paragraph (c).

(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 a violation of this subdivision if an authorized transit representative has clearly warned the person once to stop the act.

(c) A person who violates this subdivision may be sentenced as follows:

(1) to imprisonment for not more than three years or to payment of a fine of not more than $5,000, or both, if the violation was accompanied by force or violence or a communication of a threat of force or violence; or

(2) 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. 3. [PROHIBITED ACTIVITIES; MISDEMEANOR.] (a) ~~Whoever~~ A person is guilty of a misdemeanor who, while riding in a vehicle providing ~~regular route~~ public transit service:

(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; or

(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;~~

~~is guilty of disruptive behavior and may be sentenced as provided in subdivision 4~~.

(b) A person is guilty of a violation of this subdivision only if the person continues to act in violation of this subdivision after being warned once by an authorized transit representative to stop the conduct.

~~Subd. 4. [PENALTY.] Whoever violates subdivision 1, 2, or 3 may be sentenced as follows:~~

~~(a) to imprisonment for not more than one year or to payment of a fine of not more than $3,000, 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. 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. [RESTRAINING ORDERS.] (a) At the sentencing on a violation of this section, 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 this section, 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. 50. 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. 51. 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. 52. 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. 53. [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. 54. 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. 55. Minnesota Statutes 1992, section 624.731, subdivision 4, is amended to read:

Subd. 4. [PROHIBITED USE.] (a) No person shall knowingly, or with reason to know, use tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device on or against a peace officer who is in the performance of duties.

(b) No person shall use tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device except as authorized in subdivision 2 or 6.

(c) Tear gas, a tear gas compound, or an electronic incapacitation device shall legally constitute a weapon when it is used in the commission of a crime.

(d) No person shall use tear gas or a tear gas compound in an immobilizing concentration against another person, except as otherwise permitted by subdivision 2.

Sec. 56. Minnesota Statutes 1992, section 624.731, subdivision 8, is amended to read:

Subd. 8. [PENALTIES.] (a) The following violations of this section shall be considered a felony:

(1) The possession or use of tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device by a person specified in subdivision 3, ~~clause~~ paragraph (b).

(2) Knowingly selling or furnishing of tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device to a person specified in subdivision 3, ~~clause~~ paragraph (b).

(3) The use of an electronic incapacitation device as prohibited in subdivision 4, ~~clause~~ paragraph (a).

(4) The use of tear gas or a tear gas compound as prohibited in subdivision 4, paragraph (d).

(b) The following violation of this section shall be considered a gross misdemeanor ~~and shall be punished by not less than 90 days in jail~~: The prohibited use of tear gas, a tear gas compound, or an authorized tear gas compound as specified in subdivision 4, ~~clause~~ paragraph (a).

(c) The following violations of this section shall be considered a misdemeanor:

(1) The possession or use of tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device which fails to meet the requirements of subdivision 2 by any person except as allowed by subdivision 6.

(2) The possession or use of an authorized tear gas compound or an electronic incapacitation device by a person specified in subdivision 3, ~~clause~~ paragraph (a) or (c).

(3) The use of tear gas, a tear gas compound, an authorized tear gas compound, or an electronic incapacitation device except as allowed by subdivision 2 or 6.

(4) Knowingly selling or furnishing an authorized tear gas compound or an electronic incapacitation device to a person specified in subdivision 3, ~~clause~~ paragraph (a) or (c).

(5) Selling or furnishing of tear gas or a tear gas compound other than an authorized tear gas compound to any person except as allowed by subdivision 6.

(6) Selling or furnishing of an authorized tear gas compound or an electronic incapacitation device on premises where intoxicating liquor is sold on an on-sale or off-sale basis or where 3.2 percent malt liquor is sold on an on-sale basis.

(7) Selling an authorized tear gas compound or an electronic incapacitation device in violation of local licensing requirements.

Sec. 57. 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~~ a parent, guardian, or caretaker, or a person mandated to report pursuant to subdivision 3, has 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. 58. Minnesota Statutes 1992, section 626.556, subdivision 6, is amended to read:

Subd. 6. [FAILURE TO REPORT.] A person mandated by this section to report who knows or has reason to believe that a child is neglected or physically or sexually abused, as defined in subdivision 2, or has been neglected or physically or sexually abused within the preceding three years, and fails to report is guilty of a misdemeanor. A parent, guardian, or caretaker who knows or reasonably should know that the child's health is in serious danger and who fails to report as required by subdivision 2, paragraph (c), is guilty of a gross misdemeanor if the child suffers substantial or great bodily harm because of the lack of medical care. If the child dies because of the lack of medical care, the person is guilty of a felony and 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. The provision in section 609.378, subdivision 1, paragraph (a), clause (1), providing that a parent, guardian, or caretaker may, in good faith, select and depend on spiritual means or prayer for treatment or care of a child, does not exempt a parent, guardian, or caretaker from the duty to report under this subdivision.

Sec. 59. 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.

Sec. 60. 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.

"Vulnerable adult" does not include a person who is committed as a psychopathic personality under section 526.10.

(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. 61. 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. 62. 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. 63. 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. 64. Minnesota Statutes 1993 Supplement, section 628.26, is amended to read:

628.26 [LIMITATIONS.]

(a) Indictments or complaints for murder may be found or made at any time after the death of the person killed.

(b) Indictments or complaints for violation of section 609.42, subdivision 1, clause (1) or (2), shall be found or made and filed in the proper court within six years after the commission of the offense.

(c) Indictments or complaints for violation of sections 609.342 to 609.345 if the victim was under the age of 18 years at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense or, if the victim failed to report the offense within this limitation period, within three years after the offense was reported to law enforcement authorities.

(d) Indictments or complaints for violation of sections 609.342 to 609.344 if the victim was 18 years old or older at the time the offense was committed, shall be found or made and filed in the proper court within seven years after the commission of the offense.

(e) Indictments or complaints for violation of sections 609.466 and 609.52, subdivision 2, clause (3)(c) shall be found or made and filed in the proper court within six years after the commission of the offense.

(f) Indictments or complaints for violation of section 609.52, subdivision 2, clause (3), items (a) and (b), (4), (15), or (16), 609.631, or 609.821, where the value of the property or services stolen is more than $35,000, shall be found or made and filed in the proper court within five years after the commission of the offense.

(g) Except for violations relating to false material statements, representations or omissions, indictments or complaints for violations of section 609.671 shall be found or made and filed in the proper court within five years after the commission of the offense.

(h) Indictments or complaints for violation of sections 609.561 to 609.563, shall be found or made and filed in the proper court within five years after the commission of the offense.

(i) In all other cases, indictments or complaints shall be found or made and filed in the proper court within three years after the commission of the offense.

(j) The limitations periods contained in this section shall exclude any period of time during which the defendant was not an inhabitant of or usually resident within this state.

(k) The limitations periods contained in this section for an offense shall not include any period during which the alleged offender participated under a written agreement in a pretrial diversion program relating to that offense.

Sec. 65. 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. 66. [SENTENCING GUIDELINES MODIFICATION.]

The sentencing guidelines commission shall consider ranking conduct constituting sexual contact with a child under the age of 13, as defined in section 32, in severity level VII of the sentencing guidelines grid.

Sec. 67. [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. 68. [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. 69. [REPEALER.]

Minnesota Statutes 1992, sections 152.01, subdivision 17; 609.0332, subdivision 2; and 609.855, subdivision 4, are repealed.

Sec. 70. [EFFECTIVE DATE.]

Sections 66 to 68 are effective the day following final enactment. Sections 2, 8, 9 to 11, 48, and 60 to 62, are effective July 1, 1994. Sections 1, 3 to 7, 12 to 17, 19 to 21, 23 to 47, 49 to 59, 63 to 65, and 69, are effective August 1, 1994, and apply to crimes committed on or after that date. Sections 18 and 22 are effective August 1, 1995, and apply to crimes committed on or after that date.

ARTICLE 3

FIREARM 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.

Sec. 2. [245.041] [PROVISION OF FIREARMS BACKGROUND CHECK INFORMATION.]

Notwithstanding section 253B.23, subdivision 9, the commissioner of human services shall provide commitment information to local law enforcement agencies for the sole purpose of facilitating a firearms background check under section 624.7131, 624.7132, or 624.714. The information to be provided is limited to whether the person has been committed under chapter 253B and, if so, the type of commitment.

Sec. 3. [253B.091] [REPORTING JUDICIAL COMMITMENTS INVOLVING PRIVATE TREATMENT PROGRAMS OR FACILITIES.]

Notwithstanding section 253B.23, subdivision 9, 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 commissioner of human services for purposes of providing commitment information for firearm background checks under section 245.041.

Sec. 4. Minnesota Statutes 1992, section 487.25, is amended by adding a subdivision to read:

Subd. 12. [ASSISTANCE OF ATTORNEY GENERAL.] An attorney for a statutory or home rule charter city in the metropolitan area, as defined in section 473.121, subdivision 2, may request, and the attorney general may provide, assistance in prosecuting nonfelony violations of section 609.66, subdivision 1; 609.666; 624.713, subdivision 2; 624.7131, subdivision 11; 624.7132, subdivision 15; 624.714, subdivision 1 or 10; 624.7162, subdivision 3; or 624.7181, subdivision 2.

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, had in possession 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, had in possession 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 ON CRIMINAL CASES INVOLVING A FIREARM.] Beginning on July 1, 1994, every county attorney shall collect and maintain the following information on criminal complaints and prosecutions within the county attorney's office in which the defendant is alleged to have committed an offense listed in subdivision 9 while possessing or using a firearm:

(1) whether the case was charged or dismissed;

(2) whether the defendant was convicted of the offense or a lesser offense; and

(3) whether the mandatory minimum sentence required under this section was imposed and executed or was waived by the prosecutor or court.

No later than July 1 of each year, beginning on July 1, 1995, the county attorney shall forward this information to the sentencing guidelines commission upon forms prescribed by the commission.

Sec. 9. Minnesota Statutes 1992, section 609.165, is amended by adding a subdivision to read:

Subd. 1b. [VIOLATION AND PENALTY.] (a) Any person who ships, transports, possesses, or receives a firearm in violation of subdivision 1a, commits 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.

(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 1992, section 609.224, subdivision 3, is amended to read:

Subd. 3. [DOMESTIC ASSAULTS; FIREARMS.] (a) When a person is convicted of a violation of this section or section 609.221, 609.222, or 609.223, the court shall determine and make written findings on the record as to whether:

(1) the assault was committed against a family or household member, as defined in section 518B.01, subdivision 2;

(2) the defendant owns or possesses a firearm; and

(3) the firearm was used in any way during the commission of the assault.

(b) If the court determines that the assault was of a family or household member, and that the offender owns or possesses a firearm and used it in any way during the commission of the assault, it shall order ~~the defendant to relinquish possession of~~ that the firearm ~~and give it to the local law enforcement agency. Notwithstanding section 609.531, subdivision 1, paragraph (f), clause (1), the court shall determine whether the firearm shall~~ be summarily forfeited under section 609.5316, subdivision 3~~, or retained by the local law enforcement agency for a period of three years. If the owner has not been convicted of any crime of violence as defined in section 624.712, subdivision 5, or 609.224 against a family or household member within that period, the law enforcement agency shall return the firearm~~.

(c) When a person is convicted of assaulting a family or household member and is determined by the court to have used a firearm in any way during commission of the assault the court may order that the person is prohibited from possessing any type of firearm for any period longer than three years or for the remainder of the person's life. A person who violates this firearm possession prohibition is guilty of a gross misdemeanor. At the time of the conviction, the court shall inform the defendant whether and for how long the defendant is prohibited from possessing a firearm and that it is a gross misdemeanor to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the firearm possession prohibition or the gross misdemeanor penalty to that defendant.

(d) Except as otherwise provided in paragraph (c), when a person is convicted of a violation of this section and the court determines that the victim was a family or household member, the court shall inform the defendant that the defendant is prohibited from possessing a pistol for a period of three years from the date of conviction and that it is a gross misdemeanor offense to violate this prohibition. The failure of the court to provide this information to a defendant does not affect the applicability of the pistol possession prohibition or the gross misdemeanor penalty to that defendant.

~~(d)~~ (e) Except as otherwise provided in paragraph (c), a person is not entitled to possess a pistol if:

(1) the person has been convicted after August 1, 1992, of assault in the fifth degree if the offense was committed within three years of a previous conviction under sections 609.221 to 609.224; or

(2) the person has been convicted after August 1, 1992, of assault in the fifth degree under section 609.224 and the assault victim was a family or household member as defined in section 518B.01, subdivision 2, unless three years have elapsed from the date of conviction and, during that time, the person has not been convicted of any other violation of section 609.224. Property rights may not be abated but access may be restricted by the courts. A person who possesses a pistol in violation of this ~~subdivision~~ paragraph is guilty of a gross misdemeanor.

Sec. 11. 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 in the furtherance of a crime and defined as~~ a dangerous weapon as defined under section 609.02, subdivision 6, that the actor used or had in possession in furtherance of a crime.

(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, 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, chapter 152, or chapter 624;

(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. 12. 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), unless the agency determines that there is good reason not to destroy a particular item;

(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. 13. 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. 14. Minnesota Statutes 1992, section 609.5315, subdivision 6, is amended to read:

Subd. 6. [REPORTING REQUIREMENT.] The appropriate agency shall provide a written record of each forfeiture incident to the state auditor. The record shall include the amount forfeited, date, and a brief description of the

circumstances involved. The record shall also list the number of firearms forfeited and the make, model, and serial number of each firearm forfeited. Reports shall be made on a monthly basis in a manner prescribed by the state auditor. The state auditor shall report annually to the legislature on the nature and extent of forfeitures.

Sec. 15. Minnesota Statutes 1992, section 609.5315, is amended by adding a subdivision to read:

Subd. 7. [FIREARMS.] The agency shall make best efforts for a period of 90 days after the seizure of an abandoned or stolen firearm to protect the firearm from harm and return it to the lawful owner.

Sec. 16. 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. 17. Minnesota Statutes 1992, section 609.5316, subdivision 3, is amended to read:

Subd. 3. [WEAPONS AND BULLET-RESISTANT VESTS.] Weapons used are contraband and must be summarily forfeited to the appropriate agency upon conviction of the weapon's owner or possessor for a controlled substance crime or for any offense of this chapter or chapter 624. Bullet-resistant vests, as defined in section 609.486, worn or possessed during the commission or attempted commission of a crime are contraband and must be summarily forfeited to the appropriate agency upon conviction of the owner or possessor for a controlled substance crime or for any offense of this chapter. Notwithstanding this subdivision, weapons used and bullet-resistant vests worn or possessed may be forfeited without a conviction under sections 609.531 to 609.5315.

Sec. 18. 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. 19. 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. 20. 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. 21. Minnesota Statutes 1992, section 609.66, is amended by adding a subdivision to read:

Subd. 1g. [FELONY; POSSESSION IN COURTHOUSE OR CERTAIN STATE BUILDINGS.] (a) A person who commits either of the following acts 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:

(1) possesses a dangerous weapon, ammunition, or explosives within any courthouse complex; or

(2) possesses a dangerous weapon, ammunition, or explosives in any state building within the capitol area described in section 15.50, other than the National Guard Armory.

(b) Unless a person is otherwise prohibited or restricted by other law to possess a dangerous weapon, this subdivision does not apply to:

(1) licensed peace officers or military personnel who are performing official duties;

(2) persons who carry pistols according to the terms of a permit issued under section 624.714 and who so notify the sheriff or the commissioner of public safety, as appropriate;

(3) persons who possess dangerous weapons for the purpose of display as demonstrative evidence during testimony at a trial or hearing or exhibition in compliance with advance notice and safety guidelines set by the sheriff or the commissioner of public safety; or

(4) persons who possess dangerous weapons in a courthouse complex with the express consent of the county sheriff or who possess dangerous weapons in a state building with the express consent of the commissioner of public safety.

Sec. 22. [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. 23. 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. 24. 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. 25. Minnesota Statutes 1992, section 624.712, is amended by adding a subdivision to read:

Subd. 9. [BUSINESS DAY.] "Business day" means a day on which state offices are open for normal business and excludes weekends and legal holidays.

Sec. 26. Minnesota Statutes 1992, section 624.712, is amended by adding a subdivision to read:

Subd. 10. [CRIME PUNISHABLE BY IMPRISONMENT FOR A TERM EXCEEDING ONE YEAR.] "Crime punishable by imprisonment for a term exceeding one year" does not include:

(1) any federal or state offense pertaining to antitrust violations, unfair trade practices, restraints of trade, or other similar offenses relating to the regulation of business practices; or

(2) any state offense classified by the laws of this state or any other state as a misdemeanor and punishable by a term of imprisonment of two years or less.

What constitutes a conviction of a crime shall be determined in accordance with the law of the jurisdiction in which the proceedings were held. Any conviction which has been expunged, or set aside, or for which a person has been pardoned or has had civil rights restored shall not be considered a conviction for purposes of this definition, unless such pardon, expungement, or restoration of civil rights expressly provides that the person may not ship, transport, possess, or receive firearms.

Sec. 27. 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) except as otherwise provided in clause (i), 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) except as otherwise provided in clause (i), 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;

(i) a person who has been convicted in this state or elsewhere of assaulting a family or household member and who was found by the court to have used a firearm in any way during commission of the assault is prohibited from possessing any type of firearm for the period determined by the sentencing court; or

(j) a person who:

(1) has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;

(2) is a fugitive from justice as a result of having fled from any state to avoid prosecution for a crime or to avoid giving testimony in any criminal proceeding;

(3) is an unlawful user of any controlled substance as defined in chapter 152;

(4) has been judicially committed to a treatment facility 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;

(5) is an alien who is illegally or unlawfully in the United States;

(6) has been discharged from the armed forces of the United States under dishonorable conditions; or

(7) has renounced the person's citizenship having been a citizen of the United States.

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.

The prohibition in this subdivision relating to the possession of firearms other than pistols and semiautomatic military-style assault weapons does not apply retroactively to persons who are prohibited from possessing a pistol or semiautomatic military-style assault weapon under this subdivision before August 1, 1994.

Sec. 28. Minnesota Statutes 1993 Supplement, section 624.713, is amended by adding a subdivision to read:

Subd. 1a. [INELIGIBLE TO RECEIVE, SHIP, TRANSPORT.] A person presently charged with a crime punishable by imprisonment for a term exceeding one year shall not be entitled to receive, ship, or transport any pistol or semiautomatic military-style assault weapon. A violation of this subdivision is a gross misdemeanor.

Sec. 29. 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 commitment information about the proposed transferee maintained by the commissioner 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; 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. The statement under clause (c) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Sec. 30. Minnesota Statutes 1992, section 624.7131, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION.] The chief of police or sheriff shall check criminal histories, records and warrant information relating to the applicant through the Minnesota crime information system and the national criminal record repository and shall make a reasonable effort to check other available state and local record keeping systems. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.

Sec. 31. Minnesota Statutes 1993 Supplement, section 624.7131, subdivision 10, is amended to read:

Subd. 10. [TRANSFER REPORT NOT REQUIRED.] A person who transfers a pistol or semiautomatic military-style assault weapon to a ~~licensed peace officer, as defined in section 626.84, subdivision 1, exhibiting a valid peace officer identification, or to a~~ person exhibiting a valid transferee permit issued pursuant to this section or a valid permit to carry issued pursuant to section 624.714 is not required to file a transfer report pursuant to section 624.7132, subdivision 1.

Sec. 32. 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~~ proposed transferee resides 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 commitment information about the proposed transferee maintained by the commissioner 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;

(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. The statement under clause (c) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Sec. 33. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 2, is amended to read:

Subd. 2. [INVESTIGATION.] Upon receipt of a transfer report, the chief of police or sheriff shall check criminal histories, records and warrant information relating to the proposed transferee through the Minnesota crime information system and the national criminal record repository and shall make a reasonable effort to check other available state and local record keeping systems. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.

Sec. 34. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 4, is amended to read:

Subd. 4. [DELIVERY.] Except as otherwise provided in subdivision 7 or 8, no person shall deliver a pistol or semiautomatic military-style assault weapon to a proposed transferee until ~~seven~~ five business days after the date ~~of~~ the agreement to transfer ~~as stated on the report~~ is delivered to a chief of police or sheriff in accordance with subdivision 1 unless the chief of police or sheriff waives all or a portion of the seven day waiting period. The chief of police or sheriff may waive all or a portion of the five business day waiting period in writing if the chief of police or sheriff finds that the transferee requires access to a pistol or semiautomatic military-style assault weapon because of a threat to the life of the transferee or of any member of the household of the transferee.

No person shall deliver a pistol or semiautomatic military-style assault weapon to a proposed transferee after receiving a written notification that the chief of police or sheriff has determined that the proposed transferee is prohibited by section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within ~~seven~~ five business days ~~of the date~~ after delivery of the agreement to transfer, the pistol or semiautomatic military-style assault weapon may be delivered to the transferee.

Sec. 35. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 8, is amended to read:

Subd. 8. [REPORT NOT REQUIRED.] ~~(1)~~ If the proposed transferee presents a valid transferee permit issued under section 624.7131 or a valid permit to carry issued under section 624.714, or if the transferee is a licensed peace officer, as defined in section 626.84, subdivision 1~~, who presents a valid peace officer photo identification and badge, the transferor need not file a transfer report~~.

~~(2) If the transferor makes a report of transfer and receives no written notification of disqualification of the proposed transferee within seven days of the date of the agreement to transfer, no report or investigation shall be required under this section for any additional transfers between that transferor and that transferee which are made within 30 days of the date on which delivery of the first pistol or semiautomatic military style assault weapon may be made under subdivision 4.~~

Sec. 36. 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. 37. Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 14, is amended to read:

Subd. 14. [TRANSFER TO UNKNOWN PARTY.] (a) No person shall transfer a pistol or semiautomatic military-style assault weapon to another who is not personally known to the transferor unless the proposed transferee presents evidence of identity to the transferor. ~~A person who transfers a pistol or semiautomatic military-style assault weapon in violation of this clause is guilty of a misdemeanor.~~

(b) No person who is not personally known to the transferor shall become a transferee of a pistol or semiautomatic military-style assault weapon unless the person presents evidence of identity to the transferor.

(c) The evidence of identity shall contain the name, residence address, date of birth, and photograph of the proposed transferee; must be made or issued by or under the authority of the United States government, a state, a political subdivision of a state, a foreign government, a political subdivision of a foreign government, an international governmental or an international quasi-governmental organization; and must be of a type commonly accepted for the purpose of identification of individuals.

(d) A person who becomes a transferee of a pistol or semiautomatic military-style assault weapon in violation of this ~~clause~~ subdivision is guilty of a misdemeanor.

Sec. 38. 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 commitment information about the applicant maintained by the commissioner 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;

(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. The statement under clause (3) must comply with any applicable requirements of Code of Federal Regulations, title 42, sections 2.31 to 2.35, with respect to consent to disclosure of alcohol or drug abuse patient records.

Sec. 39. Minnesota Statutes 1992, section 624.714, subdivision 4, is amended to read:

Subd. 4. [INVESTIGATION.] The application authority shall check criminal records, histories, and warrant information on each applicant through the Minnesota Crime Information System. The chief of police or sheriff shall obtain commitment information from the commissioner of human services as provided in section 245.041.

Sec. 40. Minnesota Statutes 1992, section 624.714, subdivision 6, is amended to read:

Subd. 6. [FAILURE TO GRANT PERMITS.] Failure of the chief police officer or the county sheriff to deny the application or issue a permit to carry a pistol within 21 days of the date of application shall be deemed to be a grant thereof. The local police authority shall provide an applicant with written notification of a denial and the specific reason for the denial. ~~The permits and their renewal shall be granted free of charge.~~ A chief of police or a sheriff may charge a fee to cover the cost of conducting a background check, not to exceed $10. The permit shall specify the activities for which it shall be valid.

Sec. 41. [624.7141] [TRANSFER TO INELIGIBLE PERSON.]

Subdivision 1. [TRANSFER PROHIBITED.] A person is guilty of a gross misdemeanor who intentionally transfers a pistol or semiautomatic military-style assault weapon to another if the person knows that the transferee:

(1) has been denied a permit to carry under section 624.714 because the transferee is not eligible under section 624.713 to possess a pistol or semiautomatic military-style assault weapon;

(2) has been found ineligible to possess a pistol or semiautomatic military-style assault weapon by a chief of police or sheriff as a result of an application for a transferee permit or a transfer report; or

(3) is disqualified under section 624.713 from possessing a pistol or semiautomatic military-style assault weapon.

Subd. 2. [FELONY.] A violation of this section is a felony if the transferee possesses or uses the weapon within one year after the transfer in furtherance of a felony crime of violence.

Subd. 3. [SUBSEQUENT ELIGIBILITY.] This section is not applicable to a transfer to a person who became eligible to possess a pistol or semiautomatic military-style assault weapon under section 624.713 after the transfer occurred but before the transferee used or possessed the weapon in furtherance of any crime.

Sec. 42. 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. 43. [629.71] [RELEASE IN CASES INVOLVING CRIMES AGAINST PERSONS.]

Subdivision 1. [JUDICIAL REVIEW; RELEASE; SURRENDER OF FIREARMS.] (a) When a person is arrested for a crime against the person, the judge before whom the arrested person is taken shall review the facts surrounding the arrest and detention. 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 crime, or another, or (3) will not reasonably assure the appearance of the arrested person at subsequent proceedings.

(b) If the judge determines release under paragraph (a) is not advisable, the judge may impose any conditions of release that will reasonably assure the appearance of the person for subsequent proceedings, or will protect the victim of the alleged crime, or may fix the amount of money bail without other conditions upon which the arrested person may obtain release.

Subd. 2. [SURRENDER OF FIREARMS.] The judge may order as a condition of release that the person surrender to the local law enforcement agency all firearms, destructive devices, or dangerous weapons owned or possessed by the person, and may not live in a residence where others possess firearms. Any firearm, destructive device, or dangerous weapon surrendered under this subdivision shall be inventoried and retained, with due care to preserve its quality and function, by the local law enforcement agency, and must be returned to the person upon the person's acquittal, when charges are dismissed, or if no charges are filed. If the person is convicted, the firearm must be returned when the court orders the return or when the person is discharged from probation and restored to civil rights. If the person is convicted of a designated offense as defined in section 609.531, the firearm is subject to forfeiture as provided under that section. This condition may be imposed in addition to any other condition authorized by rule 6.02 of the rules of criminal procedure.

Subd. 3. [WRITTEN ORDER.] 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.

Subd. 4. [NO CONTACT ORDER.] If the judge imposes as a condition of release a requirement that the person have no contact with the victim of the alleged crime, 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. 44. [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 the make, model, and serial number of each firearm involved, where that information is available, on each crime committed affecting the use or possession of firearms and a breakdown by county of the crimes committed.

Sec. 45. [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. 46. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 624.7132, subdivision 7, is repealed.

Sec. 47. [EFFECTIVE DATE.]

Sections 1, 4, 8, 44, and 45 are effective July 1, 1994. Sections 2, 3, 5 to 7, 9 to 11, 17 to 43, and 46 are effective August 1, 1994, and apply to crimes committed on or after that date. Sections 12 to 16 are effective August 1, 1994, and apply to seizures occurring on or after that date.

ARTICLE 4

LAW ENFORCEMENT

Section 1. Minnesota Statutes 1992, section 13.32, is amended by adding a subdivision to read:

Subd. 7. [USES OF DATA.] School officials who receive data on juveniles, as authorized under section 260.161, may use and share that data within the school district or educational entity as necessary to protect persons and property or to address the educational and other needs of students.

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 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 1b.

Sec. 5. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 1, is amended to read:

Subdivision 1. [REGISTRATION REQUIRED.] 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.

Sec. 6. 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 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. 7. 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. 8. Minnesota Statutes 1993 Supplement, section 243.166, subdivision 9, is amended to read:

Subd. 9. [~~PRISONERS~~ OFFENDERS 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. 9. Minnesota Statutes 1992, section 260.132, is amended by adding a subdivision to read:

Subd. 4. [TRUANT.] When a peace officer or probation officer has probable cause to believe that a child is currently under age 16 and absent from school without lawful excuse, the officer may transport the child to the child's home and deliver the child to the custody of the child's parent or guardian, transport the child to the child's school of enrollment and deliver the child to the custody of a school superintendent or teacher or transport the child to a truancy service center. For purposes of this subdivision, a truancy service center is a facility that receives truant students from peace officers or probation officers and takes appropriate action including one or more of the following:

(1) assessing the truant's attendance situation;

(2) assisting in coordinating intervention efforts where appropriate;

(3) contacting the parents or legal guardian of the truant and releasing the truant to the custody of the parent or guardian; and

(4) facilitating the truant's earliest possible return to school.

Sec. 10. Minnesota Statutes 1992, section 260.161, is amended by adding a subdivision to read:

Subd. 1b. [DISPOSITION ORDER; COPY TO SCHOOL.] (a) If a juvenile is enrolled in school, the juvenile's probation officer shall transmit a copy of the court's disposition order to the principal or chief administrative officer of the juvenile's school if the juvenile has been adjudicated delinquent for committing an act on the school's property or an act:

(1) that would be a violation of section 609.185 (first-degree murder); 609.19 (second-degree murder); 609.195 (third-degree murder); 609.20 (first-degree manslaughter); 609.205 (second-degree manslaughter); 609.21 (criminal vehicular homicide and injury); 609.221 (first-degree assault); 609.222 (second-degree assault); 609.223 (third-degree assault); 609.2231 (fourth-degree assault); 609.224 (fifth-degree assault); 609.24 (simple robbery); 609.245 (aggravated robbery); 609.25 (kidnapping); 609.255 (false imprisonment); 609.342 (first-degree criminal sexual conduct); 609.343 (second-degree criminal sexual conduct); 609.344 (third-degree criminal sexual conduct); 609.345 (fourth-degree criminal sexual conduct); 609.3451 (fifth-degree criminal sexual conduct); 609.498 (tampering with a witness); 609.561 (first-degree arson); 609.582, subdivision 1 or 2 (burglary); 609.713 (terroristic threats); or 609.749 (harassment and stalking), if committed by an adult;

(2) that would be a violation of section 152.021 (first-degree controlled substance crime); 152.022 (second-degree controlled substance crime); 152.023 (third-degree controlled substance crime); 152.024 (fourth-degree controlled substance crime); 152.025 (fifth-degree controlled substance crime); 152.0261 (importing a controlled substance); or 152.027 (other controlled substance offenses), if committed by an adult; or

(3) that involved the possession or use of a dangerous weapon as defined in section 609.02, subdivision 6.

When a disposition order is transmitted under this paragraph, the probation officer shall notify the juvenile's parent or legal guardian that the disposition order has been shared with the juvenile's school.

(b) The disposition order must be accompanied by a notice to the school that the school may obtain additional information from the juvenile's probation officer with the consent of the juvenile or the juvenile's parents, as applicable. The disposition order must be maintained in the student's permanent education record but may not be released outside of the school district or educational entity, other than to another school district or educational entity to which the juvenile is transferring. Notwithstanding section 138.17, the disposition order must be destroyed when the juvenile graduates from the school or at the end of the academic year when the juvenile reaches age 23, whichever date is earlier.

(c) The juvenile's probation officer shall maintain a record of disposition orders released under this subdivision and the basis for the release.

(d) The criminal and juvenile justice information policy group, in consultation with representatives of probation officers and educators, shall prepare standard forms for use by juvenile probation officers in forwarding information to schools under this subdivision and in maintaining a record of the information that is released.

(e) As used in this subdivision, "school" means a public or private elementary, middle, or secondary school.

Sec. 11. Minnesota Statutes 1992, section 260.161, subdivision 2, is amended to read:

Subd. 2. [PUBLIC INSPECTION LIMITATIONS.] Except as otherwise provided in this ~~subdivision and in subdivision 1~~ section, and except for legal records arising from proceedings that are public under section 260.155, subdivision 1, none of the records of the juvenile court and none of the records relating to an appeal from a nonpublic juvenile court proceeding, except the written appellate opinion, shall be open to public inspection or their contents disclosed except (a) by order of a court or (b) as required by sections 245A.04, 611A.03, 611A.04, 611A.06, and 629.73. The records of juvenile probation officers and county home schools are records of the court for the purposes of this subdivision. Court services data relating to delinquent acts that are contained in records of the juvenile court may

be released as allowed under section 13.84, subdivision 5a. This subdivision applies to all proceedings under this chapter, including appeals from orders of the juvenile court, except that this subdivision does not apply to proceedings under section 260.255, 260.261, or 260.315 when the proceeding involves an adult defendant. The court shall maintain the confidentiality of adoption files and records in accordance with the provisions of laws relating to adoptions. In juvenile court proceedings any report or social history furnished to the court shall be open to inspection by the attorneys of record and the guardian ad litem a reasonable time before it is used in connection with any proceeding before the court.

When a judge of a juvenile court, or duly authorized agent of the court, determines under a proceeding under this chapter that a child has violated a state or local law, ordinance, or regulation pertaining to the operation of a motor vehicle on streets and highways, except parking violations, the judge or agent shall immediately report the violation to the commissioner of public safety. The report must be made on a form provided by the department of public safety and must contain the information required under section 169.95.

Sec. 12. 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 otherwise provided in ~~paragraph (d)~~ this subdivision. 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) A law enforcement agency shall notify the principal or chief administrative officer of a juvenile's school of an incident occurring within the agency's jurisdiction if:

(1) the agency has probable cause to believe that the juvenile has committed an offense that would be a crime if committed as an adult, that the victim of the offense is a student or staff member of the school, and that notice to the school is reasonably necessary for the protection of the victim; or

(2) the agency has probable cause to believe that the juvenile has committed an offense described in subdivision 1b, paragraph (a), clauses (1) to (3), that would be a crime if committed by an adult.

A law enforcement agency is not required to notify the school under this paragraph if the agency determines that notice would jeopardize an ongoing investigation. Notwithstanding section 138.17, data from a notice received from a law enforcement agency under this paragraph must be destroyed when the juvenile graduates from the school or at the end of the academic year when the juvenile reaches age 23, whichever date is earlier. For purposes of 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 the juvenile diversion program with data concerning a juvenile who is a participant in or is being considered for participation in the program.

(g) Upon request of a local social service agency, peace officer records of children who are or may be delinquent or who may be engaged in criminal acts may be disseminated to the agency to promote the best interests of the subject of the data.

Sec. 13. Minnesota Statutes 1992, section 260.161, is amended by adding a subdivision to read:

Subd. 5. [FURTHER RELEASE OF RECORDS.] A person who receives access to juvenile court or peace officer records of children that are not accessible to the public may not release or disclose the records to any other person except as authorized by law. This subdivision does not apply to the child who is the subject of the records or the child's parent or guardian.

Sec. 14. Minnesota Statutes 1992, section 260.165, subdivision 1, is amended to read:

Subdivision 1. No child may be taken into immediate custody except:

(a) With an order issued by the court in accordance with the provisions of section 260.135, subdivision 5, or by a warrant issued in accordance with the provisions of section 260.145; or

(b) In accordance with the laws relating to arrests; or

(c) By a peace officer

(1) when a child has run away from a parent, guardian, or custodian, or when the peace officer reasonably believes the child has run away from a parent, guardian, or custodian; or

(2) when a child is found in surroundings or conditions which endanger the child's health or welfare or which such peace officer reasonably believes will endanger the child's health or welfare. If an Indian child is a resident of a reservation or is domiciled on a reservation but temporarily located off the reservation, the taking of the child into custody under this clause shall be consistent with the Indian Child Welfare Act of 1978, United States Code, title 25, section 1922; ~~or~~

(d) By a peace officer or probation or parole officer when it is reasonably believed that the child has violated the terms of probation, parole, or other field supervision; or

(e) By a peace officer or probation officer under section 260.132, subdivision 4.

Sec. 15. Minnesota Statutes 1992, section 299A.34, subdivision 1, is amended to read:

Subdivision 1. [GRANT PROGRAMS.] (a) The commissioner shall develop grant programs to:

(1) assist law enforcement agencies in purchasing equipment, provide undercover buy money, and pay other nonpersonnel costs; ~~and~~

(2) assist community and neighborhood organizations in efforts to prevent or reduce criminal activities in their areas, particularly activities involving youth and the use and sale of drugs; and

(3) assist law enforcement agencies in efforts to target and apprehend violent habitual criminals.

(b) The commissioner shall prescribe criteria for eligibility and the award of grants and reporting requirements for recipients.

Sec. 16. 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. 17. Minnesota Statutes 1992, 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~~ AND VICTIM PROTECTION.]

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; and

~~(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. [WITNESS AND VICTIM PROTECTION FUND.] A witness and victim protection fund is created under the administration of the commissioner of public safety. The commissioner may make grants to local officials to provide for the relocation or other protection of a victim, witness, or potential witness who is involved in a criminal prosecution and who the commissioner has reason to believe is or is likely to be the target of a violent crime or a violation of section 609.498 or 609.713, in connection with that prosecution. The commissioner may award grants for any of the following actions in connection with the protection of a witness or victim under this subdivision:

(1) to provide suitable documents to enable the person to establish a new identity or otherwise protect the person;

(2) to provide housing for the person;

(3) to provide for the transportation of household furniture and other personal property to the person's new residence;

(4) to provide the person with a payment to meet basic living expenses for a time period the commissioner deems necessary;

(5) to assist the person in obtaining employment; and

(6) to provide other services necessary to assist the person in becoming self-sustaining.

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~~ subdivision 1a 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 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. 18. [299C.066] [CRIME INFORMATION REWARD FUND.]

Subdivision 1. [FUND.] 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 commissioner of public safety, in consultation with the attorney general, under this section. The attorney general shall appoint an advisory group, in consultation with the commissioner, of five members to assist in implementation of this section.

Subd. 2. [REWARDS.] The commissioner is authorized to pay a reward to any person who, in response to a reward offer, provides information leading to the arrest and conviction of a criminal offender. The commissioner shall establish criteria for determining the amount of the reward and the duration of the reward offer. In no event shall a reward exceed $10,000 or a reward offer remain open longer than ten days. The commissioner shall select the criminal investigations for which rewards are offered based on recommendations made by the advisory group members or by the law enforcement agency or agencies conducting the criminal investigation.

Sec. 19. 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, distinctive physical mark 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. 20. 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, distinctive physical mark 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, distinctive physical mark 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. 21. [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. 22. 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, distinctive physical mark 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. 23. [299C.145] [DISTINCTIVE PHYSICAL MARK IDENTIFICATION SYSTEM; ESTABLISHMENT AND OPERATION.]

Subdivision 1. [DEFINITION.] As used in this section and in sections 299C.10, 299C.11, and 299C.14, "distinctive physical mark identification data" means a photograph of a brand, scar, or tattoo, and a description of the body location where the distinctive physical mark 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 distinctive physical mark identification data on persons who are under investigation for criminal activity. The system shall cross reference the distinctive physical mark identification data with the name of the individual from whose body the distinctive physical mark identification data was obtained. The system also shall cross reference distinctive physical mark identification data with the names of individuals who have been identified as having a similar or identical distinctive physical mark in the same body location.

Subd. 3. [AUTHORITY TO ENTER OR RETRIEVE DISTINCTIVE PHYSICAL MARK IDENTIFICATION DATA.] Only law enforcement agencies may submit data to and obtain data from the distinctive physical mark identification system.

Subd. 4. [RULES.] The bureau may adopt rules to provide for the orderly collection, entry, and retrieval of data contained in the distinctive physical mark identification system.

Sec. 24. 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. 25. 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. 26. 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. 27. 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. 28. 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. 29. 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. 30. 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. 31. Minnesota Statutes 1992, section 626.76, is amended to read:

626.76 [RULES AND REGULATIONS; AIDING OTHER OFFICERS; EXCHANGE PROGRAMS.]

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 agencies and offices 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. (a) 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.

(b) 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. 32. [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 June 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, a nonprofit foundation formed to combat child abuse, and two representatives of victims advocacy groups selected by the commissioner of corrections. 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. 33. 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. 34. 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.

(c) No school in Minnesota certified by the board shall 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. 35. 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. 36. [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. 37. [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. 38. [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 of public safety.

Subd. 2. [GRANTS.] Law enforcement agencies and school districts may apply to the commissioner of public safety 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 commissioners of public safety and education shall evaluate the success of the gang resistance education training pilot program and report conclusions and recommendations to the chairs of the house judiciary and education committees and the senate crime prevention and education committees by February 1, 1995.

Sec. 39. [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. 40. [TRAINING FOR PROSECUTORS.]

The county attorneys association, in conjunction with the attorney general's office, shall prepare and conduct a 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.

Sec. 41. [REPEALER.]

Minnesota Statutes 1992, section 8.34, subdivision 2, is repealed.

Sec. 42. [EFFECTIVE DATE.]

Sections 7 and 30 are effective August 1, 1994, and apply to crimes committed on or after that date. Sections 32, 36, and 40 are effective the day following final enactment.

ARTICLE 5

EXPLOSIVES & BLASTING AGENTS

Section 1. 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. 2. Minnesota Statutes 1992, section 299F.72, is amended by adding a subdivision to read:

Subd. 1b. [CRIME OF VIOLENCE.] "Crime of violence" has the meaning given in section 624.712, subdivision 5, and also includes 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. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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, as defined in section 299F.72, subdivision 1b, 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. 8. 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. 9. [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. 10. 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. 11. 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. 12. 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 ~~transferrer~~ 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. 13. 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. 14. [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. 15. [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" has the meaning given in section 624.712, subdivision 5, and also includes 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. 16. 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, subdivision 6, paragraph (a); 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. 17. Minnesota Statutes 1992, section 624.21, is amended to read:

624.21 [SALE, POSSESSION, AND USE OF FIREWORKS PROHIBITED.]

Except as otherwise provided in sections 624.20 to 624.25, it shall be unlawful for any person to offer for sale, expose for sale, sell at retail or wholesale, possess, advertise, use, or explode any fireworks. This section shall not be construed to prohibit the possession, use, or explosion of fireworks by an engineer licensed pursuant to sections 326.02 and 326.03 or a person under the engineer's direct supervision when undertaking acoustical testing; or sales at wholesale to those persons holding valid permits for a fireworks display from a governmental subdivision of the state; or sales outside the state or sales to licensed professional engineers for acoustical testing purposes only.

Sec. 18. [REPEALER.]

Minnesota Statutes 1992, sections 299F.71; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; and 299F.815, subdivision 2; Minnesota Statutes 1993 Supplement, sections 299F.811; and 299F.815, subdivision 1, 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. Minnesota Statutes 1993 Supplement, section 241.021, subdivision 1, is amended to read:

Subdivision 1. [SUPERVISION OVER CORRECTIONAL INSTITUTIONS.] (1) The commissioner of corrections shall inspect and license all correctional facilities throughout the state, whether public or private, established and operated for the detention and confinement of persons detained or confined therein according to law except to the extent that they are inspected or licensed by other state regulating agencies. The commissioner shall promulgate pursuant to chapter 14, rules establishing minimum standards for these facilities with respect to their management, operation, physical condition, and the security, safety, health, treatment, and discipline of persons detained or confined therein. Commencing September 1, 1980, no individual, corporation, partnership, voluntary association, or other private organization legally responsible for the operation of a correctional facility may operate the facility unless licensed by the commissioner of corrections. The commissioner shall ~~annually~~ review the correctional facilities described in this subdivision at least once every biennium, except as otherwise provided herein, to determine compliance with the minimum standards established pursuant to this subdivision. The commissioner shall grant a license to any facility found to conform to minimum standards or to any facility which, in the commissioner's judgment, is making satisfactory progress toward substantial conformity and the interests and well-being of the persons detained or confined therein are protected. The commissioner may grant licensure up to two years. The commissioner shall have access to the buildings, grounds, books, records, staff, and to persons detained or confined in these facilities. The commissioner may require the officers in charge of these facilities to furnish all information and statistics the commissioner deems necessary, at a time and place designated by the commissioner. The commissioner may require that any or all such information be provided through the department of corrections detention information system.

(2) Any state agency which regulates, inspects, or licenses certain aspects of correctional facilities shall, insofar as is possible, ensure that the minimum standards it requires are substantially the same as those required by other state agencies which regulate, inspect, or license the same aspects of similar types of correctional facilities, although at different correctional facilities.

(3) Nothing in this section shall be construed to limit the commissioner of corrections' authority to promulgate rules establishing standards of eligibility for counties to receive funds under sections 401.01 to 401.16, or to require counties to comply with operating standards the commissioner establishes as a condition precedent for counties to receive that funding.

(4) When the commissioner finds that any facility described in clause (1), except foster care facilities for delinquent children and youth as provided in subdivision 2, does not substantially conform to the minimum standards established by the commissioner and is not making satisfactory progress toward substantial conformance, the commissioner shall promptly notify the chief executive officer and the governing board of the facility of the deficiencies and order that they be remedied within a reasonable period of time. The commissioner may by written order restrict the use of any facility which does not substantially conform to minimum standards to prohibit the detention of any person therein for more than 72 hours at one time. When, after due notice and hearing, the commissioner finds that any facility described in this subdivision, except county jails and lockups as provided in sections 641.26, 642.10, and 642.11, does not conform to minimum standards, or is not making satisfactory progress toward substantial compliance therewith, the commissioner may issue an order revoking the license of that facility. After revocation of its license, that facility shall not be used until its license is renewed. When the commissioner is satisfied that satisfactory progress towards substantial compliance with minimum standard is being made, the commissioner may, at the request of the appropriate officials of the affected facility supported by a written schedule for compliance, grant an extension of time for a period not to exceed one year.

(5) As used in this subdivision, "correctional facility" means any facility, including a group home, having a residential component, the primary purpose of which is to serve persons placed therein by a court, court services department, parole authority, or other correctional agency having dispositional power over persons charged with, convicted, or adjudicated to be guilty or delinquent.

Sec. 2. Minnesota Statutes 1992, section 241.021, subdivision 2, is amended to read:

Subd. 2. [FOSTER CARE FACILITIES FOR DELINQUENT CHILDREN AND YOUTH; LICENSES; SUPERVISION.] Notwithstanding any provisions in sections 256.01, subdivision 2, clause (2), 245A.03, and 245A.04, to the contrary, the commissioner of corrections shall ~~pass annually on the adequacy and suitability of~~ review all county, municipal or other publicly established and operated facilities for the detention, care and training of delinquent children and youth at least once every biennium, if such facility conforms to reasonable standards established by the commissioner or in the commissioner's judgment is making satisfactory progress toward substantial conformity therewith, and the commissioner is satisfied that the interests and well-being of children and youth received therein are protected, the commissioner shall grant a license to the county, municipality or agency thereof operating such facility. ~~This license shall remain in force one year unless sooner revoked.~~ The commissioner may grant licensure up to two years. Each such facility shall cooperate with the commissioner to make available all facts regarding its operation and services as the commissioner requires to determine its conformance to standards and its competence to give the services needed and which purports to give. Every such facility as herein described is subject to visitation and supervision by the commissioner and shall receive from the commissioner consultation as needed to strengthen services to the children and youth received therein.

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.

(d) Whenever inmates are assigned to work within the correctional facility or with any state department or agency, local unit of government, or other government subdivision, the program administrator must certify to the appropriate bargaining agent that work performed by inmates will not result in the displacement of current employed workers or workers on seasonal layoff or layoff from a substantially equivalent position, including partial displacement such as reduction in hours of work other than overtime work, wages, or other employment benefits.

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, 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.

Sec. 7. 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. 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 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 maximum 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. 10. Minnesota Statutes 1993 Supplement, section 243.18, subdivision 2, is amended to read:

Subd. 2. [SANCTION FOR FAILURE TO 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. 11. 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. 12. 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. 13. 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.

Sec. 14. Minnesota Statutes 1992, section 244.09, subdivision 11, is amended to read:

Subd. 11. [MODIFICATION.] The commission shall meet as necessary for the purpose of modifying and improving the guidelines. Any modification which amends the sentencing guidelines grid, including severity levels and criminal history scores, or which would result in the reduction of any sentence or in the early release of any inmate, with the exception of a modification mandated or authorized by the legislature or relating to a crime created or amended by the legislature in the preceding session, shall be submitted to the legislature by January 1 of any year in which the commission wishes to make the change and shall be effective on August 1 of that year, unless the legislature by law provides otherwise. All other modifications shall take effect according to the procedural rules of the commission. On or before January 1 of each year, the commission shall submit a written report to the ~~judiciary~~ committees of the senate and the house of representatives with jurisdiction over criminal justice policy that identifies and explains all modifications made during the preceding 12 months and all proposed modifications that are being submitted to the legislature that year.

Sec. 15. 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 commissioner notifies the sentencing court ~~approves in writing of the offender's participation in the program~~.

Sec. 16. 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. 17. Minnesota Statutes 1992, section 244.13, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] The commissioner of corrections shall establish programs for those designated by the commissioner to serve all or part of a sentence on intensive community supervision or all or part of a supervised release or parole term on intensive supervised release. The adoption and modification of policies and procedures to implement sections 244.05, subdivision 6, and 244.12 to 244.15 are not subject to the rulemaking procedures of chapter 14. The commissioner shall locate the programs so that at least one-half of the money appropriated for the programs in each year is used for programs in community corrections act counties. In awarding contracts for intensive supervision programs in community corrections act counties, the commissioner shall give first priority to programs that utilize county employees as intensive supervision agents and shall give second priority to programs that utilize state employees as intensive supervision agents. The commissioner may award contracts to other providers in community corrections act counties only if doing so will result in a significant cost savings or a significant increase in the quality of services provided, and only after notifying the chairs of the ~~judiciary~~ committees in the senate and house of representatives with jurisdiction over criminal justice policy.

Sec. 18. Minnesota Statutes 1992, section 244.13, subdivision 3, is amended to read:

Subd. 3. [EVALUATION.] The commissioner shall develop a system for gathering and analyzing information concerning the value and effectiveness of the intensive community supervision and intensive supervised release programs and shall compile a report to the chairs of the committees in the senate and house ~~judiciary committees~~ of representatives with jurisdiction over criminal justice policy by January 1 of each odd-numbered year.

Sec. 19. 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 an inmate of a jail or a resident of a facility which is staffed full time, the assigned agent may reduce face-to-face contacts to one per week during all phases.

Sec. 20. Minnesota Statutes 1992, section 244.172, subdivision 3, is amended to read:

Subd. 3. [PHASE III.] Phase III ~~lasts for the remainder of the offender's sentence. During phase III, the commissioner shall place the offender on supervised release under section 244.05.~~ continues until the commissioner determines that the offender has successfully completed the program or until the offender's sentence, minus jail credit, expires, whichever comes first. If an offender successfully completes phase III of the challenge incarceration program

before the offender's sentence expires, the offender shall be placed on supervised release for the remainder of the sentence. The commissioner shall set the level of the offender's supervision based on the public risk presented by the offender.

Sec. 21. Minnesota Statutes 1992, section 244.173, is amended to read:

244.173 [CHALLENGE INCARCERATION PROGRAM; EVALUATION AND REPORT.]

~~The commissioner shall file a report with the house and senate judiciary committees by September 1, 1992, which sets forth with specificity the program's design.~~ The commissioner shall ~~also~~ develop a system for gathering and analyzing information concerning the value and effectiveness of the challenge incarceration program. The commissioner shall report to the ~~legislature~~ committees of the house of representatives and senate with jurisdiction over criminal justice policy by January 1, 1996, on the operation of the program.

Sec. 22. Minnesota Statutes 1992, section 299A.35, subdivision 3, is amended to read:

Subd. 3. [REPORT.] An applicant that receives a grant under this section shall provide the commissioner with a summary of how the grant funds were spent and the extent to which the objectives of the program were achieved. The commissioner shall submit a written report to the ~~legislature~~ chairs of the committees of the senate and house of representatives with jurisdiction over criminal justice policy and funding of crime prevention programs, by February 1 each year, based on the information provided by applicants under this subdivision.

Sec. 23. 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. 24. Minnesota Statutes 1992, section 484.74, subdivision 4, is amended to read:

Subd. 4. [APPLICATION.] This section applies only to the second and fourth judicial districts, which will serve as pilot projects to evaluate the effectiveness of alternative forms of resolving commercial and personal injury disputes. ~~The state court administrator shall evaluate the pilot projects and report the findings to the chairs of the house and senate judiciary committees by January 15, 1991, in the case of the fourth judicial district and by January 15, 1992, in the case of the second judicial district.~~

Sec. 25. Minnesota Statutes 1992, section 609.115, subdivision 1, is amended to read:

Subdivision 1. [PRESENTENCE INVESTIGATION.] When a defendant has been convicted of a misdemeanor or gross misdemeanor, the court may, and when the defendant has been convicted of a felony, the court shall, before sentence is imposed, cause a presentence investigation and written report to be made to the court concerning the defendant's individual characteristics, circumstances, needs, potentialities, criminal record and social history, the circumstances of the offense and the harm caused by it to others and to the community. At the request of the prosecutor in a gross misdemeanor case, the court shall order that a presentence investigation and report be prepared. When the crime is a felony violation of chapter 152 involving the sale or distribution of a controlled substance, the report shall include a description of any adverse social or economic effects the offense has had on persons who reside in the neighborhood where the offense was committed.

The report shall also include the information relating to crime victims required under section 611A.037, subdivision 1. If the court directs, the report shall include an estimate of the prospects of the defendant's rehabilitation and recommendations as to the sentence which should be imposed. In misdemeanor cases the report may be oral.

When a defendant has been convicted of a felony, and before sentencing, the court shall cause a sentencing worksheet to be completed to facilitate the application of the Minnesota sentencing guidelines. The worksheet shall be submitted as part of the presentence investigation report.

The investigation shall be made by a probation officer of the court, if there is one, otherwise by the commissioner of corrections. The officer conducting the presentence or predispositional investigation shall make reasonable and good faith efforts to contact the victim of that crime and to provide that victim with the information required under section 611A.037, subdivision 2.

When a person is convicted of a felony for which the sentencing guidelines presume that the defendant will be committed to the commissioner of corrections under an executed sentence and no motion for a sentencing departure has been made by counsel, the court may, when there is no space available in the local correctional facility, commit the defendant to the custody of the commissioner of corrections, pending completion of the presentence investigation and report. When a defendant is convicted of a felony for which the sentencing guidelines do not presume that the defendant will be committed to the commissioner of corrections, or for which the sentencing guidelines presume commitment to the commissioner but counsel has moved for a sentencing departure, the court may commit the defendant to the commissioner with the consent of the commissioner, pending completion of the presentence investigation and report. The ~~commissioner~~ county of commitment shall return the defendant to the court when the court so orders.

Presentence investigations shall be conducted and summary hearings held upon reports and upon the sentence to be imposed upon the defendant in accordance with this section, section 244.10, and the rules of criminal procedure.

Sec. 26. 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. 27. Minnesota Statutes 1992, section 642.09, is amended to read:

642.09 [INSPECTION; AGENT OF A BOARD OF HEALTH, SHERIFF.]

The agent of a board of health as authorized under section 145A.04 of every city having a lockup shall inspect the same once a year, with reference to its sanitary condition, make a written report thereof to the commissioner of corrections upon blanks furnished by the commissioner, and deliver a copy of such report to the governing body of such city. Upon filing such report the authorized agent shall receive from the treasurer of such municipality a fee of $5. The sheriff of any county in which a municipality maintains a lockup shall inspect such lockup ~~once a year~~ at least once every biennium with the approval of the commissioner of corrections, with reference to its security and administration, and make a written report thereof to the commissioner of corrections upon blanks furnished by the commissioner, and deliver a copy of such report to the governing body of the municipality maintaining such lockup. The commissioner may grant licensure up to two years.

Sec. 28. [APPLICATION.]

The intent of section 9 is to clarify the provisions of Minnesota Statutes, section 243.18, subdivision 1.

Sec. 29. 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. 30. [INMATE MENTAL HEALTH TRAINING STUDY.]

Subdivision 1. [STUDY.] The commissioners of corrections and human services shall convene a group to evaluate current training programs and practices relating to appropriate identification, care, and treatment of inmates who are mentally ill for correctional staff who have direct contact with inmates. The study group shall determine whether current practices are appropriate and sufficient to help correctional staff identify and understand mental illness and treatment issues. By December 15, 1994, the study group shall:

(1) make a specific recommendation whether correctional staff who have direct contact with inmates should be required to attend continuing education on mental health issues; and

(2) develop a plan for addressing inmate mental health issues, including early intervention.

Subd. 2. [PARTICIPANTS.] In convening the study group, the commissioners shall include representatives of the following:

(1) the ombudsman for corrections;

(2) the ombudsman for mental health and mental retardation;

(3) mental health experts;

(4) mental health advocates;

(5) inmate advocates; and

(6) correctional officers.

Sec. 31. [INMATE HIV/AIDS TRAINING STUDY.]

Subdivision 1. [STUDY.] The commissioners of corrections and health shall convene a group to evaluate current training programs and practices relating to appropriate identification, care, and treatment of inmates who are affected with HIV/AIDS for correctional staff who have direct contact with inmates. The study group shall determine whether current practices are appropriate and sufficient to help correctional staff identify and understand HIV/AIDS issues. By December 15, 1994, the study group shall:

(1) make a specific recommendation whether correctional staff who have direct contact with inmates should be required to attend continuing education on HIV/AIDS issues; and

(2) develop a plan for addressing inmate HIV/AIDS issues, including prevention and education, early intervention, health care, release preparations, and risks of discrimination and harassing treatment.

Subd. 2. [PARTICIPANTS.] In convening the study group, the commissioners shall include representatives of the following:

(1) the ombudsman for corrections;

(2) HIV/AIDS advocates;

(3) inmate advocates; and

(4) correctional officers.

Sec. 32. [INMATE CONTRIBUTION TO COSTS OF CONFINEMENT.]

The commissioner of corrections shall make recommendations concerning requiring an inmate of a correctional facility under the commissioner's management and control who has assets exclusive of any child support and restitution obligations or victims' damages to contribute to the cost of the inmate's confinement. The commissioner shall submit recommendations to the chairs of the house of representatives judiciary committee and the senate crime prevention committee by December 15, 1994.

Sec. 33. [INSTRUCTION TO REVISOR.]

(a) 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."

(b) In the next and subsequent editions of Minnesota Statutes, the revisor of statutes shall change the terms "correctional counselor" and "correctional guard" or "guard" to "correctional officer" wherever those terms appear in chapters 241, 243, and 244, in reference to employees of a state correctional facility.

Sec. 34. [REPEALER.]

Minnesota Statutes 1993 Supplement, section 243.18, subdivision 3, is repealed.

Sec. 35. [EFFECTIVE DATE.]

Sections 30 and 31 are effective the day following final enactment.

ARTICLE 7

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 a case 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. If the victim is a minor, the court or its designee shall, if appropriate, also make reasonable good faith efforts to inform the victim's parent or guardian of the right to notice of release. 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 or other custodial authority 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. 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 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 a violent crime, as defined in section 609.152, or a juvenile adjudicated delinquent for violating section 609.342, 609.343, 609.344, or 609.345, 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 in a manner which has been demonstrated epidemiologically to transmit the HIV virus.

(b) If the court grants the prosecutor's motion, the court shall order that the test be performed by an appropriate health professional who is trained to provide the counseling described in section 144.763, 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 an amount to be set 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 8

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, Mahnomen, 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 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. 9. 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. 10. 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~~ one-half 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. 11. 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. 12. 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. 13. 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. 14. 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, has an annual income not greater than 125 percent of the poverty line established under United States Code, title 42, section 9902(2), 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. 15. [629.74] [PRETRIAL BAIL EVALUATION.]

The local corrections department or its designee shall conduct a pretrial bail evaluation of each defendant arrested and detained for committing a crime of violence as defined in section 624.712, subdivision 5, a gross misdemeanor violation of section 609.224, or a nonfelony violation of section 518B.01, 609.2231, 609.3451, 609.748, or 609.749. In cases where the defendant requests appointed counsel, the evaluation shall include completion of the financial statement required by section 611.17. The local corrections department shall be reimbursed $25 by the department of corrections for each evaluation performed. 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. 16. Minnesota Statutes 1992, section 631.021, is amended to read:

631.021 [SPEEDY CRIMINAL TRIALS; CASE DISPOSITION OBJECTIVES.]

The judges of each judicial district must adopt and administer rules or procedures to ensure that, on and after ~~July 1, 1994~~ July 1, 1997, the following timing objectives for the disposition of criminal cases are met by judges within the district:

(1) 90 percent of all criminal cases must be disposed of within 120 days;

(2) 97 percent of all criminal cases must be disposed of within 180 days; and

(3) 99 percent of all criminal cases must be disposed of within 365 days.

The time periods referred to in clauses (1) to (3) must be measured from the date the criminal complaint is filed, to the date the defendant is either found not guilty or is sentenced. If the criminal case begins by indictment rather than by criminal complaint, the time period must be measured from the date the indictment is returned.

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. [RESOURCE REPORT.]

The commissioner of corrections shall evaluate existing sexual assault victim advocacy services and estimate the need for additional advocacy services.

Sec. 20. [TASK FORCE ON SEXUAL PREDATORS.]

There is created a 13-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) four members selected by the commissioner of corrections, including at least one representative from the law enforcement community and one sexual assault counselor;

(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 Minnesota Statutes, 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. 21. [SEXUAL ASSAULT RESPONSE COORDINATING BOARD.]

Subdivision 1. [SEXUAL ASSAULT RESPONSE COORDINATING COUNCILS.] By October 1, 1994, the conference of chief judges shall establish a coordinating council in each judicial district to oversee efforts to coordinate the criminal justice system response to sexual assault cases. Membership shall include representation of at least the following groups:

(1) judges;

(2) county attorneys;

(3) public defenders;

(4) law enforcement;

(5) sexual assault advocacy programs;

(6) court administration;

(7) social service agencies;

(8) medical personnel; and

(9) the public.

Subd. 2. [SEXUAL ASSAULT RESPONSE COORDINATION PLAN.] Each sexual assault coordinating council shall prepare a written sexual assault coordination plan to implement the goal of ensuring the appropriate response of the criminal justice system to the handling of sexual assault cases. Each plan must address the following issues:

(1) the roles and responsibilities of criminal justice agencies in responding to sexual assault allegations;

(2) the needs of the victim for advocacy services in the process;

(3) the current range of judicial sanctions imposed;

(4) the adequacy of existing services for the victim and defendant; and

(5) the coordination of the criminal justice system response to sexual assault cases.

Subd. 3. [REVIEW OF JUDICIAL DISTRICT SEXUAL ASSAULT RESPONSE COORDINATING PLAN.] (a) Each judicial district shall submit its sexual assault response coordination plan to the conference of chief judges by October 1, 1995. The conference shall review the plans and make recommendations it deems appropriate. Specifically, the conference shall address the adequacy and use of criminal justice resources to respond to sexual assault cases.

(b) A copy of each judicial district's plan, along with the conference of chief judges' recommendations for changes in rules, criminal procedure, and statutes, must be filed with the chair of the senate crime prevention committee and the chair of the house of representatives judiciary committee by January 1, 1996.

Sec. 22. [REPEALER.]

Minnesota Statutes 1992, section 629.69, is repealed.

Sec. 23. [EFFECTIVE DATE.]

Two of the additional judgeships authorized for judicial districts in section 1 are established effective October 1, 1994, and two of the additional judgeships are established effective March 1, 1995.

Sections 17 to 21 are effective the day following final enactment.

ARTICLE 9

CRIME PREVENTION

Section 1. [242.56] [WORK AND LEARN FACILITIES FOR YOUTH.]

Subdivision 1. [REQUESTS FOR PROPOSALS.] The commissioner of corrections shall select two nonprofit organizations to select and develop sites for work and learn facilities for youth. The selection of organizations must be made in consultation with the advisory group created under subdivision 3. By July 1, 1994, the commissioner shall issue a request for proposals from nonprofit organizations to locate and develop the facilities described in subdivisions 4 and 5. Both programs will provide rigorous programming for youthful offenders.

Subd. 2. [ELIGIBILITY.] (a) Both programs are limited to individuals who:

(1) are at least 14 years of age but no older than 19 at the time of admission;

(2) have not received a high school diploma; and

(3) were adjudicated delinquent or referred by a county social services agency.

(b) The following are not eligible:

(1) juveniles adjudicated delinquent for murder, manslaughter, criminal sexual conduct in the first or second degree, assault, kidnapping, robbery, arson, or any other offense involving death or intentional personal injury; and

(2) juveniles who were adjudicated delinquent within the preceding ten years of an offense described in clause (1) and were committed to the custody of the commissioner.

(c) The programs may include nonoffenders selected by the commissioner based on recommendations from social service agencies of individuals who are at risk of incarceration.

Subd. 3. [ADVISORY GROUP.] The commissioner shall appoint an advisory group to assist in selecting sites under this section. The commissioner shall include among the members of the group representatives of the following: the council on Black Minnesotans, the council on the affairs of Spanish-speaking people, the council on Asian-Pacific Minnesotans, the Indian affairs council, the commissioner of education, community corrections officials, county corrections officials, the association of counties, and the association of county probation officers.

Subd. 4. [METROPOLITAN WORK AND LEARN SITE.] One facility shall be in the metropolitan area in an academy campus setting and be administered to address the problems of high unemployment rate among people of color, the high drop-out rate of young people in the public school system, and overcrowded correctional facilities. The academy shall provide the following programs:

(1) physical training;

(2) general studies;

(3) motivational and personal development;

(4) business opportunities;

(5) skills improvement; and

(6) structured residential treatment programs of individual and group counseling.

Subd. 5. [WILDERNESS WORK AND LEARN SITE.] One facility shall be in a wilderness setting, no more than 50 miles from the outer boundary of the seven-county metropolitan area, located on a site of at least 60 acres. The wilderness site shall offer a combination of the following:

(1) group activities that develop cooperation, teamwork, and trust in others;

(2) wilderness camping experiences that ensure that the youth begin to build self-esteem about themselves;

(3) structured residential treatment programs of individual and group counseling;

(4) a teaching and social reinforcement system;

(5) a point and level incentive system;

(6) vocational and academic education; and

(7) life skills training.

Subd. 6. [FAMILY SERVICES.] Both programs shall provide family services during and after the youth's involvement, including six months of intensive follow-up supervision of the youth after return to the community.

Subd. 7. [EVALUATION AND REPORT.] The commissioner shall file a report with the chairs of the senate crime prevention committee and the house of representatives judiciary committee by December 1, 1994, describing the sites selected and the progress made in developing them. The commissioner shall also develop a system for gathering and analyzing information concerning the value and effectiveness of the work and learn facilities. The commissioner shall report to the chairs of the committees in the house of representatives and senate with jurisdiction over criminal justice policy by January 1, 1999, on the operation of the program, with a recommendation as to whether it should be continued.

Sec. 2. 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. 3. 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. 4. Minnesota Statutes 1992, section 299A.34, subdivision 2, is amended to read:

Subd. 2. [SELECTION AND MONITORING.] The chemical abuse and violence prevention ~~resource~~ council shall assist in the selection and monitoring of grant recipients.

Sec. 5. Minnesota Statutes 1993 Supplement, section 299A.35, subdivision 1, is amended to read:

Subdivision 1. [PROGRAMS.] The commissioner shall, in consultation with the chemical abuse and violence prevention ~~resource~~ council, administer a grant program to fund community-based programs that are designed to enhance the community's sense of personal security and to assist the community in its crime control efforts. Examples of qualifying programs include, but are not limited to, the following:

(1) programs to provide security systems for residential buildings serving low-income persons, elderly persons, and persons who have physical or mental disabilities;

(2) community-based programs designed to discourage young people from involvement in unlawful drug or street gang activities;

(3) neighborhood block clubs and innovative community-based crime watch programs;

(4) community-based programs designed to enrich the educational, cultural, or recreational opportunities of at-risk elementary or secondary school age youth, including programs designed to keep at-risk youth from dropping out of school and encourage school dropouts to return to school;

(5) support services for a municipal curfew enforcement program including, but not limited to, rent for drop-off centers, staff, supplies, equipment, and the referral of children who may be abused or neglected; and

(6) other community-based crime prevention programs that are innovative and encourage substantial involvement by members of the community served by the program.

Sec. 6. Minnesota Statutes 1992, section 299A.36, is amended to read:

299A.36 [OTHER DUTIES.]

The assistant commissioner assigned to the office of drug policy and violence prevention, in consultation with the chemical abuse and violence prevention ~~resource~~ council, shall:

(1) provide information and assistance upon request to school preassessment teams established under section 126.034 and school and community advisory teams established under section 126.035;

(2) provide information and assistance upon request to the state board of pharmacy with respect to the board's enforcement of chapter 152;

(3) cooperate with and provide information and assistance upon request to the alcohol and other drug abuse section in the department of human services;

(4) assist in coordinating the policy of the office with that of the narcotic enforcement unit in the bureau of criminal apprehension; and

(5) coordinate the activities of the regional drug task forces, provide assistance and information to them upon request, and assist in the formation of task forces in areas of the state in which no task force operates.

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 education 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 September 1 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. The commissioner shall work with culturally appropriate groups to obtain private funds to help finance these prevention and outreach activities.

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 countywide curfew for persons under 17 years of age.

Sec. 11. [DEMONSTRATION PROJECT; INTERVENTION WITH CHIPS-DELINQUENTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioners of human services and corrections shall establish a demonstration project to develop and provide effective intervention and treatment for children under the age of ten who are committing or have committed unlawful acts. The commissioners may determine the length of the demonstration project.

Subd. 2. [REPORT.] After the demonstration project has been completed, the commissioners shall evaluate its success and make recommendations to the legislature concerning the types of services that should be provided to these children.

Sec. 12. [INSTITUTE FOR CHILD AND ADOLESCENT SEXUAL HEALTH.]

Subdivision 1. [PILOT PROJECTS.] The institute of child and adolescent sexual health established in Laws 1992, chapter 571, article 1, section 28, and Laws 1993, chapter 326, article 12, section 16, shall implement two pilot projects that examine the relationship between violent juvenile sex offenders and the factors that contribute to their behavior. One pilot project must examine early protective and risk factors associated with adolescent sex offenders in order to identify children who are high risk to become offenders and to develop earlier intervention strategies. The second pilot project must develop and implement an intervention program for children identified as high risk to become sex offenders.

Subd. 2. [FINANCIAL STATUS REPORT.] By March 15, 1995, the institute must report to the commissioner of health the results of grant-seeking efforts, the location of resources for non-project-related expenses and the status and preliminary findings of the pilot projects under subdivision 1.

Sec. 13. [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 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. 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 service 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 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.

Sec. 16. [VIOLENCE PREVENTION ADVISORY TASK FORCE.]

Subdivision 1. [TASK FORCE.] The chemical abuse and violence prevention council shall establish a violence prevention advisory task force, consisting of representatives of the council and representatives of:

(1) the legislative commission on children, youth, and their families;

(2) nonprofit and community-based organizations dealing with violence prevention and at-risk youth programs;

(3) individuals knowledgeable in crime prevention research, family education, and child development;

(4) the demographic and geographic composition of the state; and

(5) racial and ethnic minorities.

The task force also shall include a representative of the law enforcement community and an education specialist who is knowledgeable about the antiviolence curriculum. The task force shall be chaired jointly by a member of the council and a member of the legislative commission on children, youth, and their families.

Subd. 2. [DUTIES.] The task force shall:

(1) define violence prevention;

(2) develop measurable violence prevention goals;

(3) inventory state violence prevention programs;

(4) develop a state violence prevention policy and funding plan; and

(5) make recommendations for an ongoing system to evaluate the effectiveness of violence prevention programs, and to integrate the state violence prevention goals into the budgeting and policy-making of state agencies and the legislature.

Subd. 3. [REPORT.] The task force shall report its recommendations to the legislature and the chairs of the standing committees of the senate and house of representatives with jurisdiction over criminal justice policy by January 1, 1995.

Sec. 17. [EFFECTIVE DATE.]

Sections 1 and 16 are effective the day following final enactment.

ARTICLE 10

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 11

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:

COUNTY	JUDICIAL DISTRICT	AMOUNT
(1) Aitkin	9	$126,000
(2) Anoka	10	$634,000
(3) Becker	7	$160,000
(4) Beltrami	9	$130,000
(5) Benton	7	$ 68,000
(6) Blue Earth	5	$ 96,000
(7) Brown	5	$ 58,000
(8) Carver	1	$ 82,000
(9) Cass	9	$134,000
(10) Chisago	10	$ 66,000
(11) Clay	7	$136,000
(12) Clearwater	9	$ 24,000
(13) Cottonwood	5	$ 24,000
(14) Crow Wing	9	$128,000
(15) Dakota	1	$644,000
(16) Douglas	7	$ 84,000
(17) Faribault	5	$ 34,000
(18) Goodhue	1	$ 94,000
(19) Hubbard	9	$ 30,000
(20) Isanti	10	$ 56,000
(21) Itasca	9	$ 44,000
(22) Jackson	5	$ 30,000
(23) Kanabec	10	$ 42,000
(24) Kittson	9	$ 12,000
(25) Koochiching	9	$ 32,000
(26) Lake of the Woods	9	$ 8,000
(27) Le Sueur	1	$ 64,000
(28) Lincoln	5	$ 20,000
(29) Lyon	5	$ 58,000
(30) Mahnomen	9	$ 12,000
(31) Marshall	9	$ 28,000
(32) Martin	5	$ 74,000
(33) McLeod	1	$ 66,000
(34) Mille Lacs	7	$ 46,000
(35) Morrison	7	$ 70,000
(36) Murray	5	$ 14,000
(37) Nicollet	5	$ 86,000
(38) Nobles	5	$ 62,000
(39) Norman	9	$ 18,000
(40) Otter Tail	7	$172,000
(41) Pennington	9	$ 30,000
(42) Pine	10	$ 46,000
(43) Pipestone	5	$ 14,000
(44) Polk	9	$140,000
(45) Red Lake	9	$ 10,000
(46) Redwood	5	$ 98,000
(47) Rock	5	$ 28,000
(48) Roseau	9	$ 42,000
(49) Scott	1	$164,000
(50) Sherburne	10	$164,000
(51) Sibley	1	$ 82,000
(52) Stearns	7	$306,000
(53) Todd	7	$ 66,000
(54) Wadena	7	$ 24,000
(55) Washington	10	$282,000
(56) Watonwan	5	$ 38,000
(57) Wright	10	$118,000

(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-fourth 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. 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.

(e) An amount equal to the aid reduction under this subdivision must be transferred from the local government trust fund to the general fund at the time when the aid would otherwise be paid during fiscal years 1995 and 1996.

Sec. 2. Minnesota Statutes 1992, section 477A.012, is amended by adding a subdivision to read:

Subd. 8. [PERMANENT AID OFFSETS FOR PUBLIC DEFENDER COSTS.] The 1994 and the additional 1995 aid reductions provided in subdivision 7 are both permanent aid reductions. The aid reductions under Minnesota Statutes 1992, section 477A.012, subdivision 6, repealed under 1994 H. F. No. 3209, article 3, section 21, are also permanent aid reductions.

Sec. 3. 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. 4. 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. 5. 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. 6. 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. 7. 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. 8. [EFFECTIVE DATE.]

Sections 1 to 3, and 5 are effective July 1, 1994. Sections 4, 6, and 7 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; requiring certain dangerous repeat offenders to serve mandatory minimum sentences; increasing regulation of and penalties for unlawful possession or use of firearms and other dangerous weapons; expanding the forfeiture law's definition of "weapon used"; requiring the destruction of forfeited weapons used, firearms, ammunition, and firearm accessories; increasing the maximum fine applicable to petty misdemeanor traffic violations; requiring the sentencing guidelines commission to study the guidelines and related statutes; providing for access to and sharing of government data relating to criminal investigations; improving law enforcement investigations of reports of missing and endangered children; 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; authorizing additional district court judgeships; 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; 13.32, by adding a subdivision; 13.99, subdivision 79; 84.9691; 144.125; 145A.05, by adding a subdivision; 169.89, subdivision 2; 171.18, subdivision 1; 171.22, subdivision 2; 219.383, subdivision 4; 241.021, 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, subdivision 11, and by adding a subdivision; 244.12, subdivisions 1 and 2; 244.13, subdivisions 1 and 3; 244.15, subdivision 4; 244.172, subdivision 3; 244.173; 253B.19, subdivision 2; 260.132, by adding a subdivision; 260.161, subdivision 2, and by adding subdivisions; 260.165, subdivision 1; 299A.31; 299A.32, subdivision 3; 299A.34, subdivisions 1 and 2; 299A.35, subdivision 3; 299A.36; 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.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; 357.22; 357.241; 357.242; 383B.225, subdivision 6; 388.051, by adding a subdivision; 477A.012, by adding subdivisions; 484.74, subdivision 4; 485.06; 487.25, by adding a subdivision; 494.05; 508.11; 600.23, subdivision 1; 609.0331; 609.0332; 609.115, subdivision 1; 609.152, by adding a subdivision; 609.165, by adding a subdivision; 609.185; 609.223, by adding a subdivision; 609.2231, subdivision 2; 609.224, subdivision 3; 609.245; 609.25, subdivision 2; 609.26, subdivisions 1 and 6; 609.28; 609.3241; 609.325, subdivision 2; 609.341, subdivisions 4, 9, 11, and 12; 609.342, subdivision 1; 609.377; 609.485, subdivisions 2 and 4; 609.506, by adding a subdivision; 609.52, subdivision 3; 609.5315, subdivisions 3, 6, and by adding a subdivision; 609.5316, subdivisions 1 and 3; 609.561, by adding a subdivision; 609.611; 609.66, subdivisions 1b, 1c, and by adding subdivisions; 609.713, subdivision 3; 609.72, subdivision 1; 609.746, 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; 624.21; 624.712, by adding subdivisions; 624.7131, subdivision 2; 624.714, subdivisions 3, 4, and 6; 624.731, subdivisions 4 and 8; 626.556, subdivisions 3a, 6, and 10e; 626.557, subdivisions 2, 10a, and 12; 626.76; 626.846, subdivision 6; 626A.05, subdivision 2; 629.471; 629.73; 631.021; 631.425, subdivision 6; 642.09; Minnesota Statutes 1993 Supplement, sections 8.15; 13.46, subdivision 2; 13.82, subdivision 10; 171.24; 241.021, subdivision 1; 242.51; 243.166, subdivisions 1, 2, and 9; 243.18, subdivision 2; 244.05, subdivision 5; 260.161, subdivision 3; 299A.35, subdivision 1; 299C.10, subdivision 1; 357.021, subdivision 2; 357.24; 388.23, subdivision 1; 401.13; 480.30; 518B.01, subdivisions 6 and 14; 593.48; 609.11, subdivisions 4, 5, 8, and by adding a subdivision; 609.1352, subdivision 1; 609.14, subdivision 1; 609.344, subdivision 1; 609.345, subdivision 1; 609.531, subdivision 1; 609.5315, subdivisions 1 and 2; 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, and by adding a subdivision; 624.7131, subdivisions 1 and 10; 624.7132, subdivisions 1, 2, 4, 8, 12, and 14; 624.7181; 626.556, subdivision 2; 626.861, subdivision 4; and 628.26; Laws 1993, chapter 146, article 2, section 32; proposing coding for new law in Minnesota Statutes, chapters 126; 144; 241; 242; 245; 253B; 299C; 299F; 609; 611A; 624; 626; and 629; repealing Minnesota Statutes 1992, sections 8.34, subdivision 2; 152.01, subdivision 17; 299F.71; 299F.72, subdivisions 3 and 4; 299F.78, subdivision 2; 299F.815, subdivision 2; 609.0332, subdivision 2; 609.855, subdivision 4; and 629.69; Minnesota Statutes 1993 Supplement, sections 243.18, subdivision 3; 299F.811; 299F.815, subdivision 1; and 624.7132, subdivision 7."

We request adoption of this report and repassage of the bill.

House Conferees: WESLEY J. "WES" SKOGLUND, MARY MURPHY, THOMAS PUGH, HOWARD ORENSTEIN AND WARREN LIMMER.

Senate Conferees: ALLAN H. SPEAR, TRACY L. BECKMAN, JANE B. RANUM, PATRICK D. MCGOWAN AND RANDY C. KELLY.

Skoglund moved that the report of the Conference Committee on H. F. No. 2351 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 132 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Holsten	Krinkie	Mosel	Perlt	Tomassoni
Anderson, R.	Delmont	Hugoson	Krueger	Munger	Peterson	Tompkins
Asch	Dempsey	Huntley	Lasley	Murphy	Pugh	Trimble
Battaglia	Dorn	Jacobs	Leppik	Neary	Reding	Tunheim
Bauerly	Erhardt	Jaros	Lieder	Nelson	Rest	Van Dellen
Beard	Evans	Jefferson	Limmer	Ness	Rhodes	Van Engen
Bergson	Farrell	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	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
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.
Dawkins	Hausman	Koppendrayer	Morrison	Pelowski	Swenson	

Those who voted in the negative were:

Rodosovich

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3011

A bill for an act relating to transportation; defining terms; making technical changes; ensuring safety is factor in standards for scenic highways and park roads; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; allowing horse trailer to be component of a recreational vehicle combination; increasing length limitations for recreational vehicle combinations; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing self-propelled implement of husbandry to display flashing amber light; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; requiring use of mileage-recording equipment on motor vehicles after 1999; establishing youth charter carrier permit system; allowing rail carriers to participate in rail user loan guarantee program; requiring publicly owned or leased motor vehicles to be identified; establishing advisory

council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; modifying highway fund apportionment to counties and changing composition of screening board; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.07, subdivisions 1, 3, 5, and 6; 162.09, subdivision 1; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, by adding a subdivision; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63, subdivision 8; Minnesota Statutes 1993 Supplement, sections 169.01, subdivision 78; 169.18, subdivision 5; 169.685, subdivision 5; 169.81, subdivision 3c; and 221.111; proposing coding for new law in Minnesota Statutes, chapters 161; 169; and 471; repealing Minnesota Statutes 1992, sections 162.07, subdivision 4; 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3; and 4; Minnesota Rules, part 8810.1300, subpart 6.

May 5, 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. 3011, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3011 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1992, section 160.262, is amended by adding a subdivision to read:

Subd. 4. [DESIGN-BUILD BRIDGES FOR NONMOTORIZED VEHICLES.] For streets and highways, the commissioner shall allow for the acceptance of performance-specification bids, made by the lowest responsible bidder, for constructing design-build bridges for bicycle paths, bicycle trails, and pedestrian facilities that are:

(1) designed and used primarily for nonmotorized transportation, but may allow for motorized wheelchairs, golf carts, necessary maintenance vehicles and, when otherwise permitted by law, rule, or ordinance, snowmobiles; and

(2) located apart from any road or highway or protected by barriers, provided that a design-built bridge may cross over and above a road or highway.

Sec. 2. Minnesota Statutes 1992, section 160.81, is amended to read:

160.81 [HIGHWAYS IN RECREATION AREAS.]

Subdivision 1. [JOINT STANDARDS.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall establish standards for trunk highway segments located in areas of unusual scenic interest. The standards shall:

(1) establish and ensure that the safety of the traveling public is maintained or enhanced;

(2) define "areas of unusual scenic interest," which must include major recreational areas, historic areas, and major publicly and privately owned tourist attractions;

~~(2)~~ (3) prescribe standards for right-of-way, shoulders, and parking areas for trunk highway segments in such areas; and

~~(3)~~ (4) prescribe standards for scenic overlooks, parking piers and other parking areas, tourist information facilities, public water access points and other facilities intended to expand the recreational use of trunk highway segments in such areas.

Subd. 2. [PLAN.] The commissioner of transportation, in consultation with the commissioner of natural resources, shall prepare a plan for the recreational uses of trunk highway right-of-way and adjacent public land in areas of unusual scenic interest. The plan must ensure that the safety of the traveling public is maintained or enhanced. The plan must provide for the enhancement of such recreational uses by the construction of new recreational facilities or the improvement or rehabilitation of existing recreational facilities, as enumerated in subdivision 1, clause ~~(3)~~ (4). The plan must provide for joint development of these facilities by the departments of transportation and natural resources, where feasible, and must contain provisions permitting local units of government and regional development commissions to participate in the planning and development of recreational facilities.

Subd. 3. [RECREATIONAL FACILITIES.] The commissioner of transportation may, in areas of unusual scenic interest:

(1) construct, improve, and maintain recreational facilities, including parking areas, scenic overlooks, and tourist information facilities, on trunk highway right-of-way and adjacent areas; and

(2) construct, improve, and maintain access ramps and turnoffs to connect trunk highways with recreational land owned by the department of natural resources.

Sec. 3. Minnesota Statutes 1992, section 160.82, subdivision 2, is amended to read:

Subd. 2. [RESTRICTIONS.] A road authority may not make a change in the width, grade, or alignment of a park road that would affect the wildlife habitat or aesthetic characteristics of the park road or its adjacent vegetation or terrain, unless:

(1) the change is required to permit the safe travel of vehicles at the speed lawfully designated for the park road, in which case the change must be made; or

(2) if the road is a county state-aid highway or municipal state-aid street, the change is required by the minimum state-aid standard applicable to the road.

Sec. 4. 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. 5. 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. 6. Minnesota Statutes 1992, section 162.09, subdivision 1, is amended to read:

Subdivision 1. [CREATION; MILEAGE LIMITATION; RULES.] There is created a municipal state-aid street system within statutory and home rule charter cities having a population of 5,000 or more. The extent of the municipal state-aid street system for a city shall not exceed ~~2,500~~: (1) 20 percent of the total miles of city streets and county roads within the jurisdiction of that city, plus (2) the mileage of all trunk highways reverted or turned back to the jurisdiction of ~~cities~~ the city pursuant to law on and after July 1, 1965, plus (3) the mileage of county highways reverted or turned back to the jurisdiction of the city pursuant to law on or after the effective date of this act. The system shall be established, located, constructed, reconstructed, improved, and maintained as public highways within such cities under rules, not inconsistent with this section, made and promulgated by the commissioner as hereinafter provided.

Sec. 7. 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. 8. 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. 9. Minnesota Statutes 1992, section 168.1281, is amended by adding a subdivision to read:

Subd. 5. [PICKUP OF PASSENGERS RESTRICTED.] (a) A vehicle bearing personal transportation service license plates may not pick up passengers for hire within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county.

(b) The registrar shall include a notice of the restriction in paragraph (a), with its effective date, with each set of personal transportation service license plates issued.

Sec. 10. Minnesota Statutes 1992, section 169.01, is amended by adding a subdivision to read:

Subd. 79. [RESIDENTIAL ROADWAY.] Residential roadway means a street or portion of a street that is less than one-quarter mile in length and is functionally classified by the commissioner of transportation as a local street.

Sec. 11. 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. 12. Minnesota Statutes 1992, section 169.14, subdivision 2, is amended to read:

Subd. 2. [SPEED LIMITS.] (a) Where no special hazard exists the following speeds shall be lawful, but any speeds in excess of such limits shall be prima facie evidence that the speed is not reasonable or prudent and that it is unlawful; except that the speed limit within any municipality shall be a maximum limit and any speed in excess thereof shall be unlawful:

(1) 30 miles per hour in an urban district;

(2) 65 miles per hour in other locations during the daytime;

(3) 55 miles per hour in such other locations during the nighttime;

(4) ten miles per hour in alleys; and

(5) 25 miles per hour in residential roadways if adopted by the road authority having jurisdiction over the residential roadway.

(b) A speed limit adopted under paragraph (a), clause (5), is not effective unless the road authority has erected signs designating the speed limit and indicating the beginning and end of the residential roadway on which the speed limit applies.

(c) "Daytime" means from a half hour before sunrise to a half hour after sunset, except at any time when due to weather or other conditions there is not sufficient light to render clearly discernible persons and vehicles at a distance of 500 feet. "Nighttime" means at any other hour or at any time when due to weather or other conditions there is not sufficient light to render clearly discernible persons and vehicles at a distance of 500 feet.

Sec. 13. Minnesota Statutes 1992, section 169.64, subdivision 4, is amended to read:

Subd. 4. [BLUE LIGHTS.] (a) Except as provided in paragraph (b), blue lights are prohibited on all vehicles except road maintenance equipment and snow removal equipment operated by or under contract to the state or a political subdivision thereof.

(b) Authorized emergency vehicles may display flashing blue lights to the rear of the vehicle as a warning signal in combination with other lights permitted or required by this chapter.

Sec. 14. Minnesota Statutes 1993 Supplement, section 169.685, subdivision 5, is amended to read:

Subd. 5. [VIOLATION; PENALTY.] (a) Every motor vehicle operator, when transporting a child under the age of four on the streets and highways of this state in a motor vehicle equipped with factory-installed seat belts, shall equip and install for use in the motor vehicle, according to the manufacturer's instructions, a child passenger restraint system meeting federal motor vehicle safety standards.

(b) No motor vehicle operator who is operating a motor vehicle on the streets and highways of this state may transport a child under the age of four in a seat of a motor vehicle equipped with a factory-installed seat belt, unless the child is properly fastened in the child passenger restraint system. Any motor vehicle operator who violates this subdivision is guilty of a petty misdemeanor and may be sentenced to pay a fine of not more than $50. The fine may be waived or the amount reduced if the motor vehicle operator produces evidence that within 14 days after the date of the violation a child passenger restraint system meeting federal motor vehicle safety standards was purchased or obtained for the exclusive use of the operator.

(c) The fines collected for violations of this subdivision must be deposited in the state treasury and credited to a special account to be known as the Minnesota child passenger restraint and education account.

Sec. 15. Minnesota Statutes 1992, section 169.685, is amended by adding a subdivision to read:

Subd. 7. [APPROPRIATION; SPECIAL ACCOUNT.] The Minnesota child passenger restraint and education account is created in the state treasury, consisting of fines collected under subdivision 5 and other money appropriated or donated. The money in the account is annually appropriated to the commissioner of public safety, to be used to provide child passenger restraint systems to families in financial need and to provide an educational program on the need for and proper use of child passenger restraint systems. The commissioner shall report to the legislature by February 1 of each odd-numbered year on the commissioner's activities and expenditure of funds under this section.

Sec. 16. Minnesota Statutes 1992, section 169.825, subdivision 11, is amended to read:

Subd. 11. [GROSS WEIGHT SEASONAL INCREASES.] (a) The limitations provided in this section are increased:

(1) by ten percent from January 1 to March 7 each winter, statewide;

(2) by ten percent from December 1 through December 31 each winter in the zone bounded as follows: beginning at Pigeon River in the northeast corner of Minnesota; thence in a southwesterly direction along the north shore of Lake Superior along trunk highway No. 61 to the junction with trunk highway No. 210; thence westerly along trunk highway No. 210 to the junction with trunk highway No. 10; thence northwesterly along trunk highway No. 10 to the Minnesota-North Dakota border; thence northerly along that border to the Minnesota-Canadian Border; thence easterly along said Border to Lake Superior; and

(3) by ten percent from the beginning of harvest to November 30 each year for the movement of sugar beets and potatoes within an area having a 75-mile radius from the field of harvest to the point of the first unloading. The commissioner shall not issue permits under this clause if to do so will result in a loss of federal highway funding to the state.

(b) The duration of a ten percent increase in load limits is subject to limitation by order of the commissioner, subject to implementation of springtime load restrictions, or March 7.

(c) When the ten percent increase is in effect, a permit is required for a motor vehicle, trailer, or semitrailer combination that has a gross weight in excess of 80,000 pounds, an axle group weight in excess of that prescribed in subdivision 10, or a single axle weight in excess of 20,000 pounds and which travels on interstate routes.

(d) In cases where gross weights in an amount less than that set forth in this section are fixed, limited, or restricted on a highway or bridge by or under another section of this chapter, the lesser gross weight as fixed, limited, or restricted may not be exceeded and must control instead of the gross weights set forth in this section.

(e) Notwithstanding any other provision of this subdivision, no vehicle may exceed a total gross vehicle weight of 80,000 pounds on routes which have not been designated by the commissioner under section 169.832, subdivision 11.

(f) The commissioner may, after determining the ability of the highway structure and frost condition to support additional loads, grant a permit extending seasonal increases for vehicles using portions of routes falling within two miles of the southern boundary of the zone described under paragraph (a), clause (2).

Sec. 17. Minnesota Statutes 1992, section 221.011, is amended by adding a subdivision to read:

Subd. 46. [BULK COMMODITY.] "Bulk commodity" means a commodity that (1) can be poured, scooped, or shoveled into a vehicle, (2) is carried loose in that vehicle, (3) is confined by the bottom and sides of the vehicle, and (4) is not sacked, boxed, bundled, or otherwise assembled before delivery.

Sec. 18. Minnesota Statutes 1992, section 221.121, subdivision 6c, is amended to read:

Subd. 6c. [CLASS II CARRIERS.] (a) A person desiring to operate as a permit carrier, other than as a carrier listed in section 221.111, clauses (3) to (9), shall follow the procedure established in subdivision 1 and shall specify in the petition whether the person is seeking a class II-T or class II-L permit. If the person meets the criteria established in subdivision 1, the board shall grant the class II-T or class II-L permit or both. A class II permit holder may not own, lease, or otherwise control more than one terminal. The board may not issue a class II permit to a motor carrier who owns, leases, or otherwise controls more than one terminal.

(b) For purposes of this section: (1) utilization of a local cartage carrier by a class II carrier constitutes ownership, lease, or control of a terminal; and (2) "terminal" does not include (i) a terminal used exclusively for handling bulk commodities, and (ii) a terminal used by a permit holder who also holds a class I certificate, household goods permit, or temperature-controlled commodities permit for the unloading, docking, handling, and storage of freight transported under the certificate, household goods permit, or temperature-controlled commodities permit.

Sec. 19. Minnesota Statutes 1992, section 221.85, subdivision 1, is amended to read:

Subdivision 1. [PERMIT REQUIRED; RULES.] No person may provide personal transportation service for hire without having obtained a personal transportation service permit from the commissioner. The commissioner shall adopt rules governing the issuance of permits and furnishing of personal transportation service. The rules must provide for:

(1) annual inspections of vehicles;

(2) driver qualifications including requiring a criminal history check of drivers;

(3) insurance requirements;

(4) advertising regulations, including requiring a copy of the permit to be carried in the personal transportation service vehicle and the use of the words "licensed and insured";

(5) agreements with political subdivisions for sharing enforcement costs with the state;

(6) issuance of temporary permits and fees therefor; and

(7) other requirements the commissioner deems necessary to carry out the purposes of this section.

The rules must provide that the holder of a personal transportation service permit may not pick up passengers for hire within Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, or Washington county.

Sec. 20. Minnesota Statutes 1992, section 222.50, subdivision 7, is amended to read:

Subd. 7. [EXPENDITURES.] The commissioner may expend money from the rail service improvement account for the following purposes:

(a) To make transfers as provided under section 222.57 or to pay interest adjustments on loans guaranteed under the state rail user and rail carrier loan guarantee program;

(b) To pay a portion of the costs of capital improvement projects designed to improve rail service including construction or improvement of short segments of rail line such as side track, team track and connections between existing lines, and construction and improvement of loading, unloading, storage and transfer facilities of a rail user;

(c) To acquire, maintain, manage and dispose of railroad right-of-way pursuant to the state rail bank program;

(d) To provide for aerial photography survey of proposed and abandoned railroad tracks for the purpose of recording and reestablishing by analytical triangulation the existing alignment of the inplace track;

(e) To pay a portion of the costs of acquiring a rail line by a regional railroad authority established pursuant to chapter 398A;

~~(f) To pay for the maintenance of rail lines and rights of way acquired for the state rail bank under section 222.63, subdivision 2c; and~~

~~(g)~~ To pay the state matching portion of federal grants for rail-highway grade crossing improvement projects.

All money derived by the commissioner from the disposition of railroad right-of-way or of any other property acquired pursuant to sections 222.46 to 222.62 shall be deposited in the rail service improvement account.

Sec. 21. Minnesota Statutes 1992, section 222.55, is amended to read:

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

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

Sec. 22. Minnesota Statutes 1992, section 222.56, subdivision 5, is amended to read:

Subd. 5. [LOAN.] "Loan" means a loan or advance of credit provided by a financial institution to (1) either a rail user or rail carrier for participation in contracts for rail line or rolling stock rehabilitation, acquisition, or installation, or for paying the costs of capital improvements necessary to improve rail service or reduce the impact of discontinuance of rail service, or (2) a rail carrier for rehabilitation of locomotives.

Sec. 23. Minnesota Statutes 1992, section 222.56, subdivision 6, is amended to read:

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

Sec. 24. Minnesota Statutes 1992, section 222.56, is amended by adding a subdivision to read:

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

Sec. 25. Minnesota Statutes 1992, section 222.56, is amended by adding a subdivision to read:

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

Sec. 26. Minnesota Statutes 1992, section 222.57, is amended to read:

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

There is created a rail user and rail carrier loan guarantee account as a separate account in the rail service improvement account, which shall be used by the commissioner for carrying out the provisions of sections 222.55 to 222.62 with respect to loans insured under section 222.58. The commissioner may transfer to the rail user and rail carrier loan guarantee account from money otherwise available in the rail service improvement account whatever amount is necessary to implement the rail user and rail carrier loan guarantee program ~~and~~, except that bond proceeds may not be transferred to the account for insurance of loans made for the purposes specified in section 222.58, subdivision 2, paragraph (b), clauses (3) to (5). The commissioner may withdraw any amount from the rail user and rail carrier loan guarantee account that is not required to insure outstanding loans as provided in section 222.60, subdivision 1.

Sec. 27. Minnesota Statutes 1992, section 222.58, subdivision 2, is amended to read:

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

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

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

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

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

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

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

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

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

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

Sec. 28. Minnesota Statutes 1992, section 222.63, subdivision 8, is amended to read:

Subd. 8. [RAIL BANK ACCOUNTS.] A special account shall be maintained in the state treasury, designated as the rail bank maintenance account, to record the receipts and expenditures of the commissioner of transportation for the maintenance of rail bank property. Funds received by the commissioner of transportation from interest earnings, administrative payments, rentals, fees, or charges for the use of rail bank property, or received from rail line rehabilitation contracts shall be credited to the maintenance account and used for the maintenance of that property and held as a reserve for maintenance expenses in an amount determined by the commissioner, and amounts received in the maintenance account in excess of the reserve requirements shall be transferred to the rail service improvement account. All proceeds of the sale of abandoned rail lines shall be deposited in the rail service improvement account. All money to be deposited in this rail service improvement account as provided in this subdivision is appropriated to the commissioner of transportation for the purposes of this section. The appropriations shall not lapse but shall be available until the purposes for which the funds are appropriated are accomplished.

Sec. 29. [471.346] [PUBLICLY OWNED AND LEASED VEHICLES IDENTIFIED.]

All motor vehicles owned or leased by a statutory or home rule charter city, county, town, school district, metropolitan or regional agency, or other political subdivision, except for unmarked vehicles used in general police and fire work and arson investigations, shall have the name of the political subdivision plainly displayed on both sides of the vehicle in letters not less than 2-1/2 inches high and one-half inch wide. The identification must be in a color that contrasts with the color of the part of the vehicle on which it is placed and must remain on and be clean and visible throughout the period of which the vehicle is owned or leased by the political subdivision. The identification must not be on a removable plate or placard except on leased vehicles but the plate or placard must not be removed from a leased vehicle at any time during the term of the lease.

Sec. 30. [ROAD PRICING STUDY.]

The commissioner of transportation and the metropolitan council shall jointly conduct a study of road pricing options with the potential for implementation in the state of Minnesota and the metropolitan area as defined in Minnesota Statutes, section 473.121, subdivision 2. The road pricing options studied must include the option of replacing 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. The study must also include, but is not limited to:

(1) an analysis of the potential for charging motorists based upon the time of day the travel takes place and the level of congestion on the roadway;

(2) an evaluation of public acceptance and understanding of alternative road pricing options;

(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, users costs, and revenue estimates;

(5) selection of specific road pricing options for future demonstration and testing in the metropolitan area and/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 and metropolitan council shall report the results of the study to the legislature no later than January 15, 1996. The report must include recommendations regarding future actions needed to move towards implementation of road pricing in Minnesota and/or the metropolitan area.

Sec. 31. [ADVISORY COUNCIL 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. 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.

Sec. 32. [LEAVE DONATION PROGRAM.]

Subdivision 1. [DONATION OF VACATION TIME.] A state employee may donate up to 12 hours of accrued vacation leave for the benefit of a state department of military affairs employee whose efforts to aid victims of an automobile accident resulted in his total disability in January 1994. The vacation hours donated must be credited to the sick leave account of the receiving state employee. If the receiving state employee uses all donated time, additional hours, up to 50 hours per employee, accrued vacation leave time may be donated.

Subd. 2. [PROCESS FOR CREDITING.] The donating employee must notify the employee's agency head of the accrued vacation time the employee wishes to donate. The agency head shall transfer that amount to the sick leave account of the recipient. A donation of accrued vacation leave time is irrevocable once it has been transferred to the recipient's account.

Sec. 33. [METRO STATE DIRECTIONAL SIGNS.]

The commissioner of the department of transportation shall place directional signs for Metropolitan State University on marked interstate highways Nos. I-94 and I-35E.

Sec. 34. [TRAFFIC SIGNAL; NORTH OAKS.]

The commissioner of transportation shall, not later than June 1, 1994, install traffic signals on marked trunk highway No. 49 at its intersection with Hodgson Road Connection, at or near the entrance to the Chippewa middle school in the city of North Oaks.

Sec. 35. [TRUNK HIGHWAY NO. 280; NOISE BARRIERS.]

Subdivision 1. [DEFINITION.] For purposes of this section "trunk highway No. 280 project" means a department of transportation highway improvement project on marked trunk highway No. 280 that would improve, expand, or reconstruct the highway.

Subd. 2. [REQUIREMENT.] If the commissioner of transportation takes any action between the effective date of this section and June 30, 1996, that would have the effect of delaying the start of the trunk highway No. 280 project beyond June 30, 1997, the commissioner shall, within 12 months after taking that action, erect noise barriers on the highway between marked interstate highways Nos. I-94 and I-35W as provided in the noise barrier component of the project.

Sec. 36. [INTERSTATE HIGHWAY NO. I-394; NOISE BARRIERS.]

The commissioner of transportation shall complete the noise barrier project on the north side of marked interstate highway No. I-394 in Minneapolis adjacent to the property owned by US West, Inc. as a high priority construction project.

Sec. 37. [NOISE ABATEMENT BARRIER; BROOKLYN PARK.]

The commissioner of transportation, in accordance with the plan required under Minnesota Statutes, section 161.125, shall construct a noise abatement barrier on the easternmost side of the right-of-way of marked trunk highway No. 252 from its intersection with 73rd Avenue North to a point where 74th Avenue North would, if extended, intersect marked highway No. 252.

Sec. 38. [INTERSTATE HIGHWAY NO. I-694; NOISE BARRIERS.]

The commissioner of transportation shall complete the noise barrier project on the south side of interstate highway No. I-694 in Shoreview west from the end of the existing noise barrier to the Soo Line Railroad overpass near Cardigan Road, as a high priority construction project.

Sec. 39. [STUDY OF INSURANCE-BASED SEAT BELT USE.]

The commissioners of commerce and public safety shall jointly study the desirability of enacting legislation requiring automobile insurers to offer insureds the option of purchasing automobile insurance based upon seat belt usage. The report must address the following issues:

(1) imposition of a substantial deductible for claims for injuries incurred when a seat belt is not used;

(2) actuarially appropriate premium reductions by insurers for providing this coverage; and

(3) imposition of penalties for failure to wear seat belts after such an option is purchased.

The commissioners shall report their written findings and recommendations to the legislature no later than January 1, 1996.

Sec. 40. [ENVIRONMENTAL IMPACT STATEMENT.]

The commissioner of transportation shall not take any action to widen and replace the I-35W bridge deck over Minnehaha Parkway until an environmental impact statement has been issued.

Sec. 41. [REPEALER.]

(a) Minnesota Statutes 1992, section 222.58, subdivision 6, is repealed.

(b) Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; and Laws 1993, chapter 323, sections 3 and 4, are repealed.

Sec. 42. [EFFECTIVE DATE.]

Sections 1, 6, 12, 17, 30, 32, 33, and 35 to 40, are effective the day following final enactment. Section 14 is effective August 1, 1994, for violations committed on and after that date. Section 31 is effective the day following final enactment and is repealed June 30, 1995. Sections 9, 19, and 41, paragraph (b), are effective August 1, 1994.

ARTICLE 2

Section 1. Minnesota Statutes 1992, section 84.928, subdivision 1, is amended to read:

Subdivision 1. [OPERATION ON ROADS AND RIGHTS-OF-WAY.] (a) A person shall not operate an all-terrain vehicle along or on the roadway, shoulder, or inside bank or slope of a public road right-of-way other than in the ditch or the outside bank or slope of a trunk, county state-aid, or county highway in this state unless otherwise allowed in sections 84.92 to 84.929.

(b) A person may operate an all-terrain vehicle registered for private use and used for agricultural purposes on a public road right-of-way of a trunk, county state-aid, or county highway in this state if the all-terrain vehicle is operated on the extreme right-hand side of the road, and left turns may be made from any part of the road if it is safe to do so under the prevailing conditions.

(c) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway from April 1 to August 1 in the agricultural zone unless the vehicle is being used exclusively as transportation to and from work on agricultural lands. This paragraph does not apply to an agent or employee of a road authority, as defined in section 160.02, subdivision 9, or the department of natural resources when performing or exercising official duties or powers.

(d) A person shall not operate an all-terrain vehicle within the public road right-of-way of a trunk, county state-aid, or county highway between the hours of one-half hour after sunset to one-half hour before sunrise, except on the right-hand side of the right-of-way and in the same direction as the highway traffic on the nearest lane of the adjacent roadway.

(e) A person shall not operate an all-terrain vehicle at any time within the right-of-way of an interstate highway or freeway within this state.

Sec. 2. Minnesota Statutes 1992, section 160.085, subdivision 3, is amended to read:

Subd. 3. [DESCRIPTION MAY REFER TO MAP OR PLAT.] (a) Land acquisition by the road authority for highway purposes by instrument of conveyance or by eminent domain proceedings, may refer to ~~said~~ the map or plat and parcel number, together with delineation of the parcel, as the only manner of description necessary for the acquisition.

(b) In addition, land disposition by the road authority by instrument of conveyance may refer to the map or plat and parcel number, together with delineation of the parcel, as the only manner of description necessary for the disposition.

Sec. 3. Minnesota Statutes 1992, section 161.25, is amended to read:

161.25 [TEMPORARY TRUNK HIGHWAY DETOUR ~~AND TEMPORARY TRUNK HIGHWAY;~~ HAUL ROAD.]

~~On determining~~ If, for the purpose of constructing or maintaining any trunk highway, ~~that~~ the use of any public street or highway is necessary for a detour or haul road, the commissioner may designate ~~by order~~ any such street or highway as a temporary trunk highway detour or as a temporary trunk highway haul road, and shall thereafter maintain the same as a temporary trunk highway until the commissioner revokes the designation. Prior to revoking the designation the commissioner shall restore such streets or highways to as good condition as they were prior to the designation of same as temporary trunk highways. Upon revoking the ~~designations such streets or highways~~ designation, the street or highway shall revert to the subdivision charged with the care thereof at the time it was taken over as a temporary trunk highway.

Sec. 4. [161.442] [RECONVEYANCE TO FORMER OWNER.]

Notwithstanding sections 161.23, 161.41, 161.411, 161.43, 161.44, or any other statute, the commissioner of transportation, at the commissioner's sole discretion, may transfer, sell, or convey real property including fixtures, and interests in real property including easements, to the owner from whom the property was acquired by the state for trunk highway purposes through a pending eminent domain action. The transfer of title may be by stipulation, partial dismissal, bill of sale, or conveyance. Any resulting change in the state's acquisition must be explained in the final certificate for that action. This provision does not confer on a landowner the right to compel a reconveyance without the consent of the commissioner.

Sec. 5. Minnesota Statutes 1992, section 165.03, is amended to read:

165.03 [STRENGTH OF BRIDGES; INSPECTIONS.]

Subdivision 1. [STANDARDS GENERALLY.] Each bridge, including a privately owned bridge, must conform to the strength, width, clearance, and safety standards imposed by the commissioner for the connecting highway or street. This subdivision applies to a bridge that is constructed after August 1, 1989, on any public highway or street. The bridge must have sufficient strength to support with safety the maximum vehicle weights allowed under section 169.825 and must have the minimum width specified in section 165.04, subdivision 3.

Subd. 2. [INSPECTION AND INVENTORY RESPONSIBILITIES; RULES; FORMS.] The commissioner of transportation shall adopt official inventory and bridge inspection report forms for use in making bridge inspections by the highway authorities specified by this subdivision. Bridge inspections shall be made at regular intervals, not to exceed two years, by the following officials:

(a) The commissioner of transportation for all bridges located wholly or partially within or over the right-of-way of a state trunk highway.

(b) The county highway engineer for all bridges located wholly or partially within or over the right-of-way of any county or township road, or any street within a municipality which does not have a city engineer regularly employed.

(c) The city engineer for all bridges located wholly or partially within or over the right-of-way of any street located within or along municipal limits.

(d) The commissioner of transportation in case of a toll bridge used by the general public; provided, that the commissioner of transportation may assess the owner for the costs of such inspection.

The commissioner of transportation shall prescribe the standards for bridge inspection and inventory by rules. The specified highway authorities shall inspect and inventory in accordance with these standards and furnish the commissioner with such data as may be necessary to maintain a central inventory.

Subd. 3. [COUNTY INVENTORY AND INSPECTION RECORDS AND REPORTS.] The county engineer shall maintain a complete inventory record of all bridges as set forth in subdivision 2(b) with the inspection reports thereof, and shall certify annually, to the commissioner ~~of transportation~~, as prescribed by the commissioner, that inspections have been made at regular intervals not to exceed two years. A report of the inspections shall be filed annually, on or before February 15 of each year, with the county auditor or township clerk, or the governing body of the municipality. The report shall contain recommendations for the correction of, or legal posting of load limits on any bridge or structure that is found to be understrength or unsafe.

Subd. 4. [MUNICIPAL INVENTORY AND INSPECTION RECORDS AND REPORTS.] The city engineer shall maintain a complete inventory record of all bridges as set forth in subdivision 2(c) with the inspection reports thereof, and shall certify annually, to the commissioner ~~of transportation~~, as prescribed by the commissioner, that inspections have been made at regular intervals not to exceed two years. A report of the inspections shall be filed annually, on or before February 15 of each year, with the governing body of the municipality. The report shall contain recommendations for the correction of, or legal posting of load limits on any bridge or structure that is found to be understrength or unsafe.

Subd. 5. [AGREEMENTS.] Agreements may be made among the various units of governments, or between governmental units and qualified engineering personnel to carry out the responsibilities for the bridge inspections and reports, as established by subdivision 2.

Subd. 6. [TOLL BRIDGES.] The owner of a toll bridge shall certify ~~annually~~ to the commissioner ~~of transportation~~, as prescribed by the commissioner, that inspections of the bridge have been made at regular intervals not to exceed two years. The certification shall be accompanied by a report of the inspection. The report shall contain recommendations for the correction of or legal posting of load limitations if the bridge is found to be understrength or unsafe.

Sec. 6. Minnesota Statutes 1992, section 174.03, subdivision 1a, is amended to read:

Subd. 1a. [REVISION OF STATE TRANSPORTATION PLAN.] The commissioner shall revise the state transportation plan by ~~July 1, 1993~~ January 1, 1996, and by ~~July~~ January 1 of each odd-numbered year thereafter. Before final adoption of a revised plan, the commissioner shall hold a hearing to receive public comment on the plan. The revised state transportation plan must:

(1) incorporate the goals of the state transportation system in section 174.01; and

(2) establish objectives, policies, and strategies for achieving those goals.

Sec. 7. [BRIDGE INSPECTIONS.]

The commissioner of transportation shall ensure that bridge inspections must be made at regular intervals not to exceed two years.

Sec. 8. [LAND SALE AND EXCHANGE; WASHINGTON COUNTY.]

Subdivision 1. [SALE OF TAX-FORFEITED LAND; WASHINGTON COUNTY.] (a) Notwithstanding Minnesota Statutes, section 282.018, Washington county may convey the tax-forfeited land bordering public water described in paragraph (b), to the state of Minnesota acting through its commissioner of transportation, for the county's appraised market value.

(b) The land to be conveyed to the state of Minnesota is located in New Scandia township (T32N, R19W) in Washington county and is described as:

Government Lot 7, Section 7, Township 32 North, Range 19 West, Washington County, Minnesota;

containing 63.95 acres, more or less.

Subd. 2. [LAND EXCHANGE BETWEEN MINNESOTA AND UNITED STATES.] (a) Notwithstanding Minnesota Statutes, sections 94.342 to 94.344, the commissioner of transportation, with the unanimous approval of the Minnesota land exchange board may thereafter convey the land described in subdivision 1, paragraph (b), to the United States Department of Interior, National Park Service, in exchange for land described in paragraph (b).

(b) The land that is to be conveyed to the state of Minnesota by the United States is located in Stillwater township in Washington county and is described as follows:

That part of Government Lot 2 of Section 15, Township 30 North, Range 20 West, Washington County, Minnesota, lying northwesterly of the northwesterly right-of-way line of Trunk Highway No. 95 as now located and established and southwesterly of the following described line: Commencing at the northeast corner of Government Lot 3 of Section 15, Township 30 North, Range 20 West, also being a point on the west line of said Government Lot 2; thence North 00 degrees 02 minutes 22 seconds West, assumed bearing along said west line of Government Lot 2 a distance of 142.51 feet to the point of beginning of the line to be described; thence South 50 degrees 10 minutes 16 seconds East, 151.14 feet to an inplace half-inch iron pipe monument; thence South 44 degrees 08 minutes 51 seconds East, 171.86 feet to an inplace 3/8 inch iron pipe monument; thence North 87 degrees 40 minutes 47 seconds East, 124.77 feet to an inplace iron bolt monument; thence South 47 degrees 38 minutes 00 seconds East, 94.53 feet to said northwesterly right-of-way line of Trunk Highway No. 95 and there terminating;

containing 2.48 acres, more or less.

(c) The land on three sides of the parcel described in subdivision 1, paragraph (b), is owned by the United States. Most of the parcel is part of an island between two channels of the St. Croix River and is within the preliminary boundary of the Lower St. Croix National Scenic Riverway. The parcel has little potential for use other than for said public purpose.

(d) The parcel of land described in paragraph (b) is west of Trunk Highway No. 95 and across the road from the Boom Site area located approximately one-half mile northeast of the city of Stillwater. This parcel is to be used for construction of a sanitary drain field for the Boom Site Rest Area. The present drain field is undersized, causes unsanitary seepage, and does not conform to modern-day health standards. This parcel is within the Lower St. Croix National Scenic Riverway boundary and has little potential for use other than public purpose and/or supplementing adjacent public facilities.

(e) The two above-described parcels of land have been appraised and are of substantially equal value.

(f) The United States has agreed to a land exchange subject to terms of its existing scenic easement on the land described in paragraph (b). The United States has agreed to the proposed construction of a sanitary drain field by the Minnesota department of transportation on the land described in paragraph (b).

(g) The conveyances transferring the land described in subdivision 1, paragraph (b), to the United States and the land described in paragraph (b) to the state of Minnesota must be in a form approved by the attorney general.

Sec. 9. [REPEALER.]

Minnesota Statutes 1992, section 173.14, is repealed. Minnesota Rules, part 8810.1300, subpart 6, is repealed.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 to 9 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to transportation; defining terms; making technical changes; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; ensuring safety is factor in standards for scenic highways and park roads; modifying highway fund apportionment to counties and changing composition of screening board; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; allowing permits to extend seasonal gross weight limit increases; regulating provision of personal transportation service; allowing rail carriers to participate in rail user loan guarantee program; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave

for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.06, subdivisions 3 and 4; 162.09, subdivision 1; 162.12, subdivisions 3 and 4; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 169.825, subdivision 11; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, subdivision 6c; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63, subdivision 8; Minnesota Statutes 1993 Supplement, section 169.685, subdivision 5; proposing coding for new law in Minnesota Statutes, chapters 161; and 471; repealing Minnesota Statutes 1992, sections 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3 and 4; Minnesota Rules, part 8810.1300, subpart 6."

We request adoption of this report and repassage of the bill.

House Conferees: TOM OSTHOFF, MARC ASCH, BERNARD L. "BERNIE" LIEDER, DEE LONG AND GENE HUGOSON.

Senate Conferees: KEITH LANGSETH, FLORIAN CHMIELEWSKI, SANDRA L. PAPPAS AND TERRY D. JOHNSTON.

Osthoff moved that the report of the Conference Committee on H. F. No. 3011 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3011, A bill for an act relating to transportation; defining terms; making technical changes; ensuring safety is factor in standards for scenic highways and park roads; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; allowing horse trailer to be component of a recreational vehicle combination; increasing length limitations for recreational vehicle combinations; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing self-propelled implement of husbandry to display flashing amber light; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; requiring use of mileage-recording equipment on motor vehicles after 1999; establishing youth charter carrier permit system; allowing rail carriers to participate in rail user loan guarantee program; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; modifying highway fund apportionment to counties and changing composition of screening board; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.07, subdivisions 1, 3, 5, and 6; 162.09, subdivision 1; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, by adding a subdivision; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63, subdivision 8; Minnesota Statutes 1993 Supplement, sections 169.01, subdivision 78; 169.18, subdivision 5; 169.685, subdivision 5; 169.81, subdivision 3c; and 221.111; proposing coding for new law in Minnesota Statutes, chapters 161; 169; and 471; repealing Minnesota Statutes 1992, sections 162.07, subdivision 4; 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3; and 4; Minnesota Rules, part 8810.1300, subpart 6.

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 125 yeas and 7 nays as follows:

Those who voted in the affirmative were:

Abrams	Dawkins	Hausman	Koppendrayer	Molnau	Pelowski	Sviggum
Anderson, R.	Dehler	Holsten	Krinkie	Morrison	Perlt	Swenson
Asch	Delmont	Hugoson	Krueger	Mosel	Peterson	Tomassoni
Battaglia	Dempsey	Huntley	Lasley	Munger	Pugh	Tompkins
Bauerly	Dorn	Jacobs	Leppik	Murphy	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	Waltman
Brown, C.	Frerichs	Johnson, R.	Lourey	Olson, M.	Rukavina	Weaver
Brown, K.	Garcia	Johnson, V.	Luther	Onnen	Sarna	Wejcman
Carlson	Girard	Kahn	Lynch	Opatz	Seagren	Wenzel
Carruthers	Goodno	Kalis	Macklin	Orenstein	Sekhon	Winter
Clark	Greenfield	Kelley	Mahon	Orfield	Simoneau	Wolf
Commers	Greiling	Kelso	Mariani	Osthoff	Smith	Worke
Cooper	Gruenes	Kinkel	McCollum	Ozment	Solberg	Workman
Dauner	Gutknecht	Klinzing	McGuire	Pauly	Stanius	Spk. Anderson, I.
Davids	Hasskamp	Knickerbocker	Milbert	Pawlenty	Steensma	

Those who voted in the negative were:

Bishop	Haukoos	Knight	Neary	Ostrom	Skoglund	Vickerman

The bill was repassed, as amended by Conference, 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.

MOTIONS AND RESOLUTIONS

Solberg moved that H. F. No. 2648 be recalled from the Committee on Rules and Legislative Administration and be re-referred to the Committee on Ways and Means. The motion prevailed.

ADJOURNMENT

Carruthers moved that when the House adjourns today it adjourn until 10:00 a.m., Friday, May 6, 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, May 6, 1994.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

STATE OF MINNESOTA

SEVENTY-EIGHTH SESSION — 1994

ONE HUNDRED-SIXTH DAY

SAINT PAUL, MINNESOTA, FRIDAY, MAY 6, 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 Representative Howard Orenstein, District 64B, St. Paul, Minnesota.

The roll was called and the following members were present:

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

A quorum was present.

Knickerbocker and Long were excused.

Stanius was excused until 1:10 p.m.

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

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 4, 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. 2010, relating to the environment; requiring a person who arranges for management of solid waste in an environmentally inferior manner to indemnify generators of the waste and, for a landfill, set aside a fund to pay for contamination from the landfill.

H. F. No. 2362, relating to animals; changing the definition of a potentially dangerous dog; changing the identification tag requirements for a dangerous dog.

H. F. No. 2410, relating to natural resources; sale of native tree seed and tree planting stock; terms and conditions governing the leasing of state timber lands.

H. F. No. 2034, relating to transportation; changing eligibility requirements for distribution of funds from the town road account.

H. F. No. 2226, relating to state government; permitting employees of Minnesota Project Innovation, Inc. to participate in certain state employee benefit programs.

H. F. No. 2120, 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.

H. F. No. 2485, 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.

H. F. No. 2710, relating to state government; modifying requirements for reports to the legislature; requiring creation of a system for electronic applications for licenses; requiring a study.

H. F. No. 2624, 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.

H. F. No. 3032, relating to game and fish; regulating certain uses of fish manure; 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; regulating various wildlife management accounts and authorizing annual appropriations to commissioner of natural resources for various purposes; regulating use of revenues from various game stamps; authorizing certain permits to be designated as available for persons with disabilities or over age 70; increasing fishing license fees; modifying regulations on cooperative farming agreements; modifying source of payments made to certain Indian tribes; abolishing the angling license refund for senior citizens; requiring the commissioner of natural resources to negotiate with bargaining units prior to involuntary layoffs; appropriating money and reducing earlier appropriations.

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*
	2010	548	3:14 p.m. May 4	May 4
2210		549	3:10 p.m. May 4	May 4
	2362	550	3:14 p.m. May 4	May 4
	2410	551	3:15 p.m. May 4	May 4
2104		552	3:11 p.m. May 4	May 4
	2034	553	3:16 p.m. May 4	May 4
	2226	554	3:17 p.m. May 4	May 4
	2120	556	3:18 p.m. May 4	May 4
	2485	557	3:19 p.m. May 4	May 4
2709		558	3:12 p.m. May 4	May 4
	2710	559	3:22 p.m. May 4	May 4
	2624	560	3:27 p.m. May 4	May 4
	3032	561	3:29 p.m. May 4	May 4
2277		562	3:15 p.m. May 4	May 4
2072		563	3:08 p.m. May 4	May 4
2690		564	3:14 p.m. May 4	May 4
2500		565	3:40 p.m. May 4	May 4

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

CALL OF THE HOUSE

On the motion of Skoglund and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

Abrams	Carlson	Dorn	Gruenes	Johnson, A.	Krueger	Mariani
Anderson, R.	Carruthers	Erhardt	Gutknecht	Johnson, R.	Lasley	McCollum
Battaglia	Clark	Evans	Hasskamp	Johnson, V.	Leppik	McGuire
Bauerly	Commers	Farrell	Haukoos	Kahn	Lieder	Milbert
Beard	Cooper	Finseth	Hausman	Kelley	Limmer	Molnau
Bergson	Dauner	Frerichs	Holsten	Kelso	Lindner	Morrison
Bertram	Davids	Garcia	Hugoson	Kinkel	Lourey	Mosel
Bettermann	Dawkins	Girard	Huntley	Klinzing	Luther	Munger
Bishop	Dehler	Goodno	Jacobs	Knight	Lynch	Murphy
Brown, C.	Delmont	Greenfield	Jaros	Koppendrayer	Macklin	Neary
Brown, K.	Dempsey	Greiling	Jefferson	Krinkie	Mahon	Nelson

Ness	Orfield	Peterson	Rukavina	Sviggum	Van Engen	Wenzel
Olson, E.	Osthoff	Pugh	Sarna	Swenson	Vellenga	Winter
Olson, K.	Ostrom	Reding	Seagren	Tomassoni	Vickerman	Wolf
Olson, M.	Ozment	Rest	Sekhon	Tompkins	Wagenius	Worke
Onnen	Pawlenty	Rhodes	Skoglund	Trimble	Waltman	Workman
Opatz	Pelowski	Rice	Smith	Tunheim	Weaver	Spk. Anderson, I.
Orenstein	Perlt	Rodosovich	Steensma	Van Dellen	Wejcman	

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.

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 5, 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, Chapter 576, House File No. 2074, the Juvenile Justice Crime bill (with the exception of item vetoes on Page 63, lines 6-21; Page 63, lines 22-29; Page 63, lines 30-61; and Page 65, lines 38-50.)

This measure is the product of a tremendous amount of work by the legislative, judicial and executive branches. It represents one of the most significant achievements of the 1994 session and should go far in addressing our troubling juvenile crime rates. A bipartisan group of legislators and a Supreme Court Task Force led by Justice Sandra Gardebring deserve much credit.

Due to the legislature's lack of financial planning and the need for a healthy and balanced budget I was forced to item veto three provisions of spending in this measure. We recognize the need for further resources for the district courts, probation officers and the Board of Public Defense and intend to make provisions for this next year. I am convinced that we can responsibly address these needs during the regular budget session next January.

Warmest regards,

ARNE H. CARLSON
Governor

MOTION TO OVERRIDE LINE ITEM VETO

Skoglund moved that Section 67, page 63, lines 6 through 21, of H. F. No. 2074, Chapter 576, be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23, of the Constitution of the State of Minnesota.

A roll call was requested and properly seconded.

The question was taken on the Skoglund motion and the roll was called.

Sviggum moved that those not voting be excused from voting. The motion did not prevail.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 87 yeas and 45 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Jacobs	Lasley	Neary	Reding	Tomassoni
Asch	Dauner	Jaros	Lieder	Nelson	Rest	Trimble
Battaglia	Dawkins	Jefferson	Limmer	Olson, E.	Rhodes	Tunheim
Bauerly	Delmont	Jennings	Lourey	Olson, K.	Rice	Vellenga
Beard	Dorn	Johnson, A.	Luther	Opatz	Rodosovich	Wagenius
Bergson	Evans	Johnson, R.	Mahon	Orenstein	Rukavina	Wejcman
Bertram	Farrell	Kahn	Mariani	Orfield	Sarna	Wenzel
Bishop	Garcia	Kalis	McCollum	Osthoff	Sekhon	Winter
Brown, C.	Greenfield	Kelley	McGuire	Ostrom	Simoneau	Spk. Anderson, I.
Brown, K.	Greiling	Kelso	Milbert	Pelowski	Skoglund	
Carlson	Hasskamp	Kinkel	Mosel	Perlt	Smith	
Carruthers	Hausman	Klinzing	Munger	Peterson	Solberg	
Clark	Huntley	Krueger	Murphy	Pugh	Steensma	

Those who voted in the negative were:

Abrams	Finseth	Holsten	Lindner	Onnen	Swenson	Wolf
Bettermann	Frerichs	Hugoson	Lynch	Ozment	Tompkins	Worke
Commers	Girard	Johnson, V.	Macklin	Pauly	Van Dellen	Workman
Davids	Goodno	Knight	Molnau	Pawlenty	Van Engen	
Dehler	Gruenes	Koppendrayer	Morrison	Seagren	Vickerman	
Dempsey	Gutknecht	Krinkie	Ness	Stanius	Waltman	
Erhardt	Haukoos	Leppik	Olson, M.	Sviggum	Weaver	

Not having received the constitutionally required two-thirds vote, the line item veto was not reconsidered and not repassed.

MOTION TO OVERRIDE LINE ITEM VETO

Skoglund moved that Section 67, page 63, lines 30 through 61, of H. F. No. 2074, Chapter 576, be now reconsidered and repassed, the objections of the Governor notwithstanding, pursuant to Article IV, Section 23 of the Constitution of the State of Minnesota.

A roll call was requested and properly seconded.

The question was taken on the Skoglund motion and the roll was called.

Carruthers moved that those not voting be excused from voting. The motion prevailed.

There were 85 yeas and 47 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Cooper	Jacobs	Lasley	Nelson	Rest	Tunheim
Asch	Dauner	Jaros	Lieder	Olson, E.	Rhodes	Vellenga
Battaglia	Dawkins	Jefferson	Lourey	Olson, K.	Rice	Wagenius
Bauerly	Delmont	Jennings	Luther	Opatz	Rodosovich	Wejcman
Beard	Dorn	Johnson, A.	Mahon	Orenstein	Rukavina	Wenzel
Bergson	Evans	Johnson, R.	Mariani	Orfield	Sarna	Winter
Bertram	Farrell	Kahn	McCollum	Osthoff	Sekhon	Spk. Anderson, I.
Bishop	Garcia	Kalis	McGuire	Ostrom	Simoneau	
Brown, C.	Greenfield	Kelley	Milbert	Pelowski	Skoglund	
Brown, K.	Greiling	Kelso	Mosel	Perlt	Solberg	
Carlson	Hasskamp	Kinkel	Munger	Peterson	Steensma	
Carruthers	Hausman	Klinzing	Murphy	Pugh	Tomassoni	
Clark	Huntley	Krueger	Neary	Reding	Trimble	

Those who voted in the negative were:

Abrams	Finseth	Holsten	Limmer	Olson, M.	Stanius	Waltman
Bettermann	Frerichs	Hugoson	Lindner	Onnen	Sviggum	Weaver
Commers	Girard	Johnson, V.	Lynch	Ozment	Swenson	Wolf
Davids	Goodno	Knight	Macklin	Pauly	Tompkins	Worke
Dehler	Gruenes	Koppendrayer	Molnau	Pawlenty	Van Dellen	Workman
Dempsey	Gutknecht	Krinkie	Morrison	Seagren	Van Engen	
Erhardt	Haukoos	Leppik	Ness	Smith	Vickerman	

Not having received the constitutionally required two-thirds vote, the line item veto was not reconsidered and not repassed.

CALL OF THE HOUSE LIFTED

Carruthers moved that the call of the House be dispensed with. The motion prevailed and it was so ordered.

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Commers and Hugoson introduced:

H. F. No. 3244, A bill for an act relating to taxation; requiring voter approval to increase local government property tax levies at a rate greater than the growth in state personal income; proposing coding for new law in Minnesota Statutes, chapter 275.

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

The Speaker called Kahn to the Chair.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 984, A bill for an act relating to state government; modifying provisions relating to the department of administration; amending Minnesota Statutes 1992, sections 13B.04; 15.061; 16B.06, subdivision 2; 16B.17; 16B.19, subdivisions 2 and 10; 16B.24, subdivision 6, and by adding a subdivision; 16B.27, subdivision 3; 16B.32, subdivision 2; 16B.42; 16B.465, subdivision 6; 16B.48, subdivisions 2 and 3; 16B.49; 16B.51, subdivisions 2 and 3; 16B.85, subdivision 1; 94.10, subdivision 1; 343.01, subdivisions 2, 3, and by adding subdivisions; and 403.11, subdivision 1; Laws 1979, chapter 333, section 18; and Laws 1991, chapter 345, article 1, section 17, subdivision 4, as amended; proposing coding for new law in Minnesota Statutes, chapter 16B; repealing Minnesota Statutes 1992, sections 3.3026; 16B.41, subdivision 4; 16B.56, subdivision 4; Laws 1987, chapter 394, section 13.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2289.

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. 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.

May 4, 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. 2289, 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. 2289 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 116.07, subdivision 4d, is amended to read:

Subd. 4d. [PERMIT FEES.] (a) The agency may collect permit fees in amounts not greater than those necessary to cover the reasonable costs of reviewing and acting upon applications for agency permits and implementing and enforcing the conditions of the permits pursuant to agency rules. Permit fees shall not include the costs of litigation. The agency shall adopt rules under section 16A.128 establishing the amounts and methods of collection of any permit fees collected under this subdivision. The fee schedule must reflect reasonable and routine permitting, implementation, and enforcement costs. The agency may impose an additional enforcement fee to be collected for a period of up to two years to cover the reasonable costs of implementing and enforcing the conditions of a permit under the rules of the agency. Any money collected under this paragraph shall be deposited in the special revenue account.

(b) Notwithstanding paragraph (a), and section 16A.128, subdivision 1, the agency shall collect an annual fee from the owner or operator of all stationary sources, emission facilities, emissions units, air contaminant treatment facilities, treatment facilities, potential air contaminant storage facilities, or storage facilities subject to the requirement to obtain a permit under Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., or section 116.081. The annual fee shall be used to pay for all direct and indirect reasonable costs, including attorney general costs, required to develop and administer the permit program requirements of Title V of the federal Clean Air Act Amendments of 1990, Public Law Number 101-549, Statutes at Large, volume 104, pages 2399 et seq., and sections of this chapter and the rules adopted under this chapter related to air contamination and noise. Those costs include the reasonable costs of reviewing and acting upon an application for a permit; implementing and enforcing statutes, rules, and the terms and conditions of a permit; emissions, ambient, and deposition monitoring; preparing generally applicable regulations; responding to federal guidance; modeling, analyses, and demonstrations; preparing inventories and tracking emissions; providing information to the public about these activities; and, after June 30, 1992, the costs of acid deposition monitoring currently assessed under section 116C.69, subdivision 3.

(c) The agency shall adopt fee rules in accordance with the procedures in section 16A.128, subdivisions 1a and 2a, that will result in the collection, in the aggregate, from the sources listed in paragraph (b), of the following amounts:

(1) in fiscal years 1992 and 1993, the amount appropriated by the legislature from the air quality account in the environmental fund for the agency's air quality program;

(2) for fiscal year 1994 and thereafter, an amount not less than $25 per ton of each volatile organic compound; pollutant regulated under United States Code, title 42, section 7411 or 7412 (section 111 or 112 of the federal Clean Air Act); and each pollutant, except carbon monoxide, for which a national primary ambient air quality standard has been promulgated; and

(3) for fiscal year 1994 and thereafter, the agency fee rules may also result in the collection, in the aggregate, from the sources listed in paragraph (b), of an amount not less than $25 per ton of each pollutant not listed in clause (2) that is regulated under Minnesota Rules, chapter 7005, or for which a state primary ambient air quality standard has been adopted.

The agency must not include in the calculation of the aggregate amount to be collected under the fee rules any amount in excess of 4,000 tons per year of each air pollutant from a source.

(d) To cover the reasonable costs described in paragraph (b), the agency shall provide in the rules promulgated under paragraph (c) for an increase in the fee collected in each year beginning after fiscal year 1993 by the percentage, if any, by which the Consumer Price Index for the most recent calendar year ending before the beginning of the year the fee is collected exceeds the Consumer Price Index for the calendar year 1989. For purposes of this paragraph the Consumer Price Index for any calendar year is the average of the Consumer Price Index for all-urban consumers published by the United States Department of Labor, as of the close of the 12-month period ending on August 31 of each calendar year. The revision of the Consumer Price Index that is most consistent with the Consumer Price Index for calendar year 1989 shall be used.

(e) Any money collected under paragraphs (b) to (d) must be deposited in an air quality account in the environmental fund and must be used solely for the activities listed in paragraph (b).

(f) Persons who wish to construct or expand an air emission facility may offer to reimburse the agency for the costs of staff overtime or consultant services needed to expedite permit review. The reimbursement shall be in addition to fees imposed by paragraphs (a) to (d). When the agency determines that it needs additional resources to review the permit application in an expedited manner, and that expediting the review would not disrupt air permitting program priorities, the agency may accept the reimbursement. Reimbursements accepted by the agency are appropriated to the agency for the purpose of reviewing the permit application. Reimbursement by a permit applicant shall precede and not be contingent upon issuance of a permit and shall not affect the agency's decision on whether to issue or deny a permit, what conditions are included in a permit, or the application of state and federal statutes and rules governing permit determinations.

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."

Delete the title and insert:

"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."

We request adoption of this report and repassage of the bill.

Senate Conferees: GENE MERRIAM, DEANNA WIENER AND GARY W. LAIDIG.

House Conferees: CHARLIE WEAVER, PHYLLIS KAHN AND RON ABRAMS.

Weaver moved that the report of the Conference Committee on S. F. No. 2289 be adopted and that the bill be repassed as amended by the Conference Committee. 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 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 113 yeas and 13 nays as follows:

Those who voted in the affirmative were:

Abrams	Dempsey	Hugoson	Krueger	Murphy	Pugh	Van Engen
Anderson, R.	Dorn	Huntley	Lasley	Neary	Reding	Vellenga
Asch	Erhardt	Jacobs	Leppik	Ness	Rhodes	Vickerman
Battaglia	Evans	Jaros	Lieder	Olson, E.	Rodosovich	Waltman
Bauerly	Farrell	Jefferson	Limmer	Olson, K.	Rukavina	Weaver
Bergson	Finseth	Jennings	Lindner	Olson, M.	Sarna	Wenzel
Bertram	Frerichs	Johnson, R.	Lourey	Onnen	Seagren	Winter
Bettermann	Girard	Johnson, V.	Luther	Opatz	Simoneau	Wolf
Brown, C.	Goodno	Kahn	Lynch	Orenstein	Smith	Worke
Brown, K.	Greenfield	Kalis	Mahon	Osthoff	Solberg	Workman
Carlson	Greiling	Kelley	McCollum	Ostrom	Stanius	Spk. Anderson, I.
Carruthers	Gruenes	Kelso	McGuire	Ozment	Steensma	
Commers	Gutknecht	Kinkel	Milbert	Pauly	Sviggum	
Cooper	Hasskamp	Klinzing	Molnau	Pawlenty	Swenson	
Davids	Haukoos	Knight	Morrison	Pelowski	Tompkins	
Dehler	Hausman	Koppendrayer	Mosel	Perlt	Tunheim	
Delmont	Holsten	Krinkie	Munger	Peterson	Van Dellen	

Those who voted in the negative were:

Clark	Dawkins	Johnson, A.	Orfield	Skoglund	Trimble	Wejcman
Dauner	Garcia	Nelson	Sekhon	Tomassoni	Wagenius	

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

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

May 5, 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. 3086, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3086 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1992, section 115B.04, is amended by adding a subdivision to read:

Subd. 4a. [CLAIMS BY MIXED MUNICIPAL SOLID WASTE DISPOSAL FACILITIES.] (a) Except as provided in paragraph (b), liability under this section for claims by owners or operators of mixed municipal solid waste disposal facilities that accept waste on or after April 9, 1994, and are not qualified facilities under section 115B.39, subdivision 2, is limited to liability for response costs exceeding the amount of available financial assurance funds required under section 116.07, subdivision 4h.

(b) This subdivision does not affect liability under this section for claims based on the illegal disposal of waste at a facility.

Sec. 2. [115B.39] [LANDFILL CLEANUP PROGRAM; ESTABLISHMENT.]

Subdivision 1. [ESTABLISHMENT.] The landfill cleanup program is established to provide environmental response at qualified facilities and is to be administered by the commissioner.

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.39 to 115B.46, except as specifically modified in this subdivision.

(b) "Cleanup order" means a consent order between responsible persons and the agency or an order issued by the United States Environmental Protection Agency under section 106 of the Federal Superfund Act.

(c) "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 and liners; 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. The commissioner may authorize use of final cover that includes processed materials that meet the requirements in Code of Federal Regulations, title 40, section 503.32, paragraph (a).

(d) "Contingency action" means organized, planned, or coordinated courses of action to be followed in case of fire, explosion, or release of solid waste, waste by-products, or leachate that could threaten human health or the environment.

(e) "Corrective action" means steps taken to repair facility structures including liners, monitoring wells, separation equipment, covers, and aeration devices and to bring the facility into compliance with design, construction, groundwater, surface water, and air emission standards.

(f) "Decomposition gases" means gases produced by chemical or microbial activity during the decomposition of solid waste.

(g) "Environmental response action" means response action at a qualified facility, including corrective action, closure, postclosure care; contingency action; environmental studies, including remedial investigations and feasibility studies; engineering, including remedial design; removal; remedial action; site construction; and other similar cleanup-related activities.

(h) "Environmental response costs" means:

(1) costs of environmental response action, not including legal or administrative expenses; and

(2) costs required to be paid to the federal government under section 107(a) of the federal Superfund Act, as amended.

(i) "Postclosure" or "postclosure care" means actions taken for the care, maintenance, and monitoring of closure actions at a mixed municipal solid waste disposal facility.

(j) "Qualified facility" means a mixed municipal solid waste disposal facility, including adjacent property used for solid waste disposal, that:

(1) is or was permitted by the agency;

(2) stopped accepting solid waste, except demolition debris, for disposal by April 9, 1994; and

(3) stopped accepting demolition debris for disposal by June 1, 1994, except that demolition debris may be accepted until May 1, 1995, at a permitted area where disposal of demolition debris is allowed, if the area where the demolition debris is deposited is at least 50 feet from the fill boundary of the area where mixed municipal solid waste was deposited.

Sec. 3. [115B.40] [PROGRAM.]

Subdivision 1. [RESPONSE TO RELEASES.] The commissioner may take any environmental response action, including emergency action, related to a release or threatened release of a hazardous substance, pollutant or contaminant, or decomposition gas from a qualified facility that the commissioner deems reasonable and necessary to protect the public health or welfare or the environment under the standards required in sections 115B.01 to 115B.24. The commissioner may undertake studies necessary to determine reasonable and necessary environmental response actions at individual facilities. The commissioner may develop general work plans for environmental studies, presumptive remedies, and generic remedial designs for facilities with similar characteristics. Prior to selecting environmental 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 actions selected under this subdivision.

Subd. 2. [PRIORITY LIST.] (a) The commissioner shall establish a priority list for preventing or responding to releases of hazardous substances, pollutants and contaminants, or decomposition gases at qualified facilities. The commissioner shall periodically revise the list 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 subdivision 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. 3. [NOTIFICATION.] By September 1, 1994, the commissioner shall notify the owner or operator of, and persons subject to a cleanup order at, each qualified facility of whether the requirements of subdivision 4 or 5 have been met. If the requirements have not been met at a facility, the commissioner, by the earliest practicable date, shall notify the owner or operator and persons subject to a cleanup order of what actions need to be taken.

Subd. 4. [QUALIFIED FACILITY NOT UNDER CLEANUP ORDER; DUTIES.] (a) The owner or operator of a qualified facility that is not subject to a cleanup order shall:

(1) complete closure activities at the facility, or enter into a binding agreement with the commissioner to do so, as provided in paragraph (d), within one year from the date the owner or operator is notified by the commissioner under subdivision 3 of the closure activities that are necessary to properly close the facility in compliance with 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;

(2) undertake or continue postclosure care at the facility until the date of notice of compliance under subdivision 7;

(3) transfer to the commissioner of revenue for deposit in the landfill cleanup account established in section 115B.42 any funds required for proof of financial responsibility under section 116.07, subdivision 4h, that remain after facility closure and any postclosure care and response action undertaken by the owner or operator at the facility including, if proof of financial responsibility is provided through a letter of credit or other financial instrument or mechanism that does not accumulate money in an account, the amount that would have accumulated had the owner or operator utilized a trust fund, less any amount used for closure, postclosure care, and response action at the facility;

(4) provide the commissioner with a copy of all applicable comprehensive general liability insurance policies and other liability policies relating to property damage, certificates, or other evidence of insurance coverage held during the life of the facility; and

(5) enter into a binding agreement with the commissioner to:

(i) take any actions necessary to preserve the owner or operator's rights to payment or defense under insurance policies included in clause (4); cooperate with the commissioner in asserting claims under the policies; and, within 60 days of a request by the commissioner, but no earlier than July 1, 1996, assign only those rights under the policies related to environmental response costs;

(ii) cooperate with the commissioner or other persons acting at the direction of the commissioner in taking additional environmental response actions necessary to address releases or threatened releases and to avoid any action that interferes with environmental response actions, including allowing entry to the property and to the facility's records and allowing entry and installation of equipment; and

(iii) refrain from developing or altering the use of property described in any permit for the facility except after consultation with the commissioner and in conformance with any conditions established by the commissioner for that property, including use restrictions, to protect public health and welfare and the environment.

(b) The owner or operator of a qualified 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.

(c) The agreement required in paragraph (a), clause (5), must be in writing and must apply to and be binding upon the successors and assigns of the owner. The owner shall record the agreement, or a memorandum approved by the commissioner that summarizes the agreement, with the county recorder or registrar of titles of the county where the property is located.

(d) A binding agreement entered into under paragraph (a), clause (1), may include a provision that the owner or operator will reimburse the commissioner for the costs of closing the facility to the standard required in that clause.

Subd. 5. [QUALIFIED FACILITY UNDER CLEANUP ORDER; DUTIES.] (a) For a qualified facility that is subject to a cleanup order, persons identified in the order shall complete construction of the remedy required under the cleanup order and:

(1) for a federal order, receive a concurrent determination of the United States Environmental Protection Agency and the agency or commissioner that the remedy is functioning properly and is performing as designed; or

(2) for a state order, receive acknowledgment from the agency or commissioner that the obligations under the order for construction of the remedy have been met.

(b) The owner or operator of a qualified facility that is subject to a cleanup order, in addition to any applicable requirement in paragraph (a), shall comply with subdivision 4, paragraph (a), clauses (3) to (5).

Subd. 6. [COMMISSIONER; DUTIES.] (a) If the owner or operator of a qualified facility fails to comply with subdivision 4, paragraph (a), clause (1) or (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.

(b) If a facility has been properly closed under subdivision 4, but the applicable 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 result in removal or significant alteration of the closure activities or render the closure activities unnecessary.

Subd. 7. [NOTICE OF COMPLIANCE; EFFECTS.] (a) The commissioner shall provide written notice of compliance to the appropriate owner or operator or person subject to a cleanup order when:

(1) the commissioner determines that the requirements of subdivision 4 or 5 have been met; and

(2) the person who will receive the notice has submitted to the commissioner a written waiver of any claims the person may have against any other person for recovery of any environmental response costs related to a qualified facility that were incurred prior to the date of notice of compliance.

(b) Beginning on the date of the notice of compliance:

(1) the commissioner shall assume all obligations of the owner or operator or person for environmental response actions under the federal Superfund Act and any federal or state cleanup orders and shall undertake all further action under subdivision 1 at or related to the facility that the commissioner deems appropriate and in accordance with the priority list; and

(2) the commissioner may not seek recovery against the owner or operator of the facility or any responsible person of any costs incurred by the commissioner for environmental response action at or related to the facility, except:

(i) to the extent of insurance coverage held by the owner or operator or responsible person; or

(ii) as provided in section 115B.402.

(c) The commissioner and the attorney general shall communicate with the United States Environmental Protection Agency addressing the manner and procedure for the state's assumption of federal obligations under paragraph (b), clause (1).

Subd. 8. [STATUTES OF LIMITATIONS.] (a) With respect to claims for recovery of environmental response costs related to qualified facilities, the running of all applicable periods of limitation under state law is suspended until July 1, 2004.

(b) A waiver of claims for recovery of environmental response costs under this section or section 115B.43 is extinguished for that portion of reimbursable costs under section 115B.43 that have not been reimbursed by July 1, 2004.

Sec. 4. [115B.402] [ILLEGAL ACTIONS AT QUALIFIED FACILITIES.]

The commissioner may recover under section 115B.17, subdivision 6, that portion of the costs of response actions at any qualified facility attributable to a person who otherwise would be responsible for the release or threatened release under section 115B.03, 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 section, based on the volume and toxicity of waste in the facility associated with the person and other factors reasonably related to the contribution of the person to a release or threatened release, is prima facie evidence that those costs are attributable to the person.

Sec. 5. [115B.405] [EXCLUDED FACILITIES.]

Subdivision 1. [APPLICATION.] The owner or operator of a qualified facility may apply to the commissioner for exclusion from the landfill cleanup program under sections 115B.39, 115B.40, 115B.41, 115B.412, and 115B.43. Applications must be received by the commissioner by February 1, 1995. The owner or operator of a qualified facility that is subject to a federal cleanup order or that includes any portion that is tax-forfeited may not apply for exclusion under this section. In addition to other information required by the commissioner, an application must include a disclosure of all financial assurance accounts established for the facility. Applications for exclusion must:

(1) show that the operator or owner is complying with the agency's rules adopted under section 116.07, subdivision 4h, and is complying with a financial assurance plan for the facility that the commissioner has approved after determining that the plan is adequate to provide for closure, postclosure care, and contingency action;

(2) demonstrate that the facility is closed or is in compliance with a closure schedule approved by the commissioner; and

(3) include a waiver of all claims for recovery of costs incurred under sections 115B.01 to 115B.24 and the federal Superfund Act at or related to a qualified facility.

Subd. 2. [EVALUATION OF EXCLUSION STATUS.] Within 90 days after the commissioner has received a complete application for exclusion, the commissioner shall notify the owner or operator if the facility is excluded. If the commissioner finds that the facility does not satisfy the requirements for exclusion, the commissioner shall notify the owner or operator of that fact.

Subd. 3. [RESTRICTION ON USE OF PROPERTY AT EXCLUDED FACILITIES.] (a) A person may not use any property described in the most recent agency permit issued for an excluded facility in any way that disturbs the integrity of the final cover, liners, or any other components of any containment system, or the function of the facility's monitoring systems, unless the agency finds that the disturbance:

(1) is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or

(2) is necessary to reduce a threat to human health or the environment.

(b) Before any transfer of ownership of property described in paragraph (a), the owner must obtain approval from the commissioner. The commissioner shall approve a transfer if the owner can demonstrate to the satisfaction of the commissioner that persons and property will not be exposed to undue risk from releases of hazardous substances or pollutants or contaminants.

(c) After obtaining approval from the commissioner, the owner shall record with the county recorder of the county in which the property is located an affidavit containing a legal description of the property that discloses to any potential transferee:

(1) that the land has been used as a mixed municipal solid waste disposal facility;

(2) the identity, quantity, location, condition, and circumstances of the disposal and any release of hazardous substances or pollutants or contaminants from the facility to the full extent known or reasonably ascertainable; and

(3) that the use of the property or some portion of it may be restricted as provided in paragraph (a).

(d) An owner must also file an affidavit within 60 days after any material change in any matter required to be disclosed under paragraph (c), with respect to property for which an affidavit has already been recorded. If the owner or any subsequent owner of the property removes the waste from the facility together with any residues, liner, and contaminated underlying and surrounding soil, that owner may record an affidavit indicating the removal. Failure to record an affidavit as provided in this paragraph does not affect or prevent any transfer of ownership of the property.

(e) The county recorder shall record all affidavits presented in accordance with paragraphs (c) and (d). The affidavits must be recorded in a manner that will ensure their disclosure in the ordinary course of a title search of the subject property.

(f) This subdivision is enforceable under sections 115.071 and 116.072.

Subd. 4. [CLOSURE.] If the commissioner determines that the owner or operator of an excluded facility did not complete the terms of an approved closure plan by the date in the plan, the commissioner shall complete closure at the facility and may seek cost recovery against the owner or operator under section 115B.17, subdivision 6.

Sec. 6. [115B.41] [ALLOCATION OF COSTS; FAILURE TO COMPLY.]

Subdivision 1. [ALLOCATION AND RECOVERY OF COSTS.] (a) A person who is subject to the requirements in section 115B.40, subdivision 4, or subdivision 5, paragraph (b), is responsible for all environmental response costs incurred by the commissioner at or related to the facility until the date of notice of compliance under section 115B.40, subdivision 7. The commissioner may use any funds available for closure, postclosure care, and response action 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 environmental response costs against the owner or operator in the county of Ramsey or in the county where the facility is located or where the owner or operator resides.

(b) 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. 2. [ENVIRONMENTAL RESPONSE COSTS; LIENS.] All environmental response costs, including administrative and legal expenses, incurred by the commissioner at a qualified facility before the date of notice of compliance under section 115B.40, subdivision 7, constitute a lien in favor of the state upon any real property located in the state, other than homestead property, owned by the owner or operator who is subject to the requirements of section 115B.40, subdivision 4 or 5. A lien under this subdivision attaches when the environmental response 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 the 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. 3. [LOCAL GOVERNMENT AID; OFFSET.] If an owner or operator fails to comply with section 115B.40, subdivision 4, or 5, paragraph (b), fails to remit payment of environmental response costs incurred by the commissioner before the date of notice of compliance under section 115B.40, subdivision 7, and is a local government unit, the commissioner may seek payment of the costs 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 the costs and the amount due, shall pay an annual proportionate amount of the state aid payment otherwise payable to the local government unit 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 costs.

Subd. 4. [DISQUALIFICATION; PERMITS.] If an owner or operator of a qualified facility that is not a local government unit does not undertake closure or postclosure care in compliance with section 115B.40, subdivision 4, the owner or operator is ineligible to obtain or renew a state or local permit or license to engage in a business that manages solid waste. Failure of an owner or operator that is not a local government unit to complete closure or postclosure care at a qualified facility is prima facie evidence of the lack of fitness of that owner or operator to conduct any solid waste business and is grounds for revocation of any solid waste business permit or license held by that owner or operator.

For the purposes of this subdivision and subdivision 2, "owner or operator" means a person, partnership, firm, limited liability company, cooperative, association, corporation, or other entity and includes any entity in which the owner or operator owns a controlling interest.

Subd. 5. [EXPEDITED CLOSURE.] To expedite compliance with section 115B.40, subdivision 4, a person other than an owner or operator may undertake closure or postclosure care in compliance with that subdivision under an agreement with the commissioner.

Sec. 7. [115B.412] [PROGRAM OPERATION.]

Subdivision 1. [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 qualified 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 qualified facility.

Subd. 2. [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 1; and

(2) enter upon any property, public or private, for the purpose of taking any action authorized by sections 115B.39 to 115B.43 including obtaining information from any person who has a duty to provide the information under subdivision 1, conducting surveys or investigations, and taking response action.

This subdivision and subdivision 1 are enforceable under sections 115.071 and 116.072. If the commissioner prevails in an enforcement action under this subdivision, the commissioner may recover all costs, including court costs, attorney fees, and administrative costs, related to the enforcement action.

Subd. 3. [ACQUISITION AND DISPOSITION OF REAL PROPERTY.] The commissioner may acquire and dispose of real property the commissioner deems reasonably necessary for environmental response actions at or related to a qualified facility under section 115B.17, subdivisions 15 and 16.

Subd. 4. [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.39 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 placed on the priority list under section 115B.40, subdivision 2; 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. 5. [ENVIRONMENTAL LIEN.] An environmental lien for environmental response costs incurred, including reimbursements made under section 115B.43, by the commissioner under sections 115B.39 to 115B.46 attaches in the same manner as a lien under sections 514.671 to 514.676, to all the real property described in the original and any revised permits for a qualified facility and any adjacent property owned by the facility owner or operator 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.46. 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. For the purpose of this subdivision, "owner or operator" has the meaning given it in section 115B.41, subdivision 4.

Subd. 6. [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.

Subd. 7. [SEPARATE ACCOUNTING.] The commissioner shall maintain separate accounting for each qualified facility regarding:

(1) the amount of financial assurance funds transferred under section 115B.40, subdivisions 4 and 5; and

(2) costs of response actions taken at the facility.

Subd. 8. [TRANSFER OF TITLE.] The owner of a qualified facility may, as part of the owner's activities under section 115B.40, subdivision 4 or 5, offer to transfer title to all the property described in the facility's most recent permit, including any property adjacent to that property the owner wishes to transfer, to the commissioner. The commissioner may accept the transfer of title if the commissioner determines that to do so is in the best interest of the state.

Subd. 9. [LAND MANAGEMENT PLANS.] The commissioner shall develop a land use plan for each qualified facility. All local land use plans must be consistent with a land use plan developed under this subdivision. Plans developed under this subdivision must include provisions to prevent any use that disturbs the integrity of the final cover, liners, any other components of any containment system, or the function of any monitoring systems unless the commissioner finds that the disturbance:

(1) is necessary to the proposed use of the property, and will not increase the potential hazard to human health or the environment; or

(2) is necessary to reduce a threat to human health or the environment.

Before completing any plan under this subdivision, the commissioner shall consult with the commissioner of finance regarding any restrictions that the commissioner of finance deems necessary on the disposition of property resulting from the use of bond proceeds to pay for response actions on the property, and shall incorporate the restrictions in the plan.

Subd. 10. [REPORT.] By October 1 of each year, the commissioner shall report to the legislative commission on waste management and to the appropriate finance committees of the senate and the house of representatives on the commissioner's activities under sections 115B.39 to 115B.43 and the commissioner's anticipated activities during future fiscal years.

Subd. 11. [RULES.] The commissioner may adopt rules necessary to implement sections 115B.39 to 115B.43.

Sec. 8. [115B.414] [THIRD-PARTY CLAIMS; MEDIATION; DEFENSE.]

Subdivision 1. [THIRD-PARTY CLAIMS; DEFINITION.] For the purposes of this section, "third-party claims" means claims made against mixed municipal 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 qualified facility, when the claimant or claimants do not produce evidence, other than statistical or circumstantial evidence, that the persons against whom the claims are made ever arranged for disposal or transported for disposal mixed municipal solid waste containing 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 the Minnesota office of dispute resolution for 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 $75 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. 9. [115B.43] [REIMBURSABLE PARTIES AND EXPENSES.]

Subdivision 1. [GENERALLY.] Environmental response costs at qualified facilities for which a notice of compliance has been issued under section 115B.40, subdivision 7, are reimbursable as provided in this section.

Subd. 2. [REIMBURSABLE PERSONS.] (a) Except as provided in paragraphs (b) to (d), the following persons are eligible for reimbursement under this section:

(1) owners or operators, after the owners or operators have agreed to waive all claims for recovery of environmental response costs against any other persons and have agreed to reimburse, on a proportionate basis from each reimbursement received, each person from whom the applicant has collected funds towards reimbursable costs; and

(2) persons, other than owners and operators after the persons have agreed to:

(i) reimburse, on a proportionate basis from each reimbursement payment received, each person from whom the applicant has collected funds towards reimbursable costs; and

(ii) waive all claims for environmental response costs related to the facility and all other qualified facilities, against all other persons.

(b) A person is not eligible for reimbursement under this section if the person is an owner or operator who failed to properly close the qualified facility within the time specified in the facility's permit or the solid waste rules in effect at the time the facility stopped accepting waste.

(c) A person is not eligible for reimbursement under this section for environmental response costs at a facility if the person's actions relating to a release or threatened release at the facility were in violation of federal or state hazardous waste management laws in effect at the time of those actions.

(d) A person is not eligible for reimbursement under this section if, after June 15, 1994, the person files or continues to pursue an action asserting a claim for recovery of environmental response costs relating to a qualified facility, or otherwise seeks contributions for these costs, from another person.

Subd. 3. [REIMBURSABLE EXPENSES.] (a) Environmental response costs are eligible for reimbursement under this section to the extent that they:

(1) exceed:

(i) for each political subdivision that is an owner or operator of the facility, $250,000; and

(ii) for a private owner or operator, or a political subdivision that jointly owned or operated the facility with two or more other political subdivisions under a valid joint powers agreement, $750,000;

(2) are documented with billings or other proof of project cost; and

(3) if the commissioner finds that they were reasonable and necessary under the circumstances. The commissioner may request further documentation from those requesting reimbursement if it is necessary in the commissioner's judgment.

(b) For owners or operators, the following costs are not reimbursable:

(1) costs attributable to normal operations of the facility or to activities required under the facility permit and applicable solid waste rules, including corrective action, closure, postclosure, and contingency action; and

(2) the acquisition of real property if required of the owner or operator in order to carry out requirements of the facility permit or applicable solid waste rules.

Subd. 4. [REIMBURSEMENT PLAN.] The commissioner shall prepare a reimbursement plan and present it by October 1, 1995, to the legislative commission on waste management, the chairs of the senate finance committee and environment and natural resources finance division and the committees on ways and means and environment and natural resources finance of the house of representatives, and owners and operators of, and persons subject to a cleanup order at, qualified facilities. The plan shall identify sites where reimbursement will occur and the estimated dollar amount for each site, and shall set out priorities and payment schedules. The plan must give first priority for reimbursement to persons who are not owners or operators of qualified facilities.

Subd. 5. [REIMBURSEMENT TIMING.] The commissioner shall not issue reimbursement payments before October 15, 1995. The commissioner shall not issue reimbursements for expense statements filed after October 15, 1996, and shall approve or deny all reimbursement requests by October 15, 1997. The commissioner shall fully reimburse all persons eligible for reimbursement no later than six years after the date of notice of compliance for the facility under section 115B.40, subdivision 7.

Subd. 6. [REIMBURSEMENT CEILING.] The commissioner shall not issue reimbursements in an amount exceeding $7,000,000 per fiscal year.

Sec. 10. Minnesota Statutes 1993 Supplement, section 281.13, is amended to read:

281.13 [NOTICE OF EXPIRATION OF REDEMPTION.]

Every person holding a tax certificate after expiration of three years, or the redemption period specified in section 281.17 if shorter, after the date of the tax sale under which the same was issued, may present such certificate to the county auditor; and thereupon the auditor shall prepare, under the auditor's hand and official seal, a notice, directed to the person or persons in whose name such lands are assessed, specifying the description thereof, the amount for which the same was sold, the amount required to redeem the same, exclusive of the costs to accrue upon such notice, and the time when the redemption period will expire. If, at the time when any tax certificate is so presented, such lands are assessed in the name of the holder of the certificate, such notice shall be directed also to the person or persons in whose name title in fee of such land appears of record in the office of the county recorder. The auditor shall deliver such notice to the party applying therefor, who shall deliver it to the sheriff of the proper county for service. Within 20 days after receiving it, the sheriff shall serve such notice upon the persons to whom it is directed, if to be found in the sheriff's county, in the manner prescribed for serving a summons in a civil action; if not so found, then upon the person in possession of the land, and make return thereof to the auditor. In the case of land held in joint tenancy the notice shall be served upon each joint tenant. If one or more of the persons to whom the notice is directed cannot be found in the county, and there is no one in possession of the land, of each of which facts the return of the sheriff so specifying shall be prima facie evidence, service shall be made upon those persons that can be found and service shall also be made by two weeks' published notice, proof of which publication shall be filed with the auditor.

When the records in the office of the county recorder show that any lot or tract of land is encumbered by an unsatisfied mortgage or other lien, and show the post office address of the mortgagee or lienee, or if the same has been assigned, the post office address of the assignee, the person holding such tax certificate shall serve a copy of such notice upon such mortgagee, lienee, or assignee by certified mail addressed to such mortgagee, lienee, or assignee at the post office address of the mortgagee, lienee, or assignee as disclosed by the records in the office of the county recorder, at least 60 days prior to the time when the redemption period will expire.

The notice herein provided for shall be sufficient if substantially in the following form:

"NOTICE OF EXPIRATION OF REDEMPTION

Office of the County Auditor

County of ....., State of Minnesota.

To .....

You are hereby notified that the following described piece or parcel of land, situated in the county of ....., and State of Minnesota, and known and described as follows: ...., is now assessed in your name; that on the ..... day of May, ..., at the sale of land pursuant to the real

estate tax judgment, duly given and made in and by the district court in and for said county of ....., on the ..... day of March, ..., in proceedings to enforce the payment of taxes delinquent upon real estate for the year ..... for said county of ...., the above described piece or parcel of land was sold for the sum of $....., and the amount required to redeem such piece or parcel of land from such sale, exclusive of the cost to accrue upon this notice, is the sum of $....., and interest at the rate of ..... percent per annum from said ..... day of ....., ..., to the day such redemption is made, and that the tax certificate has been presented to me by the holder thereof, and the time for redemption of such piece or parcel of land from such sale will expire 60 days after the service of this notice and proof thereof has been filed in my office.

Witness my hand and official seal this ..... day of ....., ...

.....

(OFFICIAL SEAL)

County Auditor of

..... County, Minnesota."

Sec. 11. Minnesota Statutes 1992, section 281.17, is amended to read:

281.17 [PERIOD FOR REDEMPTION.]

The period of redemption for all lands sold to the state at a tax judgment sale shall be three years from the date of sale to the state of Minnesota if the land is within an incorporated area unless it is: (a) nonagricultural homesteaded land as defined in section 273.13, subdivision 22; (b) homesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (a); or (c) seasonal recreational land as defined in section 273.13, subdivision 22, paragraph (c), or 25, paragraph (c), clause (5), for which the period of redemption is five years from the date of sale to the state of Minnesota.

The period of redemption for homesteaded lands as defined in section 273.13, subdivision 22, located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, and sold to the state at a tax judgment sale is three years from the date of sale. The period of redemption for all lands located in a targeted neighborhood as defined in Laws 1987, chapter 386, article 6, section 4, except (1) homesteaded lands as defined in section 273.13, subdivision 22, and (2) for periods of redemption beginning after June 30, 1991, but before July 1, 1996, lands located in the Loring Park targeted neighborhood on which a notice of lis pendens has been served, and sold to the state at a tax judgment sale is one year from the date of sale.

The period of redemption for all real property constituting a mixed municipal solid waste disposal facility that is a qualified facility under section 115B.39, subdivision 1, is one year from the date of the sale to the state of Minnesota.

The period of redemption for all other lands sold to the state at a tax judgment sale shall be five years from the date of sale, except that the period of redemption for nonhomesteaded agricultural land as defined in section 273.13, subdivision 23, paragraph (b), shall be two years from the date of sale if at that time that property is owned by a person who owns one or more parcels of property on which taxes are delinquent, and the delinquent taxes are more than 25 percent of the prior year's school district levy.

Sec. 12. [EFFECTIVE DATES.]

Sections 1 to 7 and 9 are effective June 1, 1994. Sections 10 and 11 are effective for taxes deemed delinquent after December 31, 1994.

ARTICLE 2

Section 1. [115B.44] [INVESTIGATION AND PURSUIT OF INSURANCE CLAIMS.]

Subdivision 1. [COMMISSIONER TO INVESTIGATE.] The commissioner may conduct investigations to identify responsible persons at qualified facilities. At the commissioner's request, a responsible person identified under this subdivision shall provide the commissioner with a copy of all applicable comprehensive general liability insurance policies, certificates, or other evidence of insurance coverage held while the person engaged in actions making the

person a potential responsible person; take any actions necessary to preserve the person's rights to payment or defense under the policies; cooperate with the commissioner in asserting claims; and, within 60 days of the commissioner's request, assign only those rights under the policies related to environmental response costs at or related to qualified facilities. The commissioner may not request assignment of rights under this subdivision before May 1, 1996.

Subd. 2. [ATTORNEY GENERAL TO PURSUE ASSIGNED CLAIMS.] The attorney general shall pursue available insurance claims under rights assigned under subdivision 1 or section 115B.40 and may contract for legal services for this purpose. All money recovered under this subdivision must be credited to the landfill cleanup account.

Sec. 2. [115B.45] [VOLUNTARY BUY-OUT FOR INSURERS.]

In full satisfaction of any rights assigned to the state under sections 115B.40 and 115B.44, an insurer may tender to the commissioner before January 1, 1998, the voluntary buy-out amount calculated under section 115B.46. In consideration of the amount tendered to the commissioner, an insurer shall be released by the state from liability for defense or indemnification relating to environmental response costs incurred by the commissioner at qualified facilities, except that no liability protection exists under this section until the commissioner has received buy-out commitments totaling $30,000,000. Any amounts received by the commissioner must be credited to the landfill cleanup account.

Sec. 3. [115B.46] [VOLUNTARY BUY-OUT AMOUNT.]

Subdivision 1. [CALCULATION.] The voluntary buy-out amount for an insurer must be calculated in accordance with this section.

Subd. 2. [VOLUNTARY BUY-OUT SHARE.] An insurer's unadjusted voluntary buy-out share is equal to that insurer's combined Minnesota written premium for the commercial multiperil line of insurance for calendar years 1970 through 1973, the liability other than auto line for calendar years 1970 and 1971, and the miscellaneous liability line for calendar years 1972 and 1973, as defined by the National Association of Insurance Commissioners' annual statement instructions during the applicable periods, divided by the aggregate written premium for all insurers for these lines during these same time periods. The commissioner of commerce shall calculate the unadjusted shares for individual insurers from data published by A.M. Best for the applicable periods. The commissioner shall advise each insurer with an unadjusted share calculated pursuant to this subdivision of the amount of their unadjusted share. The commissioner shall also request from the insurers data to support an adjustment under subdivision 3. The commissioner shall so advise insurers by May 1, 1996.

Subd. 3. [ADJUSTMENTS.] An insurer may adjust its share by providing the commissioner of commerce with evidence that the insurer's Minnesota written premium liability other than auto written premium for calendar years 1970 and 1971 and miscellaneous liability for calendar years 1972 and 1973 included professional or medical malpractice insurance written premiums. The evidence may be provided by written documents or electronically imaged and reproduced documents, contemporaneous with the period of the adjustment, reflecting the insurer's professional or medical malpractice insurance written premium for these periods. The evidence may include an affidavit from an officer of the insurer testifying to the veracity of the data. An insurer's share must be adjusted by the amount of the insurer's professional or medical malpractice insurance Minnesota written premium for calendar years 1970 through 1973 subtracted from the insurer's aggregate liability other than auto and miscellaneous liability written premium for calendar years 1970 through 1973. The commissioner of commerce shall reduce the aggregate liability other than auto and miscellaneous liability written premium for all insurers by the amount of total adjustments for all insurers under this subdivision prior to the final calculation of each insurer's share. The commissioner shall recalculate each insurer's share using the method provided in subdivision 1 subject to the adjustment provided by this subdivision.

Subd. 4. [CREDITS.] An insurer may receive a credit of 25 percent for each of the calendar years 1970, 1971, 1972, and 1973 that the insurer can demonstrate that sudden and accidental qualified pollution exclusions were endorsed to or included in all its comprehensive general liability insurance policies issued during these years. To support a claim for credits under this subdivision, an insurer may provide the commissioner of commerce with an affidavit from an officer or former officer testifying as to the business practice of the insurer during the year or years in question. An insurer may obtain a 25 percent credit for each of the years 1970, 1971, 1972, and 1973 that the exclusions were endorsed to or included in these policies.

Subd. 5. [FINAL CALCULATION.] An insurer's voluntary buy-out amount is equal to the multiplication of the insurer's adjusted share by $90,000,000 minus the amount of the insurer's credits under subdivision 4. The commissioner of commerce shall notify each insurer of its buy-out amount calculated under this section by September 30, 1996. An insurer that elects to buy out under this section may pay the amount calculated under this subdivision in ten equal annual installments.

Subd. 6. [NONPUBLIC DATA.] All information obtained by the commissioner of commerce from insurers under this section is nonpublic data under section 13.02, subdivision 9.

Subd. 7. [HEARING.] An insurer who disagrees with the calculation of its voluntary buy-out amount may request that the commissioner of commerce reconsider. An insurer requesting reconsideration shall supply the commissioner with information that supports the insurer's position within 30 days of receipt of the notification under subdivision 4. The commissioner shall reconsider the insurer's calculation based upon the information supplied within 30 days of receipt of the information. An insurer may appeal the decision of the commissioner as a contested case under chapter 14.

Subd. 8. [MINIMUM AMOUNT.] An insurer's voluntary buy-out amount may not be less than $200,000.

Subd. 9. [RULES.] The commissioner of commerce may adopt rules to implement this section.

Sec. 4. [FEDERAL INSURANCE TRUST FUND.]

The commissioner of the pollution control agency shall monitor developments relating to the establishment of a federal insurance trust fund, or a similar fund, as part of the reauthorization of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, United States Code, title 42, section 9601 et seq., and shall take actions, including communicating with Congress and the United States Environmental Protection Agency, to maximize the amount of money available from the federal fund for payments relating to mixed municipal solid waste disposal facilities in this state. By January 15, 1995, the commissioner shall submit to the legislative commission on waste management, the senate environment and natural resources finance division, and the house committee on environment and natural resources finance a report containing:

(1) a summary of federal developments and the commissioner's actions under this section; and

(2) any recommendations for legislation.

Sec. 5. [VOLUNTARY INSURANCE BUY-OUT PROGRAM; EVALUATION AND RECOMMENDATIONS BY ATTORNEY GENERAL.]

(a) The attorney general shall evaluate the voluntary insurance buy-out program established in sections 115B.45 and 115B.46 in light of the legislature's intent to maximize the net revenue to the state under the program. By January 15, 1996, the attorney general shall report on the evaluation to the legislative commission on waste management and the appropriate committees of the legislature. The report must include:

(1) recommendations on changes to the program, including any recommendations for changes to the years to be considered in calculating the voluntary buy-out amount under section 115B.46, subdivision 2; the adjustments and credits allowed under section 115B.46, subdivisions 3 and 4; the $90,000,000 amount in section 115B.46, subdivision 5; and any other element of the program; and

(2) a detailed explanation of the process by which the attorney general's recommendations, if any, were formulated, including a summary of the comments of each of the entities listed in paragraph (b).

(b) In preparing the report, the attorney general shall consult with:

(1) representatives of the department of commerce and the pollution control agency;

(2) representatives of insurers at the state and national levels; and

(3) representatives of insureds.

(c) The attorney general may request of any person, including an insurer, any documents, records, or other information that the attorney general deems necessary to perform its responsibilities under this section. A person, including an insurer, shall comply with such requests of the attorney general within the time specified in the request, or, if no time is specified, within 30 days of the mailing of the request by the attorney general. In the case of a refusal to comply with a request for information under this section, the attorney general may apply to the district court for an order directing the person to comply with the request. A person shall not be required to provide any information that is subject to the attorney-client privilege or work product privilege. An insurer shall not be required to provide information specific to a particular insured unless the attorney general deems such information necessary to confirm summary information provided by an insurer. With respect to information obtained under this paragraph that is specific to a particular insured, the attorney general shall, pursuant to standard legal practice, take steps necessary to assure that such information is not discussed with, or available to, any attorney general staff involved in evaluating or pursuing assigned claims under section 115B.44, subdivision 2. Nothing in this paragraph prevents the attorney general from independently obtaining the information as otherwise allowed by law to evaluate or pursue assigned claims under section 115B.44, subdivision 2.

(d) Upon request of the attorney general, the commissioners of the pollution control agency and commerce shall cooperate with the attorney general in carrying out the authority under this section.

Sec. 6. [APPROPRIATION.]

$150,000 is appropriated from the landfill cleanup account to the attorney general for the purposes of sections 1 and 5.

Sec. 7. [EFFECTIVE DATE.]

Section 1, subdivision 2, is effective January 1, 1997.

ARTICLE 3

Section 1. 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. The account consists of money credited to the account and interest earned on the money in the account. Except as provided in section 115B.42, subdivision 2, clause (9), money in the account is annually appropriated to the commissioner for the purposes listed in subdivision 2.

(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, and all other sources of revenue.

Sec. 2. 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 this chapter.~~

(2) monitor and take, or reimburse others for, environmental response actions, including emergency response actions, at qualified facilities;

(3) acquire and dispose of property under section 115B.412, subdivision 3;

(4) recover costs under sections 115B.39 and 115B.46;

(5) administer, including providing staff and administrative support for, sections 115B.39 to 115B.46;

(6) enforce sections 115B.39 to 115B.46;

(7) subject to appropriation, administer the agency's groundwater and solid waste management programs;

(8) reimburse persons under section 115B.43; and

(9) reimburse mediation expenses up to a total of $250,000 annually or defense costs up to a total of $250,000 annually for third-party claims for response costs under state or federal law as provided in section 115B.414.

Sec. 3. 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 as defined in section 116.76, subdivision 12, pathological waste as defined in section 116.76, subdivision 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)~~ (c) and ~~(c)~~ (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.

~~(c)~~ (d) The amount of the assessment for each nonresidential customer is ~~12~~ 60 cents 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.

~~(d)~~ (e) A person who transports assessed waste generated by that person or by another person without compensation shall pay an assessment of 60 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. This paragraph does not apply to a person who transports industrial waste generated by that person to a facility owned and operated by that person.

(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 ~~in the environmental fund and shall credit four-sevenths of the receipts~~ must be deposited in the state treasury and 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 waste" means each person that ~~pays~~ is required to pay 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.

(i) If less than $25,000,000 is projected to be available in any fiscal year after fiscal year 1996 for expenditure from all sources for landfill cleanup and reimbursement costs under sections 115B.39 to 115B.46, by April 1 before the next fiscal year in which the shortfall is projected the agency shall certify to the commissioner of revenue the amount of the shortfall. To provide for the shortfall, the commissioner of revenue shall increase the assessment under paragraphs (d) and (e) effective the following July 1 and provide notice of the increased assessment to affected waste generators by May 1 following certification.

Sec. 4. [APPROPRIATION; TRANSFER.]

Subdivision 1. [APPROPRIATION.] $90,000,000 is appropriated from the bond proceeds fund to the commissioner of the pollution control agency for capital costs of environmental response actions at eligible facilities.

Subd. 2. [TRANSFER.] The balance in the metropolitan landfill contingency action trust fund established under Minnesota Statutes, section 473.845, on the effective date of this section is transferred to the landfill cleanup account established under Minnesota Statutes, section 115B.42.

Sec. 5. [BOND SALE.]

(a) 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 $90,000,000 in the manner, upon the terms, and with the effect prescribed by Minnesota Statutes, sections 16A.631 to 16A.675, the Minnesota Constitution, article XI, sections 4 to 7, and paragraph (b).

(b) Bonds may not be issued under this section in total amounts exceeding the following:

(1) by June 30, 1996, $10,000,000;

(2) by June 30, 1998, $35,000,000;

(3) by June 30, 2000, $55,000,000; and

(4) by June 30, 2002, $75,000,000.

Sec. 6. [EFFECTIVE DATE]

Section 3 is effective January 1, 1995.

ARTICLE 4

Section 1. Minnesota Statutes 1993 Supplement, section 115B.178, subdivision 1, is amended to read:

Subdivision 1. [DETERMINATION.] (a) The commissioner may issue determinations that certain actions proposed to be taken at real property subject to a release or threatened release of a hazardous substance or pollutant or contaminant will not constitute conduct associating the person with the release or threatened release for the purpose of section 115B.03, subdivision 3, clause (d). Proposed actions that may be covered by a determination under this section include response actions approved by the commissioner to address the release or threatened release, actions to improve or develop the real property, loans secured by the real property, or other similar actions. A determination may be subject to terms and conditions deemed reasonable by the commissioner. When a person takes actions in accordance with a determination issued under this subdivision, the actions do not associate the person with the release for the purpose of section 115B.03, subdivision 3, clause (d).

(b) If a person requesting a determination proposes to take response actions at real property, the commissioner may also issue a determination under paragraph (a) that certain actions taken in the past at the real property did not constitute conduct associating the person with the release or threatened release for purposes of section 115B.03, subdivision 3, clause (d). Any such determination shall be limited to the represented facts of the past actions and shall not apply to actions that are not represented or disclosed. The determination may be subject to such other terms and conditions as the commissioner deems reasonable.

Sec. 2. 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.

~~(c)~~ (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 5

Section 1. Minnesota Statutes 1992, section 115A.055, is amended to read:

115A.055 [OFFICE OF ~~WASTE MANAGEMENT~~ ENVIRONMENTAL ASSISTANCE.]

The office of ~~waste management~~ environmental assistance is an agency in the executive branch headed by a director appointed by the ~~governor~~ commissioner of the pollution control agency, 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 office is a department of the state only for purposes of section 16B.37, subdivision 2.

Sec. 2. [OFFICE OF ENVIRONMENTAL ASSISTANCE; 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 to the office of environmental assistance 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 environmental assistance 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. For positions transferred from the metropolitan council to the office of waste management, the commissioner of employee relations shall determine which positions are to be placed in the classified service and which are to be placed in the unclassified service, in accordance with Minnesota Statutes, chapter 43A. The commissioner shall allocate positions to appropriate classes in the state classification plan. Positions transferred with their incumbents do not create vacancies in state service. Employees transferred to unlimited classified positions are transferred to state service without examination. Employees transferred to unclassified positions must receive unclassified appointments under the provisions of Minnesota Statutes, chapter 43A. The commissioner of employee relations shall provide employees of the metropolitan council who are transferred to the office of waste management 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 employees of the metropolitan council who are transferred to the office of waste management 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.

Sec. 3. [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;

(7) delete the word "office" in Minnesota Statutes, section 115A.551, subdivision 7; and

(8) change the words "waste management" to "environmental assistance" in Minnesota Statutes, sections 115A.03, subdivisions 8a and 22a; 115D.03, subdivision 4; and 116C.03, subdivision 2.

ARTICLE 6

Section 1. 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 submitted in a report to the chairs of the environment and natural resources policy and finance committees of the house of representatives and the senate 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. 2. [116G.151] [REQUIRED ENVIRONMENTAL ASSESSMENT WORKSHEET; FACILITIES IN MISSISSIPPI RIVER AREA.]

(a) Until completion of an environmental assessment worksheet that complies with the rules of the environmental quality board and this section, a state or local agency may not issue a permit for construction or operation of a metal materials shredding project with a processing capacity in excess of 20,000 tons per month that would be located in the Mississippi river critical area, as described in section 116G.15, upstream from United States Corps of Engineers Lock and Dam Number One.

(b) The pollution control agency is the responsible governmental unit for the preparation of an environmental assessment worksheet required under this section.

(c) In addition to the contents required under law and rule, an environmental assessment worksheet completed under this section must also include the following major categories:

(1) effects of operation of the project, including vibrations and airborne particulates and dust, on the Mississippi river;

(2) effects of operation of the project, including vibrations and airborne particulates and dust, on adjacent businesses and on residents and neighborhoods;

(3) effects of operation of the project on barge and street traffic;

(4) discussion of alternative sites considered by the project proposer for the proposed project, possible design modifications including site layout, and the magnitude of the project;

(5) mitigation measures that could eliminate or minimize any adverse environmental effects of the proposed project;

(6) impact of the proposed project on the housing, park, and recreational use of the river;

(7) effects of waste and implication of the disposal of waste generated from the proposed project;

(8) effects on water quality from the project operations, including wastewater generated from operations of the proposed project;

(9) potential effects from fugitive emissions, fumes, dust, noise, and vibrations from project operations;

(10) compatibility of the existing operation and proposed operation with other existing uses;

(11) the report of the expert required by paragraph (g).

(d) In addition to the publication and distribution provisions relating to environmental assessment worksheets under law and rule, notice of environmental assessment worksheets performed by this section shall also be published in a newspaper of general circulation as well as community newspapers in the affected neighborhoods.

(e) A public meeting in the affected communities must be held on the environmental assessment worksheet prepared under this section. After the public meeting on the environmental assessment worksheet, there must be an additional 30-day period for review and comment on the environmental assessment worksheet.

(f) If the pollution control agency determines that information necessary to make a reasonable decision about potential of significant environmental impacts is insufficient, the agency shall make a positive declaration and proceed with an environmental impact statement.

(g) The pollution control agency shall retain an expert in the field of toxicology who is capable of properly analyzing the potential effects and content of any airborne particulates, fugitive emissions, and dust that could be produced by a metal materials shredding project. The pollution control agency shall obtain any existing reports or documents from a governmental entity or project proposer that analyzes or evaluates the potential hazards of airborne particulates, fugitive emissions, or dust from the construction or operation of a metal materials shredding project in preparing the environmental assessment worksheet. The agency and the expert shall prepare, as part of the report, a risk assessment of the types of metals permitted to be shredded as compared to the types of materials that are likely to processed at the facility. In performing the risk assessment, the agency and the expert must consider any actual experience at similar facilities. The report must be included as part of the environmental assessment worksheet.

(h) If the pollution control agency determines that under the rules of the environmental quality board an environmental impact statement should be prepared, the pollution control agency shall be the responsible governmental unit for preparation of the environmental impact statement.

Sec. 3. [APPROPRIATION.]

$75,000 is appropriated in fiscal year 1995 from the general fund to the commissioner of the pollution control agency to hire the consultant required under section 2, and to prepare the environmental assessment worksheet required by section 2. The proposer will bear all other costs associated with the preparation of the environmental assessment worksheet."

Delete the title and insert:

"A bill for an act relating to the environment; establishing an environmental cleanup program for landfills; providing for buy-outs for insurers; increasing the solid waste generator fee; transferring the balance in the metropolitan landfill contingency action trust fund; authorizing the sale of bonds; renaming the office of waste management as the office of environmental assistance and providing for appointment of the director; transferring certain personnel, powers, and duties to the office of environmental assistance; transferring solid and hazardous waste management personnel, powers, and duties of the metropolitan council to the office of environmental assistance; expanding the authority of the commissioner of the pollution control agency to issue determinations regarding liability for releases of hazardous substances and petroleum; requiring environmental review of certain projects; authorizing rules; providing penalties; appropriating money; amending Minnesota Statutes 1992, sections 115A.055; 115B.04, by adding a subdivision; 115B.42, subdivision 1; 115C.03, subdivision 9; 116G.15; and 281.17; Minnesota Statutes 1993 Supplement, sections 115B.178, subdivision 1; 115B.42, subdivision 2; 116.07, subdivision 10; and 281.13; proposing coding for new law in Minnesota Statutes, chapters 115B; and 116G."

We request adoption of this report and repassage of the bill.

House Conferees: JEAN WAGENIUS, PHYLLIS KAHN, HOWARD ORENSTEIN, CHUCK BROWN AND TERESA LYNCH.

Senate Conferees: STEVEN MORSE, TED A. MONDALE, GENE MERRIAM, JANET B. JOHNSON AND DENNIS R. FREDERICKSON.

Wagenius moved that the report of the Conference Committee on H. F. No. 3086 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

Abrams	Bauerly	Bettermann	Carlson	Cooper	Delmont	Evans
Anderson, R.	Beard	Bishop	Carruthers	Davids	Dempsey	Farrell
Asch	Bergson	Brown, C.	Clark	Dawkins	Dorn	Finseth
Battaglia	Bertram	Brown, K.	Commers	Dehler	Erhardt	Frerichs

Garcia	Jefferson	Lasley	Morrison	Ozment	Simoneau	Vickerman
Girard	Jennings	Leppik	Mosel	Pauly	Skoglund	Wagenius
Goodno	Johnson, A.	Lieder	Munger	Pawlenty	Smith	Waltman
Greenfield	Johnson, R.	Limmer	Neary	Pelowski	Solberg	Weaver
Greiling	Johnson, V.	Lindner	Nelson	Perlt	Stanius	Wejcman
Gruenes	Kahn	Lourey	Ness	Peterson	Steensma	Wenzel
Gutknecht	Kalis	Luther	Olson, E.	Pugh	Sviggum	Winter
Hasskamp	Kelley	Lynch	Olson, K.	Reding	Swenson	Wolf
Haukoos	Kelso	Macklin	Olson, M.	Rest	Tomassoni	Worke
Hausman	Kinkel	Mahon	Onnen	Rhodes	Tompkins	Workman
Holsten	Klinzing	Mariani	Opatz	Rodosovich	Trimble	Spk. Anderson, I.
Hugoson	Knight	McCollum	Orenstein	Rukavina	Tunheim	
Huntley	Koppendrayer	McGuire	Orfield	Sarna	Van Dellen	
Jacobs	Krinkie	Milbert	Osthoff	Seagren	Van Engen	
Jaros	Krueger	Molnau	Ostrom	Sekhon	Vellenga	

Those who voted in the negative were:

Dauner

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

CONFERENCE COMMITTEE REPORT ON 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.

May 5, 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. 2016, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 2016 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 332.13, subdivision 2, is amended to read:

Subd. 2. "Debt prorating" means the performance of any one or more of the following:

(a) managing the financial affairs of an individual by distributing income or money to the creditors thereof;

(b) receiving funds for the purpose of distributing said funds among creditors in payment or partial payment of obligations of a debtor; or

(c) settling, adjusting, prorating, pooling, or liquidating the indebtedness of a debtor. Any person so engaged or holding out as so engaged shall be deemed to be engaged in debt prorating regardless of whether or not a fee is charged for such services. This term shall not include services performed by the following when engaged in the regular course of their respective businesses and professions:

(1) Attorneys at law, escrow agents, accountants, broker-dealers in securities;

(2) Banks, state or national, trust companies, savings and loan associations, building and loan associations, title insurance companies, insurance companies and all other lending institutions duly authorized to transact business in the state of Minnesota, provided no fee is charged for such service;

(3) Persons who, as employees on a regular salary or wage of an employer not engaged in the business of debt prorating, perform credit services for their employer;

(4) Public officers acting in their official capacities and persons acting pursuant to court order;

(5) Nonprofit corporations, organized under Minnesota Statutes 1967, Chapter 317, giving debt prorating service, provided no fee is charged for such service;

(6) Any person while performing services incidental to the dissolution, winding up or liquidation of a partnership, corporation or other business enterprise;

(7) The state of Minnesota, its political subdivisions, public agencies and their employees;

(8) Credit unions, provided no fee is charged for such service;

(9) "Qualified organizations" designated as representative payees for purposes of the Social Security and Supplemental Security Income representative payee system and the federal Omnibus Budget Reconciliation Act of 1990, Public Law Number 101-508; and

(10) Accelerated mortgage payment providers. "Accelerated mortgage payment providers" are persons who, after satisfying the requirements of sections 332.30 to 332.303, receive funds to make mortgage payments to a lender or lenders, on behalf of mortgagors, in order to exceed regularly scheduled minimum payment obligations under the terms of the indebtedness. The term does not include: (i) persons or entities described in clauses (1) to (9); (ii) mortgage lenders or servicers, industrial loan and thrift companies, or regulated lenders under chapter 56; or (iii) persons authorized to make loans under section 47.20, subdivision 1.

For purposes of this clause and sections 332.30 to 332.303, "lender" means the original lender or that lender's assignee, whichever is the current mortgage holder.

Sec. 2. [332.30] [ACCELERATED MORTGAGE PAYMENT PROVIDER; BOND REQUIREMENTS.]

(a) Before beginning business in this state, an accelerated mortgage payment provider, as defined in section 332.13, subdivision 2, clause (10), shall submit to the commissioner of commerce either:

(1) a surety bond in which the accelerated mortgage payment provider is the obligor, in an amount determined by the commissioner; or

(2) if the commissioner agrees to accept it, a deposit:

(i) in cash in an amount equivalent to the bond amount; or

(ii) of authorized securities, as defined in section 50.14, with an aggregate market value equal to the bond amount. The cash or securities must be deposited with the state treasurer.

(b) The amount of the bond required by the commissioner shall vary with the amount of Minnesota client funds held or to be held by the obligor. For new businesses, the bond must be no less than $100,000, except as provided in section 332.301. The commissioner may increase the required bond amount upon 30 days notice to the accelerated mortgage payment provider.

(c) If a bond is submitted, it must name as surety an insurance company authorized to transact fidelity and surety business in this state. The bond must run to the state of Minnesota for the use of the state and of any person who may have a claim against the obligor arising out of the obligor's activities as an accelerated mortgage payment provider. The bond must be conditioned that the obligor will not commit any fraudulent act and will faithfully conform to and abide by the provisions of accelerated mortgage payment agreements with Minnesota residents.

If an accelerated mortgage payment provider has failed to account to a mortgagor or distribute funds to the mortgagee as required by an accelerated mortgage payment agreement, the mortgagor or the mortgagor's legal representative or receiver or the commissioner shall have, in addition to any other legal remedies, a right of action in the name of the debtor on the bond or the security given pursuant to this section.

Sec. 3. [332.301] [BOND; BACKGROUND CHECK.]

The commissioner may accept an initial surety bond or deposit in an amount less than $100,000 based upon the business plan of the accelerated mortgage payment provider, provided the commissioner obtains a third-party background check at the expense of the accelerated mortgage payment provider and from a source to be determined by the commissioner. The commissioner may require a third-party background check in connection with any accelerated mortgage payment provider at the expense of the accelerated mortgage payment provider, but no more often than annually.

Sec. 4. [332.302] [CONTRACTS; NOTICE TO MORTGAGOR.]

A contract entered into between an accelerated mortgage payment provider and a mortgagor shall be in writing and include all applicable terms and conditions including, but not limited to, all fees, costs, and charges. A conforming copy must be provided to the mortgagor before any fees in connection with the accelerated mortgage payment services are received by the accelerated mortgage payment provider. A contract shall provide that the arrangement between the accelerated mortgage payment provider and lender or lenders requires:

(1) that if the original terms of the mortgage, mortgage note, or escrow agreement are in default because of nonpayment by the accelerated mortgage payment provider, the lender or lenders mail or otherwise deliver to the mortgagor a written notice within 30 days of the default; and

(2) that a written summary of payments received by the accelerated mortgage payment provider by date and amount, payments made to the lender or lenders on behalf of the mortgagor by date and amount, and unremitted balance held by the accelerated mortgage payment provider be provided to the mortgagor at least annually or more frequently on a date or dates mutually agreed upon between the accelerated mortgage payment provider and mortgagor.

Sec. 5. [332.303] [SEGREGATED ACCOUNTS.]

A payment received by an accelerated mortgage payment provider from or on behalf of a client shall be held by the accelerated mortgage payment provider in a separate trust account clearly designated for client funds. The account shall be in a bank or other depository institution authorized or chartered under the laws of any state or of the United States. The accelerated mortgage payment provider shall not commingle funds held for payment to lenders with its own property or funds.

Sec. 6. [SERVICE PROVISION STUDY.]

The commissioner of commerce shall report by January 15, 1995, to the commerce and consumer protection committee in the senate and the financial institutions and insurance committee in the house, on the feasibility of requiring financial institutions to offer to mortgagors the option of making their payments on a semimonthly, biweekly, or other accelerated basis, at no additional charge or fee, in order to exceed regularly scheduled minimum payment obligations under the terms of the indebtedness.

Sec. 7. [EFFECTIVE DATE.]

Sections 1 to 6 are effective the day following final enactment."

Delete the title and insert:

"A bill for an act relating to commerce; regulating accelerated mortgage payment services; requiring a bond or other security; permitting third-party background checks; regulating contracts and the handling of payments; segregating accounts; requiring a study; amending Minnesota Statutes 1992, section 332.13, subdivision 2; proposing coding for new law in Minnesota Statutes, chapter 332."

We request adoption of this report and repassage of the bill.

House Conferees: MARC ASCH, BOB JOHNSON AND GREGORY M. DAVIDS.

Senate Conferees: SAM G. SOLON, CAL LARSON AND DEANNA WIENER.

Asch moved that the report of the Conference Committee on H. F. No. 2016 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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

The question was taken on the repassage of the bill and the roll was called. There were 130 yeas and 0 nays as follows:

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON 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, subdivision 1.

May 5, 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. 3230, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H. F. No. 3230 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 169.14, subdivision 5d, is amended to read:

Subd. 5d. [SPEED ZONING IN WORK ZONES; SURCHARGE.] (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.

Sec. 2. 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 shall 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. 3. Minnesota Statutes 1992, section 473.167, subdivision 2, is amended to read:

Subd. 2. [LOANS FOR ACQUISITION.] The council may make loans to counties, towns, and statutory and home rule charter cities within the metropolitan area for the purchase of property within the right-of-way of a state trunk highway shown on an official map adopted pursuant to section 394.361 or 462.359 or for the purchase of property within the proposed right-of-way of a principal or intermediate arterial highway designated by the council as a part of the metropolitan highway system plan and approved by the council pursuant to subdivision 1. The loans shall be made by the council, from the fund established pursuant to this subdivision, for purchases approved by the council. The loans shall bear no interest. The council shall make loans only: (1) to accelerate the acquisition of primarily undeveloped property when there is a reasonable probability that the property will increase in value before highway construction, and to update an expired environmental impact statement on a project for which the right-of-way is being purchased; ~~or~~ (2) to avert the imminent conversion or the granting of approvals which would allow the conversion of property to uses which would jeopardize its availability for highway construction; or (3) to advance planning and environmental activities on highest priority major metropolitan river crossing projects, under the transportation development guide chapter/policy plan. The council shall not make loans for the purchase of property at a price which exceeds the fair market value of the property or which includes the costs of relocating or moving persons or property. A private property owner may elect to receive the purchase price either in a lump sum or in not more than four annual installments without interest on the deferred installments. If the purchase agreement provides for installment payments, the council shall make the loan in installments corresponding to those in the purchase agreement. The recipient of an acquisition loan shall convey the property for the construction of the highway at the same price which the recipient paid for the property. The price may include the costs of preparing environmental documents that were required for the acquisition and that were paid for with money that the recipient received from the loan fund. Upon notification by the council that the plan to construct the highway has been abandoned or the anticipated location of the highway changed, the recipient shall sell the property at market value in accordance with the procedures required for the disposition of the property. All rents and other money received because of the recipient's ownership of the property and all proceeds from the conveyance or sale of the property shall be paid to the council. If a recipient is not permitted to include in the conveyance price the cost of preparing environmental documents that were required for the acquisition, then the recipient is not required to repay the council an amount equal to 40 percent of the money received from the loan fund and spent in preparing the environmental documents. The proceeds of the tax authorized by subdivision 3, all money paid to the council by recipients of loans, and all interest on the proceeds and payments shall be maintained as a separate fund. For administration of the loan program, the council may expend from the fund each year an amount no greater than three percent of the amount of the authorized levy for that year.

Sec. 4. [ELECTRIC VEHICLE TECHNOLOGY STUDY; APPROPRIATION.]

(a) The commissioner of transportation shall study, evaluate, and test road powered electric vehicle (RPEV) technology under the Saints Road Project in St. Cloud, Minnesota, in coordination with the St. Cloud Area Metropolitan Transit Commission. The commissioner shall make findings and recommendations to the transportation committees of the Minnesota senate and house of representatives specifically discussing: RPEV enhancement to and

cost comparisons for electric trolley bus applications, particularly regarding light rail transit; RPEV application as an intermodal system at the Minneapolis-St. Paul airport to replace the diesel truck passenger carrier operating between the terminal and car rental agencies; snow and ice removal testing and evaluation; and safety testing of the RPEV technology under consideration at the Saints Road Project.

(b) $200,000 is appropriated from the trunk highway fund for fiscal year 1995 to the commissioner of transportation to study electric vehicle technology and to pay for the costs, not to exceed ten percent of this appropriation, of the office of transit of the department of transportation to oversee the project. The commissioner shall disburse money from this appropriation on a two-for-one matching basis, seeking federal funding as well as local matching money.

Sec. 5. [HIGH-SPEED RAIL CORRIDOR STUDY; APPROPRIATION.]

(a) The commissioner of transportation shall initiate a phase-II feasibility study of high-speed rail service in Minnesota, Wisconsin, and Illinois along the southern corridor identified in the tri-state study of high-speed rail service. The commissioner shall seek federal matching funds and contributions from nonpublic sources to finance the study. The commissioner may enter into agreements with the states of Wisconsin and Illinois to cooperate in financing and performing the study.

(b) The study outline must be agreed upon by the participating states and federal government and must include:

(1) collection of original and comprehensive origin-destination data;

(2) a comprehensive assessment of alternative technologies;

(3) engineering and environmental analysis, including route evaluations within the corridor, crossings, infrastructure needs, intermodal connections, and potential station locations;

(4) comprehensive financial and economic analysis;

(5) analysis of potential public-private partnerships; and

(6) an implementation plan and program for design and construction of a high-speed rail system.

(c) $630,000 is appropriated from the general fund to the commissioner of transportation for the purposes of the phase-II high-speed rail study under this section. This appropriation is contingent upon the state of Wisconsin paying $500,000 and receipt of federal matching money for the study.

Sec. 6. [APPROPRIATION; JOB SKILLS PARTNERSHIP.]

$250,000 is appropriated to the Minnesota job skills partnership board for the purpose of funding the development and implementation of a program by the city of St. Paul which connects the economic development activities of the St. Paul Port Authority with the city of St. Paul's employment and job development programs. This employment connection program shall be administered by the port authority consistent with and subject to the program requirements of the Minnesota job skills partnership program. The appropriation is available until expended.

Sec. 7. [APPROPRIATION; STATE ROAD CONSTRUCTION.]

$15,000,000 is appropriated from the trunk highway fund to the commissioner of transportation for state road construction in fiscal year 1995 and is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 7, clause (a).

Sec. 8. [APPROPRIATION; STATE ROAD OPERATIONS.]

$5,500,000 is appropriated for fiscal year 1995 from the trunk highway fund to the commissioner of transportation for state road operations and is added to the appropriation in Laws 1993, chapter 266, section 2, subdivision 9.

Sec. 9. [APPROPRIATION; WORK ZONE SAFETY.]

$25,000 is appropriated in fiscal year 1995 from the general fund to the commissioner of transportation for highway work zone safety management and public education efforts to increase public awareness of highway work zone safety.

Sec. 10. [EFFECTIVE DATE.]

Sections 1 and 9 are effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to transportation; imposing surcharge for violation of state highway work zone speed limit; allowing commissioner of transportation to transfer money from state airports fund to hangar construction revolving account; allowing metropolitan council to make loans for major river crossing projects; requiring studies; appropriating money; amending Minnesota Statutes 1992, sections 169.14, subdivision 5d; 360.305, subdivision 4; and 473.167, subdivision 2."

We request adoption of this report and repassage of the bill.

House Conferees: BERNARD L. "BERNIE" LIEDER, TOM OSTHOFF, BETTY MCCOLLUM, ALICE M. JOHNSON AND VIRGIL J. JOHNSON.

Senate Conferees: KEITH LANGSETH, CAROL FLYNN, FLORIAN CHMIELEWSKI, TERRY D. JOHNSTON AND JIM VICKERMAN.

Lieder moved that the report of the Conference Committee on H. F. No. 3230 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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, subdivision 1.

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

The question was taken on the repassage of the bill and the roll was called. There were 129 yeas and 1 nay as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Dempsey

The bill was repassed, as amended by Conference, 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.

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 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 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. 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 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. 3011, A bill for an act relating to transportation; defining terms; making technical changes; ensuring safety is factor in standards for scenic highways and park roads; directing commissioner of transportation to accept performance-specification bids for constructing design-built bridges; prohibiting personal transportation vehicles from picking up passengers in seven-county metropolitan area; allowing horse trailer to be component of a recreational vehicle combination; increasing length limitations for recreational vehicle combinations; setting speed limit for residential roadways; providing for installation of override systems to allow operators of emergency vehicles to activate traffic signals; allowing self-propelled implement of husbandry to display flashing amber light; allowing emergency vehicles to display flashing blue lights; creating child passenger restraint and education account to assist families in financial need and for educational purposes; requiring use of mileage-recording equipment on motor vehicles after 1999; establishing youth charter carrier permit system; allowing rail carriers to participate in rail user loan guarantee program; requiring publicly owned or leased motor vehicles to be identified; establishing advisory council on major transportation projects; authorizing donation of vacation leave for state employee; directing commissioner of transportation to erect signs, traffic signals, and noise barriers; exempting public bodies from

regulations on all-terrain vehicles; allowing commissioner of transportation to transfer certain real property acquired for highway purposes to former owner through negotiated settlement; modifying highway fund apportionment to counties and changing composition of screening board; providing for bridge inspection frequency and reports; delaying required revision of state transportation plan; authorizing expenditure of rail service maintenance account money for maintenance of rail lines and right-of-way in the rail bank; providing funding sources for rail bank maintenance account; authorizing sale of certain tax-forfeited land that borders public water in New Scandia township in Washington county, and an exchange of that land for land located in Stillwater township in Washington county between the state of Minnesota and the United States Department of Interior, National Park Service; requiring studies; providing for appointments; appropriating money; amending Minnesota Statutes 1992, sections 84.928, subdivision 1; 160.085, subdivision 3; 160.262, by adding a subdivision; 160.81; 160.82, subdivision 2; 161.25; 162.07, subdivisions 1, 3, 5, and 6; 162.09, subdivision 1; 165.03; 168.1281, by adding a subdivision; 169.01, by adding a subdivision; 169.06, by adding a subdivision; 169.14, subdivision 2; 169.64, subdivision 4; 169.685, by adding a subdivision; 174.03, subdivision 1a; 221.011, by adding a subdivision; 221.121, by adding a subdivision; 221.85, subdivision 1; 222.50, subdivision 7; 222.55; 222.56, subdivisions 5, 6, and by adding subdivisions; 222.57; 222.58, subdivision 2; and 222.63, subdivision 8; Minnesota Statutes 1993 Supplement, sections 169.01, subdivision 78; 169.18, subdivision 5; 169.685, subdivision 5; 169.81, subdivision 3c; and 221.111; proposing coding for new law in Minnesota Statutes, chapters 161; 169; and 471; repealing Minnesota Statutes 1992, sections 162.07, subdivision 4; 173.14; and 222.58, subdivision 6; Minnesota Statutes 1993 Supplement, section 168.1281, subdivision 4; Laws 1993, chapter 323, sections 3; and 4; Minnesota Rules, part 8810.1300, subpart 6.

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. 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 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. 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, subdivision 1.

The Senate has repassed said bill in accordance with the recommendation and report of the Conference Committee. Said House File is herewith returned to the House.

PATRICK E. FLAHAVEN, Secretary of the Senate

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 1706.

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. 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.

May 6, 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. 1706, 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. 1706 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

RADIOACTIVE WASTE MANAGEMENT FACILITY AUTHORIZATION

Section 1. [116C.77] [LEGISLATIVE AUTHORIZATION FOR INDEPENDENT SPENT FUEL STORAGE INSTALLATION AT PRAIRIE ISLAND.]

The legislature recognizes that:

(1) the Minnesota environmental quality board on May 16, 1991, reviewed and found adequate a final environmental impact statement ("EIS") on the proposal to construct and operate a dry cask storage facility for the temporary storage of spent nuclear fuel from the Prairie Island nuclear generating plant;

(2) the United States Nuclear Regulatory Commission reviewed and approved a safety analysis report on the facility and on October 19, 1993, granted a license for the facility; and

(3) the public utilities commission in docket no. E002/CN-91-91 reviewed the facility and approved a limited certificate of need approving the use of casks.

The Minnesota legislature in compliance with Minnesota Statutes, section 116C.72, hereby ratifies and approves the EIS and the limited certificate of need and authorizes the use of casks at Prairie Island in accordance with the terms and conditions of the certificate of need as modified by this act and without further environmental review under chapter 116D or further administrative review under section 216B.243.

Sec. 2. [116C.771] [ADDITIONAL CASK LIMITATIONS.]

(a) Five casks may be filled and used at Prairie Island immediately upon the effective date of this article.

(b) An additional four casks may be filled and used at Prairie Island if the environmental quality board determines that, by December 31, 1996, the public utility operating the Prairie Island plant has filed a license application with the United States Nuclear Regulatory Commission for a spent nuclear fuel storage facility off of Prairie Island in Goodhue county, is continuing to make a good faith effort to implement the site, and has constructed, contracted for construction and operation, or purchased installed capacity of 100 megawatts of windpower in addition to windpower under construction or contract on the effective date of this section.

(c)(1) An additional eight casks may be filled and placed at Prairie Island if the legislature has not revoked the authorization under clause (2) or the public utility has satisfied the wind power and biomass mandate requirements in article 3, section 2, subdivision 1, clause (1), and article 3, section 3, clause (1), and the alternative site in Goodhue county is operational or under construction. (2) If the site is not under construction or operational or the wind mandates are not satisfied, the legislature may revoke the authorization for the additional eight casks by a law enacted prior to June 1, 1999.

(d) Except as provided under paragraph (e), dry cask storage capacity for high-level nuclear waste within the state may not be increased beyond the casks authorized by section 1 or their equivalent storage capacity.

(e) This section does not prohibit a public utility from applying for or the public utilities commission from granting a certificate of need for dry cask storage to accommodate the decommissioning of a nuclear power plant within this state.

Sec. 3. [116C.772] [PUBLIC UTILITY RESPONSIBILITIES.]

Subdivision 1. [DEFINITION.] For the purpose of this section, "public utility" means the public utility operating the Prairie Island nuclear generating plant.

Subd. 2. [DRY CASK ALTERNATIVES STUDY.] The public utility must submit to the legislative electric energy task force a reevaluation of all alternatives and combinations of those alternatives to dry cask storage.

Subd. 3. [WORKER TRANSITION PLAN.] The public utility must submit to the department of jobs and training a worker transition plan if there is a shutdown of the Prairie Island nuclear generating plant for longer than six months.

Subd. 4. [NUCLEAR POWER-PHASE OUT PLAN.] The public utility must submit to the electric energy task force a detailed plan for the phase-out of all nuclear power generated by the utility.

Subd. 5. [DECOMMISSIONING PLAN.] The public utility must submit to the electric energy task force a decommissioning plan for TN-40 storage casks after the casks are emptied of spent fuel.

Sec. 4. [116C.773] [CONTRACTUAL AGREEMENT.]

The authorization for dry casks contained in section 1 is not effective until the governor, on behalf of the state, and the public utility operating the Prairie Island nuclear plant enter into an agreement binding the parties to the terms of sections 2 and 3 and the mandate for 200 megawatts of windpower and 75 megawatts of biomass required by December 31, 2002, in article 3, section 2, subdivision 1, and section 3. The Mdewakanton Dakota Tribal Council at Prairie Island is an intended third-party beneficiary of this agreement and has standing to enforce the agreement.

Sec. 5. [116C.774] [AUTHORIZATION.]

To the extent that the radioactive waste management act, Minnesota Statutes, section 116C.72, requires legislative authorization of the operation of certain facilities, this section expressly authorizes the continued operation of the Monticello nuclear generating plant spent nuclear fuel pool storage facility and the Prairie Island nuclear generating plant spent nuclear fuel pool storage facility.

Sec. 6. [116C.775] [SHIPMENT PRIORITIES; PRAIRIE ISLAND.]

If a storage or disposal site becomes available outside of the state to accept high-level nuclear waste stored at Prairie Island, the waste contained in dry casks shall be shipped to that site before the shipment of any waste from the spent nuclear fuel storage pool. Once waste is shipped that was contained in a cask, the cask must be decommissioned and not used for further storage.

Sec. 7. [116C.776] [ALTERNATIVE CASK TECHNOLOGY FOR SPENT FUEL STORAGE.]

If the public utilities commission determines that casks or other containers that allow for transportation as well as storage of spent nuclear fuel exist and are economically feasible for storage and transportation of spent nuclear fuel generated by the Prairie Island nuclear power generating plan, the commission shall order their use to replace use of the casks that are only usable for storage, but not transportation. If the commission orders use of dual-purpose casks under this section, it must authorize use of a number of dual-purpose casks that provides the same total storage capacity that is authorized under this article; provided, that the total cask storage capacity permitted under this article may not exceed the capacity of the TN-40 casks authorized under section 1.

Sec. 8. [116C.777] [SITE.]

The spent fuel contents of dry casks located on Prairie Island must be moved immediately upon the availability of another site for storage of the spent fuel that is not located on Prairie Island.

Sec. 9. [116C.778] [RERACKING.]

The spent fuel storage pool at Prairie Island may be reracked a third time. The reracking does not require legislative authorization but is subject to other applicable state review. The additional storage capacity added by the third reracking and utilized when added to the total storage capacity of dry cask storage utilitized, cannot exceed the total capacity of 17 TN-40 casks.

Sec. 10. [116C.779] [FUNDING FOR RENEWABLE DEVELOPMENT.]

The public utility that operates the Prairie Island nuclear generating plant must transfer to a renewable development account $500,000 each year for each dry cask containing spent fuel that is located at the independent spent fuel storage installation at Prairie Island after January 1, 1999. The fund transfer must be made if waste is stored in a cask for any part of a year. Funds in the account can only be expended for development of renewable energy sources.

Sec. 11. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 2

ECONOMIC REGULATION OF NUCLEAR POWER PLANTS

Section 1. [LEGISLATIVE FINDINGS.]

The legislature finds that there is great uncertainty over the means and costs of disposing of radioactive wastes generated at nuclear-powered electric generating plants. Current and future electric ratepayers are at risk to pay for these uncertain and potentially enormous costs. These costs could cause economic hardship for the citizens of this state and damage economic growth. For these reasons the legislature finds it necessary to protect its citizens against these costs. While these potential costs do not currently warrant closing an operating nuclear power plant, they do warrant a moratorium on new nuclear plant construction and closer monitoring of operating nuclear power plants.

Sec. 2. Minnesota Statutes 1992, section 216B.243, is amended by adding a subdivision to read:

Subd. 3b. [NUCLEAR POWER PLANT; NEW CONSTRUCTION PROHIBITED.] The commission may not issue a certificate of need for the construction of a new nuclear-powered electric generating plant.

Sec. 3. [216B.244] [NUCLEAR PLANT CAPACITY REQUIREMENTS.]

A reactor unit at a nuclear power electric generating plant that has an annual load capacity factor of less than 55 percent for each of three consecutive calendar years must be shut down and cease operating no later than 500 days after the end of the third such consecutive calendar year. For the purposes of this section, "load capacity factor" means the ratio between a reactor unit's average load and its peak load.

Sec. 4. [EFFECTIVE DATE.]

This article is effective the day following final enactment.

ARTICLE 3

ENERGY CONSERVATION AND RENEWABLES

Section 1. Minnesota Statutes 1992, section 216B.241, subdivision 1a, is amended to read:

Subd. 1a. [INVESTMENTS, EXPENDITURES, AND CONTRIBUTIONS; REGULATED UTILITIES.] (a) For purposes of this subdivision and subdivision 2, "public utility" has the meaning given it in section 216B.02, subdivision 4. Each public utility shall spend and invest for energy conservation improvements under this subdivision and subdivision 2 the following amounts:

(1) for a utility that furnishes gas service, .5 percent of its gross operating revenues from service provided in the state; ~~and~~

(2) for a utility that furnishes electric service, 1.5 percent of its gross operating revenues from service provided in the state; and

(3) for a utility that furnishes electric service and that operates a nuclear powered electric generating plant within the state, two percent of its gross operating revenues from service provided in the state.

(b) The commissioner may require investments or spending greater than the amounts required under this subdivision for a public utility whose most recent advance forecast required under section 116C.54 projects a peak demand deficit of 100 megawatts or greater within five years under mid-range forecast assumptions. A public utility may appeal a decision of the commissioner under this paragraph to the commission under subdivision 2. In reviewing a decision of the commissioner under this paragraph, the commission shall rescind the decision if it finds that the required investments or spending will:

(1) not result in cost-effective programs; or

(2) otherwise not be in the public interest.

(c) Each utility shall determine what portion of the amount it sets aside for conservation improvement will be used for conservation improvements under subdivision 2 and what portion it will contribute to the energy and conservation account established in subdivision 2a. Contributions must be remitted to the commissioner of public service by February 1 of each year. Nothing in this subdivision prohibits a public utility from spending or investing for energy conservation improvement more than required in this subdivision.

Sec. 2. [216B.2423] [WIND POWER MANDATE.]

Subdivision 1. [MANDATE.] A public utility, as defined in Minnesota Statutes, section 216B.02, subdivision 4, that operates a nuclear-powered electric generating plant within this state must construct and operate, purchase, or contract to construct and operate: (1) 225 megawatts of electric energy installed capacity generated by wind energy conversion systems within the state by December 31, 1998; and (2) an additional 200 megawatts of installed capacity so generated by December 31, 2002.

For the purpose of this section, "wind energy conversion system" has the meaning given it in section 216C.06, subdivision 12.

Subd. 2. [RESOURCE PLANNING MANDATE.] The public utilities commission shall order a public utility subject to subdivision 1, to construct and operate, purchase, or contract to purchase an additional 400 megawatts of electric energy installed capacity generated by wind energy conversion systems by December 31, 2002, subject to resource planning and least cost planning requirements in Minnesota Statutes, section 216B.2422.

Sec. 3. [216B.2424] [BIOMASS POWER MANDATE.]

A public utility, as defined in Minnesota Statutes, section 216B.02, subdivision 4, that operates a nuclear powered electric generating plant within this state must, by December 31, 1998, construct and operate, purchase, or contract to construct and operate (1) 50 megawatts of electric energy installed capacity generated by farm grown closed-loop biomass; and (2) an additional 75 megawatts of installed capacity so generated by December 31, 2002.

Sec. 4. [EFFECTIVE DATE.]

Section 1 is effective January 1, 1995.

Sections 2 and 3 are effective the day following final enactment.

ARTICLE 4

MISCELLANEOUS

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.16, is amended by adding a subdivision to read:

Subd. 14. [LOW-INCOME DISCOUNT ELECTRIC RATES.] A public utility shall provide a 50 percent electric rate discount on the first 300 kilowatt hours consumed in a billing period for a low-income residential customer. For the purposes of this subdivision, "low-income" means a customer who is receiving assistance from the federal low-income home energy assistance program. For the purposes of this subdivision, "public utility" includes only those public utilities with more than 200,000 residential electric service customers. The commission may issue orders necessary to implement, administer, and recover the discount rate program on a timely basis.

Sec. 4. 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. 5. [EFFECTIVE DATE.]

Section 3 is effective January 1, 1995.

ARTICLE 5

ELECTRIC ENERGY TASK FORCE

Section 1. [216C.051] [LEGISLATIVE ELECTRIC ENERGY TASK FORCE.]

Subdivision 1. [FINDINGS.] The legislature finds that it needs more 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 sources and costs and to make recommendations for legislation for an environmentally and economically sustainable and advantageous electric energy supply.

(b) The task force consists of:

(1) eight members of the house of representatives including the chairs of the environment and natural resources and regulated industries and energy committees and six members to be appointed by the speaker of the house, two of whom must be from the minority caucus;

(2) eight members of the senate including the chairs of the environment and natural resources and jobs, energy, and community development committees and six members to be appointed by the subcommittee on committees, two of whom must be from the minority caucus.

(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 from among the committee chairs named to the committee.

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 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 United States 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 at what cost;

(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) 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;

(12) 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

(13) 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 analyze the future of and the economic effects of the continued generation of electric power and 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) when radioactive waste will be removed from Prairie Island for permanent storage outside of the state, who will bear the costs of 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 probability of an accident and 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) 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;

(6) 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;

(7) 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; the entity that is searching for an alternative site within the state for the disposal of spent nuclear fuel from the Prairie Island nuclear generating plant, is seeking permits for the site, or is constructing the site shall report progress on those activities every six months to the task force commencing January 1, 1995;

(8) 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

(9) 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 United States 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, a critique of how those plans and analyses will assist in implementation of the energy conservation and sources for generation policies and goals in Minnesota Statutes, chapters 216B and 216C, 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 $350,000. The amount assessed under this section is appropriated to the director of the legislative coordinating commission for those purposes.

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 this section, "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.

Subd. 9. [REPEALER.] This section is repealed June 30, 2000.

ARTICLE 6

ALTERNATIVE SITE

Section 1. [116C.80] [HIGH-LEVEL RADIOACTIVE WASTE; SPENT NUCLEAR FUEL STORAGE; ALTERNATIVE SITE.]

Subdivision 1. [DEFINITION; DRY CASK STORAGE FACILITY.] For the purposes of this section, "dry cask storage facility" or "facility" means a high-level radioactive waste facility that is located in Goodhue county but not on Prairie Island for storage of spent nuclear fuel produced by a nuclear reactor at the Prairie Island nuclear power generating plant.

Subd. 2. [CERTIFICATE OF SITE COMPARABILITY.] Prior to construction of a dry cask storage facility, the public utility that operates the nuclear power generating power plant at Prairie Island shall obtain a certificate from the environmental quality board that the site for the facility is comparable to the independent spent fuel storage facility site located on Prairie Island for which the public utilities commission granted a certificate of need in docket number E002/CN-91-91.

Subd. 3. [REVIEW BY THE BOARD.] The board shall review the siting procedures and considerations for siting large energy electric generating plants under sections 116C.51 to 116C.69 and rules adopted under those sections and shall adopt, by resolution, after a public comment period, those procedures, considerations, and rules it determines are necessary to designate a site for a dry cask storage facility and to issue a certificate of site comparability. The siting procedures and considerations must provide for an opportunity for all interested persons to participate."

Delete the title and insert:

"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; 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; creating a legislative electric energy task force; appropriating money;

amending Minnesota Statutes 1992, sections 216A.03, by adding a subdivision; 216B.16, subdivision 8, and by adding a subdivision; 216B.241, subdivision 1a, and by adding a subdivision; and 216B.243, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapters 116C; 216B; and 216C."

We request adoption of this report and repassage of the bill.

Senate Conferees: STEVEN G. NOVAK, JAMES P. METZEN, STEVE DILLE, STEVE L. MURPHY AND PHIL J. RIVENESS.

House Conferees: LOREN JENNINGS, LYNDON R. CARLSON AND VIRGIL J. JOHNSON.

Jennings moved that the report of the Conference Committee on S. F. No. 1706 be adopted and that the bill be repassed as amended by the Conference Committee.

Dawkins moved that the House refuse to adopt the Conference Committee report on S. F. No. 1706, and that the bill be returned to the Conference Committee.

A roll call was requested and properly seconded.

CALL OF THE HOUSE

On the motion of Dempsey and on the demand of 10 members, a call of the House was ordered. The following members answered to their names:

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

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 question recurred on the Dawkins motion and the roll was called. There were 53 yeas and 79 nays as follows:

Those who voted in the affirmative were:

Abrams	Brown, C.	Evans	Greiling	Jefferson	Lourey	Milbert
Asch	Brown, K.	Farrell	Hasskamp	Johnson, R.	Mariani	Munger
Battaglia	Clark	Garcia	Hausman	Kahn	McCollum	Murphy
Bergson	Dawkins	Greenfield	Jaros	Kelley	McGuire	Neary

Olson, K.	Ostrom	Rhodes	Sarna	Steensma	Wagenius	Spk. Anderson, I.
Opatz	Pauly	Rice	Sekhon	Tompkins	Wejcman	
Orenstein	Pugh	Rodosovich	Simoneau	Trimble	Wenzel	
Orfield	Rest	Rukavina	Skoglund	Vellenga	Winter	

Those who voted in the negative were:

Anderson, R.	Dehler	Holsten	Koppendrayer	Molnau	Perlt	Van Engen
Bauerly	Delmont	Hugoson	Krinkie	Morrison	Peterson	Vickerman
Beard	Dempsey	Huntley	Krueger	Mosel	Reding	Waltman
Bertram	Dorn	Jacobs	Lasley	Nelson	Seagren	Weaver
Bettermann	Erhardt	Jennings	Leppik	Ness	Smith	Wolf
Bishop	Finseth	Johnson, A.	Lieder	Olson, E.	Solberg	Worke
Carlson	Frerichs	Johnson, V.	Limmer	Olson, M.	Stanius	Workman
Carruthers	Girard	Kalis	Lindner	Onnen	Sviggum	
Commers	Goodno	Kelso	Luther	Osthoff	Swenson	
Cooper	Gruenes	Kinkel	Lynch	Ozment	Tomassoni	
Dauner	Gutknecht	Klinzing	Macklin	Pawlenty	Tunheim	
Davids	Haukoos	Knight	Mahon	Pelowski	Van Dellen	

The motion did not prevail.

The question recurred on the Jennings motion that the report of the Conference Committee on S. F. No. 1706 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 by Conference, and placed upon its repassage.

The question was taken on the repassage of the bill and the roll was called. There were 86 yeas and 46 nays as follows:

Those who voted in the affirmative were:

Abrams	Dehler	Hugoson	Krueger	Ness	Rukavina	Van Engen
Anderson, R.	Delmont	Huntley	Lasley	Olson, E.	Seagren	Vickerman
Bauerly	Dempsey	Jacobs	Leppik	Olson, M.	Simoneau	Waltman
Beard	Dorn	Jennings	Lieder	Onnen	Smith	Weaver
Bertram	Erhardt	Johnson, A.	Limmer	Opatz	Solberg	Wolf
Bettermann	Finseth	Johnson, V.	Lindner	Osthoff	Stanius	Worke
Bishop	Frerichs	Kalis	Lynch	Ozment	Steensma	Workman
Carlson	Girard	Kelso	Macklin	Pawlenty	Sviggum	Spk. Anderson, I.
Carruthers	Goodno	Kinkel	Mahon	Pelowski	Swenson	
Commers	Gruenes	Klinzing	Molnau	Perlt	Tomassoni	
Cooper	Gutknecht	Knight	Morrison	Peterson	Tompkins	
Dauner	Haukoos	Koppendrayer	Mosel	Reding	Tunheim	
Davids	Holsten	Krinkie	Nelson	Rhodes	Van Dellen	

Those who voted in the negative were:

Asch	Brown, C.	Dawkins	Garcia	Hasskamp	Jefferson	Kelley
Battaglia	Brown, K.	Evans	Greenfield	Hausman	Johnson, R.	Lourey
Bergson	Clark	Farrell	Greiling	Jaros	Kahn	Luther

Mariani	Munger	Orenstein	Pugh	Sarna	Vellenga	Winter
McCollum	Murphy	Orfield	Rest	Sekhon	Wagenius	
McGuire	Neary	Ostrom	Rice	Skoglund	Wejcman	
Milbert	Olson, K.	Pauly	Rodosovich	Trimble	Wenzel	

The bill was repassed, as amended by Conference, 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.

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

S. F. No. 2168.

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. 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.

May 5, 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. 2168, 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. 2168 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 17.03, is amended by adding a subdivision to read:

Subd. 7a. [NONTRADITIONAL AGRICULTURE; PROMOTION.] (a) The commissioner shall devise means of advancing the production and marketing of nontraditional agricultural products of the state. The commissioner shall also seek the cooperation and involvement of every department or agency of the state, and such public and nonpublic organizations as the commissioner deems appropriate, for the promotion of nontraditional agricultural products.

(b) The production and marketing of nontraditional agricultural products are considered agricultural pursuits.

(c) Except as otherwise provided in law, the commissioner may adopt appropriate rules concerning health standards for nontraditional agriculture.

(d) Except as otherwise provided in law, the slaughter of all meat producing animals, fowl, or fish that are nontraditional agriculture intended for sale in commercial outlets must occur at an inspected slaughterhouse.

(e) Except as otherwise provided in law, it is the responsibility of an owner to take all reasonable actions to maintain the nontraditional agriculture on property owned or leased by the owner, including the construction of fences, enclosures, or other barriers, and housing of a suitable design.

(f) For purposes of this subdivision "nontraditional agriculture" and "nontraditional agricultural products" includes but is not limited to aquaculture as defined in section 17.47, subdivision 2, and the production of animals domesticated from wild stock, either native or nonnative, that are kept in confinement by the owner.

Sec. 2. [17.139] [MEMORANDUM OF AGREEMENT AMONG STATE AGENCIES ON INSPECTIONS OF AGRICULTURAL OPERATIONS.]

The commissioner shall develop memoranda of agreement among all state and federal agencies that have authority to inspect property in agricultural use, as defined in section 17.81, subdivision 4, to ensure that reasonable and effective protocols are followed when inspecting sites in agricultural use. The memorandum shall specify procedures that address, but are not limited to, the following:

(1) when appropriate, advance notice to the agricultural use landowner or operator;

(2) procedures for notification of the inspection results or conclusions to the owner or operator; and

(3) special procedures as might be necessary, such as to prevent the introduction of diseases.

Sec. 3. Minnesota Statutes 1993 Supplement, section 41B.044, subdivision 2, is amended to read:

Subd. 2. [ETHANOL DEVELOPMENT FUND.] There is established in the state treasury an ethanol development fund. All repayments of financial assistance granted under subdivision 1, 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 ethanol production facility loan program, including costs incurred by the authority to establish and administer the program.

Sec. 4. [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. 5. 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 under the laws of another state, 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~~ the cooperative, or when such securities are issued as patronage dividends. This paragraph applies to a cooperative organized under the laws of another state only if the cooperative has filed with the commissioner a consent to service of process under section 80A.27, subdivision 7, and has, not less than ten days prior to the issuance or delivery, furnished the commissioner with a written general description of the transaction and any other information that the commissioner requires by rule or otherwise.

(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. 6. Minnesota Statutes 1992, section 180.03, is amended by adding a subdivision to read:

Subd. 5. Upon written notice to the county mine inspector, a person, firm, or corporation that is actively and exclusively engaged in the business of cold water aquaculture shall be exempt from the requirements of subdivision 3. The exemption shall only apply to those portions of idle or abandoned open pit mines that are actively being used for aquaculture operations and that are owned by the person, firm, or corporation. A landowner exempted assumes all responsibility for inspection and safety measures pertaining to the affected parcels of land and the county mine inspector is relieved of inspection requirements. The notice provided to the county mine inspector pursuant to this subdivision shall be annual and shall be filed with the county mine inspector's office by January 15 of each year. The notice shall describe the affected parcels of land and shall provide a sworn affidavit by the landowner that the subject property will be actively and exclusively used for aquaculture purposes during the calendar year. Failure to comply with the notice requirement of this subdivision makes the idle or abandoned open pit mines subject to the provisions of subdivision 3.

Sec. 7. Minnesota Statutes 1992, section 297A.25, is amended by adding a subdivision to read:

Subd. 53. [FARM MACHINERY.] From July 1, 1994, until June 30, 1995, the gross receipts from the sale of used farm machinery are exempt.

Sec. 8. [346.58] [DOGS AND CATS; BEST MANAGEMENT STANDARDS FOR CARE BY DEALERS, COMMERCIAL BREEDERS, AND BROKERS.]

The commissioner of agriculture shall consult with interested persons, including but not limited to persons representing dog and cat dealers, breeders, and brokers, the Minnesota federated humane society, the Minnesota council for dog clubs, the American dog owners association, the board of animal health, the Minnesota purebred dog breeders association, the Minnesota citizens for animal care, the United States Department of Agriculture, and the Minnesota veterinary medical association. The commissioner shall issue an order containing best management standards of care for dogs and cats by dealers, commercial breeders, and brokers. These standards are not subject to chapter 14. The commissioner shall urge dealers, commercial breeders, and brokers to follow the standards issued in the order.

Sec. 9. [DOGS AND CATS; CARE RECOMMENDATIONS.]

The commissioner of agriculture shall make recommendations to the 1995 legislature on changes to statutory dog and cat care standards in relation to the commercial breeding and sale of dogs and cats. The commissioner shall recommend enacting into law standards that, if violated, are serious enough to warrant a civil or criminal penalty and shall also recommend changes in law to improve the ease of enforcement in Minnesota Statutes, sections 325F.79 to 325F.792, and other laws related to animal cruelty.

Sec. 10. Laws 1993, chapter 172, section 7, subdivision 3, is amended to read:

Subd. 3. Promotion and Marketing

2,142,000 1,142,000

Summary by Fund

General	1,959,000	959,000
Special Revenue	183,000	183,000

Notwithstanding Minnesota Statutes, section 41A.09, subdivision 3, the total payments from the ethanol development account to all producers may not exceed $15,800,000 for the biennium ending June 30, 1995. In fiscal year 1994, the commissioner shall first reimburse producers up to $981,024 for eligible, unpaid claims accumulated through June 30, 1993.

$1,000,000 is appropriated to the ethanol development fund established in Minnesota Statutes, section 41B.044, subdivision 2, in 1994 for use by the rural finance authority for purposes of assisting in the finance of ethanol production facilities in Minnesota. Any amount of this appropriation that remains unencumbered at the end of any biennium does not revert to the general fund but remains available as a revolving account.

$100,000 the first year and $100,000 the second year are for ethanol promotion and public education.

$100,000 the first year and $100,000 the second year must be spent for the WIC coupon program.

$45,000 is appropriated in each year for a project to expand agriculture opportunities for the Hmong and other Southeast Asian farmers by expansion of the existing market base and to target new wholesale and retail markets. The money may also be used to expand the wholesale and retail market for other groups involved in direct marketing efforts such as alternative meat and food products. The department must report on the project to the finance committees by January 15, 1995.

$71,000 the first year and $71,000 the second year are for transfer to the Minnesota grown matching account and may be used as grants for Minnesota grown promotion under Minnesota Statutes, section 17.109.

$183,000 the first year and $183,000 the second year are from the commodities research and promotion account in the special revenue fund.

Sec. 11. [FARM AND SMALL BUSINESS INTEREST BUY-DOWN PROGRAMS; DEFINITIONS.]

Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 11 to 18.

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 12 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. 12. [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. 13. [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 suffered significant losses during 1993 from a natural disaster and the small business faces economic stress without the assistance of the small business 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 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. 14. [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 12 and 13.

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. 15. [RESPONSIBILITIES OF COMMISSIONER.]

Subdivision 1. [ANNOUNCEMENT OF PROGRAM PROCEDURES.] Within 30 days after the effective date of sections 11 to 18, 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 18, 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. 16. [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. 17. [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. 18. [BORROWER STATEMENT.]

No person may receive a farm or small business loan under sections 11 to 18 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. 19. [APPROPRIATION; INTEREST BUY-DOWN.]

(a) 5,000,000 is appropriated from the general fund to the commissioner of agriculture for the interest buy-down program in sections 11 to 18. 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 section 22. Not more than $200,000 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. 20. [APPROPRIATION; GRAIN GRADING AND TESTING EQUIPMENT; PILOT CHECK-TEST PROGRAM.]

(a) $250,000 is appropriated from the general fund to the commissioner of agriculture as supplemental funding for activities of the grain inspection and weighing programs of the department. The additional funding is for a thorough, properly documented, review of the accuracy of equipment used by country elevators to test grain for determination of price. The sample selection, equipment testing, and analytical procedures must be performed using commonly accepted protocols. Tolerances to be used for determination of a re-test are those adopted in rule pursuant to Minnesota Statutes, section 17B.041.

(b) The pilot check-testing program must be conducted throughout the agricultural areas of the state at country elevators selected by the commissioner. Country elevators in the selected counties must undergo check-testing an average of four times per year, including both peak harvest periods and nonharvest periods. Check-testing must include all grains the elevator handles in significant quantity.

(c) Not later than February 15, 1996, the commissioner shall report to the committees of the Minnesota senate and house of representatives on the activities and findings of the pilot check-test program, along with recommendations for ways to assure increased accuracy in grain testing.

(d) This appropriation is available until December 31, 1995.

Sec. 21. [APPROPRIATION; FEDERAL EMERGENCY MANAGEMENT ASSISTANCE MATCH.]

$2,908,000 is appropriated from the general fund to the commissioner of public safety to provide matching funds for federal emergency management assistance funds received in flood damaged counties in 1993.

Sec. 22. [APPROPRIATION; EMERGENCY JOB CREATION; DEPARTMENT OF JOBS AND TRAINING.]

$2,000,000 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. 23. [APPROPRIATION; WHEAT SCAB RESEARCH.]

$477,000 is appropriated from the general fund to the University of Minnesota for the fiscal biennium ending June 30, 1995, 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.

Sec. 24. [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. 25. [APPROPRIATION; AGRICULTURAL RESOURCE CENTERS.]

(a) $100,000 is appropriated from the general fund to the commissioner of agriculture for supplemental funding for grants to agricultural information centers. No match is needed for the release of these supplemental state dollars. This appropriation is available until June 30, 1995.

(b) For money appropriated in Laws 1993, chapter 172, section 7, subdivision 4, for agricultural information centers, a match is not required for fiscal year 1994 appropriations and a match of four state dollars for each $1 of matching nonstate money is required for fiscal year 1995 appropriations.

Sec. 26. [APPROPRIATION; LEGAL ASSISTANCE TO FARMERS.]

$200,000 is appropriated from the general fund to the supreme court as supplemental funding for legal assistance to farmers in accordance with Minnesota Statutes, section 480.242, subdivision 5. This appropriation is available until June 30, 1995. This appropriation shall be in addition to other appropriations received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received.

Sec. 27. [APPROPRIATION; FARM FINANCIAL ASSISTANCE; STATE BOARD OF TECHNICAL COLLEGES.]

(a) $150,000 is appropriated from the general fund to the state board of technical colleges for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by adverse weather conditions in 1993 to be used:

(1) for teleconferencing to provide information to farm and small business operators from federal and state agencies; and

(2) for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by adverse weather conditions in 1993.

(b) The board must coordinate the delivery of services with the Minnesota extension service to ensure broad coverage of the state for areas affected by adverse weather conditions in 1993. This appropriation is available until June 30, 1995.

Sec. 28. [APPROPRIATION; FARM FINANCIAL ASSISTANCE; MINNESOTA EXTENSION SERVICE.]

(a) $100,000 is appropriated from the general fund to the University of Minnesota for the Minnesota extension service for farm and small business management programs using the FINPAK computer software program and other training and assistance to provide financial information to farmers affected by adverse weather conditions in 1993 to be used:

(1) by the center for farm financial management for computer software upgrades and support of educators providing financial information to farmers; and

(2) for support, assistance, and travel expenses for educators to target emergency assistance to persons in counties affected by adverse weather conditions in 1993.

(b) The Minnesota extension service must coordinate the delivery of services with the state board of technical colleges to ensure broad coverage of the state for areas affected by adverse weather conditions in 1993. This appropriation is available until June 30, 1995.

Sec. 29. [APPROPRIATION; SMALL BUSINESS DISASTER REVOLVING LOAN FUND.]

$900,000 is appropriated from the general fund to the commissioner of trade and economic development to supplement funding of programs through the federal Economic Development Administration. Use of these funds may include providing local matches to federal dollars through the regional development commissions or alternative groups. This appropriation is available until June 30, 1995.

Sec. 30. [APPROPRIATION; ETHANOL PRODUCTION.]

$1,475,000 is appropriated from the general fund to the ethanol development fund.

Sec. 31. [APPROPRIATION; AGRICULTURAL UTILIZATION RESEARCH INSTITUTE.]

$1,000,000 is appropriated from the general fund to the agricultural utilization research institute for programs targeted to crops or regions that suffered losses in 1993. This appropriation is available until June 30, 1995.

Sec. 32. [APPROPRIATION; DAIRY LITIGATION.]

(a) $55,000 is appropriated from the general fund to the supreme court as a one-time appropriation for family farm legal assistance for financially distressed dairy farmers' difficulties with the federal milk marketing order system under Minnesota Statutes, section 480.242, subdivision 5, clause (2). This appropriation shall be in addition to other

appropriations received for legal assistance. An entity receiving funding under this section may not have other sources of state funding reduced based on the funding received. This appropriation is available until June 30, 1995. The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

(b) The $20,000 balance on May 22, 1993, of amounts authorized under Laws 1992, chapter 513, article 2, section 6, subdivision 5, is transferred to the general fund and is appropriated to the supreme court for family farm legal assistance rendered from July 1, 1993, through June 30, 1995, for financially distressed dairy farmers' difficulties with the federal milk marketing order system under Minnesota Statutes, section 480.242, subdivision 5, clause (2). The income eligibility rules described in Minnesota Statutes, section 480.242, subdivision 2, paragraph (b), are waived for purposes of this appropriation.

Sec. 33. [APPROPRIATION; BEAVER CONTROL.]

$50,000 is appropriated to the commissioner of agriculture for a grant to the beaver damage control joint powers board formed by Beltrami, Clearwater, Marshall, Pennington, Polk, and Red Lake counties, for the purpose of beaver damage control. The grant must be matched by at least $30,000 from the joint powers board. This appropriation is available until June 30, 1995.

Sec. 34. [APPROPRIATION; GRAIN INSPECTION AND WEIGHING ACCOUNT DEFICIT.]

$200,000 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. 35. [APPROPRIATION; VALUE-ADDED AGRICULTURAL PRODUCT LOAN PROGRAM.]

$1,000,000 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 4. The commissioner of agriculture may use any portion of the fund as a grant to a city to attract and provide an incentive to locate an agricultural product processing facility whose project cost is estimated to be at least $100,000,000. $750,000 of the amount appropriated to the fund shall be available to make such a grant to a city until December 31, 1994, and after that date any unused portion of this available grant money shall be transferred to the commissioner for the interest buy-down program in sections 11 to 18.

Sec. 36. [APPROPRIATION; CORPORATE FARMING LAW TASK FORCE.]

$40,000 is appropriated from the general fund to the commissioner of agriculture to provide staff and research support for the corporate farming law task force.

Sec. 37. [APPROPRIATION; HIGH OIL SOYBEANS RESEARCH.]

$150,000 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. 38. [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. 39. [APPROPRIATION; DAIRY LEADERS ROUNDTABLE.]

$50,000 is appropriated from the general fund to the commissioner of agriculture for a grant to the dairy leaders round table. This appropriation must be matched with nonstate funds.

Sec. 40. [APPROPRIATION; FEEDLOT MANURE MANAGEMENT ADVISORY COMMITTEE.]

$5,000 is appropriated from the general fund to the commissioner of agriculture for payment of expenses for the feedlot and manure management advisory committee.

Sec. 41. [REPORT OF AGENCIES.]

Before January 1, 1996, the commissioner of public safety shall coordinate and present to the legislature a report from all departments, agencies, and organizations receiving funding under this act regarding the specific uses of such funding and the effects of assistance provided under this act to the agricultural economy and rural communities affected by natural disasters in 1993.

Sec. 42. [EFFECTIVE DATE.]

Sections 3 and 10 are effective retroactive to July 1, 1993. Sections 1, 2, 4 to 9, and 11 to 42 are effective the day after final enactment."

Delete the title and insert:

"A bill for an act relating to agricultural businesses; providing for promotion of nontraditional agriculture, inspection of agricultural operations, ethanol development, a value-added agricultural product loan program, sale of stock in cooperatives, and care of dogs and cats; creating an interest buy-down program; exempting from the sales tax the gross receipts from sales of used farm machinery; providing matching money for federal emergency disaster funds in flood damaged counties; providing for emergency job creation; authorizing a grain grading and testing equipment pilot program; providing supplemental funding for grain inspection programs, the ethanol development fund, and small business disaster loan programs; expanding research on grain diseases and soybeans; increasing funding for the farm advocates program, agricultural resource centers, legal assistance to farmers, legal challenges to the federal milk market order system, farm and small business management programs at technical colleges and Minnesota extension; funding a beaver control program, the dairy leaders roundtable, the state park road account, an advisory committee, and a task force; providing funding to the Agricultural Utilization Research Institute; requiring a report; appropriating money; amending Minnesota Statutes 1992, sections 17.03, by adding a subdivision; 180.03, by adding a subdivision; and 297A.25, by adding a subdivision; Minnesota Statutes 1993 Supplement, sections 41B.044, subdivision 2; and 80A.15, subdivision 2; Laws 1993, chapter 172, section 7, subdivision 3; proposing coding for new law in Minnesota Statutes, chapters 17; 41B; and 346."

We request adoption of this report and repassage of the bill.

Senate Conferees: JOE BERTRAM, SR., PAULA E. HANSON, STEVEN MORSE, KEITH LANGSETH AND STEVE DILLE.

House Conferees: STEPHEN G. WENZEL, KATY OLSON, DOUG PETERSON, ANDY STEENSMA AND VIRGIL J. JOHNSON.

Wenzel moved that the report of the Conference Committee on S. F. No. 2168 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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 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 118 yeas and 12 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Bettermann	Clark	Dehler	Farrell	Goodno	Hasskamp
Battaglia	Brown, C.	Cooper	Delmont	Finseth	Greenfield	Haukoos
Beard	Brown, K.	Dauner	Dempsey	Frerichs	Greiling	Hausman
Bergson	Carlson	Davids	Dorn	Garcia	Gruenes	Holsten
Bertram	Carruthers	Dawkins	Evans	Girard	Gutknecht	Hugoson

Huntley	Kinkel	Mariani	Olson, K.	Peterson	Smith	Vickerman
Jacobs	Klinzing	McGuire	Olson, M.	Pugh	Solberg	Wagenius
Jaros	Koppendrayer	Milbert	Onnen	Reding	Stanius	Waltman
Jefferson	Krueger	Molnau	Opatz	Rhodes	Steensma	Weaver
Jennings	Lasley	Morrison	Orenstein	Rice	Sviggum	Wejcman
Johnson, A.	Leppik	Mosel	Orfield	Rodosovich	Tomassoni	Wenzel
Johnson, R.	Lieder	Munger	Ostrom	Rukavina	Tompkins	Winter
Johnson, V.	Lourey	Murphy	Ozment	Sarna	Trimble	Wolf
Kahn	Luther	Neary	Pauly	Seagren	Tunheim	Worke
Kalis	Lynch	Nelson	Pawlenty	Sekhon	Van Dellen	Workman
Kelley	Macklin	Ness	Pelowski	Simoneau	Van Engen	Spk. Anderson, I.
Kelso	Mahon	Olson, E.	Perlt	Skoglund	Vellenga	

Those who voted in the negative were:

Abrams	Commers	Knight	Limmer	McCollum	Rest
Asch	Erhardt	Krinkie	Lindner	Osthoff	Swenson

The bill was repassed, as amended by Conference, 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.

There being no objection, the order of business reverted to House Advisories.

HOUSE ADVISORIES

The following House Advisories were introduced:

Trimble introduced:

H. A. No. 45, A proposal to consider establishing a Minnesota museum of music.

The advisory was referred to the Committee on Economic Development, Infrastructure and Regulation Finance.

Asch, McGuire and Macklin introduced:

H. A. No. 46, A proposal to study social security number and medical data.

The advisory was referred to the Committee on Judiciary.

There being no objection, the order of business advanced to Motions and Resolutions.

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 Thursday, May 5, 1994, when the vote was taken on the repassage of H. F. No. 2351, as amended by Conference." 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 affirmative on Thursday, May 5, 1994, when the vote was taken on the repassage of H. F. No. 3179, as amended by Conference." 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, May 5, 1994, when the vote was taken on the repassage of H. F. No. 3211, as amended by Conference." The motion prevailed.

Johnson, V., moved that the following statement be printed in the Journal of the House: "It was my intention to vote in the affirmative on Thursday, May 5, 1994, when the vote was taken on the repassage of H. F. No. 3211, as amended by Conference." 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 negative on Thursday, May 5, 1994, when the vote was taken on the repassage of H. F. No. 3211, as amended by Conference." 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 Thursday, May 5, 1994, when the vote was taken on the repassage of S. F. No. 180, as amended by Conference." 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 Thursday, May 5, 1994, when the vote was taken on the repassage of S. F. No. 2129, as amended by Conference." The motion prevailed.

There being no objection, the order of business reverted to Messages from the Senate.

MESSAGES FROM THE SENATE

The following messages were received from the Senate:

Mr. Speaker:

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

H. F. No. 942, A bill for an act relating to traffic regulations; requiring every driver to use due care in operating a motor vehicle; amending Minnesota Statutes 1992, section 169.14, subdivision 1.

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. 2591, A bill for an act relating to utilities; eliminating duplicate reporting relating to energy demand forecasting information by public utilities; authorizing low-income rates in certain circumstances; establishing a pilot program; amending Minnesota Statutes 1992, sections 116C.57, subdivision 3; 216B.16, by adding a subdivision; 216B.241, subdivision 1a; and 216C.17, subdivision 2; Minnesota Statutes 1993 Supplement, sections 216B.2422, by adding a subdivision; and 216C.17, subdivision 3; repealing Minnesota Statutes 1993 Supplement, section 116C.54.

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. 218, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing a marine education center at the Minnesota zoological garden; authorizing issuance of bonds; appropriating money, with certain conditions.

PATRICK E. FLAHAVEN, Secretary of the Senate

CONCURRENCE AND REPASSAGE

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

H. F. No. 218, A bill for an act relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; requiring payment for debt service; reducing certain earlier project authorizations and appropriations; establishing a library planning task force; providing for appointments; appropriating money, with certain conditions; amending Minnesota Statutes 1992, sections 16A.641, subdivision 8; 16A.85, subdivision 1; 16B.24, subdivision 1; 16B.305, subdivision 2; 85.015, subdivision 4; 103G.005, by adding a subdivision; 103G.511; 103G.521, subdivision 1; 103G.535; 116.162, subdivision 2; 124.494, subdivisions 3, 4, 5, and 6; 135A.06, subdivision 4; 136.651; 167.51, subdivision 1; and 471.191, subdivision 1; Minnesota Statutes 1993 Supplement, sections 16B.335, by adding subdivisions; 85.019, by adding a subdivision; 124.494, subdivisions 1, 2, and 4a; and 136.261, subdivision 1; Laws 1993, chapter 373, section 18; proposing coding for new law in Minnesota Statutes, chapters 16A; 16B; 84; 116J; 124C; 134; 135A; 216C; 268; and 462.

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 19 nays as follows:

Those who voted in the affirmative were:

Anderson, R.	Dehler	Jacobs	Lieder	Olson, E.	Rice	Vellenga
Asch	Delmont	Jaros	Lourey	Olson, K.	Rodosovich	Vickerman
Battaglia	Dempsey	Jefferson	Luther	Opatz	Rukavina	Wagenius
Bauerly	Dorn	Jennings	Macklin	Orenstein	Sarna	Waltman
Beard	Evans	Johnson, A.	Mahon	Orfield	Seagren	Weaver
Bergson	Farrell	Johnson, R.	Mariani	Osthoff	Sekhon	Wejcman
Bertram	Finseth	Johnson, V.	McCollum	Ostrom	Simoneau	Wenzel
Bettermann	Garcia	Kahn	McGuire	Ozment	Skoglund	Winter
Bishop	Girard	Kalis	Milbert	Pauly	Smith	Wolf
Brown, C.	Goodno	Kelley	Molnau	Pawlenty	Solberg	Worke
Brown, K.	Greenfield	Kelso	Morrison	Pelowski	Stanius	Spk. Anderson, I.
Carlson	Greiling	Kinkel	Mosel	Perlt	Steensma	
Carruthers	Gruenes	Klinzing	Munger	Peterson	Tomassoni	
Clark	Hasskamp	Koppendrayer	Murphy	Pugh	Tompkins	
Cooper	Hausman	Krueger	Neary	Reding	Trimble	
Dauner	Holsten	Lasley	Nelson	Rest	Tunheim	
Davids	Huntley	Leppik	Ness	Rhodes	Van Engen	

Those who voted in the negative were:

Abrams	Erhardt	Haukoos	Krinkie	Lynch	Sviggum	Workman
Commers	Frerichs	Hugoson	Limmer	Olson, M.	Swenson	
Dawkins	Gutknecht	Knight	Lindner	Onnen	Van Dellen	

The bill was repassed, as amended by the Senate, 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. 1512.

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. 1512

A bill for an act relating to elections; providing uniform local election procedures; requiring regular city elections to be held in the fall; permitting town elections to be held in November; making uniform certain local government procedures; providing for the identification of judicial offices; authorizing special elections to be conducted by mail ballot; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 204B.14, subdivision 8; 204B.36, subdivision 4; 205.02, subdivision 2; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 206.90, subdivision 6; 365.51, subdivisions 1 and 3; and 367.03; proposing coding for new law in Minnesota Statutes, chapter 204D; repealing Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 410.21.

May 6, 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. 1512, 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. 1512 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1992, section 103C.305, subdivision 2, is amended to read:

Subd. 2. [~~NOMINATING PETITION~~ FILING FOR OFFICE; AFFIDAVIT OF CANDIDACY.] ~~(a) The district secretary shall immediately submit the names of the candidates and the terms for which each candidate is nominated to the county auditor.~~

~~(b) Nominating petitions conforming to section 103C.301, subdivision 1, shall be filed with the secretary of the district at least 60 days before the general election.~~ A candidate for the office of supervisor shall file an affidavit of candidacy with the county auditor of the county in which the district office is located during the period provided for filing affidavits of candidacy for county offices in section 204B.09, subdivision 1. The county auditor accepting affidavits of candidacy shall forward copies of all affidavits filed by candidates for supervisor to the auditor of any other county in which the office is voted on.

Sec. 2. Minnesota Statutes 1992, section 123.33, subdivision 1, is amended to read:

Subdivision 1. The care, management, and control of independent districts shall be vested in a board of directors, to be known as the school board. The term of office of a member shall be ~~three~~ four years and until a successor qualifies. The membership of the school board shall consist of six elected directors together with such ex officio member as may be provided by law. But the board may submit to the electors at any school election the question whether the board shall consist of seven members and if a majority of those voting on the proposition favor a seven-member board, a seventh member shall be elected at the next election of directors for a ~~three-year~~ four-year term and thereafter the board shall consist of seven members.

Those districts with a seven-member board may submit to the electors at any school election at least 150 days before the next election of three members of the board the question whether the board shall consist of six members. If a majority of those voting on the proposition favor a six-member board instead of a seven-member board, two members instead of three members shall be elected at the next election of the board of directors and thereafter the board shall consist of six members.

Sec. 3. Minnesota Statutes 1992, section 205.02, subdivision 2, is amended to read:

Subd. 2. [CITY ELECTIONS.] In all statutory and home rule charter cities, the primary, general and special elections held for choosing city officials and deciding public questions relating to the city shall be held as provided in this chapter, except that ~~this section and~~ sections 205.065, subdivisions ~~2~~ 4 to 7; 205.07 ~~to~~, subdivision 3; 205.10; 205.121; and ~~205.175 and 205.185~~ 205.17, subdivisions 2 and 3, do not apply to a city whose charter provides the manner of holding its primary, general or special elections.

Sec. 4. Minnesota Statutes 1992, section 205.065, subdivision 1, is amended to read:

Subdivision 1. [~~CITIES OF FIRST CLASS~~ ESTABLISHING PRIMARY.] A municipal primary for the purpose of nominating elective officers may be held in any city ~~of the first class~~ on the ~~second or third~~ first Tuesday after the second Monday in ~~March~~ September of any year in which a municipal general election is to be held for the purpose of electing officers.

~~If the majority of the governing body of a city of the first class adopted a resolution after June 24, 1957, establishing the second or third Tuesday in March for holding its municipal primary in any year in which its municipal general election is held, and if the city clerk or other officer of the city charged with keeping the minutes and records of the governing body filed a certified copy of the resolution with the secretary of state and another certified copy of the resolution with the county recorder of the county in which the city is located, the time established by the resolution for holding the municipal primary is fixed, and the governing body of the city may not change the time unless the authority to make the change is conferred on the governing body by the legislature, or by an amendment to the charter of the city duly ratified and accepted by the eligible voters of the city, in accordance with the constitution of the state of Minnesota and other applicable law.~~

Sec. 5. Minnesota Statutes 1992, section 205.065, subdivision 2, is amended to read:

Subd. 2. [RESOLUTION OR ORDINANCE.] The governing body of a city ~~of the second, third, or fourth class or a town containing a statutory city~~ may, by ordinance or resolution adopted at least three months before the next municipal general election, elect to choose nominees for municipal offices by a primary as provided in ~~subdivisions 2 to 7~~ this section. The resolution or ordinance, when adopted, is effective for all ensuing municipal elections until it is revoked. ~~Subdivisions 2 to 7 do not apply to a city the charter of which specifically prohibits or provides for a municipal primary.~~ The municipal clerk shall notify the secretary of state and the county auditor within 30 days after the adoption of the resolution or ordinance.

Sec. 6. Minnesota Statutes 1992, section 205.07, subdivision 1, is amended to read:

Subdivision 1. [~~DATE~~ CITY ELECTIONS.] The municipal general election in each ~~statutory~~ city shall be held on the first Tuesday after the first Monday in November in every even-numbered year. Notwithstanding any provision of law to the contrary and subject to the provisions of this section, the governing body of a ~~statutory~~ city may, by ordinance passed at a regular meeting held before ~~September~~ June 1 of any year, elect to hold the election on the first Tuesday after the first Monday in November in each odd-numbered year. ~~A city which was a village on January 1, 1974 and before that date provided for a system of biennial elections in the odd-numbered year shall continue to hold its elections in that year until changed in accordance with this section.~~ When a city changes its elections from one year to another, and does not provide for the expiration of terms by ordinance, the term of an incumbent expiring at a time when no municipal election is held in the months immediately prior to expiration is extended until the date for taking office following the next scheduled municipal election. If the change results in having three council members to be elected at a succeeding election, the two individuals receiving the highest vote shall serve for terms of four years and the individual receiving the third highest number of votes shall serve for a term of two years. To provide an orderly transition to the odd or even year election plan, the governing body of the city may adopt supplementary ordinances regulating initial elections and officers to be chosen at the elections and shortening or lengthening the terms of incumbents and those elected at the initial election so as to conform as soon as possible to the regular schedule provided in section 412.02, subdivision 1. Whenever the time of the municipal election is changed, the city clerk immediately shall notify in writing the county auditor and secretary of state of the change of date. Thereafter the municipal general election shall be held on the first Tuesday after the first Monday in November in each odd-numbered or even-numbered year until the ordinance is revoked and notification of the change is made.

Sec. 7. [205.075] [TOWN GENERAL ELECTION.]

Subdivision 1. [DATE OF ELECTION.] The general election in a town must be held on the second Tuesday in March, except as provided in subdivision 2.

Subd. 2. [ALTERNATE DATE; METROPOLITAN TOWNS.] The governing body of a town located in the metropolitan area as defined by section 473.121 may, by resolution or ordinance, designate the first Tuesday after the first Monday in November of either the even-numbered or the odd-numbered year as the date of the town general election. Town supervisors elected at a November town general election shall serve four-year terms.

The ordinance or resolution changing the date of the town general election must include a plan to shorten or lengthen the terms of office to provide an orderly transition to the November election schedule.

The ordinance or resolution changing the date of the town general election is effective upon an affirmative vote of the voters of the town at the next town general election.

Sec. 8. Minnesota Statutes 1992, section 205.10, subdivision 1, is amended to read:

Subdivision 1. [QUESTIONS.] Special elections may be held in a ~~statutory or home rule charter~~ city or town on a question on which the voters are authorized by law or charter to pass judgment. A special election may be ordered by the governing body of the ~~city~~ municipality on its own motion or, on a question that has not been submitted to the voters in an election within the previous six months, upon a petition signed by a number of voters equal to 20 percent of the votes cast at the last municipal general election. A question is carried only with the majority in its favor required by law or charter. The election officials for a special election shall be the same as for the most recent municipal general election unless changed according to law. Otherwise special elections shall be conducted and the returns made in the manner provided for the municipal general election.

Sec. 9. Minnesota Statutes 1992, section 205.10, is amended by adding a subdivision to read:

Subd. 4. [VACANCIES IN TOWN OFFICES.] Special elections must be held with the town general election to fill vacancies in town offices as provided in section 367.03, subdivision 2.

Sec. 10. Minnesota Statutes 1992, section 205.13, subdivision 1, is amended to read:

Subdivision 1. [AFFIDAVIT OF CANDIDACY.] ~~Not more than~~

~~(1) eight nor less than six weeks in the case of a town, or~~

~~(2) not more than ten nor less than eight weeks, in the case of a city,~~

~~before the municipal primary, or before the municipal general election if there is no municipal primary,~~ An individual who is eligible and desires to become a candidate for an office to be voted for at the municipal general election shall file an affidavit of candidacy with the municipal clerk. The affidavit shall be in substantially the same form as that in section 204B.06, subdivision 1. The municipal clerk shall also accept an application signed by not less than five voters and filed on behalf of an eligible voter in the municipality whom they desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation. ~~The filing dates contained in this subdivision do not apply to any home rule charter city whose charter provides for earlier filing dates.~~

Sec. 11. Minnesota Statutes 1992, section 205.13, is amended by adding a subdivision to read:

Subd. 1a. [FILING PERIOD.] An affidavit of candidacy for a town office to be elected in March must be filed not more than eight weeks nor less than six weeks before the town election. In municipalities nominating candidates at a municipal primary, an affidavit of candidacy for a city office or town office voted on in November must be filed not more than 70 days nor less than 56 days before the first Tuesday after the second Monday in September preceding the municipal general election. In all other municipalities, an affidavit of candidacy must be filed not more than 70 days and not less than 56 days before the municipal general election.

Sec. 12. Minnesota Statutes 1992, section 205.16, subdivision 1, is amended to read:

Subdivision 1. [PUBLICATION AND POSTING.] In every ~~statutory city and home rule charter city, the charter of which does not provide the manner of giving notice of a municipal election~~ municipality, the ~~city~~ municipal clerk shall, except as otherwise provided in this section, give two weeks' published notice, and may also give ten days' posted notice, of the election, stating the time of the election, the location of each polling place, the offices to be filled, and all propositions or questions to be voted upon at the election. In a city of the fourth class or a town not located within a metropolitan county as defined in section 473.121, the governing body may dispense with publication of the notice of the municipal general election, in which case ten days' posted notice shall be given. The ~~city~~ municipal clerk shall also post a copy of the notice in the clerk's office for public inspection.

Sec. 13. Minnesota Statutes 1992, section 205.16, subdivision 2, is amended to read:

Subd. 2. [SAMPLE BALLOT, PUBLICATION.] ~~In all statutory and home rule charter cities,~~ For every municipal election, the ~~city~~ municipal clerk shall, at least one week before the election, publish a sample ballot in the official newspaper of the ~~city~~ municipality, except that the governing body of a fourth class city or a town not located within a metropolitan county as defined in section 473.121 may dispense with publication.

Sec. 14. Minnesota Statutes 1992, section 205.17, subdivision 4, is amended to read:

Subd. 4. [BLUE BALLOTS; QUESTIONS.] All questions relating to the adoption of a city charter or charter amendments ~~or~~, a proposition for the issuance of bonds, and all other questions relating to city or town affairs submitted at an election to the voters of the municipality, shall be printed on one separate blue ballot and shall be prepared, printed and distributed under the direction of the ~~city~~ municipal clerk at the same time and in the same manner as other municipal ballots. The ballots, when voted, shall be deposited in a separate blue ballot box provided by the local authorities for each voting precinct. The ballots shall be canvassed, counted, and returned in the same manner as other municipal ballots. The returns shall provide appropriate blank spaces for the counting, canvassing and returning of the results of the questions submitted on the blue ballot.

Sec. 15. Minnesota Statutes 1992, section 205.175, is amended to read:

205.175 [VOTING HOURS.]

Subdivision 1. [~~CITIES~~ MINIMUM VOTING HOURS.] In all ~~statutory and home rule charter city~~ municipal elections, the ~~governing body of the city, by resolution adopted prior to giving notice of the election, may designate the time, in no event less than three hours, during which the~~ polling places will remain open for voting ~~at the next succeeding and all subsequent municipal elections, until the resolution is revoked. Cities covered by this subdivision shall certify their election hours to the county auditor upon adoption of the resolution giving notice of the election~~ from 5:00 p.m. to 8:00 p.m.

Subd. 2. [METROPOLITAN AREA ~~TOWNS~~ MUNICIPALITIES.] ~~At any election of town officers, in a town~~ The governing body of a municipality which is located within a metropolitan county as defined by section 473.121, ~~the town board, by resolution adopted prior to giving notice of the election,~~ may designate the time during which the polling places will remain open for voting at the next succeeding and all subsequent ~~town~~ municipal elections, provided that the polling places shall open no later than 10:00 a.m. and shall close no earlier than 8:00 p.m. The resolution shall remain in force until it is revoked by the ~~town board~~ municipal governing body.

Subd. 3. [OTHER ~~TOWNS~~ MUNICIPALITIES.] ~~In any election of town officers in a town~~ The governing body of a municipality other than a ~~town~~ municipality described in subdivision 2, ~~the town board,~~ may by resolution adopted prior to giving notice of the election, ~~may~~ designate the time, in ~~no event less than three hours~~ addition to the minimum voting hours provided in subdivision 1, during which the polling places will remain open for voting at the next succeeding and all subsequent ~~town~~ municipal elections. The resolution shall remain in force until it is revoked by the ~~town board~~ municipal governing body or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last ~~town~~ municipal election, is presented to the ~~town~~ municipal clerk no later than 30 days prior to the ~~town~~ municipal election, then the polling places for that election shall open at 10:00 a.m. and close at 8:00 p.m. The ~~town~~ municipal clerk shall give ten days notice of the changed voting hours and notify the county auditor of the change. ~~Towns~~ Municipalities covered by this subdivision shall certify their election hours to the county auditor in January of each year.

Sec. 16. Minnesota Statutes 1992, section 205A.03, subdivision 1, is amended to read:

Subdivision 1. [RESOLUTION.] The school board of a school district may, by resolution adopted ~~at least 12 weeks before the next school district general election~~ by June 1 of any year, decide to choose nominees for school district elective offices by a primary as provided in subdivisions 1 to 6. The resolution, when adopted, is effective for all ensuing elections of board members in that school district until it is revoked.

Sec. 17. Minnesota Statutes 1992, section 205A.03, subdivision 2, is amended to read:

Subd. 2. [DATE.] The school district primary must be held ~~at a time designated by the school board in the resolution adopting the primary system, but no later than six weeks before~~ on the first Tuesday after the second Monday in September in the year when the school district general election is held. The clerk shall give notice of the primary in the manner provided in section 205A.07.

Sec. 18. Minnesota Statutes 1992, section 205A.04, subdivision 1, is amended to read:

Subdivision 1. [SCHOOL DISTRICT GENERAL ELECTION.] ~~Except as may be provided in a special law or charter provision to the contrary,~~ The general election in each school district must be held on the ~~third Tuesday in May, unless the school board provides by resolution for holding the school district general election on the~~ first Tuesday after the first Monday in November of either the odd-numbered or the even-numbered year. ~~When the time of a school district's general election is changed from May to November, the terms of all board members shall be lengthened to expire on January 1; when the time of a school district's general election is changed from November to May, the terms of all board members shall be shortened to expire on July 1. Whenever the time of a school district election is changed, the school district clerk shall immediately notify in writing the county auditor or auditors of the counties in which the school district is located and the secretary of state of the change of date.~~

Sec. 19. Minnesota Statutes 1992, section 205A.06, subdivision 1, is amended to read:

Subdivision 1. [AFFIDAVIT OF CANDIDACY.] ~~Not more than ten nor less than eight weeks before a school district primary, or before the school district general election if there is no school district primary,~~ An individual who is eligible and desires to become a candidate for an office to be voted on at the election must file an affidavit of candidacy with the school district clerk. The affidavit must be in substantially the same form as that in section 204B.06, subdivision 1. The school district clerk shall also accept an application signed by at least five voters and filed on behalf of an eligible voter in the school district whom they desire to be a candidate, if service of a copy of the application has been made on the candidate and proof of service is endorsed on the application being filed. No individual shall be nominated by nominating petition for a school district elective office except in the event of a vacancy in nomination as provided in section 205A.03, subdivision 6. Upon receipt of the proper filing fee, the clerk shall place the name of the candidate on the official ballot without partisan designation.

Sec. 20. Minnesota Statutes 1992, section 205A.06, is amended by adding a subdivision to read:

Subd. 1a. [FILING PERIOD.] In school districts nominating candidates at a school district primary, affidavits of candidacy may be filed with the school district clerk no earlier than the 70th day and no later than the 56th day before the first Tuesday after the second Monday in September in the year when the school district general election is held. In all other school districts, affidavits of candidacy must be filed not more than 70 days and not less than 56 days before the school district general election.

Sec. 21. Minnesota Statutes 1992, section 205A.09, subdivision 2, is amended to read:

Subd. 2. [OTHER SCHOOL DISTRICTS.] At a school district election in a school district other than one described in subdivision 1, the school board, by resolution adopted before giving notice of the election, may designate the time, ~~in no event less than three hours,~~ during which the polling places will remain open for voting at the next succeeding and all later school district elections. All polling places must be open between the hours of 5:00 p.m. and 8:00 p.m. The resolution must remain in force until it is revoked by the school board or changed because of request by voters as provided in this subdivision. If a petition requesting longer voting hours, signed by a number of voters equal to 20 percent of the votes cast at the last school district election, is presented to the school district clerk no later than 30 days before a school district election, then the polling places for that election must open at 10:00 a.m. and close at 8:00 p.m. The school district clerk must give ten days' published notice and posted notice of the changed voting hours and notify appropriate county auditors of the change.

Sec. 22. Minnesota Statutes 1993 Supplement, section 206.90, subdivision 6, is amended to read:

Subd. 6. [BALLOTS.] In precincts using optical scan voting systems, a single ballot card on which all ballot information is included must be printed in black ink on white ~~or buff~~ colored material except that marks not to be read by the automatic tabulating equipment may be printed in another color ink. ~~If more than one ballot card is required, the cards must, so far as practicable, be of the same color as is required for paper ballots.~~

When optical scan ballots are used, the offices to be elected must appear in the following order: federal offices; state legislative offices; constitutional offices; proposed constitutional amendments; county offices and questions; municipal offices and questions; school district offices and questions; special district offices and questions; and judicial offices.

Sec. 23. Minnesota Statutes 1992, section 365.51, subdivision 1, is amended to read:

Subdivision 1. [WHEN; BAD WEATHER.] A town's annual town meeting must be held on the second Tuesday of March at the place named by the last annual town meeting. If no place was named then, the meeting must be held at the place named by the town board. The place may be outside the town if the place is within five miles of a town boundary. If there is bad weather on the day of the meeting and election in March, the town board shall set the meeting and election for the third Tuesday in March. If there is bad weather on the third Tuesday in March, the town board shall set another date for the meeting and election within 30 days of the third Tuesday in March. If the meeting and election are postponed, the notice requirements in subdivision 2 shall apply to the postponed meeting and election.

The balloting of the town election must be concluded on the same day the election is commenced.

Sec. 24. Minnesota Statutes 1992, section 365.51, subdivision 3, is amended to read:

Subd. 3. [OFFICERS; OTHER BUSINESS.] An annual town election shall be held on the same day as the annual town meeting to elect all town officers required by law to be elected, except as provided in section 205.075, subdivision 2. Other town business shall be conducted at the town meeting as provided by law.

Sec. 25. Minnesota Statutes 1992, section 367.03, as amended by Laws 1993, chapter 24, section 1, is amended to read:

367.03 [OFFICERS ELECTED AT ANNUAL ELECTION; VACANCIES.]

Subdivision 1. [~~OFFICERS~~ SUPERVISORS, TERMS.] Except in towns operating under option A or in towns operating as provided in subdivision 4, three supervisors shall be elected in each town at the town general election as provided in this section. Each supervisor shall be elected for a term of three years.

Subd. 2. [NEW TOWNS.] When a new town is organized and supervisors are elected at a town meeting prior to the annual town election, they shall serve only until the next annual town election. At that election three supervisors shall be elected, one for three years, one for two years, and one for one year, so that the term of one shall expire each year. The number of years for which each is elected shall be indicated on the ballot.

Subd. 3. [SUPERVISORS; TOWNS UNDER OPTION A.] When two supervisors are to be elected for three-year terms under option A, a candidate shall indicate on the affidavit of candidacy which of the two offices the candidate is filing for. At following annual town elections one supervisor shall be elected for three years to succeed the one whose term expires at that time and shall serve until a successor is elected and qualified.

Subd. 4. [OFFICERS; METROPOLITAN TOWNS.] Supervisors and other town officers in towns located in the metropolitan area as defined in section 473.121 that hold the town general election in November shall be elected for terms of four years and until their successors are elected and qualified. The clerk and treasurer shall be elected in alternate years.

Subd. 5. [ELECTION OF CLERK, TREASURER.] Except in towns operating under option B or option D, or both, or in towns operating as provided in subdivision 4, at the annual town election in even-numbered years one town clerk and at the annual town election in odd-numbered years one town treasurer shall be elected. The clerk and treasurer each shall serve for two years and until their successors are elected and qualified.

Subd. ~~2~~ 6. [VACANCIES.] When a vacancy occurs in a town office, the town board shall fill the vacancy by appointment. The person appointed shall hold office until the next annual town election, when a successor shall be elected for the unexpired term. A vacancy in the office of supervisor shall be filled by the remaining supervisors and the town clerk until the next annual town election, when a successor shall be elected for the unexpired term. When, because of a vacancy, more than one supervisor is to be chosen at the same election, candidates for the offices of supervisor shall file for one of the specific terms being filled. Law enforcement vacancies shall be filled by appointment by the town board.

Sec. 26. [TRANSITION SCHEDULE FOR EVEN-YEAR ELECTIONS.]

Subdivision 1. [APPLICATION.] The transition schedule in this section applies to political subdivisions that choose, before January 1, 1995, to conduct their primary and general elections in the even-numbered years. A political subdivision that later determines to change from an odd-numbered year election to an even-numbered year election may do so by adoption of a new resolution or ordinance that contains an orderly plan for the transition.

Subd. 2. [CITY OFFICES.] For city officials elected in 1995, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 1999 or on the first Monday in January of 2001. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1995 must expire in January of 1999. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1995.

The terms of all city officials elected at a general election in 1996 expire on the first Monday in January of 2001. The terms of all city officials elected at a general election in 1998 expire on the first Monday in January of 2003.

For city officials elected in 1997, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 2001 or on the first Monday in January of 2003. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1997 must expire in January 2001. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1997.

Subd. 3. [SCHOOL BOARD MEMBERS.] The terms of all school board members elected in 1996 expire on the first Monday in January of 2001. The terms of all school board members elected in 1998 expire on the first Monday in January of 2003.

The terms of office of school board members elected in 1995 expire on the first Monday in January of 1999 or 2001, as provided in this paragraph. The governing body of the school district shall select by lot the board members whose terms will expire in January of 1999 or January of 2001. To the extent practicable, one-half of the members elected in 1995 must expire in January of 1999. The governing body of the school district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1995.

The terms of office of school board members elected in 1997 expire on the first Monday in January of 2001 or 2003, as provided in this paragraph. The governing body of the school district shall select by lot the board members whose terms will expire in January of 2001 or January of 2003. To the extent practicable, one-half of the members elected in 1997 must expire in January of 2001.

Subd. 4. [SPECIAL DISTRICT OFFICES.] The terms of office of special district officials elected in 1995 expire on the first Monday in January of 1999 or 2001, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 1999 or January of 2001. To the extent practicable, the terms of one-half of the officials to be elected in 1995 must expire in January of 1999. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1995.

The terms of all special district officials elected in 1996 expire on the first Monday in January of 2001. The terms of all special district officials elected in 1998 expire on the first Monday in January of 2003.

The terms of office of special district officials elected in 1997 expire on the first Monday in January of 2001 or 2003, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 2001 or January of 2003. To the extent practicable, the terms of one-half of the officials to be elected in 1997 must expire in January of 2001. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1997.

Sec. 27. [TRANSITION SCHEDULE FOR ODD-YEAR ELECTIONS.]

Subdivision 1. [APPLICATION.] The transition schedule in this section applies to political subdivisions that do not choose, before January 1, 1995, to conduct their primary and general elections in the even-numbered years. A political subdivision that later determines to change from an even-numbered year election to an odd-numbered year election may do so by adoption of a new resolution or ordinance that contains an orderly plan for the transition.

Subd. 2. [CITY OFFICES.] For city officials elected in 1996, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 2000 or on the first Monday in January of 2002. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1996 must expire in January of 2000. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1996.

The terms of all city officials elected at a general election in 1997 expire on the first Monday in January of 2002. The terms of all city officials elected at a general election in 1999 expire on the first Monday in January of 2004.

For city officials elected in 1998, the governing body of the city shall select by lot the officials whose terms of office will expire on the first Monday in January of 2002 or on the first Monday in January of 2004. To the extent practicable, the terms of one-half of the members of the governing body to be elected in 1998 must expire in January 2002. The governing body of the city must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1998.

Subd. 3. [SCHOOL BOARD MEMBERS.] The terms of all school board members elected in 1997 expire on the first Monday in January of 2002. The terms of all school board members elected in 1999 expire on the first Monday in January of 2004.

The terms of office of school board members elected in 1996 expire on the first Monday in January of 2000 or 2002, as provided in this paragraph. The governing body of the school district shall select by lot the board members whose terms will expire in January of 2000 or January of 2002. To the extent practicable, one-half of the members elected in 1996 must expire in January of 2000. The governing body of the school district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1996.

Subd. 4. [SPECIAL DISTRICT OFFICES.] The terms of office of special district officials elected in 1996 expire on the first Monday in January of 2000 or 2002, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 2000 or January of 2002. To the extent practicable, the terms of one-half of the officials to be elected in 1996 must expire in January of 2000. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1996.

The terms of all special district officials elected in 1997 expire on the first Monday in January of 2002. The terms of all special district officials elected in 1999 expire on the first Monday in January of 2004.

The terms of office of special district officials elected in 1998 expire on the first Monday in January of 2002 or 2004, as provided in this paragraph. The governing body of the district shall select by lot the officials whose terms will expire in January of 2002 or January of 2004. To the extent practicable, the terms of one-half of the officials to be elected in 1998 must expire in January of 2002. The governing body of the district must complete the selection required by this paragraph no later than 30 days before the first day to file affidavits of candidacy for the election in 1998.

Sec. 28. [REPEALER.]

Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 205A.04, subdivision 2, are repealed.

Sec. 29. [EFFECTIVE DATE.]

Sections 4, 6, and 17 to 20 are effective on January 1, 1998. Section 2 is effective for school board members elected after January 1, 1995."

Delete the title and insert:

"A bill for an act relating to elections; providing uniform local election procedures; requiring regular city elections to be held in the fall; permitting certain town elections to be held in November; making uniform certain local government procedures; changing school district election requirements; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 205.02, subdivision 2; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, subdivision 1, and by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 205A.03, subdivisions 1 and 2; 205A.04, subdivision 1; 205A.06, subdivision 1, and by adding a subdivision; 205A.09, subdivision 2; 365.51, subdivisions 1 and 3; and 367.03, as amended; Minnesota Statutes 1993 Supplement, section 206.90, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 205; repealing Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 205A.04, subdivision 2."

We request adoption of this report and repassage of the bill.

Senate Conferees: WILLIAM P. LUTHER, JOHN MARTY AND GARY W. LAIDIG.

House Conferees: TOM OSTHOFF, LOREN A. SOLBERG AND RON ABRAMS.

Osthoff moved that the report of the Conference Committee on S. F. No. 1512 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

S. F. No. 1512, A bill for an act relating to elections; providing uniform local election procedures; requiring regular city elections to be held in the fall; permitting town elections to be held in November; making uniform certain local government procedures; providing for the identification of judicial offices; authorizing special elections to be conducted by mail ballot; amending Minnesota Statutes 1992, sections 103C.305, subdivision 2; 123.33, subdivision 1; 204B.14, subdivision 8; 204B.36, subdivision 4; 205.02, subdivision 2; 205.065, subdivisions 1 and 2; 205.07, subdivision 1; 205.10, by adding a subdivision; 205.13, subdivision 1, and by adding a subdivision; 205.16, subdivisions 1 and 2; 205.17, subdivision 4; 205.175; 206.90, subdivision 6; 365.51, subdivisions 1 and 3; and 367.03; proposing coding for new law in Minnesota Statutes, chapter 204D; repealing Minnesota Statutes 1992, sections 205.065, subdivision 3; 205.18; 205.20; and 410.21.

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 111 yeas and 21 nays as follows:

Those who voted in the affirmative were:

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

Those who voted in the negative were:

Anderson, R.	Erhardt	Gruenes	Johnson, V.	Ness	Stanius	Tunheim
Dehler	Girard	Haukoos	Kalis	Onnen	Sviggum	Vickerman
Dempsey	Goodno	Hugoson	Koppendrayer	Rhodes	Swenson	Waltman

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

The following Conference Committee Reports were received:

CONFERENCE COMMITTEE REPORT ON 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.

May 6, 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. 2189, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 2189 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

GENERAL EDUCATION REVENUE

Section 1. Minnesota Statutes 1993 Supplement, section 16A.152, subdivision 2, is amended to read:

Subd. 2. [ADDITIONAL REVENUES; PRIORITY.] If on the basis of a forecast of general fund revenues and expenditures the commissioner of finance determines that there will be a positive unrestricted budgetary general fund balance at the close of the biennium, the commissioner of finance must allocate money to the budget reserve and cash flow account until the total amount in the account equals five percent of total general fund appropriations for the current biennium as established by the most recent legislative session. Beginning July 1, 1993, forecast unrestricted budgetary general fund balances are first appropriated to restore the budget reserve and cash flow account to $500,000,000 and then to reduce the property tax levy recognition percent under section 121.904, subdivision 4a, to zero before money is allocated to the budget reserve and cash flow account under the preceding sentence. $180,000,000 of the budget reserve and cash flow account shall be dedicated to elementary and secondary education.

The amounts necessary to meet the requirements of this section are appropriated from the general fund.

Sec. 2. Minnesota Statutes 1993 Supplement, section 121.904, subdivision 4a, is amended to read:

Subd. 4a. [LEVY RECOGNITION.] (a) "School district tax settlement revenue" means the current, delinquent, and manufactured home property tax receipts collected by the county and distributed to the school district, including distributions made pursuant to section 279.37, subdivision 7, and excluding the amount levied pursuant to ~~sections 124.2721, subdivision 3; 124.575, subdivision 3; and~~ section 124.914, subdivision 1~~; and Laws 1976, chapter 20, section 4~~.

(b) In June of each year, the school district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the May, June, and July school district tax settlement revenue received in that calendar year; or

(2) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, which are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year plus ~~50.0~~ 37.4 percent for fiscal year 1994 and thereafter of the amount of the levy certified in the prior calendar year according to section 124A.03, subdivision 2, plus or minus auditor's adjustments, not including levy portions that are assumed by the state; or

(3) ~~50.0~~ 37.4 percent for fiscal year 1994 and thereafter of the amount of the levy certified in the prior calendar year, plus or minus auditor's adjustments, not including levy portions that are assumed by the state, which remains after subtracting, by fund, the amounts levied for the following purposes:

(i) reducing or eliminating projected deficits in the reserved fund balance accounts for unemployment insurance and bus purchases;

(ii) statutory operating debt pursuant to section 124.914, subdivision 1~~, and Laws 1976, chapter 20, section 4~~;

(iii) retirement and severance pay pursuant to sections 122.531, subdivision 9, 124.2725, subdivision 15, 124.4945, 124.912, subdivision 1, and 124.916, subdivision 3, and Laws 1975, chapter 261, section 4;

(iv) amounts levied for bonds issued and interest thereon, amounts levied for debt service loans and capital loans, amounts levied for down payments under section 124.82, subdivision 3, and amounts levied pursuant to section 136C.411; and

(v) amounts levied under section 124.755.

(c) In July of each year, the school district shall recognize as revenue that portion of the school district tax settlement revenue received in that calendar year and not recognized as revenue for the previous fiscal year pursuant to clause (b).

(d) All other school district tax settlement revenue shall be recognized as revenue in the fiscal year of the settlement. Portions of the school district levy assumed by the state, including prior year adjustments and the amount to fund the school portion of the reimbursement made pursuant to section 273.425, shall be recognized as revenue in the fiscal year beginning in the calendar year for which the levy is payable.

Sec. 3. Minnesota Statutes 1993 Supplement, section 121.904, subdivision 4c, is amended to read:

Subd. 4c. [PROPERTY TAX SHIFT REDUCTION.] (a) Money ~~made available~~ appropriated under section 16A.152, subdivision 2, must be used to reduce the levy recognition percent specified in subdivision 4a, clauses (b)(2) and (b)(3), for taxes payable in the succeeding calendar year.

(b) The levy recognition percent shall equal the result of the following computation: the current levy recognition percent, times the ratio of

(1) the statewide total amount of levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1, reduced by the difference between the amount of money ~~made available~~ appropriated under section 16A.152, subdivision 2, and the amount required for the adjustment payment under clause (d), to

(2) the statewide total amount of the levy recognized in June of the year in which the taxes are payable pursuant to subdivision 4a, clause (b), excluding those levies that are shifted for revenue recognition but are not included in the computation of the adjustment to aids under section 124.155, subdivision 1.

The result shall be rounded up to the nearest ~~whole~~ one-tenth of a percent. However, in no case shall the levy recognition percent be reduced below zero or increased above the current levy recognition percent.

(c) The commissioner of finance must certify to the commissioner of education the levy recognition percent computed under this subdivision by January 5 of each year. The commissioner of education must notify school districts of a change in the levy recognition percent by January 15.

(d) For fiscal years 1994 and 1995, when the levy recognition percent is reduced as provided in this subdivision, a special adjustment payment shall be made to each school district with an operating referendum levy that received an aid reduction under Laws 1991, chapter 265, article 1, section 31, or Laws 1992, chapter 499, article 1, section 22. The special adjustment payment shall be in addition to the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. The amount of the special adjustment payment shall be computed by the commissioner of education such that any remaining portion of the aid reduction these districts received that has not been repaid is repaid on a proportionate basis as the levy recognition percent is reduced from 50 percent to 31 percent. The special adjustment payment must be included in the state aid payments to school districts according to the schedule specified in section 124.195, subdivision 3. An additional adjustment shall be made on June 30, 1995, for the final payment otherwise due July 1, 1995, under Minnesota Statutes 1992, section 136C.36.

(e) The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education, the amounts needed to finance the additional payments required because of the reduction pursuant to this subdivision of the levy recognition percent. Payments to a school district of additional state

aids resulting from a reduction in the levy recognition percent must be included in the cash metering of payments made according to section 124.195 after January 15, and must be paid in a manner consistent with the percent specified in that section.

Sec. 4. Minnesota Statutes 1992, section 121.904, subdivision 4e, is amended to read:

Subd. 4e. [COOPERATION LEVY RECOGNITION.] (a) A cooperative district is a district or cooperative that receives revenue according to section 124.2721 or 124.575.

(b) In June of each year, the cooperative district shall recognize as revenue, in the fund for which the levy was made, the lesser of:

(1) the sum of the state aids and credits enumerated in section 124.155, subdivision 2, that are for the fiscal year payable in that fiscal year plus an amount equal to the levy recognized as revenue in June of the prior year; or

(2) ~~50.0~~ 37.4 percent for fiscal year 1994 of the difference between

(i) the sum of the amount of levies certified in the prior year according to sections 124.2721, subdivision 3, and 124.575, subdivision 3; and

(ii) the amount of homestead and agricultural credit aid paid to the cooperative unit according to section 273.1392 for the fiscal year to which the levy is attributable.

Sec. 5. 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~~, and changes to credits for prior year adjustments according to section 273.1398, ~~subdivision~~ subdivisions 2, 3, 4, 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. 6. 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~~ .515 of a pupil unit for fiscal year 1994 and .53 of a pupil unit for fiscal year 1995 and thereafter.

(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. 7. 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~~

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

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~~	12.75
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~~	16.50
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. 8. Minnesota Statutes 1992, section 124.195, subdivision 3a, is amended to read:

Subd. 3a. [APPEAL.] The commissioner in consultation with the commissioner of finance may revise the payment dates and percentages in subdivision 3 for a district if it is determined that there is an emergency or there are serious cash flow problems in the district that cannot be resolved by issuing warrants or other forms of indebtedness ~~or if the commissioner determines that excessive short-term borrowing costs will be incurred by a district, because of the increase in the levy recognition percentage from 37 percent to 50 percent according to section 121.904, subdivisions 4a and 4e, and the district can document substantial harm to instructional programs due to these costs~~. The commissioner shall establish a process and criteria for school districts to appeal the payment dates and percentages established in subdivision 3.

Sec. 9. 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

Payment 3	August 15:	12.75 percent
Payment 4	August 30:	15.00 percent
Payment 5	September 15:	17.25 percent
Payment 6	September 30:	19.50 percent
Payment 7	October 15:	21.75 percent

Sec. 10. 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. 11. 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. 12. Minnesota Statutes 1993 Supplement, section 124.961, is amended to read:

124.961 [DEBT SERVICE APPROPRIATION.]

(a) ~~$6,000,000 is appropriated in fiscal year 1993 from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95.~~ $17,000,000 in fiscal year 1994 ~~and~~, $26,000,000 in fiscal year 1995, and $31,600,000 in fiscal year 1996 and each year thereafter is appropriated from the general fund to the commissioner of education for payment of debt service equalization aid under section 124.95. The 1994 appropriation includes $3,000,000 for 1993 and $14,000,000 for 1994.

(b) The appropriations in paragraph (a) must be reduced by the amount of any money specifically appropriated for the same purpose in any year from any state fund.

Sec. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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:

(1) for a newly reorganized district created effective July 1, 1994, the referendum revenue reduction equals 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

(2) for a newly reorganized district created after July 1, 1994, the referendum revenue reduction equals 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. 20. [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. The maximum length of a referendum converted under this paragraph is ten years.

(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. 21. 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. 22. 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. For a district in which there is located land defined in section 84A.01, 84A.20, or 84A.31, the distance in miles is the sum of:

(1) the square root of one-half of the attendance area; and

(2) the distance from the border of the district to 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. For a building in a district where the nearest elementary school is at least 65 miles distant, pupils served shall be used to determine average daily membership.

Sec. 23. 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. 24. 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. 25. 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 one-half of the number of kindergarten ~~pupil units~~ 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. 26. Minnesota Statutes 1993 Supplement, section 124A.23, subdivision 1, is amended to read:

Subdivision 1. [GENERAL EDUCATION TAX RATE.] The commissioner shall establish the general education tax rate by July 1 of each year for levies payable in the following year. The general education tax capacity rate shall be a rate, rounded up to the nearest tenth of a percent, that, when applied to the adjusted net tax capacity for all districts, raises the amount specified in this subdivision. The general education tax rate shall be the rate that raises ~~$969,800,000 for fiscal year 1994,~~ $1,044,000,000 for fiscal year 1995 and $1,054,000,000 for fiscal year 1996 and later fiscal years. The general education tax rate may not be changed due to changes or corrections made to a district's adjusted net tax capacity after the tax rate has been established.

Sec. 27. 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. 28. Minnesota Statutes 1992, section 124A.28, is amended by adding a subdivision to read:

Subd. 1a. [BUILDING ALLOCATION.] A district must consider the concentration of children from low-income families in each school building in the district when allocating compensatory revenue.

Sec. 29. Laws 1993, chapter 224, article 1, section 38, is amended to read:

Sec. 38. [TAX CREDIT ADJUSTMENT.]

Prior to the computation of homestead and agricultural aid for taxes payable in 1994, the commissioner of revenue shall reduce a school district's homestead and agricultural aid by an amount equal to the homestead and agricultural aid for calendar year 1993 times the ratio of referendum levy certified for 1993 to the certified unequalized levies for 1993. The department of education shall determine the change in referendum levies payable in 1994 attributable to this section and the increase in equalization under sections 8 and 9. Notwithstanding any law to the contrary, a district may recognize ~~revenue~~ an additional amount as the levy certified in the prior calendar year equal to ~~one-half~~ 37.4 percent for fiscal year 1994 and thereafter of the levy reduction in the fiscal year the levy is certified and each year thereafter. No aids shall be reduced as a result of this recognition.

Sec. 30. 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, pursuant to 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. 31. Laws 1993, chapter 224, article 15, section 3, is amended to read:

Sec. 3. [FISCAL YEAR 1996 AND FISCAL YEAR 1997 APPROPRIATIONS.]

(a) The appropriations for the 1996-1997 biennium for programs contained in this bill will be $2,770,488,000 for fiscal year 1996 and $2,953,102,000 for fiscal year 1997, plus or minus any adjustments due to variance in pupil forecasts, levies or other factors generating entitlements for the general revenue program established in Minnesota Statutes, section 124A.04. These amounts will first be allocated to fully fund the general revenue program. Amounts remaining will be allocated to other programs in proportion to the fiscal year 1995 appropriations or the entitlements generated by existing law for those programs for each year, up to the amount of the entitlement or the fiscal year 1995 appropriations. Any amounts remaining after allocation to these other programs may be maintained in a reserve account pending recommendations of the governor and legislature in the 1995 session.

(b) Of the fiscal year 1997 appropriation limit, $35,000,000 is reallocated to the fiscal year 1996 appropriation limit. For fiscal year 1996, the allocations for special education aid, capital expenditure health and safety aid, and debt service equalization aid as determined according to paragraph (a) are increased by $26,500,000, $3,700,000, and $4,800,000 respectively.

Sec. 32. [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. 33. [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. 34. [ADJUSTMENTS.]

Notwithstanding Minnesota Statutes, section 124.14, any excess appropriations for fiscal year 1993 not otherwise allocated to special education aid programs, abatement aid, and adult graduation aid under Minnesota Statutes, sections 124.214, 124.261, 124.273, 124.32, 124.321, 124.322, and 124.574 shall be allocated to programs under Minnesota Statutes, section 124.261, 124.273, 124.32, 124.321, 124.322, and 124.574. If the excess that is allocated for fiscal year 1993 to any programs specified in this section exceeds the deficiencies for that year, these differences shall remain in those accounts and shall be used to reduce deficiencies for fiscal year 1995 for programs under Minnesota Statutes, sections 124.273, 124.32, 124.322, and 124.574. Notwithstanding any law to the contrary, these amounts shall be reallocated prior to the addition of any other aids that may be available for that purpose.

Sec. 35. [SUPPLEMENTAL REVENUE REDUCTION.]

For fiscal year 1995 only, if a district's ratio of 1992 adjusted net tax capacity divided by 1994-1995 actual pupil units to the equalizing factor is less than or equal to .25, then the difference under Minnesota Statutes, section 124A.22, subdivision 9, clause (2), is equal to $50 for purposes of computing the district's supplemental revenue under Minnesota Statutes, section 124A.22, subdivision 8. For purposes of computing the referendum allowance reduction under Minnesota Statutes, section 124A.03, subdivision 3b, the supplemental revenue reduction shall be computed according to Minnesota Statutes, section 124A.22, subdivision 9.

Sec. 36. [PEQUOT LAKES; DELAY IN AID REPAYMENT.]

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. Notwithstanding Minnesota Statutes, section 124.155, subdivision 1, aids for independent school district No. 186, Pequot Lakes, shall not be adjusted for fiscal years 1991 and 1992 for pupils transferring into the district under Minnesota Statutes, section 120.062.

Sec. 37. [LEVY RECOGNITION ADJUSTMENT PAYMENT; TRANSFER OF FUNDS.]

The commissioner of finance shall transfer from the general fund to the education aids appropriations specified by the commissioner of education or the state board defined in section 136C.03 the amounts needed to finance the adjustment to aids required under Minnesota Statutes, section 124.155, resulting from the reduction of the levy recognition percent in Minnesota Statutes, section 121.904, subdivisions 4a and 4e, and the additional payments required under Minnesota Statutes, section 121.904, subdivision 4c, paragraph (d). This transfer of funds is required to ensure that the property tax shift reduction for fiscal year 1994 under Minnesota Statutes, section 16A.152, subdivision 2, as certified by the commissioner of finance according to Minnesota Statutes, section 121.904, subdivision 4c, paragraph (c), is funded for the amount certified.

Sec. 38. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.]

For fiscal year 1995 only, additional basic general education aid is $17.10 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. 39. [SAVINGS CLAUSE.]

(a) On or before July 1, 1999, a municipality, as defined in Minnesota Statutes, section 469.174, subdivision 6, may by resolution of its governing body designate an issue of outstanding or proposed tax increment bonds as protected bonds. Tax increment bonds which are general obligations and bonds issued to reimburse a party for costs of a project and interest thereon may not be designated as protected bonds. For taxes levied in 1999 and thereafter, the municipality shall levy a tax on all taxable property within the municipality to pay or secure the payment of principal and interest on protected bonds. The tax must be levied in an amount equal to the amount by which the tax increment available to pay the protected bonds was reduced as a result of the repeal set forth in section Laws 1992, chapter 499, article 7, section 31. For purposes of calculating the amount of the tax increment reduction, the tax rate imposed in 1998 by the school district in which the tax increment financing district is located is assumed to apply, except that the tax rate for the school district under section 469.177, subdivision 1a, applies if the tax increment financing district is subject to that provision. The proceeds of the tax levied under this section shall be treated as tax increment derived from the tax increment financing district for all purposes under sections 469.174 to 469.179, provided that the taxes must be remitted to the municipality for deposit in its general fund to the extent the taxes are not used to pay or secure payment of the protected bonds.

(b) For purposes of making estimates prior to July 1, 1999, of future collections of tax increment, the municipality may disregard Laws 1992, chapter 499, article 7, section 31.

(c) An amendment or repeal of this section does not constitute an impairment of any bonds issued before the effective date of this section.

Sec. 40. [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: $3,667,000

(b) For fiscal year 1995: ($35,204,000)

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 year designated.

Subd. 2. [RICHFIELD LAND PURCHASE COMPENSATION.] For a grant to independent school district No. 280, Richfield, to compensate the district for the relocation of pupils due to the purchase of homes by the metropolitan airports commission:

$500,000 1995

Subd. 3. [ONE ROOM SCHOOLHOUSE.] For a grant to independent school district No. 690, Warroad, to open and operate the Angle Inlet School:

$50,000 1995

Subd. 4. [ADDITIONAL GENERAL EDUCATION AID; STAFF DEVELOPMENT.] For general education aid according to section 38:

$15,550,000 1995

Notwithstanding Minnesota Statutes, section 124.195, subdivision 10, 100 percent of this appropriation must be paid in fiscal year 1995.

Sec. 42. [REPEALER.]

Laws 1993, chapter 224, article 1, section 37, is repealed.

Sec. 43. [EFFECTIVE DATE.]

(a) Sections 21 and 24; 30; 32; 33; 36; 40; and 41 are effective the day following final enactment.

(b) Sections 6 and 25 are effective for fiscal year 1994 and thereafter.

(c) Section 18 is effective for taxes payable in 1995 and later years.

(d) Section 1 is effective July 1, 1995.

(e) Sections 2 to 4; 29; and 37 are effective retroactive to January 1, 1994, and apply to aid payments for fiscal years 1994 and later. However, the levy recognition percent for taxes payable in 1994 is set by this article at 37.4 percent, and shall not be recomputed for taxes payable in 1994 under the provisions of section 3, paragraph (b).

(f) Sections 11; 19; and 24 are effective for revenue for the 1994-1995 school year and thereafter.

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. 3. 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.

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 SCHOOL AID.] For transportation aid to independent school district No. 4005, Metro Deaf School:

$21,000	.....	1994
$68,000	.....	1995

Notwithstanding Minnesota Statutes, sections 120.064 and 124.248, or other law, the state 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 DATE.]

Sections 6 to 8 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 may not charge a fee to search for or to retrieve the educational records. An agency or institution that receives a request for copies of the educational records of a child with a disability may charge a fee that reflects 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 exercise their right to inspect and review those 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 3, is amended to read:

Subd. 3. [RULES OF THE STATE BOARD.] (a) The state board shall promulgate rules relative to qualifications of essential personnel, courses of study, methods of instruction, pupil eligibility, size of classes, rooms, equipment, supervision, parent consultation, and any other rules it deems necessary for instruction of children with a disability. These rules shall provide standards and procedures appropriate for the implementation of and within the limitations of subdivisions 3a and 3b. These rules shall also provide standards for the discipline, control, management and protection of children with a disability. The state board shall not adopt rules for pupils served in level 1, 2, or 3, as defined in Minnesota Rules, part 3525.2340, establishing either case loads or the maximum number of pupils that may be assigned to special education teachers. The state board, in consultation with the departments of health and human services, shall adopt permanent rules for instruction and services for children under age five and their families. These rules are binding on state and local education, health, and human services agencies. The state board shall adopt rules

to determine eligibility for special education services. The rules shall include procedures and standards by which to grant variances for experimental eligibility criteria. The state board shall, according to section 14.05, subdivision 4, notify a district applying for a variance from the rules within 45 calendar days of receiving the request whether the request for the variance has been granted or denied. If a request is denied, the board shall specify the program standards used to evaluate the request and the reasons for denying the request.

(b) The state's regulatory scheme should support schools by assuring that all state special education rules adopted by the state board of education result in one or more of the following outcomes:

(1) increased time available to teachers for educating students through direct and indirect instruction;

(2) consistent and uniform access to effective education programs for students with disabilities throughout the state;

(3) reduced inequalities, conflict, and court actions related to the delivery of special education instruction and services for students with disabilities;

(4) clear expectations for service providers and for students with disabilities;

(5) increased accountability for all individuals and agencies that provide instruction and other services to students with disabilities;

(6) greater focus for the state and local resources dedicated to educating students with disabilities; and

(7) clearer standards for evaluating the effectiveness of education and support services for students with disabilities.

Sec. 4. Minnesota Statutes 1993 Supplement, section 120.17, subdivision 11a, is amended to read:

Subd. 11a. [STATE INTERAGENCY COORDINATING COUNCIL.] An interagency coordinating council of at least 17, but not more than 25 members is established, in compliance with Public Law Number 102-119, section 682. The members shall be appointed by the governor. Council members shall elect the council chair. The representative of the commissioner of education may not serve as the chair. The council shall be composed of at least five parents, including persons of color, of children with disabilities under age 12, including at least three parents of a child with a disability under age seven, five representatives of public or private providers of services for children with disabilities under age five, including a special education director, county social service director, and a community health services or public health nursing administrator, one member of the senate, one member of the house of representatives, one representative of teacher preparation programs in early childhood-special education or other preparation programs in early childhood intervention, at least one representative of advocacy organizations for children with disabilities under age five, one physician who cares for young children with special health care needs, one representative each from the commissioners of commerce, education, health, human services, and jobs and training, and a representative from Indian health services or a tribal council. Section 15.059, subdivisions 2 to 5, apply to the council. The council shall meet at least quarterly.

The council shall address methods of implementing the state policy of developing and implementing comprehensive, coordinated, multidisciplinary interagency programs of early intervention services for children with disabilities and their families.

The duties of the council include recommending policies to ensure a comprehensive and coordinated system of all state and local agency services for children under age five with disabilities and their families. The policies must address how to incorporate each agency's services into a unified state and local system of multidisciplinary assessment practices, individual intervention plans, comprehensive systems to find children in need of services, methods to improve public awareness, and assistance in determining the role of interagency early intervention committees.

Each year by June 1, the council shall recommend to the governor and the commissioners of education, health, human services, commerce, and jobs and training policies for a comprehensive and coordinated system.

Notwithstanding any other law to the contrary, the state interagency coordinating council shall expire on June 30, 1997.

Sec. 5. 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. 6. 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. 7. 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. 8. Minnesota Statutes 1992, section 120.17, is amended by adding a subdivision to read:

Subd. 18. [AGENCY ACCESS TO NONPUBLIC DATA.] The commissioner of administration shall prepare a form and disseminate guidelines for state agencies, political subdivisions, and other responsible authorities to use to enable a responsible authority to allow another responsible authority access to data about a child with a disability that is classified as not public. The form and guidelines must be consistent with section 13.05, subdivision 9, and federal law, and are not subject to the rule making requirements under chapter 14.

Sec. 9. [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).

(q) "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 the state court of appeals.

(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. 10. [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. 11. Minnesota Statutes 1992, section 124.248, subdivision 3, is amended to read:

Subd. 3. [SPECIAL EDUCATION AID.] Special education aid shall be paid to an outcome-based school according to section 124.32 as though it were a school district. The school may charge tuition to the district of residence as provided in section 120.17, subdivision 4. ~~The district of residence shall levy as provided in section 275.125, subdivision 8c, as though it were participating in a cooperative.~~ The outcome-based school shall allocate its special education levy equalization revenue to the resident districts of the pupils attending the outcome-based school as though it were a cooperative, as provided in section 124.321, subdivision 2, paragraph (a), clause (1). The districts of residence shall levy as though they were participating in a cooperative, as provided in section 124.321, subdivision 3.

Sec. 12. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2b, is amended to read:

Subd. 2b. [SECONDARY VOCATIONAL AID.] A district's ~~or cooperative center's "secondary vocational aid" for~~ secondary vocational education ~~programs~~ aid for a fiscal year equals the ~~sum of the following amounts for each program~~ lesser of:

(a) ~~the greater of zero, or 75 percent of the difference between:~~

~~(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~~ $80 times the district's average daily membership in grades 10 to 12; or

(b) ~~40~~ 25 percent of approved expenditures for the following:

(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;

(2) contracted services provided by a public or private agency other than a Minnesota school district or cooperative center under subdivision 3a;

~~(2)~~ (3) necessary travel between instructional sites by licensed secondary vocational education personnel;

~~(3)~~ (4) necessary travel by licensed secondary vocational education personnel for vocational student organization activities held within the state for instructional purposes;

~~(4)~~ (5) curriculum development activities that are part of a five-year plan for improvement based on program assessment;

~~(5)~~ (6) necessary travel by licensed secondary vocational education personnel for noncollegiate credit bearing professional development; and

~~(6)~~ (7) 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.

Sec. 13. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 2e, is amended to read:

Subd. 2e. [ALLOCATION FROM COOPERATIVE CENTERS AND INTERMEDIATE DISTRICTS.] For purposes of subdivision 2b, paragraph (b), and subdivision 2f, paragraph (b), a cooperative center or an intermediate district shall allocate its approved expenditures for secondary vocational education programs among participating school districts. For purposes of subdivision 2f, paragraph (a), a cooperative center or an intermediate district shall allocate its secondary vocational aid for fiscal year 1994 among participating school districts. For 1995 and later fiscal years, secondary vocational aid for services provided by a cooperative center or an intermediate district shall be paid to the participating school district.

Sec. 14. Minnesota Statutes 1992, section 124.573, is amended by adding a subdivision to read:

Subd. 2f. [AID GUARANTEE.] Notwithstanding subdivision 2b, the secondary vocational education aid for a school district is not less than the lesser of:

(a) 95 percent of the secondary vocational education aid the district received for the previous fiscal year; or

(b) 40 percent of the approved expenditures for secondary vocational programs included in subdivision 2b, paragraph (b).

Sec. 15. Minnesota Statutes 1993 Supplement, section 124.573, subdivision 3, is amended to read:

Subd. 3. [COMPLIANCE WITH RULES.] Aid shall be paid under this section only for services rendered or for costs incurred in secondary vocational education programs approved by the commissioner and operated in accordance with rules promulgated by the state board. These rules shall provide minimum student-staff ratios required for a secondary vocational education program ~~in a cooperative center~~ area to qualify for this aid. The rules must not require the collection of data at the program or course level to calculate secondary vocational aid. The rules shall not require any minimum number of administrative staff, any minimum period of coordination time or extended employment for secondary vocational education personnel, or the availability of vocational student activities or organizations for a secondary vocational education program to qualify for this aid. The requirement in these rules that program components be available for a minimum number of hours shall not be construed to prevent pupils from enrolling in secondary vocational education courses on an exploratory basis for less than a full school year. The state board shall not require a school district to offer more than four credits or 560 hours of vocational education course offerings in any school year. Rules relating to secondary vocational education programs shall not incorporate the provisions of the state plan for vocational education by reference. This aid shall be paid only for services rendered and for costs incurred by essential, licensed personnel who meet the work experience requirements for licensure pursuant to the rules of the state board. Licensed personnel means persons holding a valid secondary vocational license issued by the commissioner, except that when an average of five or fewer secondary full-time equivalent students are enrolled per teacher in an approved post-secondary program at intermediate district No. 287, 916, or 917, licensed personnel means persons holding a valid vocational license issued by the commissioner or the state board

for vocational technical education. Notwithstanding section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid under this section without proceeding under section 124.15 at any time. To do so, the commissioner must determine that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 16. 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. 17. [125.1895] [SKILLED SCHOOL INTERPRETERS.]

Subdivision 1. [REQUIREMENTS FOR AMERICAN SIGN LANGUAGE/ENGLISH INTERPRETERS.] 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 or part-time 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 the state board of education; and

(2) satisfactorily complete an interpreter/transliterator training program affiliated with an accredited educational institution.

Subd. 2. [ORAL OR CUED SPEECH TRANSLITERATORS.] 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 or part-time 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 the state board of education.

Subd. 3. [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. 4. [REIMBURSEMENT.] For purposes of revenue under sections 124.321 and 124.322, 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.

Sec. 18. 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. 19. Minnesota Statutes 1992, section 126.51, subdivision 1, is amended to read:

Subdivision 1. [PARENT COMMITTEE.] School boards and American Indian schools shall provide for the maximum involvement of parents of children enrolled in education programs, including language and culture education programs, programs for elementary and secondary grades, special education programs, and support services. Accordingly, the school board of a school district in which there are ten or more American Indian children enrolled and each American Indian school shall establish a parent committee. If a committee whose membership consists of a majority of parents of American Indian children has been or is established according to federal, tribal, or other state law, that committee ~~shall~~ may serve as the committee required by this section and shall be subject to, at least, the requirements of this ~~section~~ subdivision and subdivision 1a.

The parent committee shall develop its recommendations in consultation with the curriculum advisory committee required by section 126.666, subdivision 2. This committee shall afford parents the necessary information and the opportunity effectively to express their views concerning all aspects of American Indian education and the educational needs of the American Indian children enrolled in the school or program. The committee shall also address the need for adult education programs for American Indian people in the community. The school board or American Indian school shall ensure that programs are planned, operated, and evaluated with the involvement of and in consultation with parents of children served by the programs.

Sec. 20. 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. 21. 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. 22. [CERTIFICATION OF SCHOOL INTERPRETERS.]

(a) The state board of education, in consultation with the state board of teaching, interpreter/transliterator training programs, the Minnesota resource center: deaf and hard-of-hearing, the Minnesota registry of interpreters for the deaf, the Minnesota association of deaf citizens, the Minnesota commission serving deaf and hard-of-hearing people, and the deaf and hard-of-hearing services division of the department of human services, shall develop and adopt a competency-based certification system for school interpreters and transliterators. The state board shall adopt by rule the state certification system by July 1, 1997, effective for interpreters and transliterators employed after July 1, 2000.

(b) The state board of education shall conduct a study of the availability of appropriate training for school interpreters and transliterators throughout the state and the cost to the state, school districts, and their employees for training and certification. The state board shall report to the education committees of the legislature by February 1, 1995.

Sec. 23. [STATE BOARD OF EDUCATION SHALL ADOPT RULES.]

The state board of education shall propose 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. The statement of need and reasonableness under Minnesota Statutes, section 14.131, shall consider the impact of proposed changes on individual student needs and student access to necessary services. The office of administrative hearings shall hold a public hearing under Minnesota Statutes, section 14.14. The board shall adopt new rules that are effective at the beginning of the 1995-1996 school year. Any future amendments to rules adopted or amended under this section are covered by Minnesota Statutes, chapter 14.

Sec. 24. [COALITION FOR EDUCATION REFORM AND ACCOUNTABILITY; SPECIAL EDUCATION REPRESENTATION.]

Notwithstanding Laws 1993, chapter 224, article 1, section 35, subdivision 2, the panel established under Laws 1993, chapter 224, article 1, section 35, subdivision 3, shall appoint a representative of special education who is familiar with both special education services and finance. The additional member under this subdivision shall be appointed by July 1, 1994. The coalition shall also consult with the state special education advisory council in developing its recommendations.

Sec. 25. [REPORTS OF INCIDENTS OF MISBEHAVIOR IN SCHOOLS.]

(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;

(4) the actions taken by school officials to respond to the incident of misbehavior; and

(5) the duration of the suspension or expulsion.

(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.

(c) Based on the data collected, the department shall make recommendations to the legislature by March 15, 1995, for changes in the pupil fair dismissal act.

Sec. 26. [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 OF STATE BOARD OF EDUCATION RULES.] (a) The task force shall review and may recommend changes to the education committees of the legislature in the following 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) The task force shall review the case loads and number of pupils assigned to special education teachers and recommend to the legislature alternatives to prohibiting state board rules that establish caseloads or set a maximum number of pupils assigned to a special education teacher under Minnesota Statutes, section 120.17, subdivision 3. The task force must assess the financial impact of its recommendations.

(c) In making its recommendations, the task force shall consult appropriate experts.

Subd. 3. [PLAN FOR MEETING TECHNOLOGY NEEDS.] The task force shall develop a plan for meeting the information, instructional, and assistive technology needs of special education within the context of the state educational system. The task force shall make recommendations to the education committees of the legislature by January 15, 1995. The plan shall, at a minimum, address the following:

(1) identification of the various technology needs of special education;

(2) appropriate integration of special education technology needs with general education information technology;

(3) effective uses of technology for enabling special education and regular education staff to meet the needs of children with disabilities;

(4) effective uses of technology for improving the efficiency and effectiveness of special education administration, instruction, assessment, and reporting;

(5) methods for developing the appropriate technologies and making them available statewide; and

(6) costs of developing and implementing the appropriate technologies statewide.

Sec. 27. [GRADUATION RULE.]

Subdivision 1. [SPECIAL EDUCATION.] The state board of education shall consult with the state special education advisory council in developing the high school graduation rule to ensure that students with disabilities may fully participate under the rule. The state board shall ensure that state and local assessments provide for accommodations, modifications, and adaptations to meet the needs of students with disabilities; clear policies are developed for modifying graduation requirements when necessary to meet a student's needs under an individual education plan; and that state monitoring of learning sites assesses the achievement of a representative sample of all students, including students with individual learning plans.

Subd. 2. [TRANSITION OUTCOMES.] The state board of education shall include in the high school graduation rule outcomes for all students in skills for transition from school to the community, work, vocational training, and higher education. The outcome shall emphasize knowledge of life skills, skills for planning and evaluating vocational and educational choices, and state and community resources available to assist in identifying and evaluating choices. The state board shall consult with the state education and employment transitions council and the state special education advisory council in developing the outcomes.

Sec. 28. [SPECIAL EDUCATION MANUAL.]

(a) The commissioner of education shall develop a manual pertaining to 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 manual as necessary to ensure that the information contained in the manual is current. The manual 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) the rights and procedural safeguards available to students with disabilities and their parents or guardian; and

(3) best practice recommendations for school districts for policies and procedures to meet the needs of students with disabilities.

(b) The manual must be available within three months following the state board of education's adoption of state special education rules under section 23. The commissioner shall develop a plan to ensure that the manual is widely available to parents, school staff, and other interested individuals and organizations.

Sec. 29. [SCHOOL BOARD MEMBER TRAINING.]

The commissioner of education, in consultation with the Minnesota school boards association and the task force on education of children with disabilities, shall develop a model training curriculum for school board members in state and federal special education statutes, rules, and regulations, and in modifications and accommodations for students with disabilities consistent with the Individuals with Disabilities Education Act, United States Code, title 20, sections 1411 to 1420 (Part B), section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, and the Americans with Disabilities Act, Public Law Number 101-336. The model training curriculum shall be available to school board members by January 1, 1995.

Sec. 30. [SPECIAL LEVY FOR INDEPENDENT SCHOOL DISTRICT NO. 100, WRENSHALL.]

Notwithstanding Minnesota Statutes, section 124.321, or any other law to the contrary, independent school district No. 100, Wrenshall, may levy up to $40,000 for taxes payable in 1995 for excess special education expenditures or for nonregular transportation expenditures according to Minnesota Statutes, section 124.223, subdivision 4, incurred in the 1993-1994 school year. Notwithstanding Minnesota Statutes, 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 Minnesota Statutes, section 124.155.

Sec. 31. [GRANTS FOR COMMUNITY LIVING PROGRAMS FOR YOUTHS WITH DISABILITIES.]

A school district may apply to the commissioner of jobs and training for a grant to provide individualized education and training to youth with disabilities for making a transition from school to post-secondary education, work, or community living. Grantees shall provide the education and training according to the transition plan contained in youths' individual education plans. To be eligible for a grant, a district must develop its transition services in consultation with the community transition interagency committee. Grantees must use the grant to contract with a center for independent living certified under Minnesota Statutes, section 268A.11, or with another transition program the commissioner approves, to provide appropriate education and training under this section.

Sec. 32. [APPROPRIATION; GRANTS FOR COMMUNITY LIVING PROGRAMS.]

$250,000 is appropriated from the general fund in fiscal year 1995 to the commissioner of jobs and training for the purpose of providing grants under section 31. This activity must be transferred to the budget of the department of jobs and training in the next biennial budget.

Sec. 33. [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 year designated.

Subd. 2. [TASK FORCE.] For the task force on education for children with disabilities:

$25,000 1994

A portion of this appropriation may be used to pay for the costs of adopting, amending, or repealing state board of education rules according to section 23. This appropriation may not be used to compensate department staff assisting the task force in carrying out its responsibilities. This appropriation expires February 15, 1995.

Subd. 3. [STUDENT SUSPENSIONS AND EXPULSIONS STUDY.] For a study of student suspensions and expulsions:

$40,000 1995

This appropriation does not cancel.

Sec. 34. [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.

Sec. 30. [EFFECTIVE DATE.]

Sections 4, 23, 24, 26, and 33, subdivision 2, are effective the day following final enactment.

ARTICLE 4

COMMUNITY PROGRAMS

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 agencies or organizations: the departments of jobs and training, natural resources, human services, health, corrections, agriculture, public safety, finance, and labor and industry, the Minnesota office of volunteer services, the housing finance agency, and Minnesota Technology, Inc. A representative of the corporation for national and community service shall also serve as an ex officio nonvoting member.

(d) 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.

(e) 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, the commissioner of education, 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 and the commissioner of education, volunteer service learning programs, including curriculum, materials, and methods of instruction;

(5) work collaboratively with the education and employment transitions council, the commissioner of education, 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, with assistance from the commissioner of education and the executive director of the higher education coordinating board, including soliciting and approving grant applications from eligible organizations, and administering individual postservice benefits;

(7) establish an evaluation plan for programs developed and services provided under sections 121.701 to 121.710;

(8) report to the governor, commissioner of education, and legislature; ~~and~~

(9) provide oversight and support for school, campus, and community-based service programs; and

(10) administer the federal AmeriCorps program.

(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)~~ (3) 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 or for partial service of at least 900 hours.

(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).~~

~~(c)~~ 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).

(c) The higher education coordinating board shall establish an account for depositing funds for postservice benefits. If a participant does not use a postservice benefit according to subdivision 4 within seven years after completing the program, the amount of the postservice benefit shall be used to provide a postservice benefit to another eligible participant.

(d) 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~~ and child care coverage to each participant in a full-time youth works program who does not otherwise have access to health ~~or dental~~ or 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 employer taxes under sections 3111 and 3301 of the Internal Revenue Code of 1986, 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 such costs as supplies, materials, ~~and~~ transportation, and salaries and benefits of those staff directly involved in the operation, internal monitoring, and evaluation of the program. 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 121.8355, subdivision 1, is amended to read:

Subdivision 1. [ESTABLISHMENT.] (a) In order to qualify as a family services collaborative, a minimum of one school district, one county, and one public health entity must agree in writing to provide coordinated family services and commit resources to an integrated fund. Collaboratives are expected to have broad community representation, which may include other local providers, including additional school districts, counties, and public health entities, other municipalities, public libraries, existing culturally specific community organizations, local health organizations, private and nonprofit service providers, child care providers, local foundations, community-based service groups, businesses, local transit authorities or other transportation providers, community action agencies under section 268.53, senior citizen volunteer organizations, and sectarian organizations that provide nonsectarian services.

(b) Community-based collaboratives composed of representatives of schools, local businesses, local units of government, parents, students, clergy, health and social services providers, youth service organizations, and existing culturally specific community organizations may plan and develop services for children and youth. A community-based collaborative must agree to collaborate with county, school district, and public health entities. Their services may include opportunities for children or youth to improve child health and development, reduce barriers to adequate school performance, improve family functioning, provide community service, enhance self esteem, and develop general employment skills.

Sec. 13. 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 on 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. 14. 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. 15. 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 on 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 on 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. 16. 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. 17. 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 private 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. 18. 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 private 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. 19. 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. 20. 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. 21. 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. 22. 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. 23. 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. 24. 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. 25. 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. 26. 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. 27. 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. 28. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 3, is amended to read:

Subd. 3. [ELIGIBLE PROGRAMS.] (a) A pupil who is eligible according to subdivision 2 may enroll in any program approved by the state board of education under Minnesota Rules, part 3500.3500, or area learning centers under sections 124C.45 to 124C.48, or according to section 121.11, subdivision 12.

(b) A pupil who is eligible according to subdivision 2 and who is between the ages of 16 and 21 may enroll in post-secondary courses under section 123.3514.

(c) A pupil who is eligible under subdivision 2, may enroll in any public elementary or secondary education program. However, a person who is eligible according to subdivision 2, clause (b), may enroll only if the school board has adopted a resolution approving the enrollment.

(d) A pupil who is eligible under subdivision 2, may enroll part time, if 16 years of age or older, or full time in any nonprofit, nonpublic, nonsectarian school that has contracted with the serving school district ~~of residence~~ to provide educational services.

(e) A pupil who is between the ages of 16 and 21 may enroll in any adult basic education programs approved under section 124.26 and operated under the community education program contained in section 121.88.

Sec. 29. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 3a, is amended to read:

Subd. 3a. [ADDITIONAL ELIGIBLE PROGRAM.] A pupil who is at least 16 years of age, who is eligible under subdivision 2, clause (a), and who has been enrolled only in a public school, if the pupil has been enrolled in any school, during the year immediately before transferring under this subdivision, may transfer to any nonprofit, nonpublic school that has contracted with the serving school district ~~of residence~~ to provide nonsectarian educational services. Such a school must enroll every eligible pupil who seeks to transfer to the school under this program subject to available space.

Sec. 30. Minnesota Statutes 1993 Supplement, section 126.22, subdivision 4, is amended to read:

Subd. 4. [PUPIL ENROLLMENT.] Any eligible pupil may apply to enroll in an eligible program. Approval of the resident district is not required for:

(1) an eligible pupil to enroll in any eligible program in a nonresident district under subdivision 3 or 3a or an area learning center established under section 124C.45; or

(2) an eligible pupil under subdivision 2, to enroll in an adult basic education program approved under section 124.26.

Sec. 31. 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. 32. 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. 33. 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, or as volunteers 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. 34. 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. 35. 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. 36. 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. 37. Minnesota Statutes 1992, section 127.31, is amended by adding a subdivision to read:

Subd. 15. [ADMISSION OR READMISSION PLAN.] A school board may prepare and enforce an admission or readmission plan for any pupil who is suspended, excluded or expelled from school. The plan may include measures to improve the pupil's behavior and require parental involvement in the admission or readmission process, and may indicate the consequences to the pupil of not improving the pupil's behavior.

Sec. 38. 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. 39. 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. 40. Laws 1993, chapter 224, article 4, section 44, subdivision 6, is amended to read:

Subd. 6. [ADULT GRADUATION AID.] For adult graduation aid:

	$1,827,000	.....	1994
~~$1,986,000~~	$2,195,000	.....	1995

The 1994 appropriation includes $204,000 for 1993 and $1,623,000 for 1994.

The 1995 appropriation includes $286,000 for 1994 and ~~$1,700,000~~ $1,909,000 for 1995.

In the event that the appropriation in either year is insufficient, the adult graduation aid paid to a school district and to a higher education institution shall be prorated equally.

Sec. 41. Laws 1993, chapter 224, article 4, section 44, subdivision 20, is amended to read:

Subd. 20. [LOCAL COLLABORATIVES.] (a) For grants to local collaboratives according to section 43, subdivisions 2 and 3:

$5,000,000	.....	1994

$1,500,000 is for collaborative planning grants.

Up to $130,000 of the sum listed above is for the legislative coordinating commission for purposes of carrying out the responsibilities under Minnesota Statutes, section 3.873.

Up to $400,000 is for the office of strategic and long-range planning for development of a statewide children's service database and for staffing the children's cabinet.

Any portion of this sum not spent on planning grants shall be used for implementation grants.

$3,500,000 is for collaborative implementation grants.

(b) Of the appropriation, $150,000 is for grants targeted to assist in providing collaborative children's library service programs. To be eligible, a family services or community-based collaborative planning or implementation grant recipient must collaborate with at least one public library and one child or family organization. The public library must involve the regional public library system and multitype library system to which it belongs in the planning and provide for an evaluation of the program.

(c) The amounts appropriated under this subdivision do not cancel but are available until June 30, 1996.

Sec. 42. [EFFECTIVE DATES.]

Section 24 is effective for revenue for fiscal year 1995 and thereafter. Section 41 is effective the day following final enactment.

ARTICLE 5

FACILITIES

Section 1. Minnesota Statutes 1993 Supplement, section 124.243, subdivision 8, is amended to read:

Subd. 8. [FUND TRANSFERS.] (a) Money in the account for capital expenditure facilities revenue must not be transferred into any other account or fund, except as specified in this subdivision.

(b) The school board may, by resolution, transfer money into the debt redemption fund to pay the amounts needed to meet, when due, principal and interest payments on certain obligations issued according to chapter 475.

(c) Each fiscal year, if a district does not have any obligations outstanding under chapter 475, has not levied under section 124.239, subdivision 3 or 5, and has not received revenue under section 124.83, a school board may use up to one-third of its capital expenditure facilities revenue for equipment uses under section 124.244.

(d) Notwithstanding paragraph (c), a school board may transfer all or a part of its capital expenditure facilities revenue to its capital expenditure equipment account if:

(1) the district has only one facility and that facility is less than ten years old; or

(2) the district receives approval from the commissioner to make the transfer.

~~(d)~~ (e) In considering approval of a transfer under paragraph ~~(c)~~ (d), clause (2), the commissioner must consider the district's facility needs.

Sec. 2. Minnesota Statutes 1993 Supplement, section 124.244, subdivision 1, is amended to read:

Subdivision 1. [REVENUE AMOUNT.] (a) For fiscal ~~years 1994 and~~ year 1995, the capital expenditure equipment revenue for each district equals ~~$63~~ $66 times its actual pupil units for the school year.

(b) For fiscal years 1996 and later, the capital expenditure equipment revenue for each district equals ~~$68~~ $69 times its actual pupil units for the school year.

(c) Of a district's capital expenditure equipment revenue, $3 times its actual pupil units for the school year shall be reserved and used according to subdivision 4, paragraph (b).

Sec. 3. Minnesota Statutes 1992, section 124.244, subdivision 4, is amended to read:

Subd. 4. [USES OF REVENUE.] (a) 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 assistive technology or 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.

(b) The reserved capital expenditure equipment revenue shall only be used to purchase or lease telecommunications equipment, computers, and related equipment for integrated information management systems for:

(1) managing and reporting learner outcome information for all students under a results-oriented graduation rule;

(2) managing student assessment, services, and achievement information required for students with individual education plans; and

(3) other classroom information management needs.

(c) The equipment obtained with reserved revenue shall be utilized, to the greatest extent possible given available funding, on a per instructor or per classroom basis. A school district may supplement its reserved revenue with other capital expenditure equipment revenue, and cash and in-kind grants from public and private sources.

Sec. 4. Minnesota Statutes 1992, section 124.46, subdivision 3, is amended to read:

Subd. 3. The commissioner of finance shall maintain a separate school loan bond account in the state bond fund, showing all money transferred to that fund for the payment of school loan bonds and all income received from the investment of such money. On the first day of December in each year there shall be transferred to the bond account all or so much of the money then on hand in the loan repayment account in the maximum effort school loan fund as will be sufficient, with the balance then on hand in said bond account, to pay all principal and interest then and theretofore due and to become due within the next ensuing year and to and including July 1 in the second ensuing year on school loan bonds issued and sold pursuant to this section. In the event that moneys are not available for such transfer in the full amount required, ~~the state auditor shall levy on all taxable property within the state a tax sufficient to meet the deficiency. Such tax shall be and remain subject to no limitation of rate or amount until all school loan bonds and all interest thereon are fully paid. The proceeds of this tax are hereby irrevocably appropriated and shall be credited to the state bond fund, but the school loan bond account is appropriated as the primary source of payment of such bonds and interest, and only so much of said tax as may be necessary is appropriated for this purpose.~~ and if any principal or interest on school loan bonds should become due at any time when there is not on hand a sufficient amount from any of the sources herein appropriated for the payment thereof, ~~it~~ the moneys shall ~~nevertheless~~ be paid out of the general fund in the state treasury according to section 16A.641, and the amount necessary therefor is hereby appropriated~~; but any such payments shall be reimbursed from the proceeds of taxes levied as required herein, and any such payments made from taxes shall be reimbursed from the loan repayment account in the maximum effort school loan fund, when the balance therein is sufficient~~.

Sec. 5. 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. 6. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 1, is amended to read:

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.

(d) "Commissioner" means the commissioner of public service.

Sec. 7. Minnesota Statutes 1992, section 124.85, subdivision 2, is amended to read:

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 ~~provide published notice of the meeting in which it proposes to award the contract, the names of the parties to the proposed contract, and the contract's purpose.~~

~~Before installation of equipment, modification, or remodeling,~~ comply with clauses (1) to (5).

(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.

(2) The school board shall select the qualified provider that best meets the needs of the board. The school board shall provide public notice of the meeting at which it will select the qualified provider.

(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.

(4) The qualified provider shall ~~first~~ issue a report~~, summarizing estimates~~ to the board giving a description 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 and the projected payback schedule in years.

(5) 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.

Sec. 8. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 2a. [EVALUATION BY COMMISSIONER.] Upon request of the school board, the commissioner of public service shall review the report required in subdivision 2 and provide an evaluation to the board on the proposed contract within 15 working days of receiving the report. In evaluating the proposed contract, the commissioner shall determine whether the detailed calculations of the costs and of the energy and operating savings are accurate and reasonable. The commissioner may request additional information about a proposed contract as the commissioner deems necessary. If the commissioner requests additional information, the commissioner shall not be required to submit an evaluation to the board within fewer than ten working days of receiving the requested information.

Sec. 9. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 2b. [REVIEW OF SAVINGS UNDER CONTRACT.] Upon request of the school board, the commissioner shall conduct a review of the energy and operating cost savings realized under a guaranteed energy savings contract every three years during the period a contract is in effect. The commissioner shall compare the savings realized under the contract during the period under review with the calculations of savings included in the report required under subdivision 2 and provide an evaluation to the board concerning the performance of the system and the accuracy and reasonableness of the claimed energy and operating cost savings.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 4, is amended to read:

Subd. 4. [DISTRICT ACTION.] A district may enter into a guaranteed energy savings contract with a qualified provider if, after review of the report and the commissioner's evaluation if requested, ~~it~~ the board finds that the amount it would spend on the energy conservation measures recommended in the report is not likely to exceed the amount to be saved in energy and operation costs over ~~25~~ 15 years from the date of installation if the recommendations in the report were followed, and the qualified provider provides a written guarantee that the energy or operating cost savings will meet or exceed the costs of the system. The guaranteed energy savings contract may provide for payments over a period of time, not to exceed ~~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.

Sec. 11. Minnesota Statutes 1993 Supplement, section 124.85, subdivision 5, is amended to read:

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.

Sec. 12. Minnesota Statutes 1992, section 124.85, is amended by adding a subdivision to read:

Subd. 7. [PUBLIC INFORMATION.] A guaranteed energy savings contract must provide that all work plans and other information prepared by the qualified provider in relation to the project, including a detailed description of the project, are public data after the contract is entered into, except information defined as trade secret information under section 13.37, subdivision 1, shall remain nonpublic data.

Sec. 13. 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. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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.] The city of Rollingstone 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 a facility to be leased for educational purposes.

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 as otherwise provided therein. Upon approval of the agreement described in subdivision 2 by the commissioner of education and the district, the district ~~may~~ shall levy ~~for as many years as required under the agreement~~ a tax in the amount and at the times necessary to make payments required by the agreement in accordance with Minnesota Statutes, section 475.61. The payments shall be a general obligation of the district and are not subject to Minnesota Statutes, section 475.58.

(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. 19. 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~~ $73,390,000 1994

~~$75,980,000~~ $76,198,000 1995

The 1994 appropriation includes $10,730,000 for 1993 and ~~$62,560,000~~ $62,660,000 for 1994.

The 1995 appropriation includes ~~$11,040,000~~ $11,058,000 for 1994 and ~~$64,940,000~~ $65,140,000 for 1995.

Sec. 20. 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~~ $36,098,000 1994

~~$37,390,000~~ $38,998,000 1995

The 1994 appropriation includes $5,279,000 for 1993 and ~~$30,720,000~~ $30,819,000 for 1994.

The 1995 appropriation includes ~~$5,430,000~~ $5,439,000 for 1994 and ~~$31,960,000~~ $33,559,000 for 1995.

Sec. 21. 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 and second highest priority on fire code compliance projects for special school district No. 6, South St. Paul. 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. 22. [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, Nashwauk-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. 23. [NASHWAUK-KEEWATIN; HEALTH AND SAFETY REVENUE USE VARIANCE.]

Notwithstanding Minnesota Statutes, section 124.83, subdivision 6, upon approval of the commissioner of education, independent school district No. 319, Nashwauk-Keewatin, may use its health and safety revenue in fiscal years 1994 and 1995 to relocate its vocational center to a Nashwauk-Keewatin high school garage.

Sec. 24. [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. 25. [FLOODWOOD.]

Subdivision 1. [HEALTH AND SAFETY REVENUE EXPENDITURE.] Notwithstanding Minnesota Statutes, section 124.83, subdivision 6, independent school district No. 698, Floodwood, may expend health and safety revenue for the construction of new facilities.

Subd. 2. [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 health and safety and facilities accounts in its capital expenditure fund to its building construction fund.

Subd. 3. [DATE OF TRANSFER.] Independent school district No. 698, Floodwood, may make the fund transfer according to subdivision 2 only after the school district has held a successful referendum for the sale of bonds according to the provisions of Minnesota Statutes, chapter 475.

Sec. 26. [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. The commissioner of education shall not approve the sale of bonds by independent school district No. 518, Worthington, until the school district can demonstrate to the commissioner's satisfaction that appropriate department of human services approval, including licensure, will be granted.

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. 27. [INCREASE IN AUTHORIZATION.]

Notwithstanding any other law to the contrary, the approved amount of indebtedness authorized by the electors of independent school district No. 38, Red Lake, on December 10, 1991, may be increased by resolution of the board of directors of independent school district No. 38, Red Lake, from $9,926,070 to an amount not to exceed $10,075,000.

Sec. 28. [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:

$100,000 1995

The grant is to cover costs associated with planning for facility needs for a combined district. The facilities must provide for the location of a significant number of noneducational student and community service programs within the facility.

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:

$50,000 1994

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. The local governments planning this facility must provide a match of $1 for every $2 of this appropriation. The local match may be in-kind resources.

Subd. 4. [PLANNING GRANT; ELEMENTARY SCHOOL.] For a grant and administrative expenses to facilitate a joint elementary facility for independent school district Nos. 622, North St. Paul-Maplewood; 833, South Washington County; and 834, Stillwater.

$100,000 1995

The planning grant must be used to plan a joint elementary facility that is continuous progress, performance-based, collaboratively developed, and operated year-round. The districts must report to the education committees of the legislature on the progress of the project by March 1, 1995.

Sec. 29. [EFFECTIVE DATE.]

Section 24 is effective retroactive to July 1, 1993. Sections 13; 18 to 21; 27; and 28 are effective the day following final enactment. Section 1 is effective July 1, 1995.

ARTICLE 6

EDUCATION ORGANIZATION AND COOPERATION

Section 1. Minnesota Statutes 1993 Supplement, section 121.931, subdivision 5, is amended to read:

Subd. 5. [SOFTWARE DEVELOPMENT.] The commissioner shall provide for the development of applications software for ESV-IS and SDE-IS. The commissioner may charge school districts or ~~regional organizations~~ cooperative units for the actual cost of software development used by the district or ~~regional entity~~ cooperative unit. Any amount received is annually appropriated to the department of education for this purpose. A school district or cooperative unit may not implement a payroll, student, or staff software system after June 30, 1994, until the system has been reviewed by the department to ensure that it provides the required data elements and format.

Sec. 2. 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. 3. 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. 4. 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. 5. 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. 6. 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. 7. Minnesota Statutes 1992, section 122.23, is amended by adding a subdivision to read:

Subd. 20. [RETIREMENT INCENTIVES.] (a) For consolidations effective July 1, 1994, and thereafter, a school board of a 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); and

(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 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.

(e) A school board may offer these incentives beginning on the day that the consolidation is approved under section 122.23, subdivision 12 or, if an election is not called under section 122.23, subdivision 9 or 10, on the day that the plat is approved by the commissioner. A board may offer these incentives until the June 30 following the effective date of the consolidation.

Sec. 8. 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. 9. 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. 10. [122.98] [COOPERATIVE UNIT INSURANCE POOLS.]

Any cooperative unit defined in section 123.35, subdivision 19b, that directly manages a health insurance pool or provides health insurance coverage through an insurance pool as a service to members must create a labor-management committee representative of the groups covered by the pool to advise the governmental unit on management matters of the coverage.

Sec. 11. 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 (d), 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. 12. 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 (d), 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 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 and the assignment of liabilities.

(b) If the cooperative unit and the school district cannot agree on the terms and conditions, the commissioner of education shall resolve the dispute by determining the district's proportionate share of assets and liabilities based on the district's enrollment, financial contribution, usage, or other factor or combination of factors determined appropriate by the commissioner. The assets shall be disbursed to the withdrawing district in a manner that minimizes financial disruption to the cooperative unit.

(c) Assets related to an insurance pool shall not be disbursed to a member district under paragraph (b) of this section.

(d) 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 intermediate district organized under chapter 136D;

(4) an educational cooperative service unit organized under section 123.58;

(5) a regional management information center organized under section 121.935 or as a joint powers district according to section 471.59.

Sec. 13. 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 (d), 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. 14. Minnesota Statutes 1993 Supplement, section 123.351, subdivision 8, is amended to read:

Subd. 8. [ADDITION AND WITHDRAWAL OF DISTRICTS.] Upon approval by majority vote of a school board, and of the center board, ~~and of the commissioner,~~ an adjoining school district may become a member in the center and be governed by the provisions of this section and the agreement in effect.

Any participating district may withdraw from the center and from the agreement in effect by a majority vote of the full board membership of the participating school district desiring withdrawal and upon compliance with provisions in the agreement establishing the center. Upon receipt of the withdrawal resolution reciting the necessary facts, the center board shall file a certified copy with the county auditors of the counties affected. The withdrawal shall become effective at the end of the next following school year but the withdrawal shall not affect the continued liability of the withdrawing district for bonded indebtedness it incurred prior to the effective withdrawal date.

Sec. 15. 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. 16. 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. 17. 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. 18. 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. 19. 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. 20. 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. 21. 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 4e,~~ 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 4e~~. 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 4e,~~ 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. 22. [124.193] [PROHIBITED AID AND LEVIES.]

Unless specifically permitted in the provision authorizing an aid or a levy, cooperative units of government defined in section 123.35, subdivision 19b, paragraph (d), are prohibited from making a property tax levy or qualifying for or receiving any form of state aid.

Sec. 23. [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. Revenue received under this section shall not be included in the determination of the reduction under section 124A.26, subdivision 1.

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. 24. Minnesota Statutes 1993 Supplement, section 124.2727, subdivision 6a, is amended to read:

Subd. 6a. [DISTRICT COOPERATION REVENUE.] A district's cooperation revenue is equal to the greater of ~~$50~~ $67 times the actual pupil units or $25,000.

Sec. 25. 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) A district that ~~is~~ was a member of an intermediate school district organized pursuant to chapter 136D ~~may not access revenue under this section~~ on July 1, 1994, must place its district cooperation revenue in a reserved account and must allocate a portion of the reserved revenue for instructional services from entities formed for cooperative services for special education programs and secondary vocational programs. The allocated amount is equal to the levy made according to section 124.2727, subdivision 6, for taxes payable in 1994 divided by the actual pupil units in the intermediate school district for fiscal year 1995 times the number of actual pupil units in the school district in 1995. The district must use 5/11 of the revenue for special education and 6/11 of the revenue for secondary vocational education. The district must demonstrate that the revenue is being used to provide the full range of special education and secondary vocational programs and services available to each child served by the intermediate. The secondary vocational programs and service must meet the requirements established in an articulation agreement developed between the state board of education and the higher education board.

(c) A district that was not a member of an intermediate district organized under chapter 136D on July 1, 1994, must spend at least $9 per pupil unit of its district cooperation revenue on secondary vocational programs.

Sec. 26. Minnesota Statutes 1993 Supplement, section 124.2727, is amended by adding a subdivision to read:

Subd. 9. [PRORATION.] (a) If the total appropriation available for district cooperation aid for any fiscal year, plus any amount transferred under section 124.14, subdivision 7, is insufficient to pay all districts the full amount of aid earned, the department of education shall reduce each district's district cooperation revenue according to the calculations in paragraphs (b) to (d).

(b) If there is insufficient district cooperation aid available, the department must recompute the district cooperation revenue by proportionally reducing the formula allowance and the revenue minimum to the levels that result in an aid entitlement, adjusted by the percentage in section 124.195, subdivision 10, equal to the amount available. The levy amounts must not be recomputed.

(c) A district's proration aid reduction is equal to the lesser of zero, or the difference of the existing aid calculation minus the aid amount computed for the district under paragraph (b).

(d) If a district's proration aid reduction is less than its revenue reduction, its district cooperation levy authority for the following year must be reduced by the amount of the difference between its revenue reduction and its aid reduction.

Sec. 27. [124.2728] [SPECIAL CONSOLIDATION AID.]

Subdivision 1. [ELIGIBILITY.] A school district that reorganizes under section 122.23 or sections 122.241 to 122.248 effective on or after July 1, 1994, is eligible for special consolidation aid under this section. A district may receive aid under this section for only three years.

Subd. 2. [AID CALCULATION.] Special consolidation aid for a reorganized school district is calculated by computing the sum of:

(1) the difference between the total amount of early childhood family education revenue under section 124.2711 available to the districts involved in the reorganization in the fiscal year prior to the effective date of reorganization and the maximum amount of early childhood family education revenue available to the reorganized district in the current year; and

(2) the difference between the total amount of community education revenue under section 124.2713 available to the districts involved in the reorganization in the fiscal year prior to the reorganization and the maximum amount of community education revenue available to the reorganized district in the current year.

Subd. 3. [AID AMOUNT.] In the fiscal year that the reorganization is effective, special combination aid is equal to the aid calculated under subdivision 2 times 100 percent. In the fiscal year following the effective date of reorganization, special combination aid is equal to the aid calculated under subdivision 2 times 67 percent. In the second fiscal year following the effective date of reorganization, special combination aid is equal to the aid calculated under subdivision 2 times 33 percent.

Sec. 28. Minnesota Statutes 1993 Supplement, section 124.83, subdivision 1, is amended to read:

Subdivision 1. [HEALTH AND SAFETY PROGRAM.] To receive health and safety revenue for any fiscal year a district~~, including an intermediate district,~~ must submit to the commissioner of education an application for aid and levy by the date determined by the commissioner. The application may be for hazardous substance removal, fire and life safety code repairs, labor and industry regulated facility and equipment violations, and health, safety, and environmental management. The application must include a health and safety program adopted by the school district board. The program must include the estimated cost, per building, of the program by fiscal year.

Sec. 29. 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 ten 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 year ~~prior to the year~~ to which the levy is ~~certified~~ attributable; 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.

(d) The revenue in the first year after reorganization for a district that has reorganized under section 122.22, 122.23, or 122.241 to 122.247 shall be the greater of:

(1) the revenue computed for the reorganized district under paragraph (a), or

(2)(i) for two districts that reorganized, 75 percent of the revenue computed as if the districts involved in the reorganization were separate, or

(ii) for three or more districts that reorganized, 50 percent of the revenue computed as if the districts involved in the reorganization were separate.

Sec. 30. Minnesota Statutes 1993 Supplement, section 124C.60, is amended to read:

124C.60 [CAPITAL FACILITIES ~~AND EQUIPMENT~~ GRANTS FOR COOPERATION AND COMBINATION.]

Subdivision 1. [ELIGIBILITY.] Two or more districts that have ~~a cooperation and combination plan approved by the state board of education~~ consolidated under section 122.23 or combined under ~~section 122.242~~ sections 122.241 to 122.248, ~~may apply~~ are eligible for a capital facilities grant of up to $100,000 under this section. ~~The grant must be awarded after the districts combine according to sections 122.241 to 122.248.~~ To qualify the following criteria must be met:

(1) the proposed facility changes are part of the plan according to section 122.242, subdivision 10, or the plan adopted by the reorganized district according to section 124.243, subdivision 1;

(2) the changes proposed to a facility must be needed to accommodate changes in the educational program due to the reorganization;

(3) the utilization of the facility for educational programs is at least 85 percent of capacity; and

(4) the grant will be used only to remodel or improve existing facilities.

Subd. 2. [PROCEDURES.] The state board shall establish procedures and deadlines for the grant application. The state board shall review each application and may require modifications consistent with sections 122.241 to 122.248.

Subd. 3. [USE OF GRANT MONEY.] The grant money may be used for any capital expenditures specified in section 124.243 ~~or 122.124~~, subdivision 6, clauses (4), (6), (7), (8), (9), and (10).

Sec. 31. 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, 1994.

Sec. 32. 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, 1994.

Sec. 33. 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, 1994.

Sec. 34. Laws 1992, chapter 499, article 6, section 34, subdivision 2, is amended to read:

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 1, ~~1996~~ 1997.

Sec. 35. 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. 36. [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 Minnesota Statutes, 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 Minnesota Statutes, 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 Minnesota Statutes, 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. 37. [DISTRICT COOPERATION HOLD HARMLESS AID.]

For fiscal year 1995, the cooperation hold harmless aid for a district that was a member of intermediate school district No. 287 is equal to the cooperation formula allowance times the fiscal year 1994 pupil units less the district cooperation revenue for fiscal year 1995.

The cooperation formula allowance is equal to the sum of the amounts in clauses (1) to (3):

(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 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

(3) the average per pupil allocation of the intermediate district levy certified in 1992 for taxes payable in 1993 under Minnesota Statutes, section 124.2727, subdivision 6, by the intermediate district to which the district belonged in fiscal year 1994.

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, No. 880, Howard Lake-Waverly, No. 341, Atwater, No. 461, Cosmos, and No. 464, Grove City, is fiscal year 1995.

Sec. 39. [UNDERLEVY AND RECOGNITION.]

Notwithstanding Minnesota Statutes, section 124.2727, subdivision 6c, for district cooperation revenue for fiscal year 1995, a district's aid shall not be reduced if it does not levy the full amount permitted. Notwithstanding Minnesota Statutes, section 124.918, subdivision 6, the full amount of school district cooperation levy attributable to fiscal year 1995 shall be recognized in fiscal year 1995.

Sec. 40. [OSLO SCHOOL DISTRICT DISSOLUTION.]

If a consolidation vote under Minnesota Statutes, section 122.23, involving independent school district No. 442, Oslo, and independent school district No. 2163, Warren-Alvarado, held prior to June 1, 1994, fails in either of the districts, the Oslo district may dissolve under this section. The dissolution shall occur following the adoption of a resolution by the board calling for the dissolution and shall be effective July 1, 1994. The commissioner of education shall by order determine the plat and the allocation of property, assets, and liabilities, including any outstanding bonded indebtedness, to neighboring districts. The commissioner shall consider the best educational interests of the students in each of the districts in making the determination. The order may be amended as necessary. The commissioner shall inform the county auditors in the affected counties of the order. Any referendum levy in the district expires. The school districts to which the district is attached may levy under other provisions of law that would otherwise apply if the district had dissolved under Minnesota Statutes, section 122.22.

The school board of the district to which the dissolved district is attached may determine how a levy to eliminate reorganization debt is spread under Minnesota Statutes, section 122.531, subdivision 4a, paragraph (b). Notwithstanding Minnesota Statutes, section 122.531, subdivision 2, referendum revenue in the enlarged district does not cancel unless otherwise scheduled to expire. The commissioner shall recompute the referendum tax rate or per pupil amount, as applicable, to raise the same amount of revenue in the enlarged district as would have been raised had the dissolution not occurred. Minnesota Statutes, sections 122.531, subdivision 4a, and 122.532 shall apply to the dissolution.

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:

$430,000 1995

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:

$800,000 1995

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. $150,000 of this amount is for additional INTERNET support in school districts. Up to $300,000 of this amount is for ESV system software support only to the extent that it is needed for changes in department reporting requirements.

Subd. 4. [SPECIAL CONSOLIDATION AID.] For special consolidation aid under section 124.2728:

$70,000 1995

Subd. 5. [DISTRICT COOPERATION REVENUE.] For district cooperation revenue:

$4,330,000 1995

$230,000 of this appropriation is for district cooperation hold harmless aid under section 37.

Subd. 6. [ITV GRANTS; CARVER OR SCOTT COUNTY.] For grants to school districts with their administrative offices in Carver or Scott county for the construction, maintenance, or lease costs of an interactive television system for instructional purposes:

$189,000 1995

Subd. 7. [CAPITAL FACILITIES GRANTS.] For grants under Minnesota Statutes, section 124C.60:

$500,000 1995

Subd. 8. [ITV GRANT; CROMWELL.] For a grant to independent school district No. 95, Cromwell:

$125,000 1995

The grant must be used to construct an interactive television transmission line. This appropriation is only available to the extent it is matched by the district with local and nonlocal sources. The district may levy up to $50,000 to provide its share of local sources.

Sec. 42. [REPEALER.]

Minnesota Statutes 1992, sections 121.904, subdivision 4e; 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.27; 136D.71, subdivision 2; 136D.73, subdivision 3; 136D.74, subdivisions 2a, 2b, and 4; 136D.82, subdivision 3; and 136D.87; Minnesota Statutes 1993 Supplement, sections 121.935, subdivision 5; 124.2727, subdivisions 6, 7, and 8; and Laws 1992, chapter 499, article 6, section 39, subdivision 3, are repealed.

Sec. 43. [EFFECTIVE DATE.]

Sections 36 and 40 are effective the day following final enactment. Sections 24 and 25 are effective for revenue for fiscal year 1995.

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 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) Assessments used to measure knowledge required by all students for graduation must be developed according to the most current version of professional standards for educational testing.

(c) The content of the graduation rule must differentiate between minimum competencies and rigorous standards.

(d) The state board shall periodically review and report on the assessment process with the expectation of expanding high school graduation requirements.

(e) The state board shall report to the legislature annually by January 15 on its progress in developing and implementing the graduation requirements until such time as all the graduation requirements are implemented.

Sec. 2. 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 to learner 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. A district must not increase the district wide instructor-learner ratios in other grades as a result of reducing instructor-learner 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.~~ A school district may use a portion of the revenue reserved under this section to employ up to the same number of full-time equivalent education assistants or aides as the district employed during the 1992-1993 school year under Minnesota Statutes 1992, section 124.331, subdivision 2.

Sec. 3. 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 2.5 percent in fiscal year 1996 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~~. 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, which shall be retained by the school site until used. 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 make grants to school sites that demonstrate exemplary use of allocated staff development revenue. 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. 4. 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. 5. Minnesota Statutes 1992, section 125.03, is amended by adding a subdivision to read:

Subd. 4a. [ASSESSMENT PROFESSIONALS.] When a school board of a school district with 10,000 pupils or more in average daily membership employs a person to administer or interpret individual aptitude, intelligence or personality tests, the person must hold a graduate level degree related to administering and interpreting psychological assessments.

Sec. 6. 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 not exceed 80 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. 7. 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. 8. 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. 9. 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 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. 10. 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 nonteaching staff, parents, and administrators. Districts shall report staff development results to the commissioner in the form and manner determined by the commissioner.

Sec. 11. 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~~ that the school board determines. The plan shall include activities that enhance staff skills for achieving 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, and community members to address pupils' needs;~~

~~(3) develop programs to~~ increase pupils' educational progress by ~~developing~~ using 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~~ (3) meet pupils' individual needs by using alternative instructional opportunities ~~that recognize pupils' individual needs and utilize~~, accommodations, modifications, after-school child care programs, and 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~~ (4) effectively meet the needs of children with disabilities within the regular classroom ~~setting~~ and other settings by improving the knowledge of school personnel about the legal and programmatic requirements affecting students with disabilities, and by improving staff ability to collaborate, consult with one another, and resolve conflicts; and

(5) provide equal educational opportunities for all students that are consistent with the school desegregation/integration and inclusive education policies 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 challenging instructional activities and experiences that recognize and cultivate students' advanced abilities and talents~~ The staff development committee is strongly encouraged to include in its plan activities for achieving the following outcomes:

(1) 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 racial composition of the school to address the pupils' needs;

(2) evaluate the effectiveness of education policies, processes, and products through appropriate evaluation procedures that include multiple criteria and indicators;

(3) provide effective mentorship oversight and peer review of probationary, continuing contract, and nonprobationary teachers;

(4) assist elementary and secondary students in learning to resolve conflicts in effective, nonviolent ways;

(5) effectively teach and model violence prevention policy and curricula that address issues of sexual, racial, and religious harassment; and

(6) provide challenging instructional activities and experiences, including advanced placement and international baccalaureate programs, that recognize and cultivate students' advanced abilities and talents.

Sec. 12. 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 (AP) and international baccalaureate (IB) programs, including training programs, support programs, and examination fee subsidies:

	$300,000	.....	1994
~~$300,000~~	$750,000	.....	1995

Any balance remaining in the first year does not cancel but is available in the second year.

Of the fiscal year 1995 amount, $550,000 is for examination fee subsidies. Notwithstanding Minnesota Statutes, section 126.39, subdivision 3, in fiscal year 1995, the commissioner shall pay the fee for one AP or IB examination for the first exam each student takes. The commissioner shall pay 50 percent of the fee for each additional exam a student takes or more than 50 percent if the student meets the low-income guidelines established by the commissioner. If this amount is not adequate, the commissioner may pay less than 50 percent for the additional exams.

Sec. 13. 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. 14. 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~~	$750,000	.....	1995

~~This appropriation does not cancel.~~

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 $250,000 of this amount may be used for a grant for this purpose in fiscal year 1995.

Sec. 15. [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. 16. [TIME AND TECHNOLOGY ENHANCED CURRICULUM SCHOOL PILOT PROJECT.]

Subdivision 1. [ESTABLISHMENT.] A three-year pilot project is established to allow independent school district No. 94, Cloquet, to develop a Time and Technology Enhanced Curriculum school. The purpose of the project is to improve student achievement through individualized instruction and year-round education. For purposes of Minnesota Statutes, section 126.12, subdivision 1, the pilot program established in this subdivision is a flexible learning year program under Minnesota Statutes, sections 120.59 to 120.67.

Subd. 2. [REPORT.] Independent school district No. 94, Cloquet, shall report on the pilot project to the education committees of the legislature annually by February 1, beginning February 1, 1995, and ending February 1, 1997.

Sec. 17. [INSTRUCTIONAL TRANSFORMATION THROUGH TECHNOLOGY GRANTS.]

Subdivision 1. [ESTABLISHMENT; PURPOSE.] A grant program is established to help school districts work together and with higher education institutions, businesses, local government units, and community organizations in order to facilitate individualized learning and manage information by employing technological advances, especially computers and related products. Recipients shall use grant proceeds to:

(1) develop personalized learning plans designed to give learners more responsibility for their learning success and change the role of teacher to learning facilitator;

(2) match and allocate resources;

(3) create a curriculum environment that is multiplatform;

(4) provide user and contributor access to electronic libraries;

(5) schedule activities;

(6) automate progress reports;

(7) increase collaboration between school districts and sites, and with businesses, higher education institutions, and local government units;

(8) correlate state-defined outcomes to curriculum units for each student;

(9) increase accountability through a reporting system; and

(10) provide technical support, project evaluation, dissemination services, and replication.

Subd. 2. [ELIGIBILITY; APPLICATION.] A grant applicant must be a school district or a group of school districts that demonstrates collaboration with businesses and higher education institutions. Community organizations and local government units may also be involved. The commissioner of education shall prescribe the form and manner of applications. The commissioner shall form an advisory panel consisting of representatives of teachers, school

administrators, school boards, parents, students, higher education, and business to assist in the grant selection process. The commissioner, in consultation with the advisory panel, may award grants to applicants likely to meet the outcomes in subdivision 1.

Subd. 3. [REPORTING.] A grant recipient shall report to the commissioner annually at a time specified by the commissioner on the extent to which it is meeting the outcomes specified in subdivision 1.

Sec. 18. [EDUCATIONAL PERFORMANCE IMPROVEMENT GRANT PILOT PROGRAM.]

Subdivision 1. [ESTABLISHMENT.] An educational performance improvement grant pilot program is established to provide incentives to school districts to improve student achievement and increase accountability for results. The state board of education may enter into contracts with school districts to award the grants.

Subd. 2. [ELIGIBILITY; APPLICATION.] A school district is eligible to apply for an educational performance improvement grant. The application shall be on a form approved by the commissioner of education. The commissioner shall make recommendations to the state board of education on which districts should be considered for a grant contract. The commissioner shall give priority to school districts:

(1) in which at least one school has received a school improvement incentive grant under Minnesota Statutes 1993 Supplement, section 121.602, subdivision 5; and

(2) that demonstrate a commitment to increasing accountability by using a results-oriented system for measuring student achievement.

Subd. 3. [CONTRACT.] The state board of education may enter into a one-year contract with a school district for the purpose of awarding an educational performance improvement grant. The state board shall award a grant only for measurable gains in student achievement. The terms of the contract shall at minimum address:

(1) the criteria and assessments to be used in measuring student achievement;

(2) the district's baseline level of student achievement;

(3) the level of student achievement to be reached under the contract;

(4) a timeline for determining whether the contract goals have been met; and

(5) at the discretion of the state board, provisions governing the award of a partial grant to the district if the contract goals are not fully met.

Subd. 4. [REPORT.] The state board of education shall make a preliminary report on the pilot project to the education committees of the legislature by February 15, 1995, and a final report by January 15, 1996.

Sec. 19. [APPROPRIATION.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education in the fiscal year designated.

Subd. 2. [TIME AND TECHNOLOGY ENHANCED CURRICULUM.] For a grant to independent school district No. 94, Cloquet, for the time and technology enhanced curriculum pilot project:

$83,000 1995

Subd. 3. [TECHNOLOGY GRANTS.] For instructional transformation through technology grants:

$1,600,000 1995

The amount appropriated under this section does not cancel but is available until June 30, 1996.

Subd. 4. [EDUCATIONAL PERFORMANCE IMPROVEMENT GRANTS.] For an educational performance improvement grant pilot project under section 10:

$800,000 1995

The state board of education shall enter into contracts to award at least three grants, one each to an urban, suburban, and rural school district. This appropriation is available until June 30, 1996, unless the commissioner has entered into a contract and has certified to the commissioner of finance the amount needed to make payments on the contract. Any remaining appropriation shall cancel June 30, 1996.

Subd. 5. [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. 20. [EFFECTIVE DATE.]

Sections 2; 14; 15; and 17 are effective the day following final enactment.

ARTICLE 8

OTHER EDUCATION PROGRAMS

Section 1. 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 and racial balance as defined by the state board.

Sec. 2. [121.1601] [OFFICE OF DESEGREGATION/INTEGRATION.]

Subdivision 1. [ESTABLISHMENT.] (a) An office of desegregation/integration is established in the department of education to coordinate and support activities related to student enrollment, student and staff recruitment and retention, transportation, and interdistrict cooperation among metropolitan school districts.

(b) At the request of a metropolitan school district involved in cooperative desegregation/integration efforts, the office shall perform any of the following activities:

(1) assist districts with interdistrict student transfers, including student recruitment, counseling, placement, and transportation;

(2) coordinate and disseminate information about schools and programs;

(3) assist districts with new magnet schools and programs;

(4) assist districts in providing staff development and in-service training; and

(5) coordinate and administer staff exchanges.

(c) The office shall collect data on the efficacy of districts' desegregation/integration efforts and make recommendations based on the data. The office shall periodically consult with the metropolitan council to coordinate school desegregation/integration efforts with the housing, social, economic, and infrastructure needs of the metropolitan area. The office shall develop a process for resolving students' disputes and grievances about student transfers under a desegregation/integration plan.

Subd. 2. [COORDINATION.] The commissioner shall coordinate the office activities under subdivision 1 with new or existing department and state board of education efforts to accomplish school desegregation/integration. The commissioner may request information or assistance from, or contract with, any state or local agency or officer, local unit of government, or recognized expert to assist the commissioner in performing the activities described in subdivision 1.

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 Indian Affairs Council, the Asian-Pacific Minnesotans, the Council on Black Minnesotans, and the Spanish Speaking Affairs 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, students, and interested community organizations and others.

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. 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. 5. Minnesota Statutes 1992, section 124.214, subdivision 2, is amended to read:

Subd. 2. [ABATEMENTS.] Whenever by virtue of chapter 278, sections 270.07, 375.192, or otherwise, the net tax capacity of any school district for any taxable year is changed after the taxes for that year have been spread by the county auditor and the local tax rate as determined by the county auditor based upon the original net tax capacity is applied upon the changed net tax capacities, the county auditor shall, prior to February 1 of each year, certify to the commissioner of education the amount of any resulting net revenue loss that accrued to the school district during the preceding year. Each year, the commissioner shall pay an abatement adjustment to the district in an amount calculated according to the provisions of this subdivision. This amount shall be deducted from the amount of the levy authorized by section ~~275.48~~ 124.912, subdivision 9. The amount of the abatement adjustment shall be the product of:

(1) the net revenue loss as certified by the county auditor, times

(2) the ratio of:

(a) the sum of the amounts of the district's certified levy in the preceding year according to the following:

(i) section 124A.23 if the district receives general education aid according to that section, or section 124B.20, if the education district of which the district is a member receives general education aid according to that section;

(ii) section 124.226, subdivisions 1 and 4, if the district receives transportation aid according to section 124.225;

(iii) section 124.243, if the district receives capital expenditure facilities aid according to that section;

(iv) section 124.244, if the district receives capital expenditure equipment aid according to that section;

(v) section 124.83, if the district receives health and safety aid according to that section;

(vi) sections 124.2713, 124.2714, and 124.2715, if the district receives aid for community education programs according to any of those sections;

(vii) section 275.125, subdivision 8b, if the district receives early childhood family education aid according to section 124.2711;

(viii) section 124.321, subdivision 3, if the district receives special education levy equalization aid according to that section;

(ix) section 124A.03, subdivision 1g, if the district receives referendum equalization aid according to that section; and

(x) section 124A.22, subdivision 4a, if the district receives training and experience aid according to that section;

(b) to the total amount of the district's certified levy in the preceding October, plus or minus auditor's adjustments.

Sec. 6. 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. 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 schools 10.5 cents for each free and reduced price breakfast not eligible for the "severe need" rate if between 33 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~~ 33 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.] (a) Each year, a school district may levy an amount to replace the net revenue lost to abatements that have occurred under chapter 278, section 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 aid amounts not paid due to proration;

(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.

(b) A district may spread this levy over a period not to exceed three years.

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 1992, section 124.914, subdivision 1, is amended to read:

Subdivision 1. [1977 STATUTORY OPERATING DEBT.] (1) In each year in which so required by this subdivision, a district shall make an additional levy to eliminate its statutory operating debt, determined as of June 30, 1977, and certified and adjusted by the commissioner. This levy shall not be made in more than ~~20~~ 30 successive years and each year before it is made, it must be approved by the commissioner and the approval shall specify its amount. This levy shall be an amount which is equal to the amount raised by a levy of a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter; provided that in the last year in which the district is required to make this levy, it shall levy an amount not to exceed the amount raised by a levy of a net tax rate of 1.66 percent times the adjusted net tax capacity of the district for the preceding year for taxes payable in 1991 and thereafter. When the sum of the cumulative levies made pursuant to this subdivision and transfers made according to section 121.912, subdivision 4, equals an amount equal to the statutory operating debt of the district, the levy shall be discontinued.

(2) The district shall establish a special account in the general fund which shall be designated "appropriated fund balance reserve account for purposes of reducing statutory operating debt" on its books and records. This account shall reflect the levy authorized pursuant to this subdivision. 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.

(3) Any district which is required to levy pursuant to this subdivision shall certify the maximum levy allowable under section 124A.23, subdivision 2, in that same year.

(4) Each district shall make permanent fund balance transfers so that the total statutory operating debt of the district is reflected in the general fund as of June 30, 1977.

Sec. 11. 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. 12. Minnesota Statutes 1993 Supplement, section 124A.225, subdivision 4, is amended to read:

Subd. 4. [REVENUE USE.] (a) Revenue must be used according to either paragraph (b), (c), or (d).

(b) Revenue shall be used to reduce and maintain the district's instructor to learner 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.

(c) Notwithstanding paragraph (b), for fiscal year 1995, a district with exceptional need as defined in subdivision 6, paragraph (a), may use the revenue to reduce and maintain the district's instructor-to-learner ratios in kindergarten through grade 6 to a level that is at least 2.0 less than the district's adopted staffing ratio, if the remaining learning and development revenue is used to continue or initiate staffing patterns that meet the needs of a diverse student population. Programs to meet the needs of a diverse student population may include programs for at-risk pupils and learning enrichment programs.

(d) For fiscal year 1995 only, in any school building that meets the characteristics of exceptional need as defined in subdivision 6, paragraph (b), a district may use the revenue to employ education assistants or aides supervised by a learner's regular instructor to assist learners in those school buildings.

(e) The revenue may be used to prepare and use an individualized learning plan for each learner. A district must not increase the district wide instructor-learner ratios in other grades as a result of reducing instructor-learner 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. 13. Minnesota Statutes 1993 Supplement, section 124A.225, is amended by adding a subdivision to read:

Subd. 6. [EXCEPTIONAL NEED DEFINED.] (a) A school district is considered to have exceptional need if the district has the following characteristics:

(1) ten percent or more of the district's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) ten percent or more of the district's pupils are students of color;

(3) the district's adjusted net tax capacity divided by its pupil units for the current year is less than $3,500; and

(4) the district's general education revenue per pupil unit is less than the average general education revenue per pupil unit for the economic development region in which the district is located.

(b) A school building is considered to have exceptional need if the school building has the following characteristics:

(1) 50 percent or more of the school building's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) the adjusted net tax capacity of the district in which the school building is located, divided by the district's pupil units for the current year, is less than $3,500; and

(3) the district's general education revenue per pupil unit is less than the average general education revenue per pupil unit for the economic development region in which the district is located.

Sec. 14. 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. 15. 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. 16. 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. 17. 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. 18. 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 one of the purposes of this program is to enhance the school desegregation/integration policies adopted by the state.

Sec. 19. 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. 20. 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. 21. 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. 22. 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. 23. [126.43] [SUMMER CULTURAL EXCHANGE GRANT PROGRAM.]

Subdivision 1. [CULTURAL EXCHANGE PROGRAM GOALS.] A cultural exchange grant program is established to develop and create opportunities for children and staff of different ethnic, racial, and other cultural backgrounds to experience educational and social exchange. Student and staff exchanges under this section may only take place between a district with a desegregation plan approved by the state board of education and a district without a desegregation plan. Participating school districts shall offer summer programs for credit with the goals set forth in paragraphs (a) to (d).

(a) The program shall develop curriculum reflective of particular ethnic, racial, and other cultural aspects of various demographic groups in the state.

(b) The program shall develop immersion programs that are coordinated with the programs offered in paragraph (a).

(c) The program shall create opportunities for students from across the state to enroll in summer programs in school districts other than the one of residence, or in other schools within their district of residence.

(d) The program shall create opportunities for staff exchanges on a cultural basis.

Subd. 2. [CULTURAL EXCHANGE GRANTS.] A school district together with a group of school districts, a cooperative governmental unit, the center for arts and education, or a post-secondary institution may apply for cultural exchange grants. The commissioner of education shall determine grant recipients and may adopt application guidelines. The grants must be competitively determined and applicants must demonstrate:

(1) the capacity to develop a focused curriculum that reflects the particular ethnic, racial, and other cultural aspects of the community in which the school where the program is offered is located;

(2) the capacity to develop immersion programs coordinated with the curriculum developed in clause (1);

(3) the capacity to coordinate a cultural exchange program with other curriculum programs to assure continuity in a pupils education;

(4) the capacity to maximize diversity of ethnic, racial, and other cultural backgrounds of participants;

(5) that the application is jointly developed by participants; and

(6) that the outcomes of the exchange program are clearly articulated.

Subd. 3. [GRANT USE.] The grants may be used for staff time including salary and benefit expenses and costs for substitute staff, travel expenses, curriculum materials, and any other expense needed to meet the goals of the program. Grant proceeds also may be used for transportation, board, and lodging expenses for students.

Sec. 24. [126.84] [MALE RESPONSIBILITY AND FATHERING GRANTS.]

Subdivision 1. [ESTABLISHMENT.] The commissioner of education, in consultation with the commissioner of human services, shall make male responsibility and fathering grants to youth or parenting programs that collaborate with school districts to educate young people, particularly males ages ten to 21, on the responsibilities of parenthood.

Subd. 2. [MATCHING MONEY.] Each dollar of state money must be matched with at least 50 cents of nonstate money including in-kind contributions. Those programs with a higher match will have a greater chance of receiving a grant.

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. Recipient programs must assist youth to:

(1) understand the connection between sexual behavior, adolescent pregnancy, and the roles and responsibilities of marriage and 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 APPLICATIONS.] (a) An application for a grant may be submitted by a youth or parenting program whose purpose is to reduce teen pregnancy or teach child development and parenting skills in collaboration with a school district. Each grant application must include a description of the program's structure and components, including collaborative and outreach efforts; an implementation and evaluation plan to measure the program's success; a plan for using males as instructors and mentors; and a cultural diversity plan to ensure that staff or teachers will reflect the cultural backgrounds of the population served and that the program content is culturally sensitive.

(b) Grant recipients must, at a minimum, provide education in responsible parenting and child development, responsible decision-making related to marriage and relationships, and the legal implications of paternity. Grant recipients also must provide public awareness efforts 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 implementation of 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. 5. [ADMINISTRATION.] The commissioner of education shall administer male responsibility and fathering grants. The commissioner shall establish a grant review committee composed of teachers and representatives of community organizations, student organizations, and education or family social service agencies that offer parent education programs.

Subd. 6. [REPORT.] The commissioner shall report to the legislature on the progress of the male responsibility and fathering programs by January 15, 1996.

Sec. 25. 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 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. 26. 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. 27. 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 the exclusive representative to conduct the duties of the exclusive representative and must, upon request, provide for leaves of absence to elected or appointed officials of the exclusive representative or to a full-time appointed official of an exclusive representative of teachers in another Minnesota school district.

Sec. 28. 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. 29. 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~~	$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. 30. 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. 31. 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. 32. 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; and 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, 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~~ 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; 3530.7800; 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; 8700.6410; 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; 8700.9000; 8700.9010; 8700.9020; 8700.9030; 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. 33. [REVIVAL OF RULES.]

Notwithstanding Minnesota Statutes, section 645.36, Minnesota Rules, parts 8700.6410, 8700.9000, 8700.9010, 8700.9020, and 8700.9030, repealed in Laws 1993, chapter 224, article 12, section 39, paragraph (a), are revived on the effective date of section 32.

Sec. 34. [STAFFING.]

The commissioner of education shall provide staffing 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.

Sec. 35. [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 evaluate the four grant sites and two control 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. 36. [REPORT ON SCHOOL MEALS PROGRAMS.]

The commissioner of education shall review the nutrition needs of K-12 students and the extent to which poor nutrition interferes with effective learning, and shall review the current school breakfast and lunch programs and the role of these programs in improving educational achievement and contributing to the long-term health of Minnesota children. The commissioner shall identify barriers to participating in the school meals programs and shall make recommendations to the education committees of the legislature and the legislative commission on children, youth, and their families by January 31, 1995, to:

(1) improve student nutrition to increase the educational achievement of all children and to improve the overall learning climate;

(2) more effectively integrate the school meals program into the school day;

(3) eliminate barriers to universal participation in school meals programs;

(4) reduce paperwork and other administrative burdens associated with the school meals programs so that resources can be redirected to pay for program expansion and improving the nutritional integrity of the program; and

(5) enable Minnesota to maximize federal funds for school meals programs.

Sec. 37. [REVENUE ADJUSTMENTS.]

After appropriate study and such public hearings as may be necessary, the commissioner of education shall recommend to the legislature by February 1, 1995, a policy for ensuring 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. 38. [MAGNET SCHOOL AND PROGRAM GRANTS.]

(a) The commissioner of education, in consultation with the desegregation/integration office under Minnesota Statutes, section 121.025, 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. 39. [LAKE SUPERIOR DEBT.]

Subdivision 1. [OPERATING DEBT ACCOUNT.] On July 1, 1994, independent school district No. 381, Lake Superior, shall establish a reserved account in the general fund. The balance in the account shall equal the unreserved undesignated fund balance in the operating funds of the district as of June 30, 1994.

Subd. 2. [LEVY.] For taxes payable in each of the years 1998 through 2000, the district may levy an amount up to 33-1/3 percent of the balance in the account on July 1, 1994. The balance in the account shall be adjusted each year by the amount of the proceeds of the levy. The proceeds of the 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.

Sec. 40. [PILOT PROGRAM IN CONTINUING MULTICULTURAL EDUCATION.]

Subdivision 1. [PROGRAM COMPONENTS.] Beginning with the 1994-1995 school year, independent school district No. 38, Red Lake, shall provide a 25-hour continuing education in-service program in multicultural education for licensed teachers in the district. The three-year pilot program shall be results-oriented and shall be designed to improve teachers' ability to effectively educate learners of all racial, cultural, and economic groups. The district's staff development committee under Minnesota Statutes, section 126.70, subdivision 1, shall develop appropriate outcomes for the program. The district shall contract with Bemidji State University to provide curriculum, instruction, and assessments for the program.

Subd. 2. [PROGRAM APPROVAL.] Prior to implementation, the program established in subdivision 1 must be approved by the department of education in consultation with the state American Indian education advisory committee.

Subd. 3. [APPLICABILITY.] A teacher employed by independent school district No. 38, Red Lake, at the start of the 1994-1995 school year shall complete the program established in subdivision 1 within three years of its implementation. In appropriate circumstances, the district's staff development committee under Minnesota Statutes, section 126.70, subdivision 1, may waive this provision for a teacher who is unable to complete the program. The program shall be counted as continuing education for licensure purposes under board of teaching rules.

Subd. 4. [REPORT.] Independent school district No. 38, Red Lake, and the staff development committee shall report to the commissioner of education on the status of the program by February 1, 1995.

Sec. 41. [OSSEO LEVY.] For 1994 taxes payable in 1995 only, independent school district No. 279, Osseo, may levy a tax in an amount not to exceed $500,000. The proceeds of this levy must be used to provide instructional services for at-risk children.

Sec. 42. [FUND TRANSFERS.]

Subdivision 1. [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. 2170, 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. 2. [MONTICELLO.] Notwithstanding Minnesota Statutes, sections 121.912 and 121.9121, or any other law, independent school district No. 882, Monticello, may permanently transfer an amount not to exceed $250,000 from its capital expenditure fund to its transportation fund before July 1, 1994.

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 $160,900 from the general fund to the capital expenditure fund.

Subd. 4. [REMER-LONGVILLE AND ORTONVILLE.] Notwithstanding Minnesota Statutes, section 121.912, subdivision 1, or any other law to the contrary, independent school district Nos. 62, Ortonville, and 118, Remer-Longville may each permanently transfer up to $150,000 in fiscal year 1994 from the bus purchase account to the capital expenditure fund for facility repairs and technology-related equipment without making a levy reduction.

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 $100,000 from its debt redemption fund to its general fund.

Subd. 6. [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.

Subd. 7. [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.

Sec. 43. [LOW-INCOME CONCENTRATION GRANT PROGRAM.]

Subdivision 1. [GRANT PROGRAM.] A low-income concentration grant program is established. The purpose of the program is to provide additional resources to school buildings in which the concentration of children from low-income families is high compared to the district-wide concentration.

Subd. 2. [APPLICATION PROCESS.] The commissioner of education shall develop a grant application process. In order to qualify for a grant, the building must be located in a district that meets the following criteria:

(1) ten percent or more of the district's pupils are eligible for free and reduced lunch as of October 1 of the previous fiscal year;

(2) ten percent or more of the district's pupils are students of color;

(3) the district has at least 1500 students in average daily membership; and

(4) the district's administrative office is located in the seven county metropolitan area but not in a city of the first class.

Subd. 3. [GRANT USE.] The grant must be used according to Minnesota Statutes, section 124A.28. The grant may only be used in buildings in the district where the percent of children in the building eligible for free and reduced lunch is at least 20 percent and the number of minority students is at least 20 percent.

Sec. 44. [SEXUALITY AND FAMILY LIFE EDUCATION SURVEY.]

The department of education, in consultation with the department of health and Minnesota planning, shall conduct a survey to assess the extent and status of sexuality and family life education in Minnesota's public elementary, middle, secondary, and alternative schools. The survey shall, at a minimum, compile information on the sexuality and family life related curriculum offered in each school, the goals of the curriculum, the age and developmental appropriateness of the curriculum, available research supporting the curriculum, the relevant training of those who teach sexuality and family life education, and the role that parents play in the programs. The department of education shall report the results of the evaluation to the legislature by February 15, 1995. The survey results shall be used to develop effective programs to prevent teen pregnancy.

Sec. 45. [APPROPRIATIONS.]

Subdivision 1. [DEPARTMENT OF EDUCATION.] The sums indicated in this section are appropriated from the general fund to the department of education in the fiscal year designated.

Subd. 2. [FREE BREAKFAST GRANTS.] For grants for free breakfasts to elementary school children:

$167,000 1995

Up to $18,000 of this sum may be used to conduct an evaluation of the grant sites.

Subd. 3. [MAGNET SCHOOL AND PROGRAM GRANTS.] For magnet school and program grants:

$1,500,000 1995

This sum shall be used for planning and developing magnet schools and magnet programs. Prior to awarding the grants, the commissioner shall consult with the superintendent of districts that demonstrate an intent to participate in the magnet school and related programs.

Subd. 4. [DESEGREGATION/INTEGRATION OFFICE.] For the desegregation/integration office:

$150,000 1995

This sum shall be used for costs associated with assisting school districts in voluntary integration efforts and for annually evaluating and reporting the results of such efforts. A portion of this appropriation may be used for unclassified positions within the department.

Subd. 5. [MALE RESPONSIBILITY AND FATHERING GRANTS.] For male responsibility and fathering grants:

$500,000 1995

The commissioner of education shall award a minimum of ten grants geographically distributed throughout the state.

The commissioner of education may enter into cooperative agreements with the commissioner of human services to access federal money for child support and paternity education programs.

This appropriation is available until June 30, 1996.

Subd. 6. [MULTICULTURAL CONTINUING EDUCATION GRANT.] For a grant to independent school district No. 38, Red Lake, for a multicultural continuing education pilot project for teachers:

$69,000 1995

The district must match this sum with staff development revenue under Minnesota Statutes, section 124A.29.

Subd. 7. [LOW-INCOME CONCENTRATION GRANTS.] For grants under section 43:

$1,000,000 1995

Each grant shall be no more than $50,000.

Subd. 8. [NETT LAKE YOUTH PROGRAM GRANT.] For a grant to independent school district No. 707, Nett Lake, for providing an evening and weekend youth activity program:

$25,000 1995

The school district, in collaboration with social services and law enforcement agencies, and with the advice of the community youth council, must use the grant to provide evening and weekend programs for youth that include educational, social, and cultural activities.

Subd. 9. [CULTURAL EXCHANGE PROGRAM.] For the cultural exchange program:

$142,000 1995

Subd. 10. [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.

Subd. 11. [SEXUALITY AND FAMILY LIFE EDUCATION SURVEY.] For a sexuality and family life education survey:

$25,000 1995

Sec. 46. [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. 47. [EFFECTIVE DATE.]

(a) Sections 32; 33; and 42 are effective the day following final enactment.

(b) Sections 14; 17; and 46, paragraph (a), are effective July 1, 1994.

(c) Sections 12; and 13; are effective July 1, 1994, and apply to revenue for 1994-1995 and later school years.

ARTICLE 9

MISCELLANEOUS

Section 1. Minnesota Statutes 1993 Supplement, section 120.064, subdivision 3, is amended to read:

Subd. 3. [SPONSOR.] A school board may sponsor one or more outcome-based schools.

A school board may authorize a maximum of five outcome-based schools.

No more than a total of ~~20~~ 35 outcome-based schools may be authorized. The state board of education shall advise potential sponsors when the maximum number of outcome-based schools has been authorized.

Sec. 2. 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. 3. Minnesota Statutes 1993 Supplement, section 120.101, subdivision 5b, is amended to read:

Subd. 5b. [INSTRUCTIONAL DAYS.] Every child required to receive instruction according to subdivision 5 shall receive instruction for at least 170 days through the ~~1994-1995~~ 1995-1996 school year, and for later years, at least the number of days per school year in the following schedule:

(1) ~~1995-1996, 172;~~

~~(2)~~ 1996-1997, 174;

~~(3)~~ (2) 1997-1998, 176;

~~(4)~~ (3) 1998-1999, 178;

~~(5)~~ (4) 1999-2000, 180;

~~(6)~~ (5) 2000-2001, 182;

~~(7)~~ (6) 2001-2002, 184;

~~(8)~~ (7) 2002-2003, 186;

~~(9)~~ (8) 2003-2004, 188; and

~~(10)~~ (9) 2004-2005, and later school years, 190.

Sec. 4. 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. 5. 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. 6. 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. 7. 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. 8. Minnesota Statutes 1993 Supplement, section 124.19, subdivision 1, is amended to read:

Subdivision 1. [INSTRUCTIONAL TIME.] Every district shall maintain school in session or provide instruction in other districts for at least 175 days through the ~~1994-1995~~ 1995-1996 school year and the number of days required in subdivision 1b thereafter, not including summer school, or the equivalent in a district operating a flexible school year program. A district that holds school for the required minimum number of days and is otherwise qualified is entitled to state aid as provided by law. If school is not held for the required minimum number of days, state aid shall be reduced by the ratio that the difference between the required number of days and the number of days school is held bears to the required number of days, multiplied by 60 percent of the basic revenue, as defined in section 124A.22, subdivision 2, of the district for that year. However, districts maintaining school for fewer than the required minimum number of days do not lose state aid (1) if the circumstances causing loss of school days below the required minimum number of days are beyond the control of the board, (2) if proper evidence is submitted, and (3) if a good faith attempt is made to make up time lost due to these circumstances. The loss of school days resulting from a lawful employee strike shall not be considered a circumstance beyond the control of the board. Days devoted to meetings authorized or called by the commissioner may not be included as part of the required minimum number of days of school. For grades 1 to 12, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed five days through the ~~1994-1995~~ 1995-1996 school year and for subsequent school years the difference between the number of days required in subdivision 1b and the number of instructional days required in subdivision 5b. For kindergarten, days devoted to parent-teacher conferences, teachers' workshops, or other staff development opportunities as part of the required minimum number of days must not exceed twice the number of days for grades 1 to 12.

Sec. 9. Minnesota Statutes 1992, section 124.19, subdivision 1b, is amended to read:

Subd. 1b. [REQUIRED DAYS.] Each district shall maintain school in session or provide instruction in other districts for at least the number of days required for the school years listed below:

(1) ~~1995-1996, 177;~~

~~(2)~~ 1996-1997, 179;

~~(3)~~ (2) 1997-1998, 181;

~~(4)~~ (3) 1998-1999, 183;

~~(5)~~ (4) 1999-2000, 185;

~~(6)~~ (5) 2000-2001, 187;

~~(7)~~ (6) 2001-2002, 189;

~~(8)~~ (7) 2002-2003, 191;

~~(9)~~ (8) 2003-2004, 193; and

~~(10)~~ (9) 2004-2005, and later school years, 195.

Sec. 10. Minnesota Statutes 1993 Supplement, section 124.248, subdivision 4, is amended to read:

Subd. 4. [OTHER AID, GRANTS, REVENUE.] (a) An outcome-based school is eligible to receive other aids, grants, and revenue according to chapters 120 to 129, as though it were a school district except that, notwithstanding section 124.195, subdivision 3, the payments shall be of an equal amount on each of the 23 payment dates unless an

outcome-based school is in its first year of operation in which case it shall receive on its first payment date 15 percent of its cumulative amount guaranteed for the year and 22 payments of an equal amount thereafter the sum of which shall be 85 percent of the cumulative amount guaranteed. However, it may not receive aid, a grant, or revenue if a levy is required to obtain the money, except as otherwise provided in this section. Federal aid received by the state must be paid to the school, if it qualifies for the aid as though it were a school district.

(b) Any revenue received from any source, other than revenue that is specifically allowed for operational, maintenance, capital facilities revenue under paragraph (c), and capital expenditure equipment costs under this section, may be used only for the planning and operational start-up costs of an outcome-based school. Any unexpended revenue from any source under this paragraph must be returned to that revenue source or conveyed to the sponsoring school district, at the discretion of the revenue source.

(c) An outcome-based school may receive money from any source for capital facilities needs. Any unexpended capital facilities revenue must be reserved and shall be expended only for future capital facilities purposes.

Sec. 11. Minnesota Statutes 1992, section 124.86, subdivision 2, is amended to read:

Subd. 2. [REVENUE AMOUNT.] An American Indian-controlled tribal contract or grant school that is located on a reservation within the state and that complies with the requirements in subdivision 1 is eligible to receive tribal contract or grant school aid. The amount of aid is derived by:

(1) multiplying the formula allowance under section 124A.22, subdivision 2, times the difference between (a) the actual pupil units as defined in section 124A.02, subdivision 15, in average daily membership, excluding section 124.17, subdivision 2f, and (b) the number of pupils for the current school year, weighted according to section 124.17, subdivision 1, receiving benefits under section 123.933 or 123.935 or for which the school is receiving reimbursement under section 126.23;

(2) subtracting from the result in clause (1) the amount of money allotted to the school by the federal government through the Indian School Equalization Program of the Bureau of Indian Affairs, according to Code of Federal Regulations, title 25, part 39, subparts A to E, for the basic program as defined by section 39.11, paragraph (b), for the base rate as applied to kindergarten through twelfth grade, excluding small school adjustments and additional weighting, but not money allotted through subparts F to L for contingency funds, school board training, student training, interim maintenance and minor repair, interim administration cost, prekindergarten, and operation and maintenance, and the amount of money that is received according to section 126.23;

(3) dividing the result in clause (2) by the actual pupil units in average daily membership, excluding section 124.17, subdivision 2f; and

(4) multiplying the actual pupil units, including section 124.17, subdivision 2f, in average daily membership by the lesser of $1,500 or the result in clause (3).

Sec. 12. Minnesota Statutes 1992, section 127.03, subdivision 3, is amended to read:

Subd. 3. [IMMUNITY FROM CIVIL LIABILITY.] It is a defense to a civil action for damages against a ~~teacher~~ school official, as defined in section 609.2231, subdivision 5, to prove that the force used by the ~~teacher~~ official 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. 13. [EFFECTIVE DATE.]

Section 2 is effective the day following final enactment. Section 7 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. If no full-time position is available in the library jurisdiction, the student may fulfill the work requirement in another Minnesota public library.

(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 designated.

Subd. 2. [LIBRARIANS OF COLOR.] For the librarians of color program:

$55,000 1995

Subd. 3. [CHILDREN'S LIBRARY SERVICES GRANTS.] For grants for collaborative programs to strengthen library services to children, young people, and their families:

$50,000 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 126A.04, subdivision 5, is amended to read:

Subd. 5. [GRANTS.] The director may apply for, receive, and allocate grants and other money for environmental education. The director shall continue to make a grant to an environmental library located in the metropolitan area.

Sec. 3. 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. 4. [FEDERAL FUNDS APPROVAL.]

The expenditure of federal funds as shown in the first and third change orders to the 1994-1995 supplemental budget are approved and appropriated and shall be spent as indicated.

Sec. 5. [FARIBAULT ACADEMIES; APPROPRIATION.]

Subdivision 1. [FARIBAULT STATE ACADEMIES; STAFF TRAINING.] $100,000 is appropriated in fiscal year 1995 from the general fund to the department of education for the Faribault academies to pay for the costs of an intensive staff training program. The staff training shall address issues of staff awareness and understanding of blind and deaf cultures, staff skill improvement, mediation and conflict resolution, team building, and communications. A report concerning the staff training program shall be submitted to the education committees of the legislature by January 1, 1995.

Subd. 2. [UTILIZATION OF ACADEMY EMPLOYEES.] In order to utilize employees of the Faribault academies who would otherwise be laid off during June, July, and August 1994, work to be performed on the renovation of Noyes hall on the Minnesota state academy for the deaf campus and the demolition of Dow hall on the Minnesota academy for the blind campus may include state employees, provided that the work performed by state employees is necessary for the completion of the projects, results in real costs savings on the projects, and is in conformance with state employees collective bargaining agreements.

Sec. 6. [EFFECTIVE DATE.]

Section 4 is effective the day following final enactment.

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 169.436, subdivision 1, clause (6), or 123.7991, 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~~ sections 120.17 and 120.1701 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 123.78, is amended by adding a subdivision to read:

Subd. 3. [RULES.] The state board of education may amend rules relating to equal transportation.

Sec. 3. [123.799] [STUDENT TRANSPORTATION SAFETY.]

Subdivision 1. [RESERVED REVENUE USE.] A district shall use the student transportation safety reserved revenue under section 124.225, subdivision 7f, for providing student transportation safety programs to enhance student conduct and safety on the bus or when boarding and exiting the bus. A district's student transportation policy must specify the student transportation safety activities to be carried out under this section. A district's student transportation safety reserved revenue may only be used for the following purposes:

(1) to provide paid adult bus monitors, including training and salary costs;

(2) to provide a volunteer bus monitor program, including training costs and the cost of a program coordinator;

(3) to purchase or lease optional external public address systems or video recording cameras for use on buses; and

(4) other activities or equipment that have been reviewed by the state school bus safety advisory committee and approved by the commissioner of public safety.

Subd. 2. [REPORTING.] Districts shall annually report expenditures from the student transportation safety reserved revenue to the commissioner of education, who shall provide the information to the school bus safety advisory committee.

Sec. 4. [123.7991] [SCHOOL BUS SAFETY TRAINING.]

Subdivision 1. [SCHOOL BUS SAFETY WEEK.] The first week of school is designated as school bus safety week.

A school board may designate one day of school bus safety week as school bus driver day.

Subd. 2. [STUDENT TRAINING.] (a) Each school district shall provide public school pupils enrolled in grades kindergarten through 12 with school bus safety training. The training shall be results-oriented and shall consist of both classroom instruction and practical training using a school bus. Upon completing the training, a student shall be able to demonstrate knowledge and understanding of at least the following competencies and concepts:

(1) transportation by school bus is a privilege not a right;

(2) district policies for student conduct and school bus safety;

(3) appropriate conduct while on the bus;

(4) the danger zones surrounding a school bus;

(5) procedures for safely boarding and leaving a school bus;

(6) procedures for safe vehicle lane crossing; and

(7) school bus evacuation and other emergency procedures.

(b) Student school bus safety training shall commence during school bus safety week. All students who are transported by school bus and are enrolled during the first week of school must demonstrate achievement of the school bus safety training competencies by the end of the third week of school. Students who enroll in a school after the first week of school and are transported by school bus shall undergo school bus safety training and demonstrate achievement of the school bus safety competencies within three weeks of the first day of attendance. The pupil transportation safety director in each district must certify to the commissioner of education annually by October 15 that all students transported by bus have satisfactorily demonstrated knowledge and understanding of the school bus safety competencies according to this section or provide an explanation for a student's failure to demonstrate the competencies. A school district may deny transportation to a student who fails to demonstrate the competencies, unless the student is unable to achieve the competencies due to a disability.

(c) A district must, to the extent possible, provide kindergarten pupils with bus safety training before the first day of school.

(d) A school district must also provide student safety education for bicycling and pedestrian safety.

Subd. 3. [MODEL TRAINING PROGRAM.] The commissioner of education shall develop a comprehensive model school bus safety training program for pupils who ride the bus that includes bus safety curriculum for both classroom and practical instruction, methods for assessing attainment of school bus safety competencies, and age-appropriate instructional materials.

Sec. 5. [123.7992] [NOTICE OF RECORDING DEVICE.]

If a video or audio recording device is placed on a school bus, the bus also must contain a sign or signs, conspicuously placed, notifying riders that their conversations or actions may be recorded on tape.

Sec. 6. [123.801] [BUS TRANSPORTATION A PRIVILEGE NOT A RIGHT.]

Transportation by school bus is a privilege not a right for an eligible student. A student's eligibility to ride a school bus may be revoked for a violation of school bus safety or conduct policies, or for violation of any other law governing student conduct on a school bus, pursuant to a written school district discipline policy. Revocation of a student's bus riding privilege is not an exclusion, expulsion, or suspension under the pupil fair dismissal act of 1974. Revocation procedures for a student who is an individual with a disability under the Individuals with Disabilities Education Act, United States Code, title 20, section 1400 et seq., section 504 of the Rehabilitation Act of 1973, United States Code, title 29, section 794, and the Americans with Disabilities Act, Public Law Number 101-336, are governed by these provisions.

Sec. 7. Minnesota Statutes 1992, section 124.223, is amended by adding a subdivision to read:

Subd. 11. [RULES.] The state board of education may amend rules relating to transportation aid and data.

Sec. 8. Minnesota Statutes 1992, section 124.225, is amended by adding a subdivision to read:

Subd. 7f. [RESERVED REVENUE FOR TRANSPORTATION SAFETY.] A district shall reserve an amount equal to the greater of $1,000 or one percent of the sum of the district's regular transportation revenue according to subdivision 7d, paragraph (a), and nonregular transportation revenue according to subdivision 7d, paragraph (b), for that school year to provide student transportation safety programs under section 3.

Sec. 9. Minnesota Statutes 1992, section 124.225, is amended by adding a subdivision to read:

Subd. 8m. [TRANSPORTATION SAFETY AID.] A district's transportation safety aid equals the district's reserved revenue for transportation safety under subdivision 7f for that school year.

Sec. 10. 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. 11. Minnesota Statutes 1992, section 169.01, subdivision 6, is amended to read:

Subd. 6. [SCHOOL BUS.] "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. 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. A school bus may be type ~~I~~ A, type B, type C, or type D, ~~type II,~~ or type III as follows:

~~(a) A "type I school bus" means a school bus of more than 10,000 pounds gross vehicle weight rating, designed for carrying more than ten persons.~~

~~(b) A "type II school bus" is a bus with a gross vehicle weight rating of 10,000 pounds or less, designed for carrying more than ten persons. It must be outwardly equipped and identified as a school bus.~~

(1) a "type A school bus" 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;

(2) a "type B school bus" is a 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. Part of the engine is beneath or behind the windshield and beside the driver's seat. The entrance door is behind the front wheels;

(3) 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, designated 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;

(4) 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, designed for carrying more than ten persons. The engine may be behind the windshield and beside the driver's seat; it may be 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; and

~~(e)~~ (5) 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.

Sec. 12. 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. 13. [169.435] [STATE SCHOOL BUS SAFETY ADMINISTRATION.]

Subdivision 1. [RESPONSIBILITY; DEPARTMENT OF PUBLIC SAFETY.] The department of public safety has the primary responsibility for school transportation safety. To oversee school transportation safety, the commissioner of public safety shall establish a school bus safety advisory committee according to subdivision 2. The commissioner or the commissioner's designee shall serve as state director of pupil transportation according to subdivision 3.

Subd. 2. [SCHOOL BUS SAFETY ADVISORY COMMITTEE.] 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 also 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) two school bus drivers, one representing the metropolitan area and one representing greater Minnesota;

(8) two school transportation contractors, one representing the metropolitan areas and one representing greater Minnesota;

(9) two school transportation safety directors, one representing the metropolitan area and one representing greater Minnesota; and

(10) five public members, including at least four parents of children who ride a school bus, among them a parent of a child with a disability. The public members shall be geographically representative.

The commissioner of public safety, in consultation with the commissioner of education, shall appoint the members listed in clauses (3) to (9). The governor shall appoint the public members in clause (10). Terms, compensation, and removal of committee members shall be according to section 15.059. The committee shall meet quarterly or as required by the chair.

The duties of the committee shall include:

(1) an annual report by January 15 to the governor and the education committees of the legislature, including recommendations for legislative action when needed, on student bus safety education, school bus equipment requirements and inspection, bus driver licensing, training, and qualifications, bus operation procedures, student behavior and discipline, rules of the road, school bus safety education for the public, or any other aspects of school transportation safety the committee considers appropriate;

(2) a quarterly review of all school transportation accidents, crimes, incidents of serious misconduct, incidents that result in serious personal injury or death, and bus driver dismissals for cause; and

(3) periodic review of school district comprehensive transportation safety policies.

Subd. 3. [PUPIL TRANSPORTATION SAFETY DIRECTOR.] The commissioner of public safety or the commissioner's designee shall serve as pupil transportation safety director.

The duties of the pupil transportation safety director shall include:

(1) overseeing all department activities related to school bus safety;

(2) assisting in the development, interpretation, and implementation of laws and policies relating to school bus safety;

(3) supervising preparation of the school bus inspection manual;

(4) in conjunction with the department of education, assisting school districts in developing and implementing comprehensive transportation policies; and

(5) providing information requested by the school bus safety advisory committee.

Sec. 14. [169.436] [SCHOOL DISTRICT BUS SAFETY RESPONSIBILITIES.]

Subdivision 1. [COMPREHENSIVE POLICY.] Each school district shall develop and implement a comprehensive, written policy governing pupil transportation safety. The policy shall, at minimum, contain:

(1) provisions for appropriate student bus safety training under section 4;

(2) rules governing student conduct on school buses and in school bus loading and unloading areas;

(3) a statement of parent or guardian responsibilities relating to school bus safety;

(4) provisions for notifying students and parents or guardians of their responsibilities and the rules;

(5) an intradistrict system for reporting school bus accidents or misconduct, a system for dealing with local law enforcement officials in cases of criminal conduct on a school bus, and a system for reporting accidents, crimes, incidents of misconduct, and bus driver dismissals to the department of public safety under section 24;

(6) a discipline policy to address violations of school bus safety rules, including procedures for revoking a student's bus riding privileges in cases of serious or repeated misconduct;

(7) a system for integrating school bus misconduct records with other discipline records;

(8) a statement of bus driver duties;

(9) planned expenditures for safety activities under section 3 and, where applicable, provisions governing bus monitor qualifications, training, and duties;

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

(11) operating rules and procedures;

(12) provisions for annual bus driver in-service training and evaluation;

(13) emergency procedures; and

(14) a system for maintaining and inspecting equipment.

School districts are encouraged to use the current edition of the "National Standards for School Buses and Operations" published by the National Safety Council in developing safety policies. Each district shall submit a copy of its policy under this subdivision to the school bus safety advisory committee no later than August 1, 1994, and review and make appropriate amendments annually by August 1.

Subd. 2. [SCHOOL TRANSPORTATION SAFETY DIRECTOR.] Each school board shall designate a school transportation safety director to oversee and implement pupil transportation safety policies. The director shall have day-to-day responsibility for pupil transportation safety.

Sec. 15. Minnesota Statutes 1992, section 169.441, subdivision 3, is amended to read:

Subd. 3. [SIGN ON BUS; APPLICATION OF OTHER LAW.] Sections ~~169.442, subdivisions 2 and 3,~~ 169.443, subdivision 2; and 169.444, subdivisions 1, 4, and 5, apply only if the school bus bears on its front and rear a plainly visible sign containing the words "school bus" in letters at least eight inches in height.

Except as provided in section 169.443, subdivision 8, the sign must be removed or covered when the vehicle is being used as other than a school bus.

Sec. 16. 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. 17. 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. 18. 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. 19. Minnesota Statutes 1992, section 169.445, subdivision 2, is amended to read:

Subd. 2. [INFORMATION; RULES.] The ~~board~~ commissioner 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~~ commissioner, local school authorities shall provide this information. The ~~board~~ commissioner may adopt rules governing the content and providing procedures for the school authorities to provide this information.

Sec. 20. Minnesota Statutes 1992, section 169.446, subdivision 3, is amended to read:

Subd. 3. [DRIVER EDUCATION PROGRAMS.] The ~~state board of education~~ 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. 21. 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. 22. [169.449] [SCHOOL BUS OPERATIONS.]

Subdivision 1. [RULES.] The commissioner of public safety, in consultation with the school bus safety advisory committee, shall adopt rules governing the operation of school buses used for transportation of school children, when owned or 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.

Subd. 2. [ENFORCEMENT.] The operation of a school bus on the public streets or highways in violation of rules concerning the operation of school buses adopted by the commissioner under subdivision 1 is a misdemeanor. The state patrol shall enforce rules adopted under subdivision 1 when a school bus is operated on a public street or highway.

Sec. 23. [169.4501] [SCHOOL BUS EQUIPMENT STANDARDS.]

Subdivision 1. [NATIONAL STANDARDS ADOPTED.] Except as provided in sections 36 and 37, the construction, design, equipment, and color of types A, B, C, and D school buses used for the transportation of school children shall meet the requirements of the "bus chassis standards" and "bus body standards" in the 1990 revised edition of the "National Standards for School Buses and Operations" adopted by the Eleventh National Conference on School Transportation and published by the National Safety Council. Except as provided in section 38, the construction, design, and equipment of types A, B, C, and D school buses used for the transportation of students with disabilities also shall meet the requirements of the "specially equipped school bus standards" in the 1990 National Standards for School Buses and Operations. The "bus chassis standards," "bus body standards," and "specially equipped school bus standards" sections of the 1990 revised edition of the "National Standards for School Buses and Operations" are incorporated by reference in this chapter.

Subd. 2. [APPLICABILITY.] (a) The standards adopted in this section and sections 36 and 37, govern the construction, design, equipment, and color 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 standards 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 standards.

(b) The standards apply to school buses manufactured after December 31, 1994. Buses complying with these standards when manufactured need not comply with standards established later except as specifically provided for by law.

(c) A school bus manufactured on or before December 31, 1994, must conform to the Minnesota standards in effect on the date the vehicle was manufactured except as specifically provided for in law.

(d) A new bus body may be remounted on a used chassis provided that the remounted vehicle meets state and federal standards for new buses which are current at the time of the remounting. Permission must be obtained from the commissioner of public safety before the remounting is done. A used bus body may not be remounted on a new or used chassis.

Subd. 3. [INSPECTION MANUAL.] The department of public safety shall develop a school bus inspection manual based on the national standards adopted in subdivision 1 and Minnesota standards adopted in sections 36, 37, and 38. The Minnesota state patrol shall use the manual as the basis for inspecting buses as provided in section 169.451. When appropriate, the school bus safety advisory committee shall recommend to the education committees of the legislature modifications to the standards upon which the school bus inspection manual is based. The department of public safety has no rulemaking authority to alter the standards upon which school buses are inspected.

Subd. 4. [VARIANCES.] 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. 24. [169.452] [ACCIDENT AND SERIOUS INCIDENT REPORTING.]

The department of public safety shall develop uniform definitions of a school bus accident, an incident of serious misconduct, and an incident that results in personal injury or death. The department shall determine what type of information on school bus accidents and incidents, including criminal conduct, and bus driver dismissals for cause should be collected and develop a uniform accident and incident reporting form to collect those data, including data relating to type III vehicles, statewide. Data collected with this reporting form shall be analyzed to help develop accident, crime, and misconduct prevention programs.

Sec. 25. [169.454] [TYPE III VEHICLE STANDARDS.]

Subdivision 1. [STANDARDS.] This section applies to type III vehicles used for the transportation of school children when owned and operated by a school district or privately owned and operated. All related equipment provided on the vehicle must comply with federal motor vehicle safety standards where applicable. If no federal standard applies, equipment must be manufacture's standard.

Subd. 2. [AGE OF VEHICLE.] Vehicles ten years or older must not be used as type III vehicles to transport school children, except those vehicles that are manufactured to meet the structural requirements of federal motor vehicle safety standard 222, Code of Federal Regulations, title 49, part 571.

Subd. 3. [COLOR.] Vehicles must be painted a color other than national school bus yellow.

Subd. 4. [FIRE EXTINGUISHER.] A minimum of one 10BC rated dry chemical type fire extinguisher is required. The extinguisher must be mounted in a bracket, and must be located in the driver's compartment and be readily accessible to the driver and passengers. A pressure indicator is required and must be easily read without removing the extinguisher from its mounted position.

Subd. 5. [FIRST AID KIT.] A minimum of a ten unit first aid kit is required. The bus must have a removable, moisture- and dust-proof first aid kit mounted in an accessible place within the driver's compartment and must be marked to indicate its location.

Subd. 6. [IDENTIFICATION.] The vehicle must not have the words "school bus" in any location on the exterior of the vehicle, or in any interior location visible to a motorist.

The vehicle must display to the rear of the vehicle this sign: "VEHICLE STOPS AT RR CROSSINGS."

The lettering (except for "AT," which may be one inch smaller) must be a minimum two-inch "Series D" as specified in standard alphabets for highway signs as specified by the Federal Highway Administration. The printing must be in a color giving a marked contract with that of the part of the vehicle on which it is placed.

The sign must have provisions for being covered, or be of a removable or fold-down type.

Subd. 7. [LAMPS AND SIGNALS.] Installation and use of the eight-lamp warning system is prohibited.

All lamps on the exterior of the vehicle must conform with and be installed as required by federal motor vehicle safety standard 108, Code of Federal Regulations, title 49, part 571.

Subd. 8. [STOP SIGNAL ARM.] Installation and use of a stop signal arm is prohibited.

Subd. 9. [MIRRORS.] The interior clear rearview mirror must afford a good view of pupils and roadway to the rear. Two exterior clear rearview mirrors must be provided, one to the left and one to the right of the driver. Each mirror must be firmly supported and adjustable to give the driver clear view past the left rear and the right rear of the bus.

Subd. 10. [WARNING DEVICE.] A type III bus must contain at least three red reflectorized triangle road warning devices. Liquid burning "pot type" flares are not allowed.

Subd. 11. [EMERGENCY DOORS.] The doors on type III buses must remain unlocked when carrying passengers.

Subd. 12. [OPTION.] Passenger cars and station wagons may carry fire extinguisher, first aid kit, and warning triangles in the trunk or trunk area of the vehicle, if a label in the driver and front passenger area clearly indicates the location of these items.

Sec. 26. [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. 27. [169.4582] [REPORTING 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 169.436, subdivision 1, 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. 28. 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. 29. 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~~ physical qualifications of school bus drivers and tests required to obtain a school bus endorsement. 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. 30. 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. 31. Minnesota Statutes 1992, section 171.321, is amended by adding a subdivision to read:

Subd. 4. [TRAINING.] No person shall drive a class A, B, C, or D school bus when transporting school children to or from school or upon a school-related trip or activity without having demonstrated sufficient skills and knowledge to transport students in a safe and legal manner. A bus driver must have training or experience that allows the driver to meet at least the following competencies:

(1) safely operate the type of school bus the driver will be driving;

(2) understand student behavior, including issues relating to students with disabilities;

(3) ensure orderly conduct of students on the bus and handle incidents of misconduct appropriately;

(4) know and understand relevant laws, rules of the road, and local school bus safety policies;

(5) handle emergency situations;

(6) safely load and unload students; and

(7) demonstrate proficiency in first aid and cardiopulmonary resuscitation procedures.

The commissioner of public safety, in conjunction with the commissioner of education, shall develop a comprehensive model school bus driver training program and model assessments for school bus driver training competencies, which are not subject to chapter 14. A school district may use alternative assessments for bus driver training competencies with the approval of the commissioner of public safety.

Sec. 32. Minnesota Statutes 1992, section 171.321, is amended by adding a subdivision to read:

Subd. 5. [ANNUAL EVALUATION.] A school district, nonpublic school, or private contractor shall evaluate each bus driver annually to assure that, at minimum, each driver continues to meet school bus driver training competencies under subdivision 4. A school district, nonpublic school, or private contractor also shall provide at least eight hours of in-service training annually to each school bus driver. As part of the annual evaluation, a district, nonpublic school, or private contractor shall check the license of each person who transports students for the district with the National Drivers Register or the department of public safety. A school district, nonpublic school, or private contractor shall certify annually to the commissioner of public safety that each driver has received eight hours of in-service training and has met the training competencies.

Sec. 33. Minnesota Statutes 1992, section 171.3215, is amended to read:

171.3215 [CANCELING BUS DRIVER'S ENDORSEMENT FOR ~~CRIME AGAINST MINOR~~ CERTAIN OFFENSES.]

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 felony offense, any misdemeanor, gross misdemeanor, or felony violation of chapter 152, any violation under section 609.3451, 609.746, subdivision 1, or 617.23, or a fourth moving violation within a three-year period.

Subd. 2. [CANCELLATION.] ~~The commissioner~~ Within 10 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 gross misdemeanor or 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. After five years, cancellation of a school bus driver's endorsement for a conviction under section 169.121 or 169.129 shall remain in effect until the driver provides proof of successful completion of an alcohol or controlled substance treatment program. 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.] 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, a violation of section 169.121 or 169.129, a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169.123. 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. 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 a gross misdemeanor, or if the applicant's driver's license has been revoked under section 169.123. An applicant who has been convicted of violating section 169.121 or 169.129 within the previous ten years must show proof of successful completion of an alcohol or controlled substance treatment program in order to receive a bus driver's endorsement.

Subd. 4. [WAIVER OF PERMANENT CANCELLATION.] The commissioner of public safety, in consultation with the school bus safety advisory committee, may waive the permanent cancellation requirement of section 171.3215 for a person convicted of a nonfelony violation of chapter 152 or a felony that is not a violent crime under section 609.152.

Sec. 34. 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, a gross misdemeanor, 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. 35. 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; 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, 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~~ 3520.2400; 3520.2500; 3520.2600; 3520.2800; 3520.3100; 3520.3400; 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. 36. [ADDITIONAL MINNESOTA SCHOOL BUS CHASSIS STANDARDS.]

Subdivision 1. [RELATION TO NATIONAL STANDARDS.] The bus chassis standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.4501. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.4501, the Minnesota standard contained in this section is controlling.

Subd. 2. [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, shall have automatic slack adjusters.

Subd. 3. [CERTIFICATION.] A chassis manufacturer shall certify that the product meets Minnesota standards. All buses with a certified manufacturing date prior to April 1, 1977, shall not be recertified as a school bus after January 1, 1996.

Subd. 4. [COLOR.] Fenders may be painted black. The hood may be painted nonreflective black or nonreflective yellow. The grill may be manufacturer's standard color.

Subd. 5. [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 gas-powered chassis, the battery or batteries must provide a minimum of 800 cold cranking amperes. In a bus with a diesel-powered chassis, the battery or batteries must provide a minimum of 1050 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 shall 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 SBMI design objectives booklet.

(c) All batteries shall be mounted according to chassis manufacturers' recommendations.

(d) In a type C bus, other than are 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 wheel chair lifts or diesel engines.

Subd. 6. [ELECTRICAL SYSTEM; ALTERNATOR.] A bus must be capable of providing 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. 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, shall 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 shall be reduced in size beyond the muffler.

Subd. 8. [FRAME.] Installation of a trailer hitch is permitted. A hitch shall 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 shall 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 manufacturer 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 shall 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 shall not be used on the same axle. Front tire tread depth shall not be less than 4/32 inch in any major tire tread groove. Rear tire tread shall 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. Recapped tires are permitted on the rear wheels.

Subd. 12. [TRANSMISSION.] The transmission shifting pattern must be permanently displayed in the driver's full view.

Sec. 37. [ADDITIONAL MINNESOTA SCHOOL BUS BODY STANDARDS.]

Subdivision 1. [RELATION TO NATIONAL STANDARDS.] The bus body standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.450, and section 36. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.450, the Minnesota standard contained in this section is controlling.

Subd. 2. [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. 3. [BUMPER; FRONT.] On a type D school bus, the bumper shall conform to federal motor vehicle safety standards.

Subd. 4. [CERTIFICATION.] A body manufacturer shall certify that the product meets Minnesota standards.

Subd. 5. [COLOR.] Fenderettes may be black. The beltline may be painted yellow over black or black over yellow. The rub rails shall be black. The reflective material on the sides of the bus body shall 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 are effective for buses manufactured after January 1, 1996.

Subd. 6. [COMMUNICATIONS.] All buses manufactured after January 1, 1995, shall have a two-way voice communications system.

Subd. 7. [CONSTRUCTION.] The metal floor shall be covered with plywood. The plywood shall 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-83 issued by the United States Department of Commerce. The floor shall be level from front to back, and side to side, except in wheel housing, toe board, and driver's seat platform areas.

Subd. 8. [DEFROSTERS.] Except as provided in this subdivision, defrosters and two auxiliary fans must direct a sufficient flow of heated air and shall 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. 9. [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 chassis manufacturer's standard door.

Subd. 10. [EMERGENCY EQUIPMENT; FIRE EXTINGUISHERS.] The fire extinguisher must have at least a 10BC rating.

Subd. 11. [EMERGENCY EQUIPMENT; WARNING DEVICES.] A flashlight with a minimum of two "C" batteries shall be included as part of the emergency equipment. Each bus equipped with seat belts for pupil passengers shall 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. 12. [HEATERS.] The heating system shall be capable of maintaining the temperature throughout the bus of not less than 50 degrees Fahrenheit during average minimum January temperature as established by the United States Department of Commerce. In a bus with a combustion heater, the heater must be installed by the body manufacturer, by an authorized dealer or authorized garage, or by a mechanic trained in the procedure.

Subd. 13. [IDENTIFICATION.] (a) Each bus shall, in the beltline, identify the school district serviced, or 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) Effective December 31, 1994, all buses sold must display lettering "Unlawful to pass when red lights are flashing" on the rear of the bus. The lettering shall be in two-inch black letters on school bus yellow background. This message shall be displayed directly below the upper window of the rear door. On rear engine buses, it shall be centered at approximately the same location. Only signs and lettering approved or required by state law may be displayed.

Subd. 14. [INSULATION.] (a) Ceilings and wall shall be insulated to a minimum of one and one-half inch fiberglass and installed so the insulation does not compact or sag. Floor insulation must be nominal 19/32 inches 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 standard 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 shall be sealed. Every school bus shall be constructed so that the noise level taken at the ear of the occupant nearest to the primary vehicle noise source shall not exceed 85 dba when tested according to procedures in the 1990 national standards for school buses and operations.

(b) The underside of 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. 15. [INTERIOR.] Interior speakers, except in the driver's compartment, must not protrude more than one-half inch from the mounting surface.

Subd. 16. [LAMPS AND SIGNALS.] (a) Each school bus shall 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 which goes on when the respective amber or red system is activated. The pilot lamp must either go out or flash at an alternate rate in the event the system is not functioning normally. The signal lamp system must include a closed control box. The box must be as small as practical, and must be easily dismounted or partially disassembled to provide access for maintenance purposes. The control panel box shall be arranged such that the momentary activating switch for the eight-lamp warning system shall be located on the left, the red (or red and amber) pilot light shall be located in the middle, and the eight-way master switch shall be 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 shall extend automatically whenever the service entrance door is opened and the eight-way lights are activated.

(b) If installed, a white flashing strobe shall be of a double flash type and have minimum effective light output of 200 candelas. No roof hatch can be mounted behind the strobe light.

(c) Type B, C, and D buses shall 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 are to 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. 17. [MIRRORS.] A type B bus with a gross vehicle weight rating less than 15,000 pounds shall have a minimum of six-inch by 16-inch mirror. A type B bus with a gross vehicle weight rating over 15,000 pounds shall have a minimum of a six-inch by 30-inch mirror. 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. 18. [OVERALL WIDTH.] The overall width limit excludes mirrors, mirror brackets, and the stop arm.

Subd. 19. [RUB RAILS.] There shall be one rub rail at the base of the skirt of the bus on all type B, C, and D buses.

Subd. 20. [SEAT AND CRASH BARRIERS.] All restraining barriers and passenger seats shall be covered with a material that has fire retardant or fire block characteristics. 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. 21. [STOP SIGNAL ARM.] The stop signal arm shall be installed near the front of the bus.

Subd. 22. [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 the standard manufacturer's solid visor is acceptable or a six-inch by 16-inch sun shield.

Subd. 23. [WINDOWS.] Windshield, entrance, and rear emergency exit doors must be of approved safety glass. Laminated or tempered glass (AS-2 or AS-3) is permitted in all other windows. All glass shall be federally approved and marked as provided in Minnesota Statutes, 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. The use of tinted glass, as approved by Minnesota Statutes, 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. 24. [WIRING.] If not protected by a grommet, wire that passes through holes shall be encased in an abrasive-resistant protective covering. If a master cutoff switch is used, it shall not be wired as to kill power to the electric brake system.

Sec. 38. [ADDITIONAL MINNESOTA STANDARDS FOR SPECIALLY EQUIPPED SCHOOL BUSES.]

Subdivision 1. [RELATION TO NATIONAL STANDARDS.] The specially equipped school bus standards contained in this section are required in addition to those required by Minnesota Statutes, section 169.450. When a Minnesota standard contained in this section conflicts with a national standard adopted in Minnesota Statutes, section 169.450, the Minnesota standard contained in this section is controlling.

Subd. 2. [COMMUNICATIONS.] All vehicles used to transport disabled students shall be equipped with a two-way communication system.

Subd. 3. [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. The restraints must be for the sole purpose of restraining students with disabilities.

Subd. 4. [SECUREMENT SYSTEM FOR MOBILE SEATING.] Wheelchair securement devices must comply with all requirements for wheelchair securement systems contained in federal regulation in effect on the later of the date the bus was manufactured or the date that a wheelchair securement system was added to the bus.

Sec. 39. [OPERATIONS RULES; CONTINUED EFFECT.]

Notwithstanding Minnesota Statutes 1992, section 14.05, subdivision 1, Minnesota Rules 1991, parts 3520.2400, 3520.2500, 3520.2600, 3520.2800, 3520.3100, and 3520.3400, remain in effect prior to June 30, 1995, until the commissioner of public safety adopts rules relating to school bus operations.

Sec. 40. [CURRENT BUS DRIVER TRAINING TIMELINE.]

A school bus driver hired before the effective date of section 31 must meet the training competencies during the driver's first annual evaluation under section 32.

Sec. 41. [APPROPRIATION; DEPARTMENT OF EDUCATION.]

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 year designated.

Subd. 2. [STUDENT TRANSPORTATION SAFETY.] For student transportation safety aid according to Minnesota Statutes, section 124.225, subdivision 8m:

$2,985,000 1995

Sec. 42. [APPROPRIATION; DEPARTMENT OF PUBLIC SAFETY.]

Subdivision 1. [DEPARTMENT OF PUBLIC SAFETY.] The sums indicated in this section are appropriated from the general fund to the commissioner of public safety for the fiscal year designated.

Subd. 2. [SAFETY ADVISORY COMMITTEE.] For the school bus safety advisory committee according to Minnesota Statutes, section 169.44:

$15,000 1995

Sec. 43. [REPEALER.]

Minnesota Statutes 1992, sections 169.441, subdivision 2; 169.442, subdivisions 2 and 3; 169.445, subdivision 3; 169.447, subdivision 3; and 169.45, are repealed. Minnesota Statutes 1993 Supplement, section 123.80, is repealed.

Minnesota Rules, parts 3520.3600 and 3520.3700, are repealed.

If enacted, 1994 S. F. No. 2913, article 4, section 81, is repealed.

ARTICLE 13

CONFORMING AMENDMENTS

Section 1. Minnesota Statutes 1992, section 121.908, subdivision 5, is amended to read:

Subd. 5. All governmental units formed by joint powers agreements entered into by districts pursuant to section 120.17, 120.1701, 123.351, 471.59, or any other law and all educational cooperative service units and education districts shall be subject to the provisions of this section.

Sec. 2. 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. 3. 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. 4. Minnesota Statutes 1992, section 123.932, subdivision 11, is amended to read:

Subd. 11. "Health services" means physician, dental, nursing or optometric services provided to pupils in the field of physical or mental health; provided the term does not include direct educational instruction, services which are required pursuant to ~~section~~ sections 120.17 and 120.1701, or services which are eligible to receive special education aid pursuant to section 124.32.

Sec. 5. Minnesota Statutes 1992, section 124.223, subdivision 4, is amended to read:

Subd. 4. [PUPILS WITH DISABILITIES.] State transportation aid is authorized for transportation or board and lodging of a pupil with a disability when that pupil cannot be transported on a regular school bus, the conveying of pupils with a disability between home or a respite care facility and school and within the school plant, necessary transportation of pupils with a disability from home or from school to other buildings, including centers such as developmental achievement centers, hospitals and treatment centers where special instruction or services required by ~~section~~ sections 120.17 and 120.1701 are provided, within or outside the district where services are provided, and necessary transportation for resident pupils with a disability required by ~~section~~ sections 120.17, subdivision 4a, and 120.1701. Transportation of pupils with a disability between home or a respite care facility and school shall not be subject to any distance requirement for children not yet enrolled in kindergarten or to the requirement in subdivision 1 that elementary pupils reside at least one mile from school and secondary pupils reside at least two miles from school in order for the transportation to qualify for aid.

Sec. 6. Minnesota Statutes 1992, section 124.223, subdivision 6, is amended to read:

Subd. 6. [SHARED TIME.] State transportation aid is authorized for transportation from one educational facility to another within the district for resident pupils enrolled on a shared time basis in educational programs, and necessary transportation required by ~~section~~ sections 120.17, subdivision 9, and 120.1701 for resident pupils with a disability who are provided special instruction and services on a shared time basis.

Sec. 7. 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 (c)~~ clause (5), 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~~ sections 120.17 and 120.1701 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. 8. 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. 9. 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. 10. Minnesota Statutes 1992, section 124.32, subdivision 7, is amended to read:

Subd. 7. [PROGRAM AND AID APPROVAL.] Before June 1 of each year, each district providing special instruction and services to children with a disability shall submit to the commissioner an application for approval of these programs and their budgets for the next school year. The application shall include an enumeration of the costs proposed as eligible for state aid pursuant to this section and of the estimated number and grade level of children with a disability in the district who will receive special instruction and services during the next school year. The

application shall also include any other information deemed necessary by the commissioner for the calculation of state aid and for the evaluation of the necessity of the program, the necessity of the personnel to be employed in the program, the amount which the program will receive from grants from federal funds, or special grants from other state sources, and the program's compliance with the rules and standards of the state board. The commissioner shall review each application to determine whether the program and the personnel to be employed in the program are actually necessary and essential to meet the district's obligation to provide special instruction and services to children with a disability pursuant to ~~section~~ sections 120.17 and 120.1701. The commissioner shall not approve aid pursuant to this section for any program or for the salary of any personnel determined to be unnecessary or unessential on the basis of this review. The commissioner may also withhold all or any portion of the aid for programs which receive grants from federal funds, or special grants from other state sources. By August 31 the commissioner shall approve, disapprove or modify each application, and notify each applying district of the action and of the estimated amount of aid for the programs. The commissioner shall provide procedures for districts to submit additional applications for program and budget approval during the school year, for programs needed to meet any substantial changes in the needs of children with a disability in the district. Notwithstanding the provisions of section 124.15, the commissioner may modify or withdraw the program or aid approval and withhold aid pursuant to this section without proceeding according to section 124.15 at any time the commissioner determines that the program does not comply with rules of the state board or that any facts concerning the program or its budget differ from the facts in the district's approved application.

Sec. 11. Minnesota Statutes 1992, section 127.43, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] For the purposes of providing instruction to children with a disability under ~~section~~ sections 120.17 and 120.1701, this section, and section 127.44, the following terms have the meanings given them.

Sec. 12. Minnesota Statutes 1992, section 136D.23, subdivision 2, is amended to read:

Subd. 2. [LIABILITY.] Except as to certificates of indebtedness or bonds issued under ~~sections 136D.27 and~~ section 136D.28 hereof, no participating school district shall have individual liability for the debts and obligations of the board nor shall any individual serving as a member of the board have such liability.

Sec. 13. Minnesota Statutes 1992, section 136D.26, is amended to read:

136D.26 [DISTRICT CONTRIBUTIONS, DISBURSEMENTS, CONTRACTS.]

~~In addition to or in lieu of the certification of tax levies by the joint school board under section 136D.27,~~ The participating school districts may contribute funds to the board. Disbursements shall be made by the board in accordance with section 123.34. This board shall be subject to section 123.37.

Sec. 14. Minnesota Statutes 1992, section 136D.74, subdivision 2a, is amended to read:

Subd. 2a. [PROHIBITED LEVIES.] Notwithstanding subdivision 4, ~~section 136D.73, subdivision 3,~~ or any other law to the contrary, the intermediate school board may not certify, either itself, to any participating district, or to any cooperating school district, any levies for any purpose, except the levies authorized by sections 124.2727, 124.83, subdivision 4, 127.05, 136C.411, 275.48, and 475.61, and for the intermediate school board's obligations under section 268.06, subdivision 25, for which a levy is authorized by section 124.912, subdivision 1.

Sec. 15. Minnesota Statutes 1992, section 136D.83, subdivision 2, is amended to read:

Subd. 2. [LIABILITY.] Except as to certificates of indebtedness or bonds issued under section ~~136D.87 or~~ 136D.89 hereof, no participating school district shall have individual liability for the debts and obligations of the board nor shall any individual serving as a member of the board have such liability.

Sec. 16. Minnesota Statutes 1992, section 136D.86, is amended to read:

136D.86 [DISTRICT CONTRIBUTIONS, DISBURSEMENTS, CONTRACTS.]

~~In addition to or in lieu of the certification of tax levies by the joint school board under section 136D.87,~~ The participating school districts may contribute funds to the board. Disbursements shall be made by the board in accordance with section 123.34. This board shall be subject to section 123.37.

Sec. 17. 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 (c)~~ clause (5).

Sec. 18. Minnesota Statutes 1993 Supplement, section 245.492, subdivision 10, is amended to read:

Subd. 10. [INTERAGENCY EARLY INTERVENTION COMMITTEE.] "Interagency early intervention committee" refers to the committee established under section ~~120.17~~ 120.1701, subdivision ~~12~~ 5.

Sec. 19. Minnesota Statutes 1992, section 252.21, is amended to read:

252.21 [COUNTY BOARDS MAY MAKE GRANTS FOR DEVELOPMENTAL ACHIEVEMENT CENTER SERVICES FOR CHILDREN WITH MENTAL RETARDATION OR RELATED CONDITIONS.]

In order to assist county boards in carrying out responsibilities for the provision of daytime developmental achievement center services for eligible children, the county board or boards are hereby authorized to make grants, within the limits of the money appropriated, to developmental achievement centers for services to children with mental retardation or related conditions. In order to fulfill its responsibilities to children with mental retardation or related conditions as required by sections 120.17, 120.1701, and 256E.08, subdivision 1, a county board may, beginning January 1, 1983, contract with developmental achievement centers or other providers.

ARTICLE 14

BURNSVILLE

Section 1. Minnesota Statutes 1992, section 124.242, is amended to read:

124.242 [BUILDING BONDS FOR CALAMITIES.]

Subdivision 1. [BONDS.] When a building owned by a school district is substantially damaged by an act of God or other means beyond the control of the district, the district may issue general obligation bonds without an election to provide money immediately to carry out its adopted health and safety program. Each year the district must pledge an attributable share of its health and safety revenue to the repayment of principal and interest on the bonds. The pledged revenue shall be transferred to the debt redemption fund of the district. The district shall submit to the department of education the repayment schedule for any bonds issued under this section. The district shall deposit in the debt redemption fund all proceeds received for specific costs for which the bonds were issued, including but not limited to:

(1) insurance proceeds;

(2) restitution proceeds; and

(3) proceeds of litigation or settlement of a lawsuit.

Before bonds are issued, the district must submit a combined application to the commissioner of education for health and safety revenue, according to section 124.83, and requesting review and comment, according to section 121.15, subdivisions 6, 7, 8, and 9. The commissioner shall complete all procedures concerning the combined application within 20 days of receiving the application. The publication provisions of section 121.15, subdivision 9, do not apply to bonds issued under this section.

Subd. 2. [HEALTH AND SAFETY REVENUE.] For any fiscal year where the total amount of health and safety revenue is limited, the commissioner of education shall award highest priority to health and safety revenue pledged to repay building bonds issued under subdivision 1.

Sec. 2. 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 requests for health and safety revenue to address calamities. 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. 3. [WAIVER OF RULES AND STATUTES.]

Upon approval of the commissioner of education, for the 1993-1994 school year only, independent school district No. 191, Burnsville, may provide a shorter school day than required by Minnesota Rules, part 3500.1200, and may offer fewer instructional days and maintain school for fewer required days than specified by Minnesota Statutes, sections 120.101, subdivision 5b, and 124.19, and is not subject to a general education aid reduction.

Sec. 4. [APPROPRIATIONS.]

$500,000 is appropriated from the general fund to the commissioner of education in fiscal year 1995 to make a grant to independent school district No. 191, Burnsville.

Sec. 5. [EFFECTIVE DATE.]

Sections 1 to 4 are effective the day following final enactment.

ARTICLE 15

TECHNICAL COLLEGES

Section 1. [TECHNICAL COLLEGE FUNDING SHIFT.]

$24,000,000 is appropriated in fiscal year 1995 from the general fund to the state board of technical colleges to eliminate the funding shift under Minnesota Statutes 1992, section 136C.36, and to provide 100 percent funding in the year for which it is appropriated."

Renumber the sections in sequence and correct internal references

Amend the title accordingly

We request adoption of this report and repassage of the bill.

House Conferees: KATHLEEN VELLENGA, GERALD J. "JERRY" BAUERLY AND ALICE M. JOHNSON.

Senate Conferees: LAWRENCE J. POGEMILLER, JERRY R. JANEZICH, SANDRA L. PAPPAS AND MARTHA R. ROBERTSON.

Vellenga moved that the report of the Conference Committee on H. F. No. 2189 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

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

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

Those who voted in the affirmative were:

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

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

CONFERENCE COMMITTEE REPORT ON H. F. NO. 3041

A bill for an act relating to 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; 473.553; 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.

May 6, 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. 3041, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H. F. No. 3041 be further amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE 1

Section 1. Minnesota Statutes 1993 Supplement, section 240A.02, subdivision 1, is amended to read:

Subdivision 1. [MEMBERSHIP; COMPENSATION; CHAIR.] (a) The Minnesota amateur sports commission consists of 12 voting members, four of whom must be experienced in promoting amateur sports. Nine of the voting members shall be appointed by the governor to three-year terms. Of the total commission membership, including voting and nonvoting members, one member must reside in each of the state's congressional districts. ~~Two~~ Four legislators, ~~one~~ two from each house appointed according to its rules, shall be nonvoting members. One member from each house shall be from the minority caucus. Compensation and removal of members and the filling of membership vacancies are as provided in section 15.0575. A member may be reappointed. The governor shall appoint the chair of the commission after consideration of the commission's recommendation.

(b) The governor, speaker of the house of representatives, and senate majority leader shall each appoint one additional voting member to the commission to a two-year term. The purpose of adding three members to the commission is to ensure gender balance in commission membership. Compensation, removal, and filling of vacancies of members appointed under this paragraph are as provided in section 15.0575. A member appointed under this paragraph may be reappointed.

Sec. 2. 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. 3. 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. 4. Minnesota Statutes 1992, section 473.553, subdivision 3, is amended to read:

Subd. 3. [CHAIR.] The chair shall be appointed by the governor as the ~~seventh~~ ninth voting member and shall meet all of the qualifications of a member, except the chair need only reside outside the ~~metropolitan area~~ city of Minneapolis. The chair shall preside at all meetings of the commission, if present, and shall perform all other duties and functions assigned by the commission or by law. The commission may appoint from among its members a vice-chair to act for the chair during temporary absence or disability.

Sec. 5. Minnesota Statutes 1992, section 473.553, is amended by adding a subdivision to read:

Subd. 6. [MEMBERSHIP CHANGE.] If the basketball and hockey arena is acquired pursuant to section 473.598, and an appropriation is made pursuant to section 240A.09, then the number of members of the commission shall change, as follows. On January 1 next following the initial appropriation pursuant to section 240A.09, the commission shall consist of eight members plus a chair appointed as provided in subdivision 3. Six members shall be the members appointed by the Minneapolis city council under subdivision 2 and subject to subdivision 5. Two additional members, other than the chair, shall be appointed by the governor; neither of those members shall reside in the city of Minneapolis, and one of those members must reside outside the metropolitan area. The term of one of the members appointed under this subdivision by the governor shall end the first Monday in January 1996 and the term of the other member appointed by the governor shall end the first Monday in January 1998. Thereafter, their terms are as determined under subdivision 5.

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 basketball and hockey arena, and the net revenues from the activities may be pledged for basketball and hockey arena debt service. 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 metrodome 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 for 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. [CREATING A CONDOMINIUM.] The commission may, by itself or together with the Minneapolis community development agency and any other person, as to real or personal property comprising or appurtenant or ancillary to the basketball and hockey arena 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 debt service.

(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 metrodome, 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 metrodome 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~~ metrodome 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 metrodome 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 metrodome, and in anticipation of the proceeds from the taxes under section 473.592 for the metrodome 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 metrodome 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. The tax may 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.

A tax under this subdivision shall be imposed only within a downtown taxing area to be determined by the council.

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~~ metrodome and the basketball and hockey arena. When it is determined that a tax must be imposed under this subdivision after the effective date of this act, there shall be added to the rate of the tax imposed for the purposes described in the previous sentence a tax at a rate of 0.25 percent for use 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. The ~~agreement~~ agreements 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 that the balance in each of the metrodome 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 is imposed by the city, the tax imposed for the benefit of the Minneapolis park and recreation board shall remain in effect at the rate of 0.25 percent until the bonds issued under section 473.599 have been retired. 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 metrodome 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 metrodome shall not be constructed or remodeled in a municipality which has not entered into an agreement for the metrodome 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 and the city of Minneapolis for use by the Minneapolis park and recreation board. The commissioner of revenue shall deduct from the proceeds remitted to the council and 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 metrodome shall be placed, together with the net revenues of the commission attributable to the metrodome 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 metrodome. 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~~ metrodome. The proceeds shall not be used for any capital costs of ~~sports facilities constructed under sections 473.551 to 473.595~~ the metrodome, 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 metrodome. 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. 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~~ metrodome 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 pursue negotiations to acquire the basketball and hockey arena.

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.

Subd. 3. [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 to its determinations pursuant to section 473.599, subdivision 4. The commission, in preparing the proposal for the council, shall require of the sellers and of the professional teams that are potential lessees or other potential lessees and all of their affiliated entities any and all data relevant 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 shall contract with an independent, nationally recognized firm of certified public accountants to perform due diligence and provide an economic feasibility study or report with regard to the data received by the commission from the sellers, the potential lessees, and affiliated entities. 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 which is not public data under subdivision 4 shall remain not public data when given to the legislative auditor or the department of finance.

Subd. 4. [TREATMENT OF DATA.] (a) Except as specifically provided in this subdivision, all data received by the commission or council in the course of its negotiations and acquisition of the basketball and hockey arena is public data.

(b) The commission may keep confidential data received or prepared by its accountants or counsel for purposes of negotiations with existing or potential lessees of the basketball and hockey arena. That data shall be confidential data on individuals under section 13.02, subdivision 3, or protected nonpublic data under section 13.02, subdivision 13, as the case may be, unless the commission determines that public release of the data would advance the negotiations, or until the potential lessees have executed agreements with the commission or the negotiations are unfavorably concluded.

(c) The following data shall be private data on individuals under section 13.02, subdivision 12, or nonpublic data under section 13.02, subdivision 9, as the case may be:

(1) data received by the commission or council from the present lessees or potential lessees of the basketball and hockey arena which if made public would, due to the disclosure, permit a competitive economic advantage to other persons;

(2) data relating to affiliated entities of the parties referred to in subdivision 2 which is not relevant to the due diligence and economic feasibility study referred to under subdivision 2; and

(3) data on individuals which is not relevant to the finances of the basketball and hockey arena or useful to demonstrate the financial ability of the potential lessees of the arena to perform their agreements with the commission.

(d) For purposes of this subdivision, the terms "commission" and "council" include their members and employees, accountants, counsel, and consultants and the firm of independent certified public accountants to be engaged under subdivision 2.

(e) Notwithstanding the exceptions in this subdivision, summary data which demonstrates the financial ability of the lessees and potential lessees of the basketball and hockey arena to perform their obligations under agreements with the commission and data which relates in any way to the value of the basketball and hockey arena and the amount by which the owners' investment in the arena, including debt obligations, exceeds the commission's payments to and assumption of the owners' debt obligations, shall be public data.

Subd. 5. [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 475. 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 in the proportions that the commission may determine. 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, and for reimbursement of any expenses of the commission related to its determination of whether to acquire the basketball and hockey arena, whenever incurred. 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, the city of Minneapolis or the Minneapolis community development agency, or any or all of them, as the commission may deem appropriate, has executed agreements with a 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 with the organization which provide for earlier termination of the use of the basketball and hockey arena by the commission upon conditions related to and limited to the bankruptcy or insolvency of the organization. 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 shall include the payment of liquidated damages equivalent to direct and consequential damages incurred by reason of the breach of the agreements and any additional remedies or security arrangements the commission reasonably determines to be effective in accomplishing the purposes of this paragraph. 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 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 address contingencies that may arise in the event of change of ownership of the professional teams. The agreements with the professional basketball organization for the use of the basketball and hockey arena 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 exercised its reasonable efforts to obtain assurances and/or agreements from the professional basketball major league to the extent permitted under applicable federal and state law, that it will not approve the relocation of the major league professional basketball organization if the relocation is in violation of the terms of the agreements referred to in paragraph (a).

(c) The professional basketball team has provided information sufficient to satisfy the council and the commission 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 (o), (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 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 city of Minneapolis.

The validity of any bonds issued under subdivision 2, clause (a), and the obligations of the council and commission 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, 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 operations or sale of the health club (except as such claim may arise from the commission's acquisition of the basketball and hockey arena and the contemporaneous sale or transfer of the health club to those persons who own the basketball and hockey arena and the health club on the date of the commission's acquisition) 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 purposes specified in this article and 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.] 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, including advertising contracts or marquee agreements, or other 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. Upon acquisition, the commission shall, through a process involving statewide public participation, select a name for the basketball and hockey arena. In the process of selecting the name, the commission shall consider its obligation under section 473.599, subdivision 1, but that obligation must not be the principal consideration in making the selection.

Subd. 8. [REIMBURSEMENT TO STATE.] The commission shall compensate the state for its contribution from the general fund under section 17, 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. Compensation paid to the state shall occur at the same time that compensation is paid to the city of Minneapolis, as provided in paragraph (n) of subdivision 4, on a basis proportionate to the amount of forbearance of the entertainment tax or surcharge as provided in paragraph (n) to that date, and the amount of general fund appropriations paid by the state under section 17 to that date. No reimbursement will be paid under this subdivision after (1) the aggregate amount of the appropriations granted under section 20, to that time, plus accrued interest, has been reimbursed under this subdivision, or (2) December 31, 2024, whichever is earlier.

Sec. 16. [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. 17. [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 basketball and hockey arena, consistent with 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 metropolitan sports facilities commission may allocate 50 dates a year for the conduct of amateur sports activities at the basketball and hockey arena by the amateur sports commission. At least 12 of the dates must be on a Friday, Saturday, or Sunday. If any amateur sports activities conducted by the amateur sports commission at the basketball and hockey arena are restricted to participants of one gender, an equal number of activities on comparable days of the week must be conducted for participants of the other gender, but not necessarily in the same year. The legislature reserves the right to repeal or amend this appropriation, and does not intend this appropriation to create public debt.

Sec. 18. [ADVISORY TASK FORCE.]

Subdivision 1. [MEMBERSHIP.] The metropolitan sports facilities commission shall create an advisory task force for the purpose of studying the overall impact of professional sports in the state. The task force shall consist of 18 members as follows:

(a) the governor or the governor's designee;

(b) the commissioner of trade and economic development;

(c) the chair of the Minnesota amateur sports commission;

(d) the chair of the metropolitan sports facilities commission;

(e) the chairs of the metropolitan and local government committee of the senate, and the local government and metropolitan affairs committee of the house of representatives, or their successor committees;

(f) the chairs of the jobs, energy and community development committee of the senate, and the commerce and economic development committee of the house of representatives, or their successor committees;

(g) eight public members, appointed by the governor, one from each congressional district;

(h) one minority member of the senate, appointed by the subcommittee on committees of the rules and administration committee; and

(i) one minority member of the house of representatives, appointed by the speaker of the house.

Subd. 2. [STUDY.] The advisory task force must at a minimum analyze the following factors:

(a) the economic disruption and worker dislocation that would occur in the event that a professional sports team would relocate;

(b) the dynamics and consequences of cities competing against each other for professional sports franchises; and

(c) the relative public costs of obtaining and keeping professional sports franchises.

The advisory task force shall make findings and report to the legislature by February 1, 1995, on the overall impact of professional sports franchises on the state and recommendations on a policy the state should adopt with regard to obtaining and retaining professional sports franchises. This section expires June 1, 1995.

Sec. 19. [REPEALER.]

Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571, are repealed.

Sec. 20. [EFFECTIVE DATE; APPLICATION.]

Section 1 is effective for appointments for vacancies occurring on the amateur sports commission after December 31, 1994. The remainder of this article takes effect the day following final enactment and applies in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.

ARTICLE 2

Section 1. [240A.08] [PLAN DEVELOPMENT; CRITERIA.]

The Minnesota amateur sports commission shall develop a plan to promote the development of proposals for new statewide public ice facilities including proposals for ice centers and matching grants based on the criteria in this section.

(a) For ice center proposals, 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 for ice centers and matching grants must provide for meeting the demand for ice time for female groups by offering up to 50 percent of prime ice time, as needed, to female groups. 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 all proposed facilities must be in areas of maximum demonstrated interest and must maximize accessibility to an arterial highway.

(e) To the extent possible, all proposed facilities must be dispersed equitably and must be located to maximize potential for full utilization and profitable operation.

(f) The Minnesota amateur sports commission may also use the funds to upgrade current facilities, purchase girl's ice time, or conduct amateur women's hockey and other ice sport tournaments.

Sec. 2. [240A.09] [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. 3. [240A.10] [GENERAL OBLIGATION SPECIAL TAX BONDS FOR ICE CENTERS.]

State general obligation bonds issued to finance the construction of the ice centers provided for in sections 1 and 2 may be general obligation special tax bonds under section 16A.661 and debt service on the bonds may be paid from sports and health club sales tax revenue as provided in section 16A.661, subdivision 3, paragraph (b).

Sec. 4. [EFFECTIVE DATE.]

Sections 1 to 3 are effective July 1, 1994."

Delete the title and insert:

"A bill for an act relating to 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; 473.553, subdivision 3, and by adding a subdivision; 473.556; 473.561; 473.564, subdivision 2; 473.572; 473.581; 473.592; 473.595; and 473.596; Minnesota Statutes 1993 Supplement, section 240A.02, subdivision 1; proposing coding for new law in Minnesota Statutes, chapters 240A; and 473; repealing Minnesota Statutes 1992, sections 473.564, subdivision 1; and 473.571."

We request adoption of this report and repassage of the bill.

House Conferees: RICHARD H. JEFFERSON, CHUCK BROWN, PHYLLIS KAHN AND H. TODD VAN DELLEN.

Senate Conferees: LAWRENCE J. POGEMILLER, WILLIAM P. LUTHER, DEANNA WIENER, ROY W. TERWILLIGER AND TED A. MONDALE.

Jefferson moved that the report of the Conference Committee on H. F. No. 3041 be adopted and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

H. F. No. 3041, A bill for an act relating to 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; 473.553; 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.

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

The question was taken on the repassage of the bill and the roll was called. There were 69 yeas and 61 nays as follows:

Those who voted in the affirmative were:

Battaglia	Davids	Hasskamp	Kinkel	Olson, K.	Rodosovich	Van Dellen
Bauerly	Dawkins	Hugoson	Klinzing	Onnen	Rukavina	Vellenga
Bertram	Dempsey	Huntley	Krueger	Opatz	Sarna	Wagenius
Bishop	Dorn	Jacobs	Leppik	Orfield	Sekhon	Weaver
Brown, C.	Erhardt	Jaros	Lynch	Osthoff	Simoneau	Wejcman
Brown, K.	Evans	Jefferson	Mariani	Ozment	Skoglund	Wenzel
Carlson	Frerichs	Jennings	McGuire	Pelowski	Solberg	Winter
Carruthers	Girard	Johnson, A.	Milbert	Peterson	Swenson	Wolf
Clark	Greenfield	Kahn	Morrison	Reding	Tomassoni	Spk. Anderson, I.
Cooper	Greiling	Kelley	Munger	Rice	Tunheim	

Those who voted in the negative were:

Abrams	Delmont	Holsten	Limmer	Murphy	Pawlenty	Tompkins
Anderson, R.	Farrell	Johnson, R.	Lindner	Neary	Perlt	Trimble
Asch	Finseth	Kalis	Lourey	Nelson	Pugh	Van Engen
Beard	Garcia	Kelso	Luther	Ness	Rest	Vickerman
Bergson	Goodno	Knight	Macklin	Olson, E.	Rhodes	Waltman
Bettermann	Gruenes	Koppendrayer	Mahon	Olson, M.	Seagren	Worke
Commers	Gutknecht	Krinkie	McCollum	Orenstein	Smith	Workman
Dauner	Haukoos	Lasley	Molnau	Ostrom	Steensma	
Dehler	Hausman	Lieder	Mosel	Pauly	Sviggum	

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

MESSAGES FROM THE SENATE, Continued

The following messages were received from the Senate:

Mr. Speaker:

I hereby announce that the Senate has concurred in and adopted the report of the Conference Committee on:

H. F. No. 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 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. 3041, A bill for an act relating to 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; 473.553; 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.

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:

This is to notify you that the Senate is about to adjourn the Seventy-Eighth Legislative Session sine die.

PATRICK E. FLAHAVEN, Secretary of the Senate

Carruthers moved that the Chief Clerk be and he is hereby instructed to inform the Senate and the Governor by message that the House of Representatives is about to adjourn this 78th Session sine die. The motion prevailed.

MOTION TO ADJOURN SINE DIE

Carruthers moved that the House adjourn sine die. The motion prevailed, and the Speaker declared the House adjourned sine die.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

COMMUNICATIONS RECEIVED PRIOR TO ADJOURNMENT SINE DIE
AND NOT ACTED UPON

The following communications were received prior to adjournment sine die and were not acted upon by the House:

PETITIONS AND COMMUNICATIONS

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

April 22, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and I am returning Chapter 492, H. F. No. 2007/S. F. No. 2285, a bill which attempts to clarify definitions in the whistleblower law.

This measure is unnecessary. The Department of Employee Relations already interprets the whistleblower statutes in this fashion. Minnesota case law already extends these protections to at will employees. In addition, it appears that the only testimony in support of this bill came from a former employee who is presently involved in litigation with the state.

It is unwise for the legislature to revise employment law based on the testimony of a disgruntled former employee. I am open to revisions to this statute if they are accompanied by compelling testimony.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 2, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and am returning Chapter 543, H. F. No. 2135, a bill relating to pets in manufactured home parks.

If enacted, Chapter 543 would force all manufactured home parks to allow their senior residents to keep pets. While I support senior citizens' rights to keep and enjoy pets, we must also be respectful of those seniors and other manufactured home park residents who have chosen to live in pet-free environments.

Currently, some manufactured home parks allow residents to keep pets, and others do not. Seniors can choose to reside at either. Under the proposed law, the option would be eliminated; all manufactured home parks would be forced to allow pets.

While I appreciate the humanitarian intent of this bill, I cannot sign into law a bill that would unreasonably infringe on the rights of manufactured home park owners to provide, and residents to secure, pet-free living environments.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 5, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and I am returning Chapter 555, H. F. No. 2925, a bill requiring that certain leased lakeshore lots in Cook county be reoffered for public sale.

Section 2 of this bill requires the Commissioner of Natural Resources to cancel the sale of a parcel of trust fund land on Caribou Lake in Cook County, and reoffer it for sale. I believe it is a violation of the department's fiduciary responsibility to the school trust to cancel the valid sale and relinquish its claim against the high bidders. It would also appear to raise an issue under Minnesota Constitution Article XII section 1 about whether this grants "to any private corporation, association, or individual any special or exclusive privilege, immunity or franchise."

Further, it would establish a dangerous precedent that would have the potential to affect the sale of mineral, timber and other real property that is managed for the benefit of Minnesota schools.

Warmest regards,

ARNE H. CARLSON
Governor

COMMUNICATIONS AND ANNOUNCEMENTS RECEIVED SUBSEQUENT TO ADJOURNMENT SINE DIE

The following communications and announcements were received subsequent to adjournment sine die by the House:

PETITIONS AND COMMUNICATIONS

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 5, 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. 2080, relating to agriculture; providing for uniformity of certain food laws with federal regulations; appropriating money.

H. F. No. 2227, 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.

H. F. No. 1999, 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.

H. F. No. 2046, relating to wild animals; restricting the killing of dogs wounding, killing, or pursuing big game.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 5, 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. 3209, relating to the financing and operation of state and local government; conforming with certain changes in the federal income tax law; changing tax brackets, rates, bases, exemptions, withholding, payments, and refunds; allowing tax credits; changing the subtraction for the elderly and disabled; altering taconite production tax

rates and distributions; providing for use of taconite economic development funds; altering procedures of the board of government innovation and cooperation and appropriating money to the board; providing aids to local governments; changing the calculation of property tax refunds; modifying property tax provisions relating to appeals, petitions, procedures, valuation, levies, classifications, homesteads, credits, and exemptions; changing certain tax return or report requirements; changing operation of the local government trust fund and providing for its future repeal; authorizing special assessments; authorizing a local lodging tax; enacting provisions relating to certain cities, counties, special taxing districts, and towns; changing certain redemption provisions; reforming state budget procedures; changing certain bonding provisions and authorizing bonding; creating a bond guarantee fund; modifying tax increment financing requirements; eliminating certain conditions relating to the contamination tax; providing for creation and operation of the Cross Lake area water and sewer board and the Chisholm/Hibbing airport authority; giving the commissioner of revenue certain authority; requiring certain permits and permit fees; requiring studies; appropriating money and limiting appropriations.

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*
2900*		532	5:52 p.m. May 5	May 5
584		566	3:20 p.m. May 5	May 5
2710		567	3:22 p.m. May 5	May 5
1766		568	3:24 p.m. May 5	May 5
309		570	4:28 p.m. May 5	May 5
	2080	571	4:32 p.m. May 5	May 5
2498		572	3:30 p.m. May 5	May 5
	2227	573	4:34 p.m. May 5	May 5
	1999	574	4:45 p.m. May 5	May 5
	2046	575	4:52 p.m. May 5	May 5
	2074*	576	5:37 p.m. May 5	May 5
1740		577	3:35 p.m. May 5	May 5
	3209	587	6:00 p.m. May 5	May 5

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

[NOTE: * Indicates line-item veto.]

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 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. 3079, relating to natural resources; authorizing the commissioner of natural resources to make subgrants of certain money; appropriating money.

H. F. No. 2623, relating to state lands; authorizing private sale of certain tax-forfeited land that borders public water in Itasca county; authorizing conveyance of state land to the city of Walker and to the Leech Lake Band of Chippewa Indians; authorizing an exchange of state land for land owned by the city of Bemidji; authorizing private sales of certain lands in St. Louis county.

H. F. No. 2234, relating to natural resources; personnel working on certain projects; terms and conditions of certain 1993 appropriations; appropriating money.

H. F. No. 2567, relating to state government; permitting state employees to donate vacation leave for the benefit of a certain state employee.

H. F. No. 2894, 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.

H. F. No. 1915, relating to employment; establishing a disaster volunteer leave program in the state civil service.

H. F. No. 2064, relating to housing; modifying programs of the housing finance agency for low-income and tribal housing and for accessibility loans.

H. F. No. 2411, relating to retirement; providing for coverage of employees of lessee of Itasca Medical Center facilities by the public employees retirement association.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 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. 2512, relating to retirement; providing for level benefits for the Minneapolis police relief association; changing the definition of surviving spouses eligible for benefits.

H. F. No. 2420, relating to retirement; providing for terms on which surviving spouse benefits are granted to members of the Minneapolis fire department relief association.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 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. 1829, relating to housing; requiring copies of evacuation plans for residents of manufactured home parks.

H. F. No. 2365, relating to traffic regulations; making technical changes; removing requirement for auxiliary low beam lights to be removed or covered when snowplow blade removed; requiring seat belts for commercial motor vehicles; allowing transportation within state of raw farm and forest products exceeding maximum weight limitation by not more than ten percent.

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*
	3079	578	11:30 a.m. May 6	May 6
	2623	579	11:30 a.m. May 6	May 6
	2234	580	11:32 a.m. May 6	May 6

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
	2567	581	11:34 a.m. May 6	May 6
	2894	582	11:34 a.m. May 6	May 6
	1915	583	11:35 a.m. May 6	May 6
2009		584	11:47 a.m. May 6	May 6
1788		585	11:50 a.m. May 6	May 6
	2064	586	11:37 a.m. May 6	May 6
	2411	588	11:40 a.m. May 6	May 6
2354		589	11:55 a.m. May 6	May 6
	2512	590	4:48 p.m. May 6	May 6
	2420	591	4:56 p.m. May 6	May 6
	1829	592	11:59 a.m. May 6	May 6
2858		596	11:55 a.m. May 6	May 6
1735		598	4:58 p.m. May 6	May 6
	2365	600	12:00 p.m. May 6	May 6
2316		604	4:47 p.m. May 6	May 6
1736		605	11:57 a.m. May 6	May 6
2297		607	11:58 a.m. May 6	May 6

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 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. 2658, relating to retirement; waiving the annuity reduction for certain faculty in the state university and community college systems who return to teaching part-time after retirement; mandating employer-paid health insurance for these faculty.

H. F. No. 2762, relating to traffic regulations; regulating use and operation of Head Start buses.

H. F. No. 2617, relating to alcoholic beverages; prohibiting brewer refusal to supply; regulating brand extensions and termination of agreements; prohibiting discrimination in sales and rebates; setting license fees; providing for amounts of malt liquor that may be brewed in a brewery-restaurant; providing exemption from law regulating nondiscrimination in liquor wholesaling; prohibiting registration brand label stating or implying a false or misleading connection with an American Indian leader; requiring monthly reports by microbrewers; removing restriction on sale

of intoxicating liquor on Christmas Eve and Christmas day; providing for inspection of premises of temporary on-sale licenses; authorizing issuance of licenses by certain counties and cities; defining terms; prohibiting certain solicitations by retailers; authorizing consignment sales of beer by wholesalers to temporary licensees; removing requirement that retail licensees be citizens or resident aliens; authorizing counties to issue on-sale licenses to hotels; allowing registered political committees in existence for less than three years to obtain temporary on-sale licenses; placing restrictions on the number of temporary licenses issued to any organization or for any location; imposing new restrictions on issuance of more than one off-sale license to any person in a municipality; regulating certain wine tastings; restricting use of coupons by retailers, wholesalers, and manufacturers; providing penalties.

H. F. No. 1316, 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.

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*
1996		595	4:50 p.m. May 9	May 9
	2658	602	4:30 p.m. May 9	May 9
	2762	603	4:52 p.m. May 9	May 9
788		610	4:37 p.m. May 9	May 9
	2617	611	4:52 p.m. May 9	May 9
2197		612	4:28 p.m. May 9	May 9
	1316	613	4:40 p.m. May 9	May 9

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and am returning Chapter 593, H. F. No. 1918, a bill relating to the bureau of business licenses.

Executive Order 93-3 required the Department of Trade and Economic Development (DTED) to conduct a feasibility study of improvements in business licensing. The goal is one-stop licensing for all business-related licenses and permits. This study is due in January, 1995 and I believe it would be premature to sign legislation in this area without the benefit of these recommendations.

In addition, this measure misrepresents the current authority and activity of the bureau of business licenses by implying that actual licenses are available by application to the bureau. In reality, license authority remains in other state agencies and the bureau provides information and assistance. Finally, there is a significant cost to implement this bill which represents a fiscal tail best dealt with in a regular budget year.

I look forward to working with the legislature after the DTED study is completed.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and am returning Chapter 594, H. F. No. 2171, a bill relating to affordable housing.

Chapter 594 is in large part identical to Chapter 234, which I vetoed last year. Like last year's bill, Chapter 594 would require the Met Council to establish "comprehensive choice housing allotments" for cities and towns throughout the metro region. The Council is already in the process of conducting an affordable housing survey. This bill's allotments, or quotas, would only serve to create a mechanism through which penalties could be imposed upon those communities that fail to meet the Council's mandates. Penalties are inappropriate, as are unnecessary legislative mandates such as this.

Chapter 594 is also unacceptable because it requires the Metropolitan Council to prioritize its allocation plan in inverse proportion to the percentage of affordable housing available. Instead of focusing its housing efforts on areas where jobs, transportation, and other essential services are available, the bill forces the Council to direct its resources into those areas with the least amount of low-income housing, which may also have the least number of jobs. The Council must have the flexibility to concentrate its efforts where it can achieve the best results.

In addition, Chapter 594 is largely unnecessary. It simply mandates activity that is already underway. Moreover, I have already sign into law Chapter 577, which requires the Council to study the costs and benefits of affordable housing alternatives. I have also requested housing vouchers from the U.S. Department of Housing and Urban Development to assist 100 families to relocate. While these efforts are a good start, the real solution lies in attacking the causes of poverty, not just the results.

I am deeply disturbed by the lack of any serious attention to the real causes of poverty in the core cities. Economic development, workers' compensation and welfare reform have been ignored. In fact H. F. No. 2758/S. F. No. 2570, a bill addressing those important issues, was never even given a hearing. Separate workers' compensation and welfare reform bills died for a lack of legislative leadership. Solutions to these problems will help people move up and out of poverty, rather than just helping them move.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and am returning to you Chapter 597, H. F. No. 2951, a bill relating to health care financing.

As Governor, I am constitutionally required to submit a balanced budget to the state of Minnesota. Unfortunately, the legislature is not bound by this same requirement. As it currently stands, the legislature's overall budget will create a budget deficit of approximately $480 million by the end of the next legislative biennium. I believe it is my responsibility to make the tough choices to ensure that the citizens of Minnesota are not faced with a nearly half a billion dollar tax increase to finance the legislature's spending habits.

Our administration is reviewing all spending bills according to the following criteria: 1) Is this an emergency need? 2) Should this issue have been dealt with during the 1993 legislative budget session? 3) Can the issue wait until the 1995 legislative session? If the items in question can not adequately answer these criteria, I cannot in good conscience sign them into law with the knowledge that this spending will force a tax increase next year.

This bill contains a shift of $75 million from the general fund to a newly created fund designated for health care. While this is a laudable goal, we simply do not have the money available to create such a fund, nor do we have a revenue source identified to maintain this fund.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and I am returning Chapter 599, H. F. No. 1919, a bill relating to a study of manufactured home parks.

Chapter 599 requires the departments of Health, Administration and Public Safety to conduct a study of manufactured home park shelters and evacuation plans. While I appreciate the consumer protection intent of this bill, agency budgets are strained and legislative demands on these agencies continue to grow. This measure would be more appropriately considered next year in the context of the biennial budget process. Consideration should include an overdue discussion of a rationale for the hundreds of studies mandated by the legislature each year.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and I am returning Chapter 601, H. F. No. 392, a bill mandating the installation of automatic sprinkler systems in certain existing buildings.

This measure would impose a huge cost on cities and would make publicly-assisted housing even more difficult to provide. I am uncomfortable when the state legislature involves itself in matters which are best handled at the local level.

It is important to note that the recent school fires in Burnsville, Minnetonka and Edina would not be covered by this legislation. I remain committed to safety in all buildings but we must not mandate costs without considering how they will be paid.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 9, 1994

The Honorable Irv Anderson
Speaker of the House of Representatives
The State of Minnesota

Dear Speaker Anderson:

I have vetoed and I am returning Chapter 606, H. F. No. 3210, the omnibus health and human services bill.

As Governor, I am constitutionally required to submit a balanced budget to the state of Minnesota. Unfortunately, the legislature is not bound by this same requirement. Currently, the legislature's overall budget will create a significant deficit by the end of the next legislative biennium. I believe it is my responsibility to make the tough choices to ensure that the citizens of Minnesota are not faced with a nearly half a billion dollar tax increase to finance the spending habits of the legislature.

Our administration is reviewing all spending bills according to the following criteria: 1) Is this an emergency need? 2) Should this issue have been dealt with during the 1993 legislative budget session? 3) Can the issue wait until the 1995 legislative session? If the items in question cannot adequately answer these criteria, I cannot in good conscience sign them into law with the knowledge that this spending will force a tax increase next year.

This bill does contain a number of good proposals, some of which were proposed by myself and others which were cooperatively put in place with the legislature. Unfortunately, the bill also contains an unacceptable level of overspending. This overspending would affect this biennium and contribute over $64 million to the deficit that could be facing the state by the end of the next legislative session. Therefore, in order to maintain the state's fiscal integrity and to save the citizens of Minnesota from a $64 million tax increase, I must veto the bill.

I have directed the appropriate commissioners to use whatever administrative authorities are available to them to address the issues and good public policies identified in this bill.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 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. 3193, relating to public finance; providing conditions and requirements for the issuance of debt; allowing school districts to make and levy for certain contract or lease purchases; authorizing the use of revenue recapture by certain housing agencies; clarifying a property tax exemption; authorizing use of special assessments for on-site water contamination improvements; authorizing an increase in the membership of county housing and redevelopment authorities.

H. F. No. 2158, 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.

H. F. No. 2028, relating to privacy; classifying data; providing for sharing of certain data; clarifying treatment of not public data at an open meeting; permitting the commissioner of health to conduct fetal, infant, and maternal death studies; providing for release of certain information on juvenile offenders to schools and victims; limiting release of juvenile records; providing for the preparation of an information policy training plan; providing for the release of commitment information for firearm background checks; limiting release of personal information on videotape consumers; limiting liability for 911 systems; providing for a social worker witness privilege; changing exceptions and other conditions of the open meeting law; appropriating money.

H. F. No. 2493, relating to agriculture; changing the law on nuisance liability of agricultural operations; establishing an advisory committee; providing for research and memorandums of agreement; clarifying terms; authorizing a livestock expansion loan program; changing loan procedures; regulating animal lots; establishing a demonstration program; changing pesticide posting laws.

H. F. No. 3211, relating to claims against the state; providing for payment of various claims; imposing a fee; appropriating money.

H. F. No. 2519, relating to prostitution; creating a civil cause of action for persons who are coerced into prostitution.

H. F. No. 3179, relating to wetlands; authorizing grants for flood control measures along a portion of the Red river; allowing alternative wetland regulation under county plans; expanding types of wetlands that may be used in the state wetland bank; modifying exemptions; clarifying the applicability of the wetland conservation act to the state; streamlining notice requirements for smaller wetland projects; adding an alternative compensation formula; expanding eligibility for the permanent wetlands preserve.

H. F. No. 1899, relating to state government; modifying the composition and duties of the legislative commission to review administrative rules; modifying the statutory rule note requirements for bills delegating rulemaking authority; requiring rulemaking by the ethical practices board under certain circumstances.

H. F. No. 984, relating to state government; modifying provisions relating to the department of administration; including state licensed facilities in coverage by the state building code; clarifying certain language and changing certain duties of the state building inspector and fee provisions; appropriating money.

H. F. No. 2016, relating to commerce; regulating accelerated mortgage payment services; requiring a bond or other security; permitting third-party background checks; regulating contracts and the handling of payments; segregating accounts; requiring a study.

H. F. No. 3086, relating to the environment; establishing an environmental cleanup program for landfills; providing for buy-outs for insurers; increasing the solid waste generator fee; transferring the balance in the metropolitan landfill contingency action trust fund; authorizing the sale of bonds; renaming the office of waste management as the office of environmental assistance and providing for appointment of the director; transferring certain personnel, powers, and duties to the office of environmental assistance; transferring solid and hazardous waste management personnel, powers, and duties of the metropolitan council to the office of environmental assistance; expanding the authority of the commissioner of the pollution control agency to issue determinations regarding liability for releases of hazardous substances and petroleum; requiring environmental review of certain projects; authorizing rules; providing penalties; appropriating money.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 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, Chapter 635, H. F. No. 3011, a bill relating to transportation (with the exception of item vetoes on Page 20, lines 19-24; Page 21, lines 3-7; Page 21, lines 8-14; and Page 21, lines 15-20).

I am pleased with several items in this bill, including the creation of the "Mega Project" study commission and changes to the Municipal State Aid and County State Aid Highway systems.

However, I have item vetoed four provisions of this bill, each of which represents a significant cost to the state trunk highway fund, and none of which require funding in this non-budget year. The Department of Transportation indicates that Section 34 of the bill would require the appropriation of $100,000 from the trunk highway fund, Section 36 would require $250,000 from the trunk highway fund, Section 37 would require $130,000 from the trunk highway fund, and Section 38 would require $547,000 from the trunk highway fund. Furthermore, these four provisions represent unnecessary and overly burdensome micro-management by the legislature of the transportation responsibilities rightfully entrusted to MnDOT.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 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 Chapter 636, H. F. No. 2351, the omnibus crime bill (with the exception of item vetoes on Page 5, lines 31-33; Page 5, lines 47-48; Page 8, lines 16-24; Page 8, lines 25-35; Page 9, lines 38-41; Page 10, lines 4-19; Page 10, lines 20-29; Page 10, lines 30-34; Page 10, lines 35-40; Page 10, lines 41-48; Page 10, lines 49-54; Page 11, lines 37-48; Page 11, lines 52-53; Page 11, lines 54-56; Page 11, lines 57-58; Page 12, lines 30-37; Page 13, lines 22-38).

I sign this measure with some regret because I had hoped and worked for a successful crime package as one of the key ingredients of the 1994 session. I am disappointed with the work of the legislature: five months after laying out this administration's crime proposal I have received a bill which is too expensive and is soft on repeat offenders.

This bill is $6 million over our crime spending targets for FY 95 and $19 million over our crime targets for the next biennium. For the record, this administration along with IR legislators proposed $123 million in new spending on crime over the next three years. In addition, our capital budget proposal contained $71 million for prison expansion. The legislature saw fit to disregard these targets and get into an irresponsible bidding war on the crime issue, forcing me to exercise the item veto to trim spending.

The bill does contain some worthwhile provisions, some of which were contained in our crime package or supplemental budget. However, it does not include the "three-time loser" provision which called for mandatory minimum sentences for three time felons. I firmly believe that we must target our limited resources toward these repeat offenders who commit the vast majority of crimes.

The debate about further spending can be held during the regular budget session in 1995.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 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 Chapter 640, H. F. No. 3230, a bill relating to transportation policy (with the exception of item vetoes on Page 7, lines 18-28 and 34-36, and Page 8, lines 1 and 2).

I am pleased with several items in this bill, including the appropriation of an additional $15 million for state highway construction projects, promoting safe driving in highway construction work zones, and the funding of Minnesota's share of a possible high speed rail feasibility study to be conducted in partnership with Wisconsin and the federal government.

However, to maintain fiscal stability in both the general fund and the trunk highway fund, I have issued item vetoes of two provisions of spending, neither of which require funding in this non-budget year. With regard to the item veto of additional trunk highway spending for state road operations, the Department of Transportation assures me that additional spending in this area is not necessary to meet the state's roadway maintenance needs. Furthermore, this appropriation would have significant adverse impacts on state highway construction funding in the next biennium.

Warmest regards,

ARNE H. CARLSON
Governor

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 10, 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. 2189, 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; independent school district No. 191, Burnsville; technical college funding shift; providing for appointments; providing for penalties; appropriating money.

H. F. No. 3041, relating to government; providing for the ownership, financing, and use of certain sports facilities; permitting the issuance of bonds and other obligations; appropriating money.

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*
	3193	614	4:42 p.m. May 10	May 10
1961		615	3:52 p.m. May 10	May 10
2540		616	5:40 p.m. May 10	May 10
	2158	617	4:47 p.m. May 10	May 10
	2028	618	4:47 p.m. May 10	May 10
	2493	619	4:50 p.m. May 10	May 10
	3211	620	3:49 p.m. May 10	May 10

S.F. No.	H.F. No.	Session Laws Chapter No.	Time and Date Approved 1994	Date Filed 1994
1948		622	3:54 p.m. May 10	May 10
2429		623	3:56 p.m. May 10	May 10
	2519	624	3:50 p.m. May 10	May 10
2192*		625	6:35 p.m. May 10	May 10
180		626	3:58 p.m. May 10	May 10
	3179	627	3:54 p.m. May 10	May 10
2015		628	3:57 p.m. May 10	May 10
	1899	629	3:52 p.m. May 10	May 10
1662		630	3:58 p.m. May 10	May 10
2129		631	3:44 p.m. May 10	May 10
2913*		632	6:20 p.m. May 10	May 10
103		633	4:00 p.m. May 10	May 10
	984	634	2:45 p.m. May 10	May 10
	3011*	635	5:55 p.m. May 10	May 10
	2351*	636	6:27 p.m. May 10	May 10
2289		637	4:02 p.m. May 10	May 10
	2016	638	3:54 p.m. May 10	May 10
	3086	639	4:40 p.m. May 10	May 10
	3230*	640	5:45 p.m. May 10	May 10
1706		641	4:05 p.m. May 10	May 10
2168*		642	5:58 p.m. May 10	May 10
	2189	647	6:50 p.m. May 10	May 10
	3041	648	6:40 p.m. May 10	May 10

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

[NOTE: * Indicates line-item veto.]

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 16, 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. 218, relating to public administration; authorizing spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of bonds; requiring payment for debt service; reducing certain earlier project authorizations and appropriations; establishing a library planning task force; providing for appointments; appropriating money, with certain conditions.

H. F. No. 942, relating to traffic regulations; requiring every driver to use due care in operating a motor vehicle.

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*
	218	643	3:10 p.m. May 16	May 16
	942	645	3:12 p.m. May 16	May 16
1512		646	3:14 p.m. May 16	May 16

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

May 17, 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. 2591, relating to utilities; eliminating duplicate reporting relating to energy demand forecasting information by public utilities; authorizing low-income rates in certain circumstances; establishing a pilot program.

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:

S.F. No.	*H.F. No.*	*Session Laws Chapter No.*	*Time and Date Approved 1994*	*Date Filed 1994*
	2591	644	2:27 p.m. May 17	May 17

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

Holsten submitted the following statement to be printed in the Journal of the House: "It was my intention to vote in the affirmative on Friday, May 6, 1994, when the vote was taken on the repassage of H. F. No. 2189, as amended by Conference."

Macklin submitted the following statement to be printed in the Journal of the House: "It was my intention to vote in the affirmative on Friday, May 6, 1994, when the vote was taken on the repassage of H. F. No. 2189, as amended by Conference."

Dempsey submitted the following statement to be printed in the Journal of the House: "It was my intention to vote in the affirmative on Friday, May 6, 1994, when the vote was taken on the repassage of H. F. No. 3230, as amended by Conference."

McCollum submitted the following statement to be printed in the Journal of the House: "It was my intention to request the return to author of H. F. No. 2648."

CERTIFICATE

I certify that the Journal of the House for Friday, May 6, 1994, including subsequent proceedings, has been corrected and is hereby approved.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

JOURNAL

OF THE

HOUSE

OF REPRESENTATIVES

SPECIAL SESSION

OF THE

LEGISLATURE

STATE OF MINNESOTA

1994

STATE OF MINNESOTA

SPECIAL SESSION — 1994

FIRST DAY

SAINT PAUL, MINNESOTA, WEDNESDAY, AUGUST 31, 1994

In obedience to the Proclamation of the Honorable Arne H. Carlson, Governor of the State of Minnesota, summoning the two Houses of the Legislature to meet in Special Session, the members of the House of Representatives assembled in the Chamber of the House of Representatives at the Capitol in Saint Paul on Wednesday, the thirty-first day of August 1994, at 1:00 p.m.

PROCLAMATION FOR SPECIAL SESSION 1994

Whereas, Recent Minnesota Supreme Court rulings have led to a reexamination of Minnesota's Sexual Predator laws; and

Whereas, The Legislative Task Force on Sexual Predators and other legislative committees have held hearings and developed recommendations for legislation; and

Whereas, An informal working group consisting of the Attorney General's office and officials from the Departments of Corrections and Human Services have reviewed the current law and developed recommendations for legislation along with the Legislative Task Force and the Governor's office; and

Whereas, Legislation has been agreed to by legislative leaders which will provide prosecutors with some additional tools to deal with sexual predators in the civil commitment process; and

Whereas, Article IV, Section 12 of the Constitution of the State of Minnesota provides that a special session of the Legislature may be called by the Governor on extraordinary occasions; and

Whereas, The elected leaders have agreed on an agenda and procedures to limit this special session to the consideration and passage of this single item;

Now, Therefore, I, Arne H. Carlson, Governor of the State of Minnesota, do hereby summon you, members of the Legislature, to convene in Special Session on Wednesday, August 31, 1994 at 1:00 p.m. at the Capitol in Saint Paul, Minnesota.

In Witness Whereof, I have hereunto set my hand and caused the Great Seal of the State of Minnesota to be affixed at the State Capitol this twenty-ninth day of August in the year of our Lord one thousand nine hundred and ninety-four, and of the State the one hundred thirty-sixth.

JOAN ANDERSON GROWE
Secretary of State

ARNE H. CARLSON
Governor

At the hour of 1:00 p.m. and pursuant to the Proclamation of the Governor and pursuant to Minnesota Statutes 1992, Section 3.073, the Honorable Irv Anderson, Speaker of the House, called the House of Representatives to order.

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

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

The members of the House paused for a moment of silence in honor of the two St. Paul police officers Timothy Jones and Ron Ryan, Jr., who were killed in the line of duty.

The roll was called and the following members were present:

Abrams	Dawkins	Hausman	Koppendrayer	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	Stanius	Worke
Dauner	Hasskamp	Knickerbocker	Milbert	Pawlenty	Steensma	Workman
Davids	Haukoos	Knight	Molnau	Pelowski	Sviggum	Spk. Anderson, I.

A quorum was present.

Pauly was excused.

Pursuant to Minnesota Statutes 1992, Section 3.073, the Speaker declared the House of Representatives organized for the 1994 Special Session.

Carruthers moved that the Chief Clerk be and is hereby instructed to inform the Senate and the Governor by message that the House of Representatives is now duly organized pursuant to law for this Special Session. The motion prevailed.

MESSAGES FROM THE SENATE

The following message was received from the Senate:

Mr. Speaker:

This is to notify you that the Senate is now duly organized for the 1994 Special Session pursuant to the Minnesota Constitution and Minnesota Statutes.

JANINE MATTSON, First Assistant Secretary of the Senate

INTRODUCTION AND FIRST READING OF HOUSE BILLS

The following House File was introduced:

Skoglund, Bishop, Evans, Murphy and Holsten introduced:

H. F. No. 1, A bill for an act relating to civil commitment of sexually dangerous persons and persons with a sexual psychopathic personality; establishing standards and procedures for the commitment of sexually dangerous persons; recodifying the existing psychopathic personality law in the civil commitment chapter; codifying judicial interpretations of the psychopathic personality law; expanding the sex offender registration law to require convicted sex offenders who are sexually dangerous persons or persons with sexual psychopathic personalities to register for ten years after discharge from commitment; amending Minnesota Statutes 1992, sections 8.01; 147.091, subdivisions 1 and 2; 147.111, subdivision 6; 148.10, subdivision 6; 148.102, subdivision 4; 148.262, subdivision 2; 148.263, subdivision 5; 148.32; 148.75; 148B.07, subdivision 6; 148B.175, subdivision 8; 148B.63, subdivision 6; 148B.68, subdivision 1; 148B.69, subdivision 5; 153.19, subdivision 1; 153.22, subdivision 4; 153.24, subdivision 5; 243.55, subdivision 3; 244.05, subdivision 7; 246.014; 253B.02, subdivision 17, and by adding subdivisions; 609.1351; and 626.557, subdivision 2, as amended; Minnesota Statutes 1993 Supplement, sections 8.15, subdivision 1, as amended; 201.15, subdivision 1; 243.166, subdivisions 3 and 6; 246.02, subdivision 2; 246B.01; 246B.02; 246B.03; 246B.04, as amended; 253B.23, subdivision 1a; 254.05; and 611A.06, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1992, sections 526.09; 526.10; 526.11; and 526.115.

The bill was read for the first time.

SUSPENSION OF RULES

Pursuant to Article IV, Section 19, of the Constitution of the state of Minnesota, Skoglund moved that the rule therein be suspended and an urgency be declared so that H. F. No. 1 be given its second and third readings and be placed upon its final passage. The motion prevailed.

Skoglund moved that the Rules of the House be so far suspended that H. F. No. 1 be given its second and third readings and be placed upon its final passage. The motion prevailed.

H. F. No. 1 was read for the second time.

H. F. No. 1, A bill for an act relating to civil commitment of sexually dangerous persons and persons with a sexual psychopathic personality; establishing standards and procedures for the commitment of sexually dangerous persons; recodifying the existing psychopathic personality law in the civil commitment chapter; codifying judicial interpretations of the psychopathic personality law; expanding the sex offender registration law to require convicted sex offenders who are sexually dangerous persons or persons with sexual psychopathic personalities to register for ten years after discharge from commitment; amending Minnesota Statutes 1992, sections 8.01; 147.091, subdivisions 1 and 2; 147.111, subdivision 6; 148.10, subdivision 6; 148.102, subdivision 4; 148.262, subdivision 2; 148.263, subdivision 5; 148.32; 148.75; 148B.07, subdivision 6; 148B.175, subdivision 8; 148B.63, subdivision 6; 148B.68, subdivision 1; 148B.69, subdivision 5; 153.19, subdivision 1; 153.22, subdivision 4; 153.24, subdivision 5; 243.55, subdivision 3; 244.05, subdivision 7; 246.014; 253B.02, subdivision 17, and by adding subdivisions; 609.1351; and 626.557, subdivision 2, as amended; Minnesota Statutes 1993 Supplement, sections 8.15, subdivision 1, as amended; 201.15, subdivision 1; 243.166, subdivisions 3 and 6; 246.02, subdivision 2; 246B.01; 246B.02; 246B.03; 246B.04, as amended; 253B.23, subdivision 1a; 254.05; and 611A.06, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1992, sections 526.09; 526.10; 526.11; and 526.115.

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 133 yeas and 0 nays as follows:

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.	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	Koppendrayer	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	Pawlenty	Smith	Weaver
Girard	Johnson, A.	Lieder	Munger	Pelowski	Solberg	Wejcman
Goodno	Johnson, R.	Limmer	Murphy	Perlt	Stanius	Wenzel
Greenfield	Johnson, V.	Lindner	Neary	Peterson	Steensma	Winter
Greiling	Kahn	Long	Nelson	Pugh	Sviggum	Wolf
Gruenes	Kalis	Lourey	Ness	Reding	Swenson	Worke
Gutknecht	Kelley	Luther	Olson, E.	Rest	Tomassoni	Workman
Hasskamp	Kelso	Lynch	Olson, K.	Rhodes	Tompkins	Spk. Anderson, I.

The bill was passed 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.

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 transmitted:

H. F. No. 1, A bill for an act relating to civil commitment of sexually dangerous persons and persons with a sexual psychopathic personality; establishing standards and procedures for the commitment of sexually dangerous persons; recodifying the existing psychopathic personality law in the civil commitment chapter; codifying judicial interpretations of the psychopathic personality law; expanding the sex offender registration law to require convicted sex offenders who are sexually dangerous persons or persons with sexual psychopathic personalities to register for ten years after discharge from commitment; amending Minnesota Statutes 1992, sections 8.01; 147.091, subdivisions 1 and 2; 147.111, subdivision 6; 148.10, subdivision 6; 148.102, subdivision 4; 148.262, subdivision 2; 148.263, subdivision 5; 148.32; 148.75; 148B.07, subdivision 6; 148B.175, subdivision 8; 148B.63, subdivision 6; 148B.68, subdivision 1; 148B.69, subdivision 5; 153.19, subdivision 1; 153.22, subdivision 4; 153.24, subdivision 5; 243.55, subdivision 3; 244.05, subdivision 7; 246.014; 253B.02, subdivision 17, and by adding subdivisions; 609.1351; and 626.557, subdivision 2, as amended; Minnesota Statutes 1993 Supplement, sections 8.15, subdivision 1, as amended; 201.15, subdivision 1; 243.166, subdivisions 3 and 6; 246.02, subdivision 2; 246B.01; 246B.02; 246B.03; 246B.04, as amended; 253B.23, subdivision 1a; 254.05; and 611A.06, subdivision 1, as amended; proposing coding for new law in Minnesota Statutes, chapter 253B; repealing Minnesota Statutes 1992, sections 526.09; 526.10; 526.11; and 526.115.

JANINE MATTSON, First Assistant Secretary of the Senate

Mr. Speaker:

This is to notify you that the Senate is about to adjourn the 1994 Special Session sine die.

JANINE MATTSON, First Assistant Secretary of the Senate

MOTIONS AND RESOLUTIONS

Carruthers moved that the Chief Clerk be and he is hereby instructed to inform the Senate and the Governor by message that the House of Representatives is about to adjourn this 1994 Special Session sine die. The motion prevailed.

Carruthers moved that the Chief Clerk be and he is hereby authorized to correct and approve the Journal of the House, 1994 Special Session, for today, Wednesday, August 31, 1994, and that he be authorized to include in the Journal for today any subsequent proceedings. The motion prevailed.

MOTION TO ADJOURN SPECIAL SESSION SINE DIE

Carruthers moved that the House adjourn sine die for the 1994 Special Session. The motion prevailed and the Speaker declared the House stands adjourned sine die for the 1994 Special Session.

EDWARD A. BURDICK, Chief Clerk, House of Representatives

COMMUNICATIONS AND ANNOUNCEMENTS RECEIVED
SUBSEQUENT TO ADJOURNMENT OF THE 1994 SPECIAL SESSION

PETITIONS AND COMMUNICATIONS

The following communications were received:

STATE OF MINNESOTA
OFFICE OF THE GOVERNOR
SAINT PAUL 55155

August 31, 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. 1, relating to civil commitment of sexually dangerous persons and persons with a sexual psychopathic personality; establishing standards and procedures for the commitment of sexually dangerous persons; recodifying the existing psychopathic personality law in the civil commitment chapter; codifying judicial interpretations of the psychopathic personality law; expanding the sex offender registration law to require convicted sex offenders who are sexually dangerous persons or persons with sexual psychopathic personalities to register for ten years after discharge from commitment.

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 Special 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:

S.F. No.	*H.F. No.*	*Special Session Laws Chapter No.*	*Time and Date Approved 1994*	*Date Filed 1994*
	1	1	4:32 p.m. August 31	August 31

Sincerely,

JOAN ANDERSON GROWE
Secretary of State

CERTIFICATE

I certify that the 1994 Special Session Journal of the House for Wednesday, August 31, 1994, including subsequent proceedings, has been corrected and is hereby approved.

EDWARD A. BURDICK, Chief Clerk, House of Representatives