

SEVENTY-SIXTH DAY

St. Paul, Minnesota, Tuesday, March 11, 1980

The Senate met at 10:00 o'clock a.m. and was called to order by the President.

CALL OF THE SENATE

Mr. Coleman imposed a call of the Senate. The following Senators answered to their names:

Bang	Gearty	Knaak	Peterson	Stern
Barrette	Gunderson	Laufenburger	Purfeerst	Stokowski
Benedict	Hanson	Lessard	Rued	Strand
Bernhagen	Hughes	Luther	Schmitz	Stumpf
Chmielewski	Humphrey	Merriam	Setzepfandt	Ueland, A.
Coleman	Jensen	Moe	Sieloff	Ulland, J.
Davies	Johnson	Nelson	Sikorski	Vega
Dunn	Keefe, S.	Nichols	Sillers	Wegener
Engler	Kirchner	Olson	Spear	Willet
Frederick	Kleinbaum	Penny	Staples	

The Sergeant at Arms was instructed to bring in the absent members.

Prayer was offered by the Chaplain, Rev. Arnold H. Heumann.

The roll was called, and the following Senators answered to their names:

Anderson	Frederick	Knoll	Olson	Sillers
Ashbach	Gearty	Knutson	Omann	Solon
Bang	Gunderson	Laufenburger	Penny	Spear
Barrette	Hanson	Lessard	Perpich	Staples
Benedict	Hughes	Luther	Peterson	Stern
Bernhagen	Humphrey	McCutcheon	Pillsbury	Stokowski
Brataas	Jensen	Menning	Purfeerst	Strand
Chmielewski	Johnson	Merriam	Renneke	Stumpf
Coleman	Keefe, J.	Moe	Rued	Ueland, A.
Davies	Keefe, S.	Nelson	Schmitz	Ulland, J.
Dieterich	Kirchner	Nichols	Setzepfandt	Vega
Dunn	Kleinbaum	Ogdahl	Sieloff	Wegener
Engler	Knaak	Ohlert	Sikorski	Willet

The President declared a quorum present.

The reading of the Journal was dispensed with and the Journal, as printed and corrected, was approved.

MEMBERS EXCUSED

Messrs. Benedict and Perpich were excused from the Session of today from 10:00 o'clock a.m. to 12:00 o'clock noon. Mr. Pills-

bury was excused from the Session of today from 10:00 o'clock a.m. to 11:15 o'clock a.m. Mrs. Staples was excused from the Session of today from 10:15 o'clock a.m. to 12:00 o'clock noon.

INTRODUCTION AND FIRST READING OF SENATE BILLS

The following bills were read the first time and referred to the committees indicated.

Mr. Nelson introduced—

S. F. No. 2349: A bill for an act relating to taxation; excluding sick pay from gross income; amending Minnesota Statutes 1978, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Gunderson introduced—

S. F. No. 2350: A bill for an act relating to outdoor advertising; authorizing privately owned directional devices to be erected and maintained in areas adjacent to the right-of-way of interstate and other trunk highways; restricting the purposes for which they may be erected and maintained; providing for their regulation by rule; prescribing a fee; amending Minnesota Statutes 1978, Sections 173.02, Subdivision 6; 173.13, Subdivision 4; and Chapter 173, by adding a section.

Referred to the Committee on Transportation.

Messrs. Dunn, Nichols, Rued, Stern and Kleinbaum introduced—

S. F. No. 2351: A bill for an act relating to waters; providing for watercraft licensing and safe operation; altering certain definitions; changing license fees; authorizing a temporary certificate; stating the evidentiary effect of certain blood tests; altering certain safety requirements and motor noise limits; providing an outline for distributing water safety enforcement funds; amending Minnesota Statutes 1978, Sections 361.02, Subdivision 7, and by adding a subdivision; 361.03, Subdivisions 3 and 12, and by adding a subdivision; 361.10; 361.12; 361.13, Subdivision 1; 361.141, Subdivision 1; 361.15, Subdivision 1; 361.16, Subdivision 1; 361.17; 361.18; 361.21, Subdivision 2, and by adding a subdivision; 361.215; 361.24; 361.27, Subdivision 1; and 361.29, Subdivision 4; repealing Minnesota Statutes 1978, Section 361.15, Subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Hanson, Solon, Laufenburger and Lessard introduced—

S. F. No. 2352: A bill for an act relating to courts; increasing the salary of official court reporters; amending Minnesota Statutes 1978, Section 486.05, Subdivision 1.

Referred to the Committee on Judiciary.

Mr. Luther introduced—

S. F. No. 2353: A bill for an act relating to financial institutions; modifying director's residence requirements for industrial loan and thrift companies; providing for a report to the commissioner in the event of a change of control; requiring insurance or guarantee of certificates of indebtedness sold or issued for investment; exempting certificates of indebtedness from the regulation of securities; amending Minnesota Statutes 1978, Sections 53.06; 53.09, Subdivision 2; Chapter 53, by adding a section; and Minnesota Statutes, 1979 Supplement, Section 80A.15, Subdivision 1.

Referred to the Committee on Commerce.

Mr. Ulland, J. introduced—

S. F. No. 2354: A bill for an act relating to pollution control; authorizing state use of up to two percent of federal construction grant funds to administer the federal water pollution control act; amending Minnesota Statutes 1978, Section 116.16, Subdivision 10.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Bang introduced—

S. F. No. 2355: A bill for an act relating to Independent School Districts No. 273, Edina, and 274, Hopkins; establishing a procedure for transferring certain territory from one school district to the other; permitting a district from which territory was transferred to enroll certain students from the transferred territory under certain conditions.

Referred to the Committee on Education.

Mr. Davies introduced—

S. F. No. 2356: A bill for an act relating to Special School District No. 1 of the city of Minneapolis; providing for alley system of electing members of the board of education; amending Laws 1959, Chapter 462, Section 3, Subdivision 3, as amended.

Referred to the Committee on Elections.

Mr. Vega introduced—

S. F. No. 2357: A bill for an act relating to state government; clarifying benefits of employees of former Hastings state hospital.

Referred to the Committee on Governmental Operations.

Mr. Vega introduced—

S. F. No. 2358: A bill for an act relating to natural resources; establishing a new state wildlife management area; appropriating money.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Keefe, J. introduced—

S. F. No. 2359: A bill for an act relating to elections; providing for a presidential primary election; regulating the selection of convention delegates.

Referred to the Committee on Elections.

Mr. Dieterich introduced—

S. F. No. 2360: A bill for an act relating to courts; providing for an automatic procedure for docketing conciliation court judgments in municipal, county and district courts; providing a simplified procedure for docketing county or municipal court judgments in district court; amending Minnesota Statutes 1978, Sections 487.30, by adding a subdivision; 488A.09, Subdivision 7; 488A.16, Subdivision 8; 488A.26, Subdivision 4; and 488A.33, Subdivision 7.

Referred to the Committee on Judiciary.

Mr. Knoll introduced—

S. F. No. 2361: A bill for an act relating to taxation; income; providing that persons with limited employment income qualify for the homemaker credit; amending Minnesota Statutes 1978, Section 290.06, Subdivision 3e.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Merriam and Sikorski introduced—

S. F. No. 2362: A bill for an act relating to taxation; increasing the maximum pension exclusion and eliminating the income offset; amending Minnesota Statutes, 1979 Supplement, Section 290.01, Subdivision 20.

Referred to the Committee on Taxes and Tax Laws.

Mr. Kirchner introduced—

S. F. No. 2363: A bill for an act relating to metropolitan government; providing for a metropolitan rail transit program; providing financing; appropriating money; amending Minnesota Statutes 1978, Sections 473.401, by adding subdivisions; 473.402, by adding a subdivision; and Chapter 473, by adding sections.

Referred to the Committee on Transportation. Mr. Sikorski questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Peterson, Nichols, Coleman, McCutcheon and Sillers introduced—

S. F. No. 2364: A bill for an act relating to water resources; creating water management districts; establishing their duties; transferring state water management functions to water management districts; continuing the water planning board; changing its membership and duties; appropriating money; amending Minnesota Statutes 1978, Section 105.401; and Laws 1979, Chapter 333, Section 31, Subdivision 5.

Referred to the Committee on Agriculture and Natural Resources. Mr. Sikorski questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Peterson, Olson, Olhoft, Bernhagen and Frederick introduced—

S. F. No. 2365: A bill for an act relating to taxation; allowing an investment credit deduction; amending Minnesota Statutes 1978, Section 290.09, Subdivision 24.

Referred to the Committee on Taxes and Tax Laws.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

March 7, 1980

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S. F. No. 1848.

Sincerely yours,
Albert H. Quie, Governor

March 10, 1980

The Honorable Edward J. Gearty
President of the Senate

Dear Sir:

I am vetoing Senate File 550. This act, if allowed to become law,

would have permitted candidates campaigning for a legislative or constitutional office to spend an increased amount of money on their elections.

The focus of public policy should turn from the cost of a campaign to the sources of the money for a campaign.

I have long been an advocate of reduced contribution limits. It is illogical to assume that candidates are tainted by the amount they spend on their campaigns. Rather, the potential for creating undue influence is derived from the amount any one individual or group can contribute to a candidate.

Merely increasing spending limits is not the solution to ensure that elections will be fair and free from abuse. It's my belief that S. F. No. 550 has the potential of repressing rather than improving our political process.

Campaign financing is an important facet of Minnesota's Ethics in Government Act. It is an area of law which should be addressed *in toto* rather than piecemeal. By simply raising expenditure limits the Legislature has failed to consider other changes which have been recently suggested by the Ethical Practices Board. This Board is given the statutory authority to indicate apparent abuses and offer legislative recommendations regarding this Act. •

For seven months the Board undertook an extensive analysis of public financing of election campaigns. Their study focused on how well Minnesota's program has met the goals of the public financing system which was adopted in 1974.

Their report, transmitted to the Legislature in January, recommended the *elimination* of expenditure limits. The bipartisan Board concluded:

- a. Spending limits do not hold down the costs of campaigns;
- b. Spending limits inhibit a challenger's ability to obtain name recognition and identity which any incumbent inherently has already acquired;
- c. Current emphasis on spending limits is misdirected. Rather, public policy should be to control the impact of campaign money by a reduction in contribution limits.

I find it regrettable that the Legislature not only acted contrary to the Board's conclusions, but more disturbing, failed to even consider them before enacting this bill.

It is quite apparent that the provisions of S. F. 550 are politically motivated. This act has been placed on my desk without careful study or legislative deliberation. This law would not benefit the people of this State.

I am encouraged that the Senate Elections Committee has adopted several of the recommendations of the Ethical Practices Board. I urge that they all be adopted. The Board's recommendations which received unanimous approval included:

- a. Increase the political checkoff to \$2.00 (single) and \$4.00 (joint);
- b. Eliminate the party designated checkoff;
- c. Substitute a matching fund system for the current grant system of public financing;
- d. Eliminate campaign expenditure limits;
- e. Reduce contribution limits.

For the reasons set forth in this message, and with the hope that the Board's recommendations be adopted, I cannot allow S. F. No. 550 to become law. I am, therefore, returning it to you unsigned.

Sincerely,
Albert H. Quie, Governor

Mr. Keefe, S. moved that S. F. No. 550 and the veto message be laid on the table. The motion prevailed.

MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S. F. Nos. 824, 1114, 1438 and 1625.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 10, 1980

Mr. President:

I have the honor to announce that the House has acceded to the request of the Senate for the appointment of a Conference Committee, consisting of three members of the House, on the amendments adopted by the House to the following Senate File:

S. F. No. 74: A bill for an act relating to elections; allowing post-election challenges to absent voters; permitting certain challenges of voters in an election contest; establishing conditions for compelling voters to disclose the manner in which they voted; clarifying and simplifying the procedures for instituting an election contest; extending the deadline for instituting an election contest after a general election; amending Minnesota Statutes 1978, Sections 204A.32, Subdivision 4; 209.02, Subdivisions 3, 4 and 4a; 209.06, Subdivision 2; and Chapter 209, by adding a section.

There has been appointed as such committee on the part of the House:

Osthoff, McCarron and Wigley.

Senate File No. 74 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 10, 1980

Mr. President:

I have the honor to announce the passage by the House of the following Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S. F. No. 1584: A bill for an act relating to transportation; providing for specific information signing for resorts and recreational camping areas along certain highways.

Senate File No. 1584 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives
Returned March 10, 1980

Mr. Willet moved that the Senate do not concur in the amendments by the House to S. F. No. 1584, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H. F. Nos. 1488, 1623, 1707, 1834, 1837, 1873, 1904, 1932, 2024, 1012, 1216, 2028 and 2110.

Edward A. Burdick, Chief Clerk, House of Representatives
Transmitted March 10, 1980

FIRST READING OF HOUSE BILLS

The following bills were read the first time and referred to the committees indicated.

H. F. No. 1488: A bill for an act relating to St. Louis County; providing authority to negotiate public employees wages; amending Laws 1941, Chapter 423, Section 5, as amended.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1449 now on the Calendar.

H. F. No. 1623: A bill for an act relating to insurance; providing for the operation of the Minnesota life and health insurance guaranty association; correcting certain oversights and ambiguities; making certain improvements; amending Minnesota Statutes 1978, Sections 61B.02, Subdivision 1; 61B.05, by adding a subdivision; 61B.07, Subdivisions 1, 2, 3 and 7; and 61B.15.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1588 now on General Orders.

H. F. No. 1707: A bill for an act relating to children; requiring reports of neglect and sexual abuse of children; amending Minnesota Statutes, 1979 Supplement, Section 626.556, Subdivision 2.

Referred to the Committee on Judiciary.

H. F. No. 1834: A bill for an act relating to education; adding the commissioner of agriculture to the equalization aid review committee; amending Minnesota Statutes 1978, Section 124.212, Subdivision 10.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2220.

H. F. No. 1837: A bill for an act relating to insurance; extending the temporary joint underwriting association act for an additional two year period; extending the termination date of certain insurance policies; amending Minnesota Statutes 1978, Sections 62F.01, Subdivision 2; and 62F.06, Subdivision 1.

Referred to the Committee on Commerce.

H. F. No. 1873: A bill for an act relating to local government in Ramsey county; providing for the membership and dues of the Ramsey county league of local governments; amending Laws 1963, Chapter 728, Section 1, as amended.

Referred to the Committee on Local Government.

H. F. No. 1904: A bill for an act relating to the Nine Mile Creek and Riley-Purgatory Creek Watershed Districts; providing for the establishment of district water maintenance and repair funds; authorizing tax levies for water maintenance and repair purposes.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1905, now in the Subcommittee on Bill Scheduling.

H. F. No. 1932: A bill for an act relating to Independent School District No. 535, Rochester; providing that its school board may organize at a time other than the time required for the organization of the board of an independent district; amending Laws 1969, Chapter 193, Section 3, as amended.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1904.

H. F. No. 2024: A bill for an act relating to the city of Hibbing; authorizing development and administration of a housing program within the city, including that part of the city which formerly comprised the town of Stuntz.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 2059, now in the Subcommittee on Bill Scheduling.

H. F. No. 1012: A bill for an act relating to housing; prohibiting unfair treatment in housing and real property on the basis of familial status; amending Minnesota Statutes 1978, Sections 363.01, Subdivision 24, and by adding subdivisions; 363.02, Subdivision 2; 363.03, Subdivision 2; 363.05, Subdivision 1; 363.11; 363.115; and 363.12, Subdivision 1.

Referred to the Committee on Judiciary.

H. F. No. 1216: A bill for an act relating to liquor and non-intoxicating malt beverage; registration of labels; amending Minnesota Statutes 1978, Section 340.62.

Referred to the Committee on Commerce.

H. F. No. 2028: A bill for an act relating to state government; clarifying benefits of employees of former Hastings state hospital.

Referred to the Committee on Governmental Operations.

H. F. No. 2110: A bill for an act relating to motor vehicles; authorizing the identification of certain tax exempt vehicles by use of removable plates or placards; amending Minnesota Statutes 1978, Section 168.012, Subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S. F. No. 1812 now on the Calendar.

REPORTS OF COMMITTEES

Mr. Coleman moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1695: A bill for an act relating to no-fault automobile insurance; increasing the weekly maximum for disability and income loss benefits, survivor's economic loss benefits, and survivor's replacement services loss; amending Minnesota Statutes 1978, Section 65B.44, Subdivisions 6 and 7; and Minnesota Statutes, 1979 Supplement, Section 65B.44, Subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1332: A bill for an act relating to commerce; exempting from regulation corporate take-over offers filed with the Securities and Exchange Commission; amending Minnesota Statutes 1978, Section 80B.01, Subdivision 8.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

H. F. No. 924: A bill for an act relating to commerce; regulating conduct of business under assumed business names; amending Minnesota Statutes 1978, Sections 301.09; 333.01; 333.04; 333.06; and Chapter 333, by adding sections; repealing Minnesota Statutes 1978, Sections 333.001; 333.035; and 333.055.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 333.055, Subdivision 3, is amended to read:

Subd. 3. The secretary of state shall charge and collect:

(a) For the filing of each certificate or amended certificate of an assumed name—\$20 \$12

(b) Certificate renewal fee—\$10 \$6

Sec. 2. Minnesota Statutes 1978, Section 333.13, is amended to read:

333.13 [VIOLATIONS; PENALTIES.] Any person or persons ~~carrying on or conducting or transacting a business, as provided by sections 333.01 to 333.06, who shall fail to comply with the provisions of sections 333.01 to 333.06, shall be guilty of a misdemeanor.~~

Any person who shall wilfully wear, exhibit, display, print, or ~~use wears, exhibits, displays, prints or uses,~~ for any purpose, the badge, motto, button, decoration, charm, emblem, rosette, or other insignia of any association or organization mentioned in section 333.07, duly registered, unless entitled to use and wear the same under the constitution and bylaws, rules, and regulations of ~~such the~~ association or organization, ~~shall be is~~ guilty of a misdemeanor; and upon conviction shall be punished by a fine of not exceeding \$100 and in default of payment committed to jail for a period of not to exceed 60 days."

Amend the title as follows:

Page 1, line 4, delete "301.09; 333.01;"

Page 1, delete lines 5 to 7 and insert "333.055, Subdivision 3; and 333.13."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1698: A bill for an act relating to insurance; establishing tort threshold limitations on uninsured motorist coverage for motor vehicles; amending Minnesota Statutes 1978, Section 65B.49, Subdivision 4.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 12, delete "*not in excess of the*" and insert "*unless a*"

Page 2, line 13, delete "*limitations*" and insert "*limitation*"

Page 2, line 13, after "3" insert ", *is exceeded*"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1964: A bill for an act relating to motor vehicles; permitting the use of foreign state dealer plates in certain circumstances; restricting sales of new motor vehicles by wholesalers; authorizing the use of in-transit plates on used vehicles; imposing certain duties on the registrar of motor vehicles; amending Minnesota Statutes 1978, Section 168.181, Subdivision 2; 168.27, Subdivisions 6 and 17; and 168A.15, by adding a subdivision.

Reports the same back with the recommendation that the bill be amended as follows:

Page 3, delete section 4

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "imposing"

Page 1, delete line 7

Page 1, line 10, delete everything after "17" and insert a period

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2245: A bill for an act relating to the city of Edina; authorizing a temporary short term on-sale liquor license for a certain civic or charitable festival.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2234: A bill for an act relating to insurance; authorizing business trusts to exchange reciprocal or interinsurance contracts; amending Minnesota Statutes 1978, Section 71A.01, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1654: A bill for an act relating to the office of secretary of state; adjusting certain fees collected by that office; making them more uniform; amending Minnesota Statutes 1978, Sections 47.16; 53.01; 221.67; 303.13, Subdivision 1; 308.060, Subdivision 4; 317.04, Subdivision 3; 317.67; 540.152; and 543.08.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2083: A bill for an act relating to intoxicating liquor; authorizing the issuance of Sunday sales licenses by county boards in unorganized territory without voter approval; amending Minnesota Statutes 1978, Section 340.14, Subdivision 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 2071: A bill for an act relating to financial institutions; providing that certain agreements taken by a bank and subject to a certain percentage limitation will not constitute a liability against it; providing for a different percentage limitation in certain cases; amending Minnesota Statutes 1978, Section 48.24, Subdivision 3.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1803: A bill for an act relating to commerce; restricting the scope of the corporate take-over statute; amending Minnesota Statutes 1978, Sections 80B.02, Subdivision 5; 80B.03, Subdivisions 2 and 3; repealing Minnesota Statutes 1978, Sections 80B.02, Subdivision 8; and 80B.03, Subdivisions 4 and 5.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2146: A bill for an act relating to public welfare; providing that certain relatives of children receiving aid to families with dependent children are not responsible for contributions; amending Minnesota Statutes 1978, Section 256.87, Subdivision 1.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2027: A bill for an act relating to public welfare; authorizing certain payments to shelter facilities for battered women; requiring direct payments to shelter facilities from general assistance; amending Minnesota Statutes 1978, Section 256D.05, Subdivision 3.

Reports the same back with the recommendation that the bill be amended as follows:

Amend the title as follows:

Page 1, line 5, after "assistance;" insert "appropriating money;"

Page 1, line 15, after "maintenance" insert "costs"

Page 1, line 16, after "costs" insert "*which are related to providing 24-hour staff coverage at the facility*"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2174: A resolution memorializing the President and Congress to take all actions necessary to effect changes in regulations of the Department of Health, Education, and Welfare so that physician visits to medically stable residents of certain health care facilities are required only quarterly or semi-annually.

Reports the same back with the recommendation that the resolution do pass and be re-referred to the Committee on Rules and Administration. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2182: A bill for an act relating to health; directing the department of health to undertake studies for determining health and environmental effects of high voltage transmission lines; appropriating money.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 2239: A bill for an act relating to welfare; changing certain eligibility requirements for aid to families with dependent children; amending Minnesota Statutes 1978, Section 256.73, Subdivision 2.

Reports the same back with the recommendation that the bill

do pass and be re-referred to the Committee on Finance. Report adopted.

Mr. McCutcheon from the Committee on Taxes and Tax Laws, to which was referred

S. F. No. 336: A bill for an act relating to taxation; providing for state reimbursement of taxing districts for tax reduction granted to Title II and certain other property; amending Minnesota Statutes 1978, Section 276.04; and Chapter 273, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 15, delete "1979" and insert "1981"

Page 1, line 16, delete "1979" and insert "1981"

Page 1, line 20, delete "or" and insert a comma and after "17b" insert "or 17c"

Page 2, line 4, delete "and" and insert a comma and after "17b" insert "or 17c"

Page 2, line 8, delete "and" and insert a comma and after "17b" insert "or 17c"

Page 2, line 13, delete "1979" and insert "1981"

Page 2, delete lines 14 to 23 and insert:

"Subd. 3. When computing mill rates pursuant to Minnesota Statutes, Sections 275.08 and 275.09, the county auditor shall treat property described in subdivision 1, clause (a) as if it were valued as class 3d."

Page 4, after line 6, insert:

"Sec. 3. [APPROPRIATION.] There is annually appropriated from the general fund to the commissioner of revenue the amount necessary to make the payments required by section 1."

Amend the title as follows:

Page 1, line 5, after the semicolon insert "appropriating money;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 1987: A bill for an act relating to taxation; providing a property tax exemption for alcohol fuel production equipment; amending Minnesota Statutes 1978, Section 273.11, Subdivision 6.

Reports the same back with the recommendation that the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Report adopted.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 2059: A bill for an act relating to the city of Hibbing; authorizing development and administration of a housing program within the city, including that part of the city which formerly comprised the town of Stuntz.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Anderson from the Committee on Energy and Housing, to which was referred

S. F. No. 2119: A bill for an act relating to Carver county; applying the provisions of the municipal housing and redevelopment act to Carver county; providing for local approval of projects.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Laufenburger from the Committee on Employment, to which was referred

S. F. No. 2195: A bill for an act relating to employment agencies; exempting certain medical doctor placement services from licensing provisions; amending Minnesota Statutes 1978, Section 184.21, Subdivision 2.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2156: A bill for an act relating to Ramsey county; simplifying the number of the county code; amending Laws 1974, Chapter 435, Articles I to IV, as amended.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2190: A bill for an act relating to the city of Saint Paul; permitting employment of certain persons pursuant to a training program.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 1763: A bill for an act relating to driver's licenses; providing for the disposition of the county fee in Dakota County.

Reports the same back with the recommendation that the bill do pass. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1906: A bill for an act relating to the Nine Mile Creek Watershed District; authorizing an ad valorem tax for certain purposes.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 6, after "CREEK" insert "AND RILEY-PURGATORY CREEK"

Page 1, line 6, delete "DISTRICT" and insert "DISTRICTS"

Page 1, line 9, after "District" insert "in Hennepin County and the Riley-Purgatory Creek Watershed District in Hennepin and Carver counties"

Page 1, line 9, delete "is" and insert "are each"

Page 1, line 13, delete "Nine Mile Creek Watershed District" and insert "respective districts"

Page 1, line 15, after "125,000" insert "in each district"

Page 1, line 17, delete "for the Nine"

Page 1, line 18, delete "Mile Creek Watershed District"

Page 1, line 20, delete "common"

Page 2, line 2, after "effective" insert "for each district named in section 1"

Page 2, line 3, delete "Nine" and insert "respective districts"

Page 2, line 4, delete "Mile Creek Watershed District"

Amend the title as follows:

Page 1, line 2, before the semicolon insert "and the Riley-Purgatory Creek Watershed District"

And when so amended the bill do pass and be re-referred to the Committee on Taxes and Tax Laws. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1794: A bill for an act relating to state lands; authorizing the sale at public auction of lands and interests in lands located in Mower and Fillmore Counties.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 13, after "between" insert "the intersection of U.S. Highways 16 and 63 near the city of"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2045: A bill for an act relating to state lands; providing for the conveyance of certain lands to the city of Owatonna.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. The governor, upon the recommendation of the commissioner of administration, shall convey in an instrument approved by the attorney general the following described real property, together with any improvements thereon, to the city of Owatonna:

The south half of the southwest quarter of section 8, township 107 north, range 20 west.

The property shall be conveyed for a consideration of \$200,000, and shall be used by the city of Owatonna for governmental and recreational purposes only. When the property ceases to be used for those purposes, the state shall be offered the first opportunity to repurchase the property for \$200,000, or a pro rata amount if less than the entire tract described herein is to revert to the state. If the state refuses to exercise its right to repurchase the property, the city of Owatonna shall have the right to use or dispose of the property in a manner that it sees fit; provided, however, that if the city sells the property for more than it has invested for land, improvements, and utilities, the excess above that amount shall be paid to the state of Minnesota for deposit in the general revenue fund.

Sec. 2. This act shall become effective only after its approval by a majority of the governing body of the city of Owatonna and upon compliance with the provisions of Minnesota Statutes, Section 645.021."

And when so amended the bill do pass and be placed on the Consent Calendar. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 1685: A bill for an act relating to pollution; recognizing the extent and severity of the problem of acid precipitation; appropriating funds and designating state agencies and departments to conduct activities designed to identify, control and abate acid precipitation.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 16, after the comma insert "agricultural,"

Page 2, line 22, delete the comma and insert "and"

Page 2, line 23, delete everything after "projects"

Page 2, delete lines 24 to 26 and insert “. It is a condition of acceptance of the appropriations made by this section that each agency or entity receiving an appropriation shall submit work programs and semi-annual progress reports in a form determined by the legislative commission on Minnesota resources. None of the moneys provided in this section may be expended unless the commission has approved the pertinent work program.”

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

Mr. Willet from the Committee on Agriculture and Natural Resources, to which was referred

S. F. No. 2134: A bill for an act relating to natural resources; providing for analysis of hydroelectric generating capacity of publicly owned dams; clarifying provisions relating to the administration of and authorization for dam repair and reconstruction grants; authorizing the employment of a person to administer grants; amending Minnesota Statutes 1978, Section 105.482, Subdivisions 1 and 4; Minnesota Statutes, 1979 Supplement, Section 105.482, Subdivisions 3 and 5a; and Laws 1979, Chapter 300, Section 4, Subdivisions 1 and 5.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 14, after the period, insert “*Except as provided below,*”

Page 2, line 16, after the period, insert “*A grant to study the feasibility, practicality and environmental effects of utilizing a dam for hydroelectric power generation may be for an amount not to exceed 90 percent of the costs of the study.*”

Page 5, line 11, after “employee” insert “*in the unclassified service*”

Amend the title as follows:

Page 1, line 8, after “grants;” insert “appropriating money;”

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was re-referred

S. F. No. 802: A bill for an act relating to health; regulating the occupation of physical therapist; amending Minnesota Statutes 1978, Sections 148.65; 148.67; 148.70; 148.71; 148.72; 148.73; 148.74; 148.75; 148.76; 148.77; 148.78; and Chapter 148, by adding sections.

Reports the same back with the recommendation that the bill be amended as follows:

Page 2, line 1, delete “*the effective properties of*”

Page 2, line 5, delete “*therapy*”

Page 2, line 6, delete “*massage,*”

Page 2, line 7, delete "*mobilization*,"

Page 3, line 10, after "*examinations*" insert "*following satisfactory completion of all didactic requirements*"

Page 3, line 11, after "*pass*" insert "*the*"

Page 3, line 12, strike the period and insert "*after*"

Page 3, line 12, delete "*shall*" and insert "*has*"

Page 3, line 12, delete "*present*" and insert "*presented*"

Page 5, lines 6 to 8, delete the new language

Page 7, line 18, strike "*The board*"

Page 7, strike lines 19 to 21

Page 7, line 22, strike "*attorney of each county.*"

Page 7, line 29, strike "*state examining committee*" and insert "*physical therapy council*"

Page 7, line 31, strike "*, to*" and insert a period

Page 7, strike lines 32 and 33

Page 8, strike line 1

Page 8, line 17, delete "*referral*" and insert "*order and direction*"

Page 8, line 18, delete "*or a dentist*"

Page 8, line 19, delete "*licensed in this state*"

Page 9, line 9, delete "*and surgery*"

Page 9, line 13, delete "*or inadequate*"

Page 9, line 14, delete "*supervision of*"

Page 9, line 14, after "*or*" insert "*inappropriate task assignment to an*"

Page 9, line 14, after "*aide*" insert "*or inadequate supervision of either level of supportive personnel*"

Page 10, line 1, delete "*Act as a*" and insert "*Use the title of*"

Page 10, line 18, delete "*this section*" and insert "*sections 148.65 to 148.78*"

Page 10, line 24, delete "*referral*" and insert "*order and direction*"

Page 10, line 25, delete "*or dentistry*"

Page 10, line 31, after "*ASSISTANTS*" insert "*AND AIDES*"

Page 11, line 5, after "*or*" insert "*assign to a physical therapy*"

And when so amended the bill do pass. Amendments adopted.
Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1636: A bill for an act relating to state government; requiring certain state-leased space and state agency meetings to be accessible to physically handicapped persons; requiring certain auxiliary aids for physically handicapped participants at state agency meetings; amending Minnesota Statutes 1978, Section 16.85, Subdivisions 1b and 1c; and Chapter 15, by adding a section.

Reports the same back with the recommendation that the bill be amended as follows:

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

"Sec. 2. Minnesota Statutes 1978, Section 16.85, Subdivision 1b, is amended to read:

Subd. 1b. No agency of the state may lease space for agency operations in a non-state owned building, unless the building satisfies the requirements of the state building code for accessibility by the physically handicapped, ~~or is eligible to display the state symbol of accessibility persons~~. This limitation shall apply in respect to leases of thirty days or more for space of at least 1,000 square feet commencing ~~or being renewed~~ on or after July 1, 1980.

Sec. 3. Minnesota Statutes 1978, Section 16.85, Subdivision 1c, is amended to read:

Subd. 1c. After July 1, ~~1979~~ 1980, meetings or conferences ~~attended by for the public and or for state employees sponsored in whole or in part by a state agency in non-publicly owned buildings~~ shall be held in buildings that either meet the state building code requirements relating to accessibility for the physically handicapped ~~or are eligible to display the state symbol for accessibility persons~~; ~~provided that, meetings or conferences intended for specific individuals none of whom need the accessibility features for handicapped persons specified in the state building code need not comply with this subdivision unless a handicapped person gives reasonable advance notice of his or her intent to attend the meeting or conference. When sign language interpreters will be provided, meetings or conference sites shall be chosen which allow hearing impaired participants to see their signing clearly.~~

Sec. 4. Minnesota Statutes 1978, Section 16.85, Subdivision 1d, is amended to read:

Subd. 1d. The commissioner of administration may grant an exemption from the requirements of subdivisions 1b and 1c in advance if a state agency has demonstrated that reasonable efforts were made to secure facilities which complied with the requirements of subdivision 1b and 1c and if the selected facilities are the best available for access for handicapped persons. *Exemptions shall be granted using criteria developed by the commissioner in consultation with the council for the handicapped.*

Sec. 5. Minnesota Statutes 1978, Section 16.85, is amended by adding a subdivision to read:

Subd. 1e. Any state agency which violates the provisions of subdivisions 1b, 1c or 1d shall be fined in the amount of \$250 for each occurrence by the commissioner of administration. If a state agency contests the assessment of a fine, it shall have the right to appeal in a contested case proceeding pursuant to the requirements of chapter 15. All fines collected shall be paid to and are hereby appropriated to the commissioner of administration to be used for improvements in state owned or state leased buildings to bring them into compliance with the state building code for accessibility by physically handicapped persons.

Sec. 6. [EFFECTIVE DATE.] *This act is effective the day following final enactment.*

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "appropriating money; providing penalties;"

Page 1, line 8, delete "and 1c" and insert ", 1c, 1d, and by adding a subdivision"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1601: A bill for an act relating to state government; transferring certain powers and duties relating to natural gas pipeline safety from the state fire marshal in the department of public safety to the director of the department of public service.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1978, Section 299F.56, is amended by adding a subdivision to read:

Subd. 2a. "Department" means the department of public service.

Sec. 2. Minnesota Statutes 1978, Section 299F.56, Subdivision 5, is amended to read:

Subd. 5. "Transportation of gas" means the gathering, transmission, or distribution of gas by pipeline or its storage; except that it shall not include any such transportation of gas which is subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States, or the gathering of gas in those rural locations which lie outside the limits of any incorporated or unincorporated city, town, or any other designated residential or commercial area such as a subdivision, a business or shopping center, a community development or any similar popu-

lated area which the ~~state fire marshal department~~ may define as a nonrural area.

Sec. 3. Minnesota Statutes 1978, Section 299F.56, Subdivision 6, is amended to read:

Subd. 6. "Pipeline facilities" includes, without limitation, new and existing pipe rights of way and any equipment facility or building used in the transportation of gas or the treatment of gas during the course of transportation, but "rights of way" as used in sections 299F.56 to 299F.64 does not authorize the ~~state fire marshal department~~ to prescribe the location or routing of any pipeline facility. "Pipeline facilities" shall not include any facilities subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States.

Sec. 4. Minnesota Statutes 1978, Section 299F.57, is amended to read:

299F.57 [MINIMUM SAFETY STANDARDS.] Subdivision 1. The ~~state fire marshal department~~ shall, by order, establish minimum safety standards for the transportation of gas and pipeline facilities. Such Standards may apply to the design, installation, inspection, testing, construction, extension, operation, replacement and maintenance of pipeline facilities. Standards affecting the design, installation, construction, initial inspection and initial testing shall not be applicable to pipeline facilities in existence on the date such standards are adopted. Such Safety standards shall be practicable and designed to meet the need for pipeline safety. In prescribing such standards, the ~~state fire marshal department~~ shall consider:

- (a) relevant available pipeline safety data;
- (b) whether such standards are appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of any proposed standards;
- (d) the extent to which any such standards will contribute to public safety; and
- (e) the existing standards established by the Secretary of Transportation of the United States pursuant to the Natural Gas Pipeline Safety Act of 1968 of the United States.

Provided, however, that the ~~state fire marshal department~~ shall not be empowered to adopt any such standards as to the transportation of gas or to pipeline facilities which are subject to the jurisdiction of the Federal Power Commission under the Natural Gas Act of the United States.

Subd. 2. Any standards prescribed under this section, and amendments thereto, shall become effective 30 days after the date of issuance of such standards unless the ~~state fire marshal department~~, for good cause recited, determines an earlier or later effective date is required as the result of the period reasonably necessary for compliance.

Subd. 3. The rulemaking, contested case and judicial review provisions of chapter 15, shall apply to all orders establishing, amending, revoking, or waiving compliance with, any standard established under sections 299F.56 to 299F.64 or any penalty imposed under sections 299F.56 to 299F.64. The *state fire marshal department* shall afford interested persons an opportunity to participate fully in the establishment of such safety standards through submission of written data, views or arguments, with opportunity to present oral testimony and argument.

Subd. 4. Whenever the *state fire marshal department* shall find a particular facility to be hazardous to life or property, he shall be empowered to require the person operating such facility to take such steps necessary to remove such hazards.

Subd. 5. Upon application by any person engaged in the transportation of gas or the operation of pipeline facilities, the *state fire marshal department* may, after notice and opportunity for hearing and under such terms and conditions and to such extent as he deems appropriate, waive in whole or in part compliance with any standards established under sections 299F.56 to 299F.64, if he determines that a waiver of compliance with such standard is not inconsistent with gas pipeline safety. The *state fire marshal department* shall state his reasons for any such waiver.

Sec. 5. Minnesota Statutes 1978, Section 299F.58, is amended to read:

299F.58 [CERTIFICATIONS AND REPORTS.] The *state fire marshal department* is authorized to make such certifications and reports to the United States Secretary of Transportation as may be required from time to time under the Natural Gas Pipeline Safety Act of 1968 of the United States.

Sec. 6. Minnesota Statutes 1978, Section 299F.60, Subdivision 1, is amended to read:

299F.60 [CIVIL PENALTIES.] Subdivision 1. Any person who violates any provision of sections 299F.56 to 299F.64, or any regulation issued thereunder, shall be subject to a civil penalty to be imposed by the *state fire marshal department* not to exceed \$1,000 for each such violation for each day that such violation persists, except that the maximum civil penalty shall not exceed \$200,000 for any related series of violations.

Sec. 7. Minnesota Statutes 1978, Section 299F.60, Subdivision 2, is amended to read:

Subd. 2. The *state fire marshal department* may negotiate a compromise settlement of a civil penalty. In determining the amount of such penalty, or the amount of the compromise settlement, the *state fire marshal department* shall consider the appropriateness of such penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notification of a violation. The contested case and judicial review provisions of chapter 15 shall apply to all orders of the *state fire*

~~marshal~~ department imposing any penalty under sections 299F.56 to 299F.64 or under any regulation promulgated thereunder. The amount of such penalty, when finally determined, may be deducted from any sums owing by the state of Minnesota to the person charged.

Sec. 8. Minnesota Statutes 1978, Section 299F.61, Subdivision 1, is amended to read:

299F.61 [INJUNCTIVE RELIEF.] Subdivision 1. The district courts of the state of Minnesota shall have jurisdiction, subject to the provisions of the statutes and the rules of practice and procedure of the state of Minnesota relative to civil actions in the district courts, to restrain violations of sections 299F.56 to 299F.64, including the restraint of transportation of gas or the operation of a pipeline facility, or to enforce standards established hereunder upon petition by the attorney general on behalf of the state of Minnesota. Whenever practicable, the ~~state fire marshal~~ department shall give notice to any person against whom an action for injunctive relief is contemplated and afford him an opportunity to present his views, and, except in the case of a knowing and willful violation, shall afford him reasonable opportunity to achieve compliance. However, the failure to give such notice and afford such opportunity shall not preclude the granting of appropriate relief.

Sec. 9. Minnesota Statutes 1978, Section 299F.62, is amended to read:

299F.62 [PLAN FOR INSPECTION AND MAINTENANCE.] Each person who engages in the transportation of gas or who owns or operates pipeline facilities subject to sections 299F.56 to 299F.64 shall file with the ~~state fire marshal~~ department a plan for inspection and maintenance of each such pipeline facility owned or operated by such person, and any changes in such plan, in accordance with the regulations prescribed by the ~~state fire marshal~~ department. If the ~~state fire marshal~~ department finds that such plan is inadequate to achieve safe operation, ~~he it~~ shall, after notice and opportunity for a hearing, require such plan to be revised. The plan required by the ~~state fire marshal~~ department shall be practicable and designed to meet the need for pipeline safety. In determining the adequacy of any such plan, the ~~state fire marshal~~ department shall consider the following:

- (a) relevant available pipeline safety data;
- (b) whether the plan is appropriate for the particular type of pipeline transportation;
- (c) the reasonableness of the plan; and
- (d) the extent to which such plan will contribute to public safety.

Sec. 10. Minnesota Statutes 1978, Section 299F.63, is amended to read:

299F.63 [RECORDS AND REPORTS; INSPECTIONS;

COSTS; TRADE SECRETS.] Subdivision 1. Each person who engages in the transportation of gas or who owns or operates pipeline facilities shall establish and maintain such records, make such reports, and provide such information as the state fire marshal department may reasonably require to enable him it to determine whether such person has acted or is acting in compliance with sections 299F.56 to 299F.64 and the standards established under sections 299F.56 to 299F.64. Each such person shall, upon request of an officer, employee, or agent authorized by the state fire marshal department, permit such officer, employee, or agent to inspect books, papers, records and documents relevant to determining whether such person has acted or is acting in compliance with sections 299F.56 to 299F.64 and the standards established pursuant to sections 299F.56 to 299F.64. For purposes of enforcement of sections 299F.56 to 299F.64, officers, employees, or agents authorized by the state fire marshal department, upon presenting appropriate credentials to the individual in charge, are authorized to enter upon, at reasonable times, pipeline facilities, and to inspect, at reasonable times and within reasonable limits and in a reasonable manner, such the facilities. Each such inspection shall be commenced and completed with reasonable promptness.

Subd. 1a. The department shall assess and bill the salary and expense costs of the gas pipeline safety inspection program less any offsetting federal grant reimbursements for that program to all the gas systems whether private or municipal subject to inspection in proportion to the number of gas meters in each system. Billing shall be done within 90 days of the close of the state fiscal year. The assessment shall be paid to the state treasury within 30 days after the bill has been mailed to the gas systems which mailed bill shall constitute notice of assessment and demand for payment thereof.

Subd. 2. In the course of the exercise of his its duties and responsibilities under sections 299F.56 to 299F.64, the state fire marshal department shall wherever practicable employ a practice of spot checking and issuance of certificates of compliance, with respect to persons subject to sections 299F.56 to 299F.64, to limit costs of enforcement of the safety standards established pursuant to sections 299F.56 to 299F.64.

Subd. 3. All information reported to or otherwise obtained by the state fire marshal or his department or its representative, which contains or relates to a trade secret, as referred to in section 1905 of title 18 of the United States Code, or otherwise constitutes a trade secret under law, shall be considered confidential for the purpose of such laws, except that such information may be disclosed to other officers or employees concerned with carrying out sections 299F.56 to 299F.64 or when relevant in any proceeding under sections 299F.56 to 299F.64.

Sec. 11. Minnesota Statutes 1978, Section 299F.64, is amended to read:

299F.64 [FEDERAL MONEYS.] The state fire marshal de-

partment may accept any and all moneys provided for or made available to this state by the United States of America or any department or agency thereof with respect to prescribing, setting, and enforcing rules, regulations, and safety standards for the transportation of natural and other gas by pipelines in accordance with the provisions of federal law and any rules or regulations promulgated thereunder and the state fire marshal department is further authorized to do any and all things, not contrary to the laws of this state, required of this state by such federal law and the rules and regulations promulgated thereunder in order to obtain such federal moneys.

Sec. 12. [TRANSFER OF FUNCTIONS; RULES; PENDING ACTIONS.] *Subdivision 1. All powers, duties and functions previously vested in the division of fire marshal of the department of public safety by Minnesota Statutes 1978, Sections 299F.56 to 299F.64, are transferred to, vested in and imposed upon the department of public service, effective July 1, 1980.*

Subd. 2. Regulations and standards for gas and pipeline safety as incorporated in Title 49, Code of Federal Regulations 192, and amendments thereto published in the Federal Register through September 5, 1978, as modified by Fire Mar Rules 4, 14 and 23, are incorporated by reference and made a part of the Minnesota rules and standards for gas and pipeline safety, along with existing Fire Mar Rules 1 to 29. Administration of these rules, regulations and standards is transferred from the division of fire marshal of the department of public safety to the department of public service, effective July 1, 1980. Rules, regulations and standards adopted or transferred to the department of public service by this subdivision shall continue in effect until repealed, modified or suspended by subsequent rule of the department of public service. Discrepancies or inconsistencies between any provision of Fire Mar Rules 1 to 29 and the Code of Federal Regulations shall be resolved in favor of the Code of Federal Regulations.

Subd. 3. Any proceeding, legal action, prosecution or other business or matter undertaken or commenced prior to July 1, 1980, by the fire marshal division of the department of public safety in the exercise of a power, duty or function transferred by this section may be continued to completion by the department of public service in the same manner, under the same terms and conditions and with the same effect as though undertaken or commenced by the department of public service in the first instance.

Sec. 13. [TRANSFER OF FUNDS, POSITIONS, EQUIPMENT.] *Subdivision 1. All unexpended funds appropriated to the department of public safety for the gas pipeline safety program by Laws 1979, Chapter 333, Section 41, are cancelled and shall revert to the general fund.*

Subd. 2. One full-time position in the classified service in the department of public safety used to support any of the functions, powers and duties transferred to the department of public service is transferred to the department of public service. The commissioner of finance and commissioner of personnel shall determine

the position to be transferred along with any accrued benefits pertaining thereto to the department of public service.

Subd. 3. All equipment, furnishings, supplies and any appropriate contractual agreements related to the gas pipeline safety program are transferred to the department of public service.

Subd. 4. The authorized complement of the department of public service is increased by six positions and the authorized complement of the department of public safety is reduced by one position.

Sec. 14. There is appropriated to the department of public service from the general fund \$259,280 for the biennium ending June 30, 1981. The department of public service is authorized to make application for, receive and deposit into the general fund any and all gas pipeline safety program funds available from the federal government in support of this program.

Sec. 15. This act is effective July 1, 1980."

Delete the title and insert:

"A bill for an act relating to natural gas pipeline safety; transferring powers and duties in the administration of pipeline safety laws from the fire marshal division of the department of public safety to the department of public service; transferring personnel and records; appropriating funds; amending Minnesota Statutes 1978, Sections 299F.56, Subdivisions 5, and 6, and by adding a subdivision; 299F.57; 299F.58; 299F.60, Subdivisions 1 and 2; 299F.61, Subdivision 1; 299F.62; 299F.63; and 299F.64."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Tennesen from the Committee on Commerce, to which was referred

S. F. No. 1430: A bill for an act relating to motor vehicles; providing for the proration of taxes on certain vehicles on the basis of the registration period; providing for the issuance and use of certain motor vehicle dealer plates; adjusting the bond provisions for certain dealers; authorizing dealers' licenses for the sale of motorized bicycles; specifying grounds for suspension and revocation of dealers' licenses; amending Minnesota Statutes 1978, Sections 168.013, Subdivision 2; and 168.27, Subdivisions 2, 12, 20, 22 and 24.

Reports the same back with the recommendation that the bill be amended as follows:

Page 5, line 30, strike "in the"

Page 5, line 31, strike the old language and delete the new language

Page 5, line 32, strike "the amount of \$2,500;"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Wegener from the Committee on Local Government, to which was referred

S. F. No. 2166: A bill for an act relating to the city of Minneapolis; authorizing the creation of an economic development and redevelopment agency or department.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [MINNEAPOLIS, CITY OF; DEVELOPMENT AND REDEVELOPMENT, PURPOSE.] The legislature of the state of Minnesota finds that the preservation of the quality of life in a major metropolitan city is dependent upon creation of an expanding tax base including commercial and industrial valuation, maintaining economically viable commercial and industrial areas within the city, encouraging private reinvestment within the city, encouraging redevelopment, maintaining and increasing employment opportunities, and providing improved housing opportunities, and that assistance which is provided by local government to accomplish these objectives should be provided as efficiently and effectively as possible, and that a coherent organized structure is necessary to maximize the impact of local government's activities while maintaining local government's involvement at the minimum level necessary, and that the economic development, housing and redevelopment activity of the city of Minneapolis is in need of increased efficiency and improved organization.

Sec. 2. [MINNEAPOLIS REDEVELOPMENT STRUCTURE.] Subdivision 1. Notwithstanding any contrary provision of law or charter, the city council of the city of Minneapolis may, by ordinance:

(a) Establish an independent development and redevelopment agency, corporate and politic, which shall be a governmental subdivision of the state of Minnesota. The agency shall be governed by a board of commissioners. The city council, by ordinance, shall provide for the establishment of the board of commissioners, and shall state the number of commissioners, terms of office, the appointing authority of the commissioners, and other matters relating to the composition of the board and shall designate the name for the agency. Notwithstanding any contrary provisions of the Minneapolis city charter, state statute, veterans preference act, or civil service rule, law, or regulation, all employees of the agency shall be selected and employed by the board of commissioners and shall not by virtue of employment by the agency be employees of the city of Minneapolis, and the terms and conditions of employment, including salary, shall be determined by the board of commissioners, subject only to limitations contained in this act. Throughout this act the term "agency" means the agency established pursuant to this clause.

The passage of the first ordinance establishing an agency, the passage of any ordinance changing the number of commissioners, the term of office of the commissioners, or the appointing authority

of the commissioners, shall require affirmative votes of nine members of the city council. The vote of the city council adopting the ordinance shall be subject to mayoral veto and city council override of that veto.

(b) Establish a development and redevelopment department of the city. Notwithstanding any contrary provision of the Minneapolis city charter, statute, veterans preference act, or civil service rule, law or regulation, the ordinance creating the department may provide for a director and three assistant directors, who shall be in the unclassified service of the city of Minneapolis, and may provide for the director to appoint not more than ten employees to perform managerial duties as defined by the director, who shall be in the unclassified service of the city. The ordinance shall establish the appointing authority of the director and assistant directors, and the manner of appointment and term of office, if any, and shall provide for the terms and conditions of employment, including salary, subject only to the limitations contained within this act for all employees of the department, and shall designate the name for the department. The director shall select and appoint all employees of the department. Throughout this act the term "department" means the department established pursuant to this clause.

(c) Any time up to six months after the passage of the first ordinance implementing the provisions of this section, transfer any employee of the city of Minneapolis or the Minneapolis housing and redevelopment authority or the Minneapolis industrial development commission to the employment of the agency or the department. An employee who is in the classified service of the city of Minneapolis whose position is being transferred pursuant to this clause, may elect to remain in the classified service and exercise the rights provided by the Minneapolis civil service commission to an employee as if the position held by the employee had been eliminated. Any employee who is transferred from employment with one employer pursuant to this clause to another employer shall retain rights and benefits accumulated including seniority, accumulated vacation and sick leave, and length of service for the purposes of calculating benefits, layoffs, seniority rating for promotions and merit increases, emoluments or rewards.

An employee of the Minneapolis Housing and Redevelopment Authority, except the director and deputy directors, whose job responsibilities are transferred to the agency or department shall either become an employee of the agency or department with similar job responsibilities, or shall remain an employee of the original agency in a position for which the person is qualified, as determined by the city council and shall not be required to change residence as a result of the transfer.

If a person employed as an employee of the agency or as a director or assistant director or as a managerial employee of the department is, at the time of agency employment, a member of the classified service of the city of Minneapolis, the employee

shall be deemed to be on leave of absence during his tenure in the employment, and upon termination of service, shall be returned to his permanent civil service classification. If no vacancy is available in his permanent civil service classification position, seniority shall prevail, and the person most recently certified to the position shall be returned to the permanent civil service classification held by him prior to certification.

Subd. 2. The ordinance which creates the agency or department shall establish procedures for including citizen input when the agency or department establishes policies and programs. The city council shall provide for an advisory role for citizens in the establishment of citizen participation procedures to be included in the ordinance which creates the agency or department.

The citizen participation procedures established by the ordinance must meet the following standards:

- (a) All citizen participation must be done openly;
- (b) An advisory role for citizens, including project area residents and other affected persons, if any, must be provided in all stages of the activities of the agency or department, including policy establishment and implementation, assessment of performance and policy amendment;
- (c) Reasonable efforts must be included to ensure the continuity of involvement of citizens throughout the activities of the agency or department;
- (d) Public hearings with adequate notice must be provided prior to the establishment of policies and as the policies are implemented;
- (e) A method for providing proposed policies and proposals for implementing the policies to interested citizens must be provided;
- (f) Citizens must be encouraged to submit their views and proposals for policies and the implementation of policies to the department or agency; and
- (g) A technical assistance policy for citizen organizations and affected groups must be developed.

Subd. 3. Notwithstanding any contrary provision of the public employees labor relations act, the employees of the department who are not supervisory or confidential employees shall be designated an appropriate bargaining unit. The designation conferred by this subdivision shall expire October 1, 1981.

Subd. 4. All employees of the agency shall be considered employees of the city of Minneapolis for the purposes of membership in the public employee retirement association. An employee of the Minneapolis housing and redevelopment authority who is transferred to employment of the department or agency shall elect one of the following options with respect to retirement programs within six months after the date of transfer:

- (a) The employee may continue as a member of the retirement

program established by the Minneapolis housing and redevelopment authority and in effect on the date of transfer, and the agency or department shall make the necessary employer contributions to the program instead of becoming a member of the public employees retirement association.

(b) The employee may become a member of the public employees retirement association.

Subd. 5. The terms of a collective bargaining agreement which are not in conflict with any applicable rules or regulations of the Minneapolis civil service commission, which is in effect between a governmental subdivision and its employees, whose employees, some or all of whom are transferred to the department or agency shall be binding upon the department or agency for the length of the term of the contract with respect to the employees transferred from the contracting subdivision.

Sec. 3. [AUTHORITY.] Subdivision 1. Notwithstanding any contrary law or provision of the Minneapolis city charter, the city council may exercise the powers presently, or hereafter granted to a governmental agency or subdivision by Minnesota Statutes, Chapters 458 and 462 except the power to operate and maintain public housing as defined in Minnesota Statutes, Chapter 462. Notwithstanding any contrary law or provision of the Minneapolis city charter, the agency may after approval by the city council by ordinance exercise any of the powers presently or hereafter granted to a governmental subdivision by Minnesota Statutes, Chapters 458, 462, 472, 472A, and 474. The city council or the agency may exercise the powers granted by this subdivision and any other development or redevelopment powers authorized by other laws, independently or in conjunction with each other as though all of the powers had been granted to a single entity.

Subd. 2. In addition to any other powers granted to the city of Minneapolis, and not in limitation thereof, the city council may by ordinance divide economic development, housing, and redevelopment powers granted to the city between the agency or department created pursuant to this act, and any authority or commission established pursuant to statute or the Minneapolis city charter for the purposes of economic development, or housing, or redevelopment.

Subd. 3. The city council may, upon the request of the department, levy a general ad valorem tax for any purpose for which a housing and redevelopment authority pursuant to Minnesota Statutes, Chapter 462 may levy an ad valorem tax. The agency may levy a general ad valorem tax upon all taxable property in the city of Minneapolis for any economic development, housing, or redevelopment purpose for which the city council may levy a tax, or for which a housing and redevelopment authority pursuant to Minnesota Statutes, Chapter 462 may levy a tax. The levy of this tax shall be in the same manner as for a tax levied by the city council. The tax levied by the agency pursuant to this subdivision shall not exceed three mills levied upon all taxable property in the city of Minneapolis, provided that this limitation shall not

apply to any levy for the repayment of bonds or obligations of the agency.

Subd. 4. The agency may pledge the full faith and credit of the agency for the repayment of any bonds which the agency is authorized to issue pursuant to any statute or charter provision. The city council may pledge any anticipated revenues of or reserves accumulated by the department for the repayment of any bonds issued by the city for economic development, housing or redevelopment purposes.

Subd. 5. The city council may, by ordinance upon request of the agency, pledge the full faith and credit of the city of Minneapolis for the repayment of bonds to be issued by the agency. The pledge of the full faith and credit of the city of Minneapolis shall not be subject to the provisions of Minnesota Statutes, Section 475.58, or to any limitations of the Minneapolis city charter. The amount of bonds issued by the agency and outstanding at any one time for which the full faith and credit of the city of Minneapolis is pledged shall not exceed six percent times the market value of all taxable real and personal property within the city of Minneapolis and shall not be included in any debt limitations imposed upon the city of Minneapolis.

Subd. 6. Notwithstanding any contrary law or provision of the Minneapolis city charter, the city council may, by resolution, transfer the control, authority, and operation of any project as defined in Minnesota Statutes, Section 273.73, Subdivision 8, or any other program or project authorized by Minnesota Statutes, Chapter 462 for the purpose of rehabilitation of housing units or for the purpose of providing public housing as defined in Minnesota Statutes, Chapter 462, located within the city of Minneapolis, from the governmental agency or subdivision which established the project to any other governmental agency or subdivision established in whole or in part for the purpose of economic development housing or redevelopment within the city of Minneapolis, including the city council. The city council may also require acceptance of control, authority, and operation of the project by the governmental entity to which the transfer is intended. The governmental agency or subdivision to which the control, authority, and operation of the project is transferred, may exercise all of the powers and only the powers which the governmental unit which established the project could exercise with respect to the project.

Upon the transfer of a project or program, the receiving agency or body shall covenant and pledge to perform the terms, conditions, and covenants of bond indenture or other agreement executed for the security of any bonds issued by the governmental subdivision which initiated the project or program. The receiving governmental subdivision is granted by this act all powers necessary to perform the terms, conditions, and covenants of any indenture or other agreement executed for the security of bonds on which it shall become obligated by operation of this subdivision.

Subd. 7. Notwithstanding any contrary law or provision of the

Minneapolis city charter, the city council may, by resolution, require any governmental subdivision which is conducting a project as defined in Minnesota Statutes, Section 273.73, Subdivision 8, or any other program or project authorized by Minnesota Statutes, Chapter 462, for the purpose of rehabilitation of housing units or for the purpose of providing public housing as defined in Minnesota Statutes, Chapter 462, within the city of Minneapolis, to contract for services for administration of the project or any portion of the project with any other governmental subdivision established in whole or in part for the purpose of economic development or redevelopment or housing within the city of Minneapolis, including the city council. The city council may also require the acceptance of the contract for services by the governmental subdivision intended to provide the service for administration.

Subd. 8. Except when otherwise prohibited by law or when the reserves are pledged for the repayment of bonds issued by the agency, the city council may, by resolution, require the agency to transfer any portion of the reserves generated by activities of the agency which the city council determines is not necessary for the successful operation of the agency, to the city of Minneapolis general fund. The city council may transfer funds so received to any account and may expend the funds for any purpose.

Sec. 4. [LIMITATIONS.] The city council may, by ordinance, impose the following limitations upon the actions of the agency:

(a) That the sale of any or all bonds or obligations issued by the agency be approved before issuance by the city council by resolution.

(b) That the agency must follow the budget process for city departments as provided in the Minneapolis city charter and as implemented by the city council and mayor.

(c) That all official actions of the agency be consistent with the adopted comprehensive plan of the city of Minneapolis, and any official controls implementing the comprehensive plan.

(d) That the agency submit to the city council for approval by resolution any proposed project as defined in Minnesota Statutes, Section 273.73, Subdivision 8.

(e) That the agency submit all planned activities for influencing the action of any other governmental agency, subdivision, or body to the city council for approval by resolution.

(f) That the agency submit its administrative structure and management practices to the city council for approval by resolution.

(g) That the levy of any tax by the agency be approved by the city council by ordinance prior to the levy of the tax.

(h) Any other limitation or control established by the city council by ordinance.

Limitations imposed pursuant to this section shall not be

applied in a manner which impairs the security of any bonds issued prior to the imposition of the limitation. The city council shall not amend any limitations in effect at the time any bonds or obligations are issued pursuant to this act to the detriment of the holder of the bonds or obligations. A determination by the city council that the limitations imposed pursuant to this section have been complied with by the agency shall be conclusive.

Sec. 5. [CITY OF BLOOMINGTON.] The city of Bloomington is hereby granted all those powers of a port authority contained in Minnesota Statutes, Chapter 458.

Sec. 6. [EFFECTIVE DATE.] Sections 1 to 4 of this act shall become effective on the day following the filing of a certificate of approval by the chief clerical officer of the city of Minneapolis pursuant to Minnesota Statutes, 1979 Supplement, Section 645.021, Subdivision 3. Section 5 of this act shall become effective on the day following the filing of a certificate of approval by the chief clerical officer of the city of Bloomington pursuant to Minnesota Statutes, 1979 Supplement, Section 645.021, Subdivision 3."

Amend the title as follows:

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

Page 1, line 2, before the semicolon insert "and Bloomington"

Page 1, line 4, before the period, insert "; granting powers of the port authority to the city of Bloomington"

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Perpich from the Committee on Health, Welfare and Corrections, to which was referred

S. F. No. 1325: A bill for an act relating to health; promoting health maintenance organizations by eliminating certain regulations; promoting competition in health care delivery; amending Minnesota Statutes 1978, Sections 62D.01, Subdivision 2; 62D.03; 62D.04, Subdivision 1; 62D.05; 62D.06, Subdivision 1; 62D.08; 62D.12, Subdivision 9; 62D.20; 62D.22, Subdivisions 2, 3, 7, and by adding a subdivision; repealing Minnesota Statutes 1978, Sections 62D.09; and 62D.10, Subdivision 2.

Reports the same back with the recommendation that the bill be amended as follows:

Delete everything after the enacting clause and insert:

"ARTICLE I

Section 1. Minnesota Statutes 1978, Section 62A.16, is amended to read:

62A.16 [GROUP HOSPITAL AND MEDICAL COVERAGE AND HEALTH CARE PLANS, APPLICABILITY.] The provisions of sections 62A.16 and 62A.17 shall apply to all group insurance policies or group subscriber contracts providing cover-

age for hospital or medical expenses incurred by a Minnesota resident employed within this state. Sections 62A.16 and 62A.17 shall also apply to health care plans established by employers in this state through health maintenance organizations or *specialized health maintenance plans* certified under chapter 62D.

Sec. 2. Minnesota Statutes 1978, Section 62A.17, Subdivision 4, is amended to read:

Subd. 4. [RESPONSIBILITY OF EMPLOYER.] After timely receipt of the monthly payment from an eligible employee, if the employer, or the trustee if the policy, contract or health care plan is administered by a trust, fails to make the payment to the insurer, the nonprofit health service plan corporation or , the health maintenance organization or *specialized health maintenance plan* , with the result that the employee's coverage is terminated, the employer or the trust shall become liable for the employee's coverage to the same extent as the insurer, the nonprofit health service plan corporation or , the health maintenance organization or *the specialized health maintenance plan* , would be if the coverage were still in effect.

Sec. 3. Minnesota Statutes 1978, Section 62D.01, Subdivision 2, is amended to read:

Subd. 2. (a) Faced with the continuation of mounting costs of health care coupled with its inaccessibility to large segments of the population, the legislature has determined that there is a need to explore alternative methods for the delivery of health care services, with a view toward achieving greater *competition*, efficiency and economy in providing these services.

(b) It is, therefore, the policy of the state to eliminate the barriers to the organization, promotion, and expansion of health maintenance organizations and *specialized health maintenance plans* ; to provide for their regulation by the state commissioner of health; and to exempt them from the operation of the insurance and nonprofit health service plan corporation laws of the state except as hereinafter provided.

(c) It is further the intention of the legislature to closely monitor the development of health maintenance organizations and *specialized health maintenance plans* in order to assess their impact on the costs of health care to consumers, the accessibility of health care to consumers, and the quality of health care provided to consumers.

Sec. 4. Minnesota Statutes 1978, Section 62D.02, Subdivision 4, is amended to read:

Subd. 4. "Health maintenance organization" means a ~~nonprofit corporation organized under chapter 317~~ , controlled and operated as provided in sections 62D.01 to ~~62D.29~~ 62D.30 , which provides, either directly or through arrangements with providers or other persons, comprehensive health maintenance services, or arranges for the provision of such 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.

Sec. 5. Minnesota Statutes 1978, Section 62D.02, Subdivision 5, is amended to read:

Subd. 5. "Evidence of coverage" means any certificate, agreement or contract issued to an enrollee which sets out the coverage to which he is entitled under the health maintenance contract or *specialized health maintenance contract* which covers him.

Sec. 6. Minnesota Statutes 1978, Section 62D.02, Subdivision 6, is amended to read:

Subd. 6. "Enrollee" means any person who has entered into, or is covered by, a health maintenance contract or *specialized health maintenance contract*.

Sec. 7. Minnesota Statutes 1978, Section 62D.02, is amended by adding a subdivision to read:

Subd. 11. "*Specialized health maintenance plan*" means a corporation 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 specialized health maintenance services in a single specialized area of health services, or arranges to provide such 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. Single specialized areas of health services are areas such as dental services, mental health services, chiropractic services, chemical dependency services and other similar areas of services.

Sec. 8. Minnesota Statutes 1978, Section 62D.02, is amended by adding a subdivision to read:

Subd. 12. "*Specialized health maintenance services*" means a comprehensive set of health services which the enrollees might reasonably require to be maintained in good health in a single specialized area of health as defined in subdivision 11, including as a minimum and as appropriate to the specialized area of health, but not limited to, outpatient health services, and preventive health services.

Sec. 9. Minnesota Statutes 1978, Section 62D.02, is amended by adding a subdivision to read:

Subd. 13. "*Specialized health maintenance contract*" means any contract by which a specialized health maintenance plan agrees to provide specialized health maintenance services to enrollees. The contract may contain reasonable enrollee copayment provisions. Any contract may provide for specialized health maintenance services in addition to those set forth in subdivision 12.

Sec. 10. Minnesota Statutes 1978, Section 62D.03, is amended to read:

62D.03 [ESTABLISHMENT OF HEALTH MAINTENANCE ORGANIZATIONS AND SPECIALIZED HEALTH MAINTENANCE PLANS.] Subdivision 1. Notwithstanding any law of this state to the contrary, any ~~nonprofit~~ corporation organized to do so may apply to the commissioner of health for a certificate of authority to establish and operate a health maintenance organization or *specialized health maintenance plan* in compliance

with sections 62D.01 to 62D.30. No person shall establish or operate a health maintenance organization or *specialized health maintenance plan* in this state, nor sell or offer to sell, or solicit offers to purchase or receive advance or periodic consideration in conjunction with a health maintenance organization or , health maintenance contract , *specialized health maintenance plan* or *special health maintenance contract* unless such the organization or plan has a certificate of authority under sections 62D.01 to 62D.29 62D.30 .

Subd. 2. Every person operating a health maintenance organization on July 1, 1973 shall submit an application for a certificate of authority, as provided in subdivision 4, within 90 days of July 1, 1973. Each such applicant may continue to operate until the commissioner of health acts upon the application. In the event that an application is denied, the applicant shall henceforth be treated as a health maintenance organization whose certificate of authority has been revoked.

Subd. 3. 2. The commissioner of health may require any person providing physician and hospital services *comprehensive health maintenance services* with payments made in the manner set forth in section 62D.02, subdivision 4, or any person providing *specialized health maintenance services*, with payments made in the manner set forth in section 62D.02, subdivision 11, to apply for a certificate of authority under sections 62D.01 to 62D.29 62D.30 . Any person directed to apply for a certificate of authority shall be subject to the provisions of subdivision 2.

Subd. 4. 3. Each application for a certificate of authority shall be verified by an officer or authorized representative of the applicant, and shall be in a form prescribed by the commissioner of health. Each application shall include the following:

(a) A copy of the basic organizational document, if any, of the applicant; such as , including the articles of incorporation, or other applicable documents. and all amendments thereto;

(b) A copy of the bylaws, rules and regulations, or similar document, if any, and all amendments thereto which regulate the conduct of the affairs of the applicant;

(c) A list of the names, addresses, and official positions of the following persons:

All members of the board of directors, and the principal officers of the organization; which shall contain a full disclosure in the application of the extent and nature of any contract or financial arrangements between them and the health maintenance organization or *specialized health maintenance plan*, including a full disclosure of any financial arrangements between them and any provider or other person concerning any financial relationship with the health maintenance organization or *specialized health maintenance plan* ;

(d) A statement generally describing the health maintenance organization or *specialized health maintenance plan* , its health care plan or plans, facilities, and personnel, including a statement describing the manner in which the applicant proposes to provide

enrollees with comprehensive health maintenance services or *comprehensive specialized health maintenance services* ;

(e) A copy of the form of each evidence of coverage to be issued to the enrollees;

(f) A copy of the form of each individual or group health maintenance contract or *specialized health maintenance contract* which is to be issued to enrollees or their representatives;

(g) Financial statements showing the applicant's assets, liabilities, and sources of financial support. If the applicant's financial affairs are audited by independent certified public accountants, a copy of the applicant's most recent certified financial statement may be deemed to satisfy this requirement;

(h) ~~(1)~~ A description of the proposed method of marketing the plan, ~~(2)~~ A schedule of proposed charges ; and ~~(3)~~ a financial plan which includes a three year projection of the expenses and income and other sources of future capital ;

~~(i)~~ A statement reasonably describing the geographic area or areas to be served and the type or types of enrollees to be served;

~~(j)~~ (i) A description of the complaint procedures to be utilized as required under section 62D.11;

~~(k)~~ (j) A description of the procedures and programs to be implemented to meet the requirements of section 62D.04, subdivision 1, clauses (b) and (e) and to monitor the quality of health care provided to enrollees;

~~(l)~~ (k) A description of the mechanism by which enrollees will be afforded an opportunity to participate in express their views on matters of policy and operation under section 62D.06; and

~~(m)~~ (l) Such Other information as the commissioner of health may reasonably require to be provided.

Sec. 11. Minnesota Statutes 1978, Section 62D.04, Subdivision 1, is amended to read:

62D.04 [ISSUANCE OF CERTIFICATE AUTHORITY.] Subdivision 1. Upon receipt of an application for a certificate of authority, the commissioner of health shall determine whether the applicant for a certificate of authority has:

(a) Demonstrated the willingness and potential ability to assure that health care services will be provided in such a manner as to enhance and assure both the availability and accessibility of adequate personnel and facilities;

(b) Arrangements for an ongoing evaluation of the quality of health care;

~~(c)~~ A procedure to develop, compile, evaluate, and report statistics relating to the cost of its operations, the pattern of utilization of its services, the quality, availability and accessibility of its services, and such other matters as may be reasonably required by regulation of the commissioner of health;

~~(d)~~ (c) Reasonable provisions for emergency and out of area health care services;

~~(e)~~ (d) Demonstrated that it is financially responsible and may reasonably be expected to meet its obligations to enrollees and prospective enrollees *through financial arrangements or agreements with providers or other persons or a combination thereof*. In making this determination, the commissioner of health may consider either the standards of clauses (1) and (2), or the standards of clauses (3) and (4), whichever the applicant shall elect;

(1) The financial soundness of its arrangements for health care services and the proposed schedule of charges used in connection therewith;

(2) The adequacy of its working capital;

(3) Arrangements which will guarantee for a reasonable period of time the continued availability of payment of the cost of health care services in the event of discontinuance of the health maintenance organization; and

(4) Agreements with providers for the provision of health care services ;

~~(f)~~ (e) Demonstrated that it will assume full financial risk on a prospective basis for the provision of comprehensive health maintenance services or *comprehensive specialized health maintenance services*, including hospital care; provided, however, that the requirement in this paragraph shall not prohibit a health maintenance organization or *specialized health maintenance plan* from obtaining insurance or making other arrangements (i) for the cost of providing to any enrollee comprehensive health maintenance services or *comprehensive specialized health maintenance services*, the aggregate value of which exceeds \$5,000 in any year, (ii) for the cost of providing comprehensive health care services or *comprehensive specialized health maintenance services* to its members on a non-elective emergency basis, or while they are outside the area served by the organization, or (iii) for not more than 95 percent of the amount by which the health maintenance organization's or *specialized health maintenance plan's* costs for any of its fiscal years exceed 105 percent of its income for such fiscal years; and

~~(g)~~ (f) Otherwise met the requirements of sections 62D.01 to 62D.29 62D.30.

Sec. 12. Minnesota Statutes 1978, Section 62D.04, Subdivision 3, is amended to read:

Subd. 3. Except as provided in section 62D.03, subdivision 2, no person who has not been issued a certificate of authority shall use the words "health maintenance organization" or "*specialized health maintenance plan*" or the initials "HMO" or "SHMP" in its name, contracts or literature. Provided, however, that persons who are operating under a contract with, operating in association with, enrolling enrollees for, or otherwise authorized by a health maintenance organization or *specialized health maintenance plan* licensed under sections 62D.01 to 62D.29 62D.30 to act on its behalf may use the terms "health maintenance organization" or

"HMO", or *specialized health maintenance plan* or "SHMP", for the limited purpose of denoting or explaining their association or relationship with the authorized health maintenance organization or *specialized health maintenance health plan*. No health maintenance organization or *specialized health maintenance plan* which has a minority of consumers as members of its board of directors shall use the words "consumer controlled" in its name or in any way represent to the public that it is controlled by consumers.

Sec. 13. Minnesota Statutes 1978, Section 62D.05, is amended to read:

62D.05 [POWERS OF HEALTH MAINTENANCE ORGANIZATIONS AND SPECIALIZED HEALTH MAINTENANCE PLANS.] Subdivision 1. Any ~~nonprofit~~ corporation may, upon obtaining a certificate of authority as required in sections 62D.01 to ~~62D.29~~ 62D.30, operate as a health maintenance organization or *specialized health maintenance plan*.

Subd. 2. A health maintenance organization or *specialized health maintenance plan* may enter into health maintenance contracts or *specialized health maintenance contracts* in this state and engage in any other activities consistent with sections 62D.01 to ~~62D.29~~ 62D.30 which are necessary to the performance of its obligations under ~~such the~~ contracts or authorize its representatives to do so.

Subd. 3. A health maintenance organization or *specialized health maintenance plan* may contract with providers of health care services to render the services the health maintenance organization or *specialized health maintenance plan* has promised to provide under the terms of its health maintenance contracts or *specialized health maintenance contracts*, may, subject to the limitations of section 62D.04, subdivision 1, clause ~~(f)~~ (e), contract with insurance companies and nonprofit health service plan corporations for insurance, indemnity or reimbursement of its cost of providing health care services or *specialized health maintenance services* for enrollees or against the risks incurred by the health maintenance organization or *specialized health maintenance plan* and may contract with insurance companies and nonprofit health service plan corporations to insure or cover the enrollees' costs and expenses in the health maintenance organization or *specialized health maintenance plan*, including the customary prepayment amount and any co-payment obligations.

Subd. 4. A health maintenance organization or *specialized health maintenance plan* may contract with other persons for the provision of services, including, but not limited to, managerial and administration, marketing and enrolling, data processing, actuarial analysis, and billing services. ~~If contracts are made with insurance companies or nonprofit health service plan corporations, such companies or corporations must be authorized to transact business in this state.~~

Subd. 5. Each health maintenance organization or *specialized health maintenance plan* authorized to operate under sections 62D.01 to ~~62D.29~~ 62D.30, or its representative, may accept from

governmental agencies, private agencies, corporations, associations, groups, individuals, or other persons payments covering all or part of the cost of health care services or *specialized health maintenance services* provided to enrollees.

Subd. 6. Any recipient of medical assistance, pursuant to chapter 256B, may make application to join a health maintenance organization or specialized health maintenance plan which has been approved for medical assistance by the commissioner of public welfare. If the commissioner of public welfare determines that the charge for the health maintenance contract or specialized health maintenance contract is less than the average state cost per recipient who is not enrolled in a health maintenance organization or specialized health maintenance plan, the commissioner shall provide recipients who enroll in health maintenance organizations or specialized health maintenance plans a special transportation allowance equal to one-half of the difference in costs.

Sec. 14. Minnesota Statutes 1978, Section 62D.06, Subdivision 1, is amended to read:

62D.06 [GOVERNING BODY.] Subdivision 1. The governing body of any health maintenance organization or *specialized health maintenance plan* may include enrollees, providers, or other individuals; provided, however, that after a health maintenance organization or *specialized health maintenance plan* has been authorized under sections 62D.01 to ~~62D.29~~ 62D.30 for one year, at least 40 percent of the governing body shall be composed of consumers elected by the enrollees from among the enrollees.

Sec. 15. Minnesota Statutes 1978, Section 62D.07, is amended to read:

62D.07 [EVIDENCE OF COVERAGE.] Subdivision 1. Every enrollee residing in this state is entitled to evidence of coverage under a health care plan. The health maintenance organization or *specialized health maintenance plan* or its designated representative shall issue the evidence of coverage.

Subd. 2. No evidence of coverage or amendment thereto shall be issued or delivered to any person in this state until a copy of the form of the evidence of coverage or amendment thereto has been filed with the commissioner of health pursuant to sections 62D.03 or 62D.08.

Subd. 3. An evidence of coverage shall contain:

(a) No provisions or statements which are unjust, unfair, inequitable, misleading, deceptive, or which are untrue, misleading or deceptive as defined in section 62D.12, subdivision 1; and

(b) A clear, concise and complete statement of:

(1) The health care services and the insurance or other benefits, if any, to which the enrollee is entitled under the health care plan;

(2) Any exclusions or limitations on the services, kind of services, benefits, or kind of benefits, to be provided, including any deductible or copayment feature;

(3) Where and in what manner information is available as to how services, including emergency and out of area services, may be obtained;

(4) The total amount of payment and copayment, if any, for health care services and the indemnity or service benefits, if any, which the enrollee is obligated to pay with respect to individual contracts, or an indication whether the plan is contributory or noncontributory with respect to group certificates; and

(5) A description of the health maintenance organization's or *specialized health maintenance plan's* method for resolving enrollee complaints.

Subd. 4. Any subsequent approved change in an evidence of coverage shall be issued to each enrollee.

Sec. 16. Minnesota Statutes 1978, Section 62D.08, is amended to read:

62D.08 [ANNUAL REPORT.] Subdivision 1. A health maintenance organization or *specialized health maintenance plan* shall, unless otherwise provided for by regulations adopted by the commissioner of health, file notice with the commissioner of health prior to any modification of the operations or documents described in the information submitted under clauses (a), (b), (e), (f), (i), (j), (k), and (l) ; and ~~(m)~~ of section 62D.03, subdivision 4. If the commissioner of health does not disapprove of the filing within 30 days, it shall be deemed approved and may be implemented by the health maintenance organization or *specialized health maintenance plan* .

Subd. 2. Every health maintenance organization or *specialized health maintenance plan* shall annually, on or before April 1, file a verified report with the commissioner of health and to the commissioner of insurance covering the preceding calendar year.

Subd. 3. ~~Such~~ *The* report shall be on forms prescribed by the commissioner of health, and shall include:

(a) A financial statement of the organization, including its balance sheet and receipts and disbursements for the preceding year certified by an independent certified public accountant, reflecting at least (1) all prepayment and other payments received for health care services rendered, (2) expenditures to all providers, by classes or groups of providers, and insurance companies or non-profit health service plan corporations engaged to fulfill obligations arising out of the health maintenance contract or *specialized health maintenance contract* , and (3) expenditures for capital improvements, or additions thereto, including but not limited to construction, renovation or purchase of facilities and capital equipment;

(b) The number of new enrollees enrolled during the year, the number of enrollees as of the end of the year and the number of enrollees terminated during the year;

~~(c) A summary of information compiled pursuant to section~~

62D.04, subdivision 1, clause (e) in such form as may be required by the commissioner of health;

(d) A report of the names and residence addresses of all persons set forth in section 62D.03, subdivision 4, clause (e) who were associated with the health maintenance organization during the preceding year, and the amount of wages, expense reimbursements, or other payments to such individuals for services to the health maintenance organization, including a full disclosure of all financial arrangements during the preceding year required to be disclosed pursuant to section 62D.03, subdivision 4, clause (e); and

(e) (c) Such Any other information relating to the performance of the health maintenance organization or *specialized health maintenance plan* as is required by rule and reasonably necessary to enable the commissioner of health to carry out his duties under sections 62D.01 to ~~62D.29~~ 62D.30 .

Sec. 17. Minnesota Statutes 1978, Section 62D.10, Subdivision 1, is amended to read:

62D.10 [PROVISIONS APPLICABLE TO ALL HEALTH PLANS.] Subdivision 1. The provisions of this section shall be applicable to nonprofit prepaid health care plans regulated under chapter 317, and health maintenance organizations *and specialized health maintenance plans* regulated pursuant to sections 62D.01 to ~~62D.29~~ 62D.30 , *both each* of which for purposes of this section shall be known as "health plans".

Sec. 18. Minnesota Statutes 1978, Section 62D.10, Subdivision 3, is amended to read:

Subd. 3. A health plan providing health maintenance services or *specialized health maintenance services*, or reimbursement for health care costs to a specified group or groups may limit the open enrollment in each group plan to members of such group or groups, but after it has been in operation 24 months shall have an annual open enrollment period of at least one month during which it accepts enrollees from the members of each group up to a minimum of five percent of its current enrollment in each group plan. "Specified groups" may include, but shall not be limited to:

(a) Employees of one or more specified employers;

(b) Members of one or more specified labor unions;

(c) Members of one or more specified associations;

(d) Patients of physicians providing services through a health care plan who had previously provided services outside the health care plan; and

(e) Members of an existing group insurance policy.

Sec. 19. Minnesota Statutes 1978, Section 62D.101, is amended to read:

62D.101 [CONVERSION PRIVILEGES FOR FORMER SPOUSES.] Subdivision 1. No health maintenance contract or *specialized health maintenance contract* which in addition to covering an enrollee, also covers the enrollee's spouse shall contain a provision for termination of coverage for a spouse covered under the health maintenance contract or *specialized health maintenance contract* solely as a result of a break in the marital relationship except by reason of an entry of a valid decree of dissolution of marriage between the parties.

Subd. 2. Every health maintenance contract or *specialized health maintenance contract*, other than a contract whose continuance is contingent upon continued employment or membership, which contains a provision for termination of coverage of the spouse upon dissolution of marriage shall contain a provision to the effect that upon the entry of a valid decree of dissolution of marriage between the covered parties the spouse shall be entitled to have issued to him or her, without evidence of insurability, upon application made to the health maintenance organization or *specialized health maintenance plan* within 30 days following the entry of the decree, and upon the payment of the appropriate fee, an individual health maintenance contract or *specialized health maintenance contract*. The contract shall provide the coverage then being issued by the organization or *plan* which is most nearly similar to, but not greater than, the terminated coverage. Any probationary or waiting period set forth in the conversion contract shall be considered as being met to the extent coverage was in force under the prior contract.

Subd. 3. This section applies to every health maintenance contract and every *specialized health maintenance plan* which is delivered, issued for delivery, renewed or amended on or after the effective date of this section.

Sec. 20. Minnesota Statutes 1978, Section 62D.11, is amended to read:

62D.11 [COMPLAINT SYSTEM.] Subdivision 1. Every health maintenance organization or *specialized health maintenance plan* shall establish and maintain a complaint system including an impartial arbitration provision, to provide reasonable procedures for the resolution of written complaints initiated by enrollees concerning the provision of health care services. Arbitration shall be subject to chapter 572, except (a) in the event that an enrollee elects to litigate his complaint prior to submission to arbitration, and (b) no medical malpractice damage claim shall be subject to arbitration unless agreed to by both parties subsequent to the event giving rise to the claim.

Subd. 2. The health maintenance organization or *specialized health maintenance plan* shall maintain a record of each written complaint filed with it for three years and the commissioner of health shall have access to the records.

Sec. 21. Minnesota Statutes 1978, Section 62D.12, is amended to read:

62D.12 [PROHIBITED PRACTICES.] Subdivision 1. No health maintenance organization, *specialized health maintenance plan*, or representative thereof may cause or knowingly permit the use of advertising or solicitation which is untrue or misleading, or any form of evidence of coverage which is deceptive. Each health maintenance organization and each *specialized health maintenance plan* shall be subject to sections 72A.17 to 72A.321, relating to the regulation of trade practices, except (a) to the extent that the nature of a health maintenance organization or *specialized health maintenance plan* renders such sections clearly inappropriate and (b) that enforcement shall be by the commissioner of health and not by the commissioner of insurance. Every health maintenance organization and every *specialized health maintenance plan* shall be subject to sections 325.79 and 325.907.

Subd. 2. No health maintenance organization or *specialized health maintenance plan* may cancel or fail to renew the coverage of an enrollee except for (a) failure to pay the charge for health care coverage; (b) termination of the health care plan; (c) termination of the group plan; (d) enrollee moving out of the area served; (e) enrollee moving out of an eligible group; (f) failure to make copayments required by the health care plan; or (g) other reasons established in regulations promulgated by the commissioner of health. An enrollee shall be given 30 days notice of any cancellation or nonrenewal.

Subd. 3. No health maintenance organization or *specialized health maintenance plan* may use in its name, contracts, or literature any of the words "insurance", "casualty", "surety", "mutual", or any other words which are descriptive of the insurance, casualty or surety business or deceptively similar to the name or description of any insurance or surety corporation doing business in this state; provided, however, that when a health maintenance organization or *specialized health maintenance plan* has contracted with an insurance company for any coverage permitted by sections 62D.01 to ~~62D.29~~ 62D.30, it may so state.

Subd. 4. No health maintenance contract, *specialized health maintenance contract* or evidence of coverage shall provide for the reimbursement of an enrollee other than through a policy of insurance, except to refund payments made by or on behalf of an enrollee; or, with the prior approval of the commissioner of health, payments to enrollees for obligations incurred for non-elective emergency or out-of-area services received; or with prior approval, direct payments to providers for out-of-area, non-elective emergency or referral medical, hospital, or other health services rendered to enrollees.

Subd. 5. The providers under agreement with a health maintenance organization or *specialized health maintenance plan* to provide health care services and the health maintenance organization or *specialized health maintenance plan* shall not have recourse against enrollees for amounts above those specified in the evidence of coverage as the periodic prepayment, or copayment, for health care services.

Subd. 6. The rates charged by health maintenance organizations, *specialized health maintenance plans* and their representatives shall not discriminate except in accordance with accepted actuarial principles.

Subd. 7. No health maintenance organization or *specialized health maintenance plan* shall enroll more than 500,000 persons in the state of Minnesota. A violation of this subdivision shall be treated as a violation of the antitrust act, sections 325.8011 to 325.8028.

Subd. 8. No health maintenance organization or *specialized health maintenance plan* shall discriminate in enrollment policy against any person solely by virtue of status as a recipient of medical assistance or medicare.

Subd. 9. No nonprofit health maintenance organization or *specialized health maintenance plan* shall provide for the payment, whether directly or indirectly, of any part of its net earnings, to any person as a dividend or rebate, ~~provided, however, that~~ . Authorized expenses of a health maintenance organization or *specialized health maintenance plan* shall ~~may~~ include:

(a) cash rebates to enrollees, or to persons who have made payments on behalf of enrollees; or, when approved by the commissioner of health as provided in subdivision 4, direct payments to enrollees for obligations incurred for non-elective emergency or out-of-area services received; or, with prior approval, direct payments to providers for out-of-area, non-elective emergency or referral medical, hospital, or other health services rendered to enrollees;

(b) free or reduced cost health service to enrollees; or

(c) payments to providers or other persons based upon the efficient provision of services or as incentives to provide quality care. ~~All net earnings shall be devoted to the nonprofit purposes of the health maintenance organization in providing comprehensive health care. The commissioner of health shall, pursuant to sections 62D.01 to 62D.29 62D.30, revoke the certificate of authority of any health maintenance organization or specialized health maintenance plan in violation of that violates this subdivision.~~

Subd. 10. No health maintenance contract, *specialized health maintenance contract* or evidence of coverage entered into, issued, amended, renewed or delivered on or after January 1, 1976 shall contain any provision offsetting, or in any other manner reducing, any benefit to an enrollee or other beneficiary by the amount of, or in any proportion to, any increase in disability benefits received or receivable under the federal Social Security Act, as amended subsequent to the date of commencement of such benefit.

Subd. 11. Any health maintenance organization which includes coverage of comprehensive dental services in its comprehensive health maintenance services shall not include the charge for the dental services in the same rate as the charge for other comprehensive health maintenance services. The rates for dental services

shall be computed, stated and bid separately. No employer shall be required to purchase dental services in combination with other comprehensive health services. An employer may purchase dental services separately.

Sec. 22. Minnesota Statutes 1978, Section 62D.13, is amended to read:

62D.13 [POWERS OF INSURERS AND NONPROFIT HEALTH SERVICE PLANS.] Notwithstanding any law to the contrary, an insurer or a hospital or medical service plan corporation may contract with a health maintenance organization or *specialized health maintenance plan* to provide insurance or similar protection against the cost of care provided through health maintenance organizations or *specialized health maintenance plans* and to provide coverage in the event of the failure of the health maintenance organization or *specialized health maintenance plan* to meet its obligations. The enrollees of a health maintenance organization or *specialized health maintenance plan* constitute a permissible group for group coverage under the insurance laws and the nonprofit health service plan corporation act. Under such contracts, the insurer or nonprofit health service plan corporation may make benefit payments to health maintenance organizations or *specialized health maintenance plans* for health care services rendered, or to be rendered, by providers pursuant to the health care plan. Any insurer, or nonprofit health service plan corporation, licensed to do business in this state, is authorized to provide the types of coverages described in section 62D.05, subdivision 3.

Sec. 23. Minnesota Statutes 1978, Section 62D.14, is amended to read:

62D.14 [EXAMINATIONS.] Subdivision 1. The commissioner of health may make an examination of the financial affairs of any health maintenance organization or *specialized health maintenance plan* and its contracts, agreements, or other arrangements with providers as often as the commissioner of health deems necessary for the protection of the interests of the people of this state, but not less frequently than once every three years.

Subd. 2. The commissioner of health may make an examination concerning the quality of health care services provided to enrollees by any health maintenance organization or *specialized health maintenance plan* and providers with whom such organization or plan has contracts, agreements, or other arrangements pursuant to its health care plan as often as the commissioner of health deems necessary for the protection of the interests of the people of this state but not less frequently than once every three years. Provided, that examinations of providers pursuant to this subdivision shall be limited to their dealings with the health maintenance organization plan or *specialized health maintenance plan* and its enrollees.

Subd. 3. In order to accomplish his duties under this section, the commissioner of health shall have the right to:

(a) Inspect or otherwise evaluate the quality, appropriateness, and timeliness of services performed under such contract; and

(b) Audit and inspect any books and records of a health maintenance organization or *specialized health maintenance plan* which pertain to services performed and determinations of amounts payable under such contract.

Subd. 4. Any data or information pertaining to the diagnosis, treatment, or health of any enrollee, or any application obtained from any person, shall be confidential and shall not be disclosed to any person except (a) to the extent that it may be necessary to carry out the purposes of sections 62D.01 to ~~62D.29~~ 62D.30 ; (b) upon the express consent of the enrollee or applicant; (c) pursuant to statute or court order for the production of evidence or the discovery thereof; or (d) in the event of claim or litigation between such person and the provider or health maintenance organization or *specialized health maintenance plan* wherein such data or information is pertinent. A health maintenance organization or *specialized health maintenance plan* shall be entitled to claim any statutory privileges against such disclosure which the provider who furnished such information to the health maintenance organization or *specialized health maintenance plan* is entitled to claim.

Subd. 5. The commissioner of health shall have the power to administer oaths to and examine witnesses, and to issue subpoenas.

Subd. 6. Reasonable expenses of examinations under this section shall be assessed by the commissioner of health against the organization or *plan* being examined, and shall be remitted to the commissioner of health for deposit in the general fund of the state treasury.

Sec. 24. Minnesota Statutes 1978, Section 62D.15, is amended to read:

62D.15 [SUSPENSION OR REVOCATION OF CERTIFICATE OF AUTHORITY.] Subdivision 1. The commissioner of health may suspend or revoke any certificate of authority issued to a health maintenance organization or *specialized health maintenance plan* under sections 62D.01 to ~~62D.29~~ 62D.30 if he finds that:

(a) The health maintenance organization or *specialized health maintenance plan* is operating significantly in contravention of its basic organizational document, its health care plan, or in a manner contrary to that described in and reasonably inferred from any other information submitted under section 62D.03, unless amendments to such submissions have been filed with and approved by the commissioner of health;

(b) The health maintenance organization or *specialized health maintenance plan* issues evidences of coverage which do not comply with the requirements of section 62D.07;

(c) The health maintenance organization or *specialized health maintenance plan* is unable to fulfill its obligations to furnish comprehensive health maintenance services or *specialized health maintenance services* as required under its health care plan;

(d) The health maintenance organization or *specialized health maintenance plan* is no longer financially responsible and may reasonably be expected to be unable to meet its obligations to enrollees or prospective enrollees;

(e) The health maintenance organization or *specialized health maintenance plan* has failed to implement a mechanism affording the enrollees an opportunity to participate in matters of policy and operation under section 62D.06;

(f) The health maintenance organization or *specialized health maintenance plan* has failed to implement the complaint system required by section 62D.11 in a manner designed to reasonably resolve valid complaints;

(g) The health maintenance organization or *specialized health maintenance plan*, or any person acting with its sanction, has advertised or merchandised its services in an untrue, misrepresentative, misleading, deceptive, or unfair manner;

(h) The continued operation of the health maintenance organization or *specialized health maintenance plan* would be hazardous to its enrollees; or

(i) The health maintenance organization or *specialized health maintenance plan* has otherwise failed to substantially comply with sections 62D.01 to 62D.29 62D.30 or has submitted false information in any report required hereunder.

Subd. 2. A certificate of authority shall be suspended or revoked only after compliance with the requirements of section 62D.16.

Subd. 3. When the certificate of authority of a health maintenance organization or *specialized health maintenance plan* is suspended, the health maintenance organization or *plan* shall not, during the period of such suspension, enroll any additional enrollees except newborn children or other newly acquired dependents of existing enrollees, and shall not engage in any advertising or solicitation whatsoever.

Subd. 4. When the certificate of authority of a health maintenance organization or *specialized health maintenance plan* is revoked, the organization or *plan* shall proceed, immediately following the effective date of the order of revocation, to wind up its affairs, and shall conduct no further business except as may be essential to the orderly conclusion of the affairs of the organization or *plan*. It shall engage in no further advertising or solicitation whatsoever. The commissioner of health may, by written order, permit further operation of the organization or *plan* as he may find to be in the best interest of enrollees, to the end that enrollees will be afforded the greatest practical opportunity to obtain continuing health care coverage.

Sec. 25. Minnesota Statutes 1978, Section 62D.16, is amended to read:

62D.16 [DENIAL, SUSPENSION, AND REVOCATION: ADMINISTRATIVE PROCEDURES.] Subdivision 1. When the

commissioner of health has cause to believe that grounds for the denial, suspension or revocation of a certificate of authority exists, he shall notify the health maintenance organization or *specialized health maintenance organization* in writing specifically stating the grounds for denial, suspension or revocation and fixing a time of at least 20 days thereafter for a hearing on the matter, except in summary proceedings as provided in section 62D.18.

Subd. 2. After such hearing, or upon the failure of the health maintenance organization or *specialized health maintenance organization* to appear at the hearing, the commissioner of health shall take action as is deemed advisable and shall issue written findings which shall be mailed to the health maintenance organization or *specialized health maintenance organization*. The action of the commissioner of health shall be subject to judicial review pursuant to chapter 15.

Sec. 26. Minnesota Statutes 1978, Section 62D.17, Subdivision 1, is amended to read:

62D.17 [PENALTIES AND ENFORCEMENT.] Subdivision 1. The commissioner of health may, in lieu of suspension or revocation of a certificate of authority under section 62D.15, levy an administrative penalty in an amount not less than \$100 nor more than \$10,000. Reasonable notice in writing to the health maintenance organization or *specialized health maintenance plan* shall be given of the intent to levy the penalty and the reasons therefor. and the health maintenance organization or *specialized health maintenance plan* shall have a reasonable time within which to remedy the defect in its operations which gave rise to the penalty citation, or have an administrative hearing and review of the commissioner of health's determination. Such administrative hearing shall be subject to judicial review pursuant to chapter 15.

Sec. 27. Minnesota Statutes 1978, Section 62D.17, Subdivision 3, is amended to read:

Subd. 3. (a) If the commissioner of health shall, for any reason, have ~~has~~ cause to believe that any violation of sections 62D.01 to 62D.~~29~~ 62D.30 has occurred or is threatened, the commissioner of health may, before commencing action under sections 62D.15 and 62D.16, and subdivision 1, give notice to the health maintenance organization or *specialized health maintenance plan* and to the representatives, or other persons who appear to be involved in such suspected violation, to arrange a voluntary conference with the alleged violators or their authorized representatives for the purpose of attempting to ascertain the facts relating to such suspected violation and, in the event it appears that any violation has occurred or is threatened, to arrive at an adequate and effective means of correcting or preventing such violation.

(b) Proceedings under this subdivision shall not be governed by any formal procedural requirements, and may be conducted in such manner as the commissioner of health may deem appropriate under the circumstances.

Sec. 28. Minnesota Statutes 1978, Section 62D.17, Subdivision 4, is amended to read:

Subd. 4. (a) The commissioner of health may issue an order directing a health maintenance organization, *specialized health maintenance plan*, or a representative of a health maintenance organization or *specialized health maintenance plan* to cease and desist from engaging in any act or practice in violation of the provisions of sections 62D.01 to ~~62D.20~~ 62D.30.

(b) Within 20 days after service of the order to cease and desist, the respondent may request a hearing on the question of whether acts or practices in violation of sections 62D.01 to ~~62D.20~~ 62D.30 have occurred. Such hearings shall be subject to judicial review as provided by chapter 15.

Sec. 29. Minnesota Statutes 1978, Section 62D.18, is amended to read:

62D.18 [REHABILITATION, LIQUIDATION, OR CONSERVATION OF HEALTH MAINTENANCE ORGANIZATION.] The commissioner of insurance may independently, or shall at the request of the commissioner of health, order the rehabilitation, liquidation or conservation of health maintenance organizations or *specialized health maintenance plans*. The rehabilitation, liquidation or conservation of a health maintenance organization or *specialized health maintenance plan* shall be deemed to be the rehabilitation, liquidation or conservation of an insurance company and shall be conducted under the supervision of the commissioner of insurance and pursuant to chapter 60B, except to the extent that the nature of health maintenance organizations or *specialized health maintenance plans* render such law clearly inappropriate.

Sec. 30. Minnesota Statutes 1978, Section 62D.19, is amended to read:

62D.19 [UNREASONABLE EXPENSES.] No health maintenance organization or *specialized health maintenance plan* 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 of insurance shall, pursuant to the administrative procedures act, promulgate rules to implement and enforce this section.

Sec. 31. Minnesota Statutes 1978, Section 62D.20, is amended to read:

62D.20 [RULES.] *Subdivision 1.* The commissioner of health may, pursuant to chapter 15, promulgate such reasonable rules and regulations as are necessary or proper to carry out the provisions of sections 62D.01 to ~~62D.20~~ 62D.30. Included among such regulations shall be those which provide minimum requirements for the provision of comprehensive health maintenance services, as defined in section 62D.02, subdivision 7, and for provision of *comprehensive specialized health maintenance services*, as defined in section 62D.02, subdivision 12, and reasonable exclusions therefrom.

Subd. 2. The rules shall provide three levels of qualified comprehensive health maintenance services which are actuarially

equivalent to the three types of qualified plans for accident and health insurance described in section 62E.06. They shall allow reasonable substitution of actuarially equivalent benefits subject to the approval of the evidence of coverage by the commissioner. The commissioner of insurance shall assist the commissioner of health in determining actuarial equivalency of benefits. All evidences of coverage shall clearly state the level of coverage for qualified contracts.

Sec. 32. Minnesota Statutes 1978, Section 62D.21, is amended to read:

62D.21 [FEES.] Every health maintenance organization and specialized health maintenance plan subject to sections 62D.01 to ~~62D.29~~ 62D.30 shall pay to the commissioner of health fees as prescribed by the commissioner of health pursuant to section 144.122 for the following:

- (a) Filing an application for a certificate of authority,
- (b) Filing an amendment to a certificate of authority,
- (c) Filing each annual report, and
- (d) Other filings, as specified by regulation.

Sec. 33. Minnesota Statutes 1978, Section 62D.22, Subdivision 2, is amended to read:

Subd. 2. Solicitation of enrollees by a health maintenance organization or specialized health maintenance plan granted a certificate of authority, or its representatives, or by a group of health care providers serving an enrolled group or groups of persons who have prospectively contracted for delivery of defined health care services shall not be construed to violate any provision of law relating to solicitation or advertising by health professionals.

Sec. 34. Minnesota Statutes 1978, Section 62D.22, Subdivision 3, is amended to read:

Subd. 3. Any health maintenance organization or specialized health maintenance plan authorized under sections 62D.01 to ~~62D.29~~ 62D.30 or group of health care providers serving an enrolled group or groups of persons who have prospectively contracted for delivery of defined health care services, because of the form of the providers' association with each other, shall not be deemed to be practicing corporate practice of a healing art.

Sec. 35. Minnesota Statutes 1978, Section 62D.22, Subdivision 5, is amended to read:

Subd. 5. Except as otherwise provided in sections 62D.01 to ~~62D.29~~ 62D.30, provisions of the insurance laws and provisions of nonprofit health service plan corporation laws shall not be applicable to any health maintenance organization or specialized health maintenance plan granted a certificate of authority under sections 62D.01 to ~~62D.29~~ 62D.30.

Sec. 36. Minnesota Statutes 1978, Section 62D.22, Subdivision 6, is amended to read:

Subd. 6. Every health maintenance organization *and every specialized health maintenance plan* shall be subject to the certificate of need act, sections ~~145.71 to 145.82~~ *on the same basis as other persons 145.82 to 145.845, to the extent that federal law and regulations require.*

Sec. 37. Minnesota Statutes, 1979 Supplement, Section 62D.22, Subdivision 7, is amended to read:

Subd. 7. A licensed health maintenance organization *or a licensed specialized health maintenance plan* shall be deemed to be a prepaid group practice plan for the purposes of chapter 43 and shall be allowed to participate as a carrier for state employees subject to any negotiated labor agreement and reasonable restrictions applied to all carriers.

Sec. 38. Minnesota Statutes 1978, Section 62D.22, Subdivision 8, is amended to read:

Subd. 8. All agents, solicitors, and brokers engaged in soliciting or dealing with enrollees or prospective enrollees of a health maintenance organization *or a specialized health maintenance plan*, whether employees or under contract to the health maintenance organization *or specialized health maintenance plan*, shall be subject to the provisions of section 60A.17, concerning the licensure of health insurance agents, solicitors, and brokers, and lawful regulations thereunder. Medical doctors and others who merely explain the operation of health maintenance organizations *or specialized health maintenance plans* shall be exempt from the provisions of section 60A.17. Section 60A.17, subdivision 2, clause (2) shall not apply except as to provide for an examination of an applicant in his knowledge concerning the operations and benefits of health maintenance organizations *or specialized health maintenance plans* and related insurance matters.

Sec. 39. Minnesota Statutes 1978, Section 62D.22, is amended by adding a subdivision to read:

Subd. 10. The provisions of section 144.701, subdivision 1, shall not prevent hospitals from giving rate discounts to health maintenance organizations or specialized health maintenance plans.

Sec. 40. Minnesota Statutes 1978, Section 62D.25, is amended to read:

62D.25 [REPORT TO THE LEGISLATURE.] The commissioner of health shall *annually* report to the legislature ~~on or before April 1, 1975,~~ as to the following:

(1) The number of applications for certificates of authority which have been filed since ~~July 1, 1973~~ *the last report* ;

(2) The number of certificates of authority granted pursuant to sections 62D.01 to ~~62D.29~~ *62D.30* ;

(3) The number of current enrollees in health maintenance organizations *and the number of current enrollees in specialized health maintenance plans* in the state of Minnesota;

(4) The average annual prepayment cost per enrollee in the state of Minnesota;

(5) The conclusions of the commissioner of health as to the effect *effects* of health maintenance organizations *and of specialized health maintenance plans* on the quality of health care services provided to the people of this state;

(6) The conclusions of the commissioner of health as to the effects of health maintenance organizations *and of specialized health maintenance plans* on health care costs and whether any cost savings are being passed on to enrollees in any form; and

(7) His recommendations as to any changes in sections 62D.01 to ~~62D.29~~ 62D.30 .

Sec. 41. Minnesota Statutes 1978, Section 62D.28, Subdivision 2, is amended to read:

Subd. 2. The area for planning and the proposed service area of the health maintenance organization must have insufficient availability of primary health care resources or a substantial population of medically unserved or underserved individuals, as determined by the commissioner of health. ~~An area-wide comprehensive health planning agency~~ *A health systems agency* , as defined in section ~~145.72~~ 145.833, subdivision 7 , shall provide technical assistance to the commissioner of health in identifying areas with demographic and geographic health needs.

Sec. 42. Minnesota Statutes 1978, Section 62D.28, Subdivision 3, is amended to read:

Subd. 3. The planning organization seeking financial assistance must be a Minnesota nonprofit corporation having a board of directors with a majority composed of health care consumers from the proposed service area, but with additional representation of existing health interests in the area including health providers.

The organization shall cooperate with any ~~area wide comprehensive health planning agency~~ *health systems agency* established pursuant to ~~section 145.72, subdivision 5~~ *the National Health Planning and Resources Development Act, 42 U.S.C., Section 300k, et seq.* , and with other health care providers in the proposed area to be served by the organization in programs or studies for:

(a) Determining and assessing the ongoing health needs of the community, formulating a program to meet such needs, including, but not limited to, an identification of private and public funds which may be available for this purpose;

(b) Coordinating existing health activities where appropriate, and establishing better utilization of existing health facilities, programs, and services, with particular emphasis on health manpower training projects in the area including those for local community residents;

(c) Laying the foundation for a community health maintenance organization; and

(d) Promoting development and expansion of preventive and ambulatory, outpatient services with the objective of replacing crisis medicine with an integrated, comprehensive system of health care.

Sec. 43. [TEMPORARY PROVISION.] *The commissioner of health shall review all existing rules regulating health maintenance organizations and repeal all of those which inhibit competition between health maintenance organizations and insurers and which are not needed to protect the public. In exercising the duty set forth in this section and in section 8, the commissioner may, until December 31, 1980, exercise temporary rule making powers pursuant to chapter 15.*

Sec. 44. *Rules governing health maintenance organizations on the effective date of Article I are effective until rules implementing the provisions of Article I are promulgated.*

Sec. 45. Minnesota Statutes 1978, Section 62E.02, Subdivision 9, is amended to read:

Subd. 9. "Plan of health coverage" means any plan or combination of plans of coverage, including combinations of self insurance, individual accident and health insurance policies, group accident and health insurance policies, coverage under a nonprofit health service plan, or coverage under a health maintenance organization subscriber contract or specialized health maintenance plan subscriber contract.

Sec. 46. Minnesota Statutes 1978, Section 62E.03, Subdivision 1, is amended to read:

62E.03 [DUTIES OF THE EMPLOYER.] Subdivision 1. Each employer who provides or makes available to his employees a plan of health coverage shall make available to his employees employed in this state a plan or combination of plans which have been certified by the commissioner as a number two qualified plan. If the plan of health coverage does not meet the requirements of section 62E.06 for a number two qualified plan, the employer shall make available a supplemental plan of health benefits which, when combined with the existing plan of health benefits, constitutes a number two coverage plan. The plan or combinations of plans may be financed from funds contributed solely by the employer or solely by the employees or any combination thereof. The plans may consist of self insurance, health maintenance contracts, specialized health maintenance contracts, group policies or individual policies or any combination thereof.

Sec. 47. Minnesota Statutes 1978, Section 62E.16, is amended to read:

62E.16 [CONVERSION PRIVILEGES.] Every program of self insurance, policy of group accident and health insurance or contract of coverage by a health maintenance organization or specialized health maintenance plan 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 upon cancellation or termination of the coverage for the group except where uninterrupted and continuous group coverage is otherwise provided to the group. The person may exercise his right to conversion within 30 days of leaving the group or within 30 days following his receipt of due notice of cancellation or termination of coverage 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 shall be provided to each employee having coverage in the group by the insurer, self insurer or health maintenance organization cancelling 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 or *specialized health maintenance plan* shall, upon request, provide the insurer or health maintenance organization or *specialized health maintenance plan* 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 his coverage under the same or a different contract without the addition of underwriting restrictions until he 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 or *specialized health maintenance plan* shall not be deemed to be an individual enrollment contract for the purposes of section 62D.10.

Sec. 48. Minnesota Statutes 1978, Section 72C.03, is amended to read:

72C.03 [SCOPE.] Except as otherwise specifically provided, sections 72C.01 to 72C.13 shall apply to all policies or contracts of direct insurance, issued by persons authorized at any time to transact insurance in this state and including nonprofit health service plan corporations under chapter 62C, health maintenance organizations, and *specialized health maintenance plans* under chapter 62D, assessment benefit associations under chapter 63, and fraternal beneficiary associations under chapter 64A. Sections 72C.01 to 72C.13 shall not apply to insurance as described in section 60A.20, subdivision 17, clauses (2) and (3), and the master contract for any policy of group insurance when the group consists of ten or more persons. Sections 72C.01 to 72C.13 shall not apply to policies or contracts issued prior to July 1, 1980 under which there is no unilateral right of the insurer to cancel, non-renew, amend or change in any way, unless the policy or contract is amended or changed by mutual agreement of the parties. Sections 72C.01 to 72C.13 shall not apply to a new policy or contract written in language other than English.

Sec. 49. Minnesota Statutes 1978, Section 144.691, Subdivision 4, is amended to read:

Subd. 4. [REPORTS.] Each hospital and outpatient surgery center, ~~and every health maintenance organization and every specialized health maintenance plan required under section 62D.11 to implement a complaint system,~~ shall at least annually submit to the state commissioner of health a report on the operation of its complaint or grievance mechanism. The frequency, form, and content of each report shall be as prescribed by rule of the state commissioner of health. Data relating to patient records collected by the state commissioner of health pursuant to this section shall be summary data within the meaning of section 15.162, subdivision 9. The state commissioner of health shall collect, analyze and evaluate the data submitted by the hospitals, health maintenance organizations, *specialized health maintenance plans*, and outpatient surgery centers; and shall periodically publish reports and studies designed to improve patient complaint and grievance mechanisms.

Sec. 50. Minnesota Statutes 1978, Section 144.692, is amended to read:

144.692 [IN-SERVICE TRAINING.] The state commissioner of health shall study and publish recommendations for in-service personnel training programs designed to reduce the incidence of malpractice claims and suits against hospitals, outpatient surgery centers and , health maintenance organizations *and specialized health maintenance plans regulated under chapter 62D.*

Sec. 51. Minnesota Statutes 1978, Section 144.693, Subdivision 1, is amended to read:

144.693 [MEDICAL MALPRACTICE CLAIMS; REPORTS.] Subdivision 1. On or before September 1, 1976, and on or before March 1 and September 1 of each year thereafter, each insurer providing professional liability insurance to one or more hospitals, outpatient surgery centers, ~~or health maintenance organizations, or specialized health maintenance plans~~ shall submit to the state commissioner of health a report listing by facility or organization all claims which have been closed by or filed with the insurer during the period ending December 31 of the previous year or June 30 of the current year. The report shall contain, but not be limited to, the following information:

(a) The total number of claims made against each facility or organization which were filed or closed during the reporting period;

(b) The date each new claim was filed with the insurer;

(c) The allegations contained in each claim filed during the reporting period;

(d) The disposition and closing date of each claim closed during the reporting period;

(e) The dollar amount of the award or settlement for each claim closed during the reporting period; and

(f) Any other information the commissioner of health may, by rule, require.

Any hospital, outpatient surgery center, or health maintenance organization, or *specialized health maintenance plan* which is self insured shall be considered to be an insurer for the purposes of this section and shall comply with the reporting provisions of this section.

A report from an insurer submitted pursuant to this section is private data, as defined in section 15.162, subdivision 5a, accessible to the facility or organization which is the subject of the data, and to its authorized agents. Any data relating to patient records which is reported to the state commissioner of health pursuant to this section shall be reported in the form of summary data, as defined in section 15.162, subdivision 9.

Sec. 52. Minnesota Statutes 1978, Section 144.693, Subdivision 2, is amended to read:

Subd. 2. The state commissioner of health shall collect and review the data reported pursuant to subdivision 1. On December 1, 1976, and on January 2 of each year thereafter, the state commissioner of health shall report to the legislature his findings related to the incidence and size of malpractice claims against hospitals, outpatient surgery centers, and health maintenance organizations, and *specialized health maintenance plans* and shall make any appropriate recommendations to reduce the incidence and size of the claims. Data published by the state commissioner of health pursuant to this subdivision with respect to malpractice claims information shall be summary data within the meaning of section 15.162, subdivision 9.

Sec. 53. Minnesota Statutes 1978, Section 145.61, Subdivision 5, is amended to read:

Subd. 5. "Review organization" means a committee whose membership is limited to professionals and administrative staff except where otherwise provided for by state or federal law, and which is established by a hospital, by a clinic, by one or more state or local associations of professionals, by an organization of professionals from a particular area or medical institution, by a health maintenance organization as defined in Minnesota Statutes, Chapter 62D, by a nonprofit health service plan corporation or *specialized health maintenance plan* as defined in Minnesota Statutes, Chapter 62C or by a professional standards review organization established pursuant to 42 U.S.C., Section 1320c-1 et seq. to gather and review information relating to the care and treatment of patients for the purposes of:

(a) Evaluating and improving the quality of health care rendered in the area or medical institution;

(b) Reducing morbidity or mortality;

(c) Obtaining and disseminating statistics and information relative to the treatment and prevention of diseases, illness and injuries;

(d) Developing and publishing guidelines showing the norms of health care in the area or medical institution;

(e) Developing and publishing guidelines designed to keep within reasonable bounds the cost of health care;

(f) Reviewing the quality or cost of health care services provided to enrollees of health maintenance organizations or *specialized health maintenance plans* ;

(g) Acting as a professional standards review organization pursuant to 42 U.S.C., Section 1320c-1 et seq.;

(h) Determining whether a professional shall be granted staff privileges in a medical institution or whether a professional's staff privileges should be limited, suspended or revoked; or

(i) Reviewing, ruling on, or advising on controversies, disputes or questions between:

(1) health insurance carriers or , health maintenance organizations or *specialized health maintenance plans* and their insureds or enrollees;

(2) professional licensing boards acting under their powers including disciplinary, license revocation or suspension procedures and health providers licensed by them when the matter is referred to a review committee by the professional licensing board;

(3) professionals and their patients concerning diagnosis, treatment or care, or the charges or fees therefor;

(4) professionals and health insurance carriers or , health maintenance organizations or *specialized health maintenance plans* concerning a charge or fee for health care services provided to an insured or enrollee; or

(5) professionals or their patients and the federal, state, or local government, or agencies thereof.

Sec. 54. Minnesota Statutes 1978, Section 256B.59, Subdivision 1, is amended to read:

256B.59 [SERVICE CONTRACTS; REVIEW.] Subdivision 1. [SERVICE CONTRACTS.] For each pilot program, the commissioner shall contract for the provision and financing of dental services under the terms set forth in sections 256B.56 to 256B.63. The commissioner may contract (a) with an insurance company regulated under chapter 62A, or a nonprofit health service plan corporation regulated under chapter 62C, or a health maintenance organization or a *specialized health maintenance plan that offers comprehensive dental services* established pursuant to chapter 62D; or (b) directly with one or more qualified providers of dental services. The party or parties with whom the commissioner contracts under clause (a) shall be known as the dental carriers. All participants in the pilot programs shall have a free choice of vendor for the delivery of dental services.

Sec. 55. Minnesota Statutes 1978, Section 256B.60, Subdivision 2, is amended to read:

Subd. 2. The full cost of premiums for participation in a pilot

program shall be paid by the commissioner for individuals who live in an area to be serviced by a pilot program and who;

(a) Are not eligible to receive dental services or reimbursement for dental services under any other program authorized by law, or who do not have coverage for dental services from an insurance company, a nonprofit service plan corporation, *a specialized health maintenance plan*, or a health maintenance organization; and

(b) Are retired and aged 62 or over; and

(c) Have an annual net income of less than \$3,900 if single, or \$4,875 if married.

ARTICLE II

Section 1. Minnesota Statutes 1978, Section 62A.149, Subdivision 1, is amended to read:

62A.149 [BENEFITS FOR ALCOHOLICS AND DRUG DEPENDENTS.] Subdivision 1. The provisions of this section shall apply to all group policies of accident and health insurance and group subscriber contracts offered by nonprofit health service plan corporations regulated under chapter 62C, and to a plan or policy that is individually underwritten or provided for a specific individual and the members of his family as a nongroup policy unless the individual elects in writing to refuse benefits under this subdivision in exchange for an appropriate reduction in premiums or subscriber charges under the policy or plan, when the policies or subscriber contracts are issued or delivered in Minnesota or provide benefits to Minnesota residents enrolled thereunder. *This section shall not apply to policies designated primarily to provide coverage payable on a per diem, fixed indemnity or nonexpense incurred basis or policies that provide accident only coverage.*

Every insurance policy or subscriber contract included within the provisions of this subdivision, upon issuance or renewal, shall provide for payment of benefits for the treatment of alcoholism, chemical dependency or drug addiction to any Minnesota resident entitled to coverage thereunder on the same basis as coverage for other benefits when treatment is rendered in:

(1) a licensed hospital,

(2) a residential treatment program as licensed by the state of Minnesota pursuant to diagnosis or recommendation by a doctor of medicine,

(3) a non-residential treatment program approved or licensed by the state of Minnesota.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 62E.06, Subdivision 1, is amended to read:

62E.06 [MINIMUM BENEFITS OF QUALIFIED PLAN.] Subdivision 1. [NUMBER THREE PLAN.] A plan of health coverage shall be certified as a number three qualified plan if it otherwise meets the requirements established by chapters 62A

and 62C, and the other laws of this state, whether or not the policy is issued in Minnesota, and meets or exceeds the following minimum standards:

(a) The minimum benefits for a covered individual shall, subject to the other provisions of this subdivision, be equal to at least 80 percent of the cost of covered services in excess of an annual deductible which does not exceed \$150 per person. The coverage shall include a limitation of \$3,000 per person on total annual out-of-pocket expenses for services covered under this subdivision. The coverage shall be subject to a maximum lifetime benefit of not less than \$250,000.

~~The \$3,000 limitation on total annual out-of-pocket expenses and the \$250,000 maximum lifetime benefit shall not be subject to change or substitution by use of an actuarially equivalent benefit.~~

(b) Covered expenses shall be the usual and customary charges for the following services and articles when prescribed by a physician:

- (1) Hospital services;
- (2) Professional services for the diagnosis or treatment of injuries, illnesses, or conditions, other than outpatient mental or dental, which are rendered by a physician or at his direction;
- (3) Drugs requiring a physician's prescription;
- (4) Services of a nursing home for not more than 120 days in a year if the services would qualify as reimbursable services under medicare;
- (5) Services of a home health agency if the services would qualify as reimbursable services under medicare;
- (6) Use of radium or other radioactive materials;
- (7) Oxygen;
- (8) Anesthetics;
- (9) Prostheses other than dental;
- (10) Rental or purchase, as appropriate, of durable medical equipment other than eyeglasses and hearing aids;
- (11) Diagnostic X-rays and laboratory tests;
- (12) Oral surgery for partially or completely unerupted impacted teeth, a tooth root without the extraction of the entire tooth, or the gums and tissues of the mouth when not performed in connection with the extraction or repair of teeth;
- (13) Services of a physical therapist; and
- (14) Transportation provided by licensed ambulance service to the nearest facility qualified to treat the condition; or a reasonable mileage rate for transportation to a kidney dialysis center for treatment.

(c) Covered expenses for the services and articles specified in this subdivision do not include the following:

(1) Any charge for care for injury or disease either (i) arising out of an injury in the course of employment and subject to a workers' compensation or similar law, (ii) for which benefits are payable without regard to fault under coverage statutorily required to be contained in any motor vehicle, or other liability insurance policy or equivalent self-insurance, or (iii) for which benefits are payable under another policy of accident and health insurance, medicare or any other governmental program except as otherwise provided by law;

(2) Any charge for treatment for cosmetic purposes other than surgery for the repair of an injury or birth defect;

(3) Care which is primarily for custodial or domiciliary purposes which would not qualify as eligible services under medicare;

(4) Any charge for confinement in a private room to the extent it is in excess of the institution's charge for its most common semi-private room, unless a private room is prescribed as medically necessary by a physician, provided, however, that if the institution does not have semi-private rooms, its most common semi-private room charge shall be considered to be 90 percent of its lowest private room charge;

(5) That part of any charge for services or articles rendered or prescribed by a physician, dentist, or other health care personnel which exceeds the prevailing charge in the locality where the service is provided; and

(6) Any charge for services or articles the provision of which is not within the scope of authorized practice of the institution or individual rendering the services or articles.

(d) The minimum benefits for a qualified plan shall include, in addition to those benefits specified in clauses (a) and (e), benefits for the following services subject to applicable deductibles, coinsurance provisions, and maximum lifetime benefit limitations:

(1) Well baby care, effective July 1, 1980;

~~(2) Physicians' services for routine check-ups and annual physicals when prescribed by a physician, effective July 1, 1982;~~

~~(3) Multiphasic screening and other diagnostic testing, effective July 1, 1982. The commissioner by rule shall prescribe reasonable limits on the reimbursement required for services listed in this clause.~~

(e) Effective July 1, 1979, the minimum benefits of qualified plan shall include, in addition to those benefits specified in clause (a), a second opinion from a physician on all surgical procedures expected to cost a total of \$500 or more in physician, laboratory and hospital fees, provided that the coverage need not include the repetition of any diagnostic tests.

ARTICLE III

Section 1. [FINDINGS.] *The legislature finds that health care costs are an increasingly heavy burden on families and individuals and upon employers and governmental units which pay for health care benefits to their employees, dependents of their employees, and their citizens. The legislature further finds that increased competition, public awareness of health care costs, cost sharing, utilization of alternative delivery systems, and the termination of unnecessary regulation can contribute to a reduction in the escalation of health care costs.*

Sec. 2. Minnesota Statutes 1978, Section 144.703, is amended by adding a subdivision to read:

Subd. 3. *In the event that the United States government enacts a hospital rate review or rate regulation program, the commissioner may seek an exemption from the federal law.*

Sec. 3. Minnesota Statutes 1978, Section 144.703, is amended by adding a subdivision to read:

Subd. 4. *The commissioner of health shall annually prepare a comparative list of not less than 25 nor more than 75 illnesses, injuries or conditions. The list shall specify, according to hospital, the respective price or charge of each hospital for treatment by surgical or medical means of each of the illnesses, injuries, or conditions. All hospitals in the state shall cooperate with the commissioner in preparing the list, post the list in their hospital lobbies, and make copies of the list available upon request to patients or prospective patients. The commissioner shall publicize the availability of the lists, make copies available to the public and health care providers upon request, and take other appropriate actions to increase public and provider awareness and use of the list.*

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 145.837, Subdivision 1, is amended to read:

145.837 [REVIEW OF APPLICATIONS.] Subdivision 1. [CRITERIA FOR REVIEW.] The commissioner of health shall, after consulting with the state planning agency and the health systems agencies, promulgate rules governing the health systems agencies in their determinations whether certificates of need are required and in their review of applications for certificates of need pursuant to sections 145.832 to 145.845. The rules shall provide for the consideration of at least the following criteria:

(a) The relationship of the proposed construction or modification to the applicable health system plan and annual implementation plan;

(b) The relationship of the construction or modification being proposed to the long range development plan of the health care facility requesting the certificate of need;

(c) The need for health care facilities and services, excluding home health services, in the area and the requirements of the population of the area;

(d) The availability and adequacy of other less costly or more effective health services in the area which may serve as alternates or substitutes for the whole or any part of the service to be provided by the proposed construction or modification;

(e) The relationship of the proposed construction or modification to the existing health care system of the area, including the possible economies and improvement in service that may be derived from operation of joint, cooperative, or shared health care resources;

(f) The availability of resources, including health care providers, management personnel, and funds for both capital and operational needs for the provision of the services proposed to be provided and the availability of alternative uses of such resources for the provision of other health services;

(g) The immediate and long-term financial feasibility of the proposed construction or modification, as well as its probable impact on the operational costs and charges of the health care facility;

(h) The relationship, including the organizational relationship, of the health services proposed to be provided to ancillary or support services;

(i) The special needs and circumstances of medical teaching, research facilities and referral facilities which provide a substantial portion of their services or resources, or both, to individuals outside of the health service area;

(j) The special needs and circumstances of biomedical and behavioral research projects which are designed to meet a national need and for which local conditions offer special advantages;

(k) In the case of a construction project: the costs and methods of the proposed construction, including the costs and methods of energy provision and the probable impact of the construction project reviewed on the costs of providing health services by the person proposing the project;

(l) The special needs of hospitals to convert excess hospital beds to long-term care or other alternate functions, but only if the hospitals terminate all acute care services; and

(m) The special requirements of health maintenance organizations to meet the health care needs of their present and future subscribers; and

(n) *The effect of the proposed construction or modification on competition among health care providers and whether the proposed construction or modification will support development of competitive delivery systems.*

Sec. 5. Minnesota Statutes 1978, Chapter 145, is amended by adding a section to read:

[145.846] [FEDERAL WAIVER.] *In the event that the United States government requires states to include health maintenance*

organizations, specialized health maintenance plans, or home health agencies under their certificate of need laws, the commissioner may seek an exemption from the federal requirements.

Sec. 6. Minnesota Statutes 1978, Chapter 256B, is amended by adding a section to read:

[256B.066] *The commissioner of public welfare, in conjunction with the commissioner of health, shall seek to promote or establish demonstration projects in accordance with section 62D.30 to allow health maintenance organizations or other health care delivery systems to extend coverage to medical assistance recipients and other low income populations. The commissioner of public welfare may seek federal funding, shall seek necessary waivers from federal laws to conduct the projects, and shall monitor and report the progress and outcome of the projects.*

ARTICLE IV

Section 1. [REPEALER.] *Minnesota Statutes 1978, Sections 62D.09 and 62D.10, Subdivision 2, are repealed.*

Sec. 2. [EFFECTIVE DATE.] *Article II is effective August 1, 1980 and applies only to policies, plans and contracts subject to chapters 62A, 62C and 62D issued or renewed on or after that date. Articles I, III and IV are effective the day following final enactment."*

Amend the title as follows:

Page 1, delete lines 2 to 11 and insert:

"relating to health; promoting health maintenance organizations by eliminating certain regulations; allowing development and operation of specialized health maintenance plans; promoting competition in health care delivery; requiring certain optional and mandatory benefits under certain health care plans; providing increased flexibility in benefit levels; modifying certain benefit requirements under the Minnesota Comprehensive Health Insurance Act of 1976; prescribing certain duties for the commissioners of health, public welfare, and insurance; amending Minnesota Statutes 1978, Sections 62A.149, Subdivision 1; 62A.16; 62A.17, Subdivision 4; 62D.01, Subdivision 2; 62D.02, Subdivisions 4, 5, and 6, and by adding subdivisions; 62D.03; 62D.04, Subdivisions 1 and 3; 62D.05; 62D.06, Subdivision 1; 62D.07; 62D.08; 62D.10, Subdivisions 1 and 3; 62D.101; 62D.11; 62D.12; 62D.13; 62D.14; 62D.15; 62D.16; 62D.17, Subdivisions 1, 3, and 4; 62D.18; 62D.19; 62D.20; 62D.21; 62D.22, Subdivisions 2, 3, 5, 6, and 8, and by adding a subdivision; 62D.25; 62D.28, Subdivisions 2 and 3; 62E.02, Subdivision 9; 62E.03, Subdivision 1; 62E.16; 72C.03; 144.691, Subdivision 4; 144.692; 144.693, Subdivisions 1 and 2; 144.703, by adding subdivisions; 145.61, Subdivision 5; 256B.59, Subdivision 1; 256B.60, Subdivision 2; Chapters 145, by adding a section; and 256B, by adding a section; Minnesota Statutes, 1979 Supplement, Sections 62D.22, Subdivision 7; 62E.06, Subdivision 1; and 145.837, Subdivision 1; repealing Minnesota

Statutes 1978, Sections 62D.09 and 62D.10, Subdivision 2."

And when so amended the bill do pass. Amendments adopted. Report adopted.

Mr. Schaaf from the Committee on Governmental Operations, to which was referred

S. F. No. 1744: A bill for an act relating to recreation; requiring minimum insurance and a certificate of inspection for certain ski lifts, amusement rides, and amusement attractions before their operation; authorizing the commissioner of labor and industry to make the inspections and to prescribe safety rules; authorizing the commissioner to delegate inspection authority to other agencies or political subdivisions; establishing an advisory board; requiring disconnection of hazardous lifts or rides and reporting of serious injuries; establishing penalties; appropriating money.

Reports the same back with the recommendation that the bill be amended as follows:

Page 1, line 25, after "to" insert "skiing or"

Page 2, line 10, delete "and Ski"

Page 2, lines 10 and 11, delete "Board" and insert "Council"

Page 2, line 11, delete "Lift"

Page 3, line 21, delete "SKI LIFTS,"

Page 3, line 24, delete "or a ski lift"

Page 4, line 2, delete "and ski lifts"

Page 4, line 31, after the period, insert "If the commissioner refuses to delegate his power to a political subdivision pursuant to this subdivision, the political subdivision shall have the right to appeal the commissioner's decision pursuant to the contested case provisions of chapter 15."

Page 5, line 6, delete "AND SKI LIFT"

Page 5, line 7, delete "BOARD" and insert "COUNCIL"

Page 5, line 7, delete "and Ski Lift"

Page 5, line 8, before "is" delete "Board" and insert "Council" and after "The" delete "board" and insert "council"

Page 5, line 8, delete "ten" and insert "11"

Page 5, line 9, after "member" insert "shall be a representative of an independent testing company who shall serve as chairman, one shall be a structural engineer, one"

Page 5, delete line 14

Page 5, line 15, delete "operators" and insert "engineer"

Page 5, line 17, delete "board" and insert "council"

Page 5, delete lines 19 to 33 and insert "term of four years. Appointments, filling of vacancies, compensation and related matters shall be made pursuant to section 15.059."

Page 6, delete lines 1 to 3

Page 6, line 7, delete "and ski lifts"

Page 6, line 8, delete "and ski"

Page 6, line 9, delete "lifts"

Page 6, line 14, delete "and ski lifts"

Page 6, after line 14, insert:

"The initial rules may be adopted pursuant to the temporary rulemaking provisions of chapter 15 but shall be submitted to the council for review pursuant to subdivision 2 prior to their adoption."

Page 6, line 15, after "rules" insert "and any amendments to them"

Page 6, line 16, delete "board" and insert "council"

Page 6, line 18, delete "a ski lift,"

Page 6, line 29, delete "a"

Page 6, line 30, delete "Ski lift" and insert "An"

Page 6, line 31, after "(2)" insert "A"

Page 6, line 33, after "(3)" insert "A" and delete "ski lift,"

Page 7, line 3, delete "ski lift,"

Page 7, line 11, after the period, insert "The notification shall include the projected final time for the completion of the set-up of the amusement ride. If the commissioner has not commenced inspection of the amusement ride within four hours after the projected final time for the completion of the set-up, the owner or lessee may proceed to operate the amusement ride without inspection unless the delay was caused by the owner or lessee."

Page 7, line 13, delete "a ski lift, or"

Page 7, line 17, delete the comma and insert "or"

Page 7, line 17, delete "or lift"

Page 7, lines 22 and 31, delete "ski lift,"

Page 8, after line 2, insert:

"Subd. 4. The commissioner shall annually consult with the advisory council as to inspection standards and procedures."

Page 8, lines 3 and 4, delete "OR LIFTS"

Page 8, line 4, delete "or ski"

Page 8, line 5, delete "lift"

Page 8, line 7, delete "or lift"

Page 8, lines 9 and 10, delete "or ski lift"

Page 8, line 13, delete "or lift"

Page 8, line 20, delete "a ski"

Page 8, line 21, delete "lift or of"

Page 8, line 25, delete "lift,"

Page 8, line 32, delete "a ski lift or"

Page 9, line 4, delete "the lift or"

Page 9, line 6, delete "a ski lift or"

Page 9, lines 7 and 8, delete "lift or"

Page 9, line 23, delete "a ski"

Page 9, line 24, delete "lift, or"

Page 10, line 6, delete "ski lifts,"

Page 10, line 21, before "This" insert "Section 2 is effective upon the adoption of temporary rules pursuant to section 5. The remaining provisions of"

Page 10, line 21, delete "is" and insert "are"

Amend the title as follows:

Page 1, line 11, delete "board" and insert "council"

Page 1, line 11, delete "lifts"

Page 1, line 12, delete "or"

And when so amended the bill do pass and be re-referred to the Committee on Finance. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S. F. No. 2045 was read the second time.

S. F. Nos. 1695, 1332, 1698, 1964, 2245, 2234, 1654, 2083, 2071, 1803, 2146, 336, 2059, 2119, 2195, 2156, 2190, 1763, 1794, 2134, 802, 1636, 1601, 1430, 2166 and 1325 were read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

SECOND READING OF HOUSE BILLS

H. F. No. 924 was read the second time and referred to the Subcommittee on Bill Scheduling of the Committee on Rules and Administration.

MOTIONS AND RESOLUTIONS

Mr. Davies moved that the name of Mr. Merriam be added as co-author to S. F. No. 251. The motion prevailed.

Mr. Knutson moved that his name be stricken as chief author, added as co-author and the name of Mr. Peterson be added as chief author to S. F. No. 1690. The motion prevailed.

Mr. Benedict moved that his name be stricken as chief author, added as co-author and the name of Mr. Solon be added as chief author to S. F. No. 1916. The motion prevailed.

Mr. Keefe, S. moved that the name of Mr. Sikorski be added as co-author to S. F. No. 2003. The motion prevailed.

Mr. Stern moved that the name of Mr. Vega be added as co-author to S. F. No. 2054. The motion prevailed.

Mr. Sikorski moved that the names of Messrs. Coleman; Keefe, J.; McCutcheon and Schaaf be added as co-authors to S. F. No. 2149. The motion prevailed.

Mr. Olhoff moved that the name of Mr. Sikorski be added as co-author to S. F. No. 2182. The motion prevailed.

Mr. Nichols moved that the name of Mr. Strand be added as co-author to S. F. No. 2276. The motion prevailed.

Mr. Anderson moved that the name of Mr. Bernhagen be added as co-author to S. F. No. 2305. The motion prevailed.

CALENDAR

S. F. No. 1573: A bill for an act relating to employment; prohibiting cities from establishing residency requirements as a condition of employment.

With the unanimous consent of the Senate, Mr. Hughes moved to amend S. F. No. 1573 as follows:

Page 1, line 13, after the period insert "For the purposes of this section, elected municipal officials shall not be considered to be employed by the city."

The motion prevailed. So the amendment was adopted.

S. F. No. 1573 was read the third time, as amended, and placed on its final passage.

The question was taken on the passage of the bill, as amended.

The roll was called, and there were yeas 24 and nays 37, as follows:

Those who voted in the affirmative were:

Anderson	Chmielewski	Keefe, J.	Nelson	Sikorski
Ashbach	Davies	Knaak	Olhoff	Stokowski
Bang	Dunn	Laufenburger	Olson	Stumpf
Barrette	Gunderson	Luther	Purfeerst	Ulland, J.
Benedict	Humphrey	Merriam	Sieloff	

Those who voted in the negative were:

Bernhagen	Hughes	Lessard	Renneke	Strand
Brataas	Jensen	McCutcheon	Rued	Ueland, A.
Coleman	Johnson	Menning	Schmitz	Vega
Dieterich	Keefe, S.	Moe	Setzepfandt	Wegener
Engler	Kirchner	Nichols	Sillers	Willet
Frederick	Kleinbaum	Omann	Solon	
Gearty	Knoll	Penny	Spear	
Hanson	Knutson	Peterson	Stern	

So the bill, as amended, failed to pass.

Without objection the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS

SUSPENSION OF RULES

Mr. Coleman moved that the rules of the Senate be so far suspended as to take up the Calendar and Consent Calendar and waive the lie-over requirement. The motion prevailed.

S. F. No. 1674: A bill for an act relating to labor; exempting seamen from the fair labor standards act; amending Minnesota Statutes, 1979 Supplement, Section 177.23, Subdivision 7.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Kleinbaum	Olhoff	Sillers
Ashbach	Frederick	Knaak	Olson	Solon
Bang	Gearty	Knoll	Omann	Spear
Barrette	Gunderson	Knutson	Penny	Stern
Benedict	Hanson	Laufenburger	Peterson	Stokowski
Bernhagen	Hughes	Lessard	Purfeerst	Strand
Brataas	Humphrey	Luther	Renneke	Stumpf
Chmielewski	Jensen	Menning	Rued	Ueland, A.
Coleman	Johnson	Merriam	Schmitz	Ulland, J.
Davies	Keefe, J.	Moe	Setzepfandt	Vega
Dieterich	Keefe, S.	Nelson	Sieloff	Wegener
Dunn	Kirchner	Nichols	Sikorski	Willet

So the bill passed and its title was agreed to.

S. F. No. 1775: A bill for an act relating to workers' compensation; permitting the workers' compensation reinsurance association to incorporate; exempting the reinsurance association from taxation; providing for amendment to the reinsurance association plan of operation; making changes in rules, requirements and procedures affecting members of the reinsurance association; amending Minnesota Statutes, 1979 Supplement, Sections 79.34; 79.35; 79.36; 79.37; and 79.38; repealing Minnesota Statutes, 1979 Supplement, Sections 79.41 and 79.42.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Engler	Kleinbaum	Olhoff	Sillers
Ashbach	Frederick	Knaak	Olson	Solon
Bang	Gearty	Knoll	Omann	Spear
Barrette	Gunderson	Knutson	Penny	Stern
Benedict	Hanson	Laufenburger	Peterson	Stokowski
Bernhagen	Hughes	Lessard	Purfeerst	Strand
Brataas	Humphrey	Luther	Renneke	Stumpf
Chmielewski	Jensen	Menning	Rued	Ueland, A.
Coleman	Johnson	Merriam	Schmitz	Ulland, J.
Davies	Keefe, J.	Moe	Setzepfandt	Vega
Dieterich	Keefe, S.	Nelson	Sieloff	Wegener
Dunn	Kirchner	Nichols	Sikorski	Willet

So the bill passed and its title was agreed to.

S. F. No. 1736: A bill for an act relating to highways; providing a penalty for certain unlawful uses of or actions on public highways; prohibiting the erection of a fence on the right of way of a town road; amending Minnesota Statutes 1978, Section 160.27, Subdivision 5.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knaak	Olhoff	Sillers
Ashbach	Gearty	Knoll	Olson	Solon
Bang	Gunderson	Knutson	Omann	Spear
Barrette	Hanson	Laufenburger	Penny	Stern
Benedict	Hughes	Lessard	Peterson	Stokowski
Bernhagen	Humphrey	Luther	Purfeerst	Strand
Brataas	Jensen	McCutcheon	Renneke	Stumpf
Chmielewski	Johnson	Menning	Rued	Ueland, A.
Davies	Keefe, J.	Merriam	Schmitz	Ulland, J.
Dieterich	Keefe, S.	Moe	Setzepfandt	Vega
Dunn	Kirchner	Nelson	Sieloff	Wegener
Engler	Kleinbaum	Nichols	Sikorski	Willet

So the bill passed and its title was agreed to.

CONSENT CALENDAR

S. F. No. 1745: A bill for an act relating to counties; providing for publication and examination of accounts; amending Minnesota Statutes, 1979 Supplement, Section 375.17.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 61 and nays 0, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Omann	Stern
Ashbach	Gearty	Knutson	Penny	Stokowski
Bang	Gunderson	Laufenburger	Peterson	Strand
Barrette	Hanson	Lessard	Purfeerst	Stumpf
Benedict	Hughes	Luther	Renneke	Ueland, A.
Bernhagen	Humphrey	McCutcheon	Rued	Ulland, J.
Brataas	Jensen	Menning	Schmitz	Vega
Chmielewski	Johnson	Merriam	Setzepfandt	Wegener
Coleman	Keefe, J.	Moe	Sieloff	Willet
Davies	Keefe, S.	Nelson	Sikorski	
Dieterich	Kirchner	Nichols	Sillers	
Dunn	Kleinbaum	Olhoft	Solon	
Engler	Knaak	Olson	Spear	

So the bill passed and its title was agreed to.

S. F. No. 2123: A bill for an act relating to Dakota County; providing for the expenses of the county commissioners; amending Laws 1961, Chapter 249, Section 2, as amended.

Was read the third time and placed on its final passage.

The question was taken on the passage of the bill.

The roll was called, and there were yeas 60 and nays 1, as follows:

Those who voted in the affirmative were:

Anderson	Frederick	Knoll	Olhoft	Sillers
Ashbach	Gearty	Knutson	Olson	Solon
Bang	Hanson	Laufenburger	Omann	Spear
Barrette	Hughes	Lessard	Penny	Stern
Benedict	Humphrey	Luther	Peterson	Stokowski
Bernhagen	Jensen	McCutcheon	Purfeerst	Strand
Brataas	Johnson	Menning	Renneke	Stumpf
Chmielewski	Keefe, J.	Merriam	Rued	Ueland, A.
Davies	Keefe, S.	Moe	Schmitz	Ulland, J.
Dieterich	Kirchner	Nelson	Setzepfandt	Vega
Dunn	Kleinbaum	Nichols	Sieloff	Wegener
Engler	Knaak	Ogdahl	Sikorski	Willet

Mr. Gunderson voted in the negative.

So the bill passed and its title was agreed to.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 1807, 1887, 1658, 1741, 1630, 1433, 597 and 1996 which the committee recommends to pass.

S. F. No. 1659, which the committee recommends to pass with the following amendment offered by Mr. Dunn:

Page 1, line 20, before the period, insert "*provided that no license shall be issued to dispense liquor at a public school*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1661, which the committee recommends to pass, subject to the following motions:

Mr. Spear moved to amend S. F. No. 1661 as follows:

Page 6, lines 1, 2, 3, 5, 6, 8 and 9, after "*organization*" insert "*or fraternal club*"

Page 6, line 9, before "\$3,000" insert "*up to*"

Page 6, line 10, after the period insert "*For the purposes of the maximum license fee which may be imposed by a municipality pursuant to this subdivision, 'fraternal club' means a club which serves only members and their guests and which uses any profits derived from these sales principally for sponsoring activities beneficial to the community and not for the benefit of any individual.*"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S. F. No. 1661.

The roll was called, and there were yeas 36 and nays 22, as follows:

Those who voted in the affirmative were:

Ashbach	Hanson	Knoll	Olson	Stern
Bang	Hughes	Knutson	Penny	Stokowski
Barrette	Humphrey	Luther	Pillsbury	Stumpf
Brataas	Jensen	Merriam	Purfeerst	Ueland, A.
Coleman	Johnson	Moe	Sieloff	
Dieterich	Keefe, S.	Nelson	Sikorski	
Engler	Kleinbaum	Nichols	Sillers	
Gearty	Knaak	Ogdahl	Spear	

Those who voted in the negative were:

Bernhagen	Gunderson	Olhoft	Setzepfandt	Wegener
Chmielewski	Kirchner	Omann	Solon	Willet
Davies	Laufenburger	Renneke	Strand	
Dunn	Lessard	Rued	Ulland, J.	
Frederick	Menning	Schmitz	Vega	

The motion prevailed. So S. F. No. 1661 was recommended to pass.

S. F. No. 1843, which the committee recommends to pass, subject to the following motions:

Mr. Stern moved to amend S. F. No. 1843 as follows:

Page 5, line 5, after "*shall*" insert "*, in his discretion,*"

The motion prevailed. So the amendment was adopted.

Mr. Stern then moved to amend S. F. No. 1843 as follows:

Page 4, line 14, delete "*including control of weeds,*"

Page 4, line 15, after "*bank*" insert "*program, including control of weeds,*"

The motion prevailed. So the amendment was adopted.

The question was taken on the recommendation to pass S. F. No. 1843.

The roll was called, and there were yeas 57 and nays 1, as follows:

Those who voted in the affirmative were:

Bang	Hanson	Lessard	Peterson	Stern
Barrette	Hughes	Luther	Pillsbury	Stokowski
Bernhagen	Humphrey	Menning	Purfeerst	Strand
Brataas	Jensen	Merriam	Renneke	Stumpf
Chmielewski	Johnson	Moe	Rued	Ueland, A.
Davies	Keefe, S.	Nelson	Schmitz	Ulland, J.
Dieterich	Kirchner	Nichols	Setzeppandt	Vega
Dunn	Kleinbaum	Ogdahl	Sieloff	Wegener
Engler	Knaak	Olhoft	Sikorski	Willet
Frederick	Knoll	Olson	Sillers	
Gearty	Knutson	Omann	Solon	
Gunderson	Laufenburger	Penny	Spear	

Mr. McCutcheon voted in the negative.

The motion prevailed. So S. F. No. 1843 was recommended to pass.

S. F. No. 1719, which the committee recommends to pass with the following amendment offered by Mr. Merriam:

Page 3, line 20, reinstate the stricken language.

The motion prevailed. So the amendment was adopted.

S. F. No. 1675, which the committee recommends to pass with the following amendment offered by Mr. Peterson:

Page 9, line 19, delete "*mowed or substantially altered*" and insert "*no longer maintained in its natural state*"

Page 9, line 22, delete "*mows or otherwise substantially alters*"

Page 9, line 23, delete "*the character of*" and insert "*ceases to maintain*" and after "*prairie*" insert "*in its natural state*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1875, which the committee recommends to pass with the following amendment offered by Mr. Keefe, J.:

Page 1, line 10, before the period insert "*to be used for the manufacture of plastic products*"

Page 1, line 13, before the period insert "*to be used for the manufacture of plastic products*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1863 which the committee reports progress, subject to the following motions:

Mr. Merriam moved to amend S. F. No. 1863 as follows:

Page 1, line 18, delete "*, within 30 days after*"

Page 1, line 19, delete the first "*is*" and insert "*has been*"

Page 1, line 19, after the second "*court*" insert "*for a period of at least 30 days*"

Page 6, line 26, delete "*within 30 days after*"

Page 6, line 27, delete "*docketing*" and insert "*a conciliation court judgment has been docketed*"

Page 6, line 27, after the first "*judgment*" insert "*for a period of at least 30 days*"

Page 13, line 28, delete "*, within 30 days after*"

Page 13, line 29, delete the first "*is*" and insert "*has been*"

Page 13, line 29, after "*filed*" insert "*for a period of at least 30 days*"

The motion prevailed. So the amendment was adopted.

Mr. Merriam then moved to amend S. F. No. 1863 as follows:

Page 2, line 4, delete "*satisfy the judgment or*"

Page 2, line 7, after "*court*" insert "*unless the judgment is satisfied prior to the expiration of that period*"

Page 6, line 31, delete "*debtor*" and insert "*creditor*"

Page 7, line 5, delete "*satisfy the judgment or*"

Page 7, line 8, after "*court*" insert "*unless the judgment is satisfied prior to the expiration of that period*"

Page 14, line 7, delete "*satisfy the*"

Page 14, line 8, delete "*judgment or*"

Page 14, line 10, after "*court*" insert "*unless the judgment is satisfied prior to the expiration of that period*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1863 was then progressed.

S. F. No. 1311, which the committee recommends to pass with the following amendment offered by Mr. Purfeerst:

Page 1, line 14, after "*Dakota*" strike the comma

Page 1, line 15, after "*Scott*" strike the comma

Page 11, line 22, after "*Waterford*" insert "*, excluding the city of Northfield*"

Page 11, line 26, delete the last comma

Page 11, line 27, delete the new language

Page 12, lines 24 and 29, after "Dakota" strike the comma

Page 12, lines 25 and 30, after "Scott" strike the comma

The motion prevailed. So the amendment was adopted.

S. F. No. 1740, which the committee recommends to pass with the following amendment offered by Mr. McCutcheon:

Page 2, line 7, delete "*leaving employment*," and strike "except a"

Page 2, line 8, strike the old language and delete the new language

Page 2, line 9, delete "I" and strike the comma

Page 2, line 9, reinstate the stricken language and strike "100"

Page 2, strike line 10

Page 2, line 11, strike the old language and delete the new language

Page 2, line 12, strike "an amount equivalent to"

Amend the title as follows:

Page 1, line 2, delete "education; changing the definition of"

Page 1, delete line 3

Page 1, line 4, delete "amount of severance pay for teachers" and insert "local public employees; increasing the amount of severance pay which may be given to certain employees"

The motion prevailed. So the amendment was adopted.

S. F. No. 789, which the committee reports progress, subject to the following motions:

Mr. Bang moved to amend S. F. No. 789 as follows:

Page 1, line 15, delete "*consanguinity or affinity*" and insert "*blood or marriage*"

Page 2, line 22, delete "*which*" and insert "*that*"

Page 2, line 26, delete "*Unless a facility is*" and insert "*Sub-division 1.*"

Page 2, delete lines 27 to 29 and insert "*A provider shall not enter into a contract that requires or permits the payment of an entrance fee in consideration for a promise to provide continuing care in the facility, if*"

Page 2, line 30, delete "*fee to any person, and either*"

Page 2, line 31, after "or" insert "*if*"

Page 3, line 2, after "*solicitation*" insert "*, unless the facility is registered under this section*"

Page 3, line 3, delete "(a)" and insert "Subd. 2."

Page 3, line 8, delete "(1)" and insert "(a)"

Page 3, line 11, delete "(2)" and insert "(b)"

Page 3, line 15, delete "(b)" and insert "Subd. 3."

Page 3, line 18, delete "(1)" and insert "(a)"

Page 3, line 23, delete "(2)" and insert "(b)"

Page 3, line 24, delete "clause (b), (1)" and insert "paragraph (a)"

Page 3, line 27, after "provider" insert ", the information shall include"

Page 3, line 28, delete "(i)" and insert "(1)"

Page 3, line 30, delete the period and insert a semicolon

Page 3, line 31, delete "(ii)" and insert "(2)"

Page 3, line 33, delete "which" in both cases and insert "that"

Page 4, lines 1 and 32, delete "which" and insert "that"

Page 4, lines 6 and 22, delete the period and insert "; and"

Page 4, line 7, delete "(iii)" and insert "(3)"

Page 4, line 23, delete "(3)" and insert "(c)"

Page 4, line 25, before "Upon" insert "Subd. 4."

Page 5, line 3, delete "At the time of or" and insert "Subdivision 1. Before"

Page 5, line 4, delete "prior to"

Page 5, line 5, delete "at the time of or prior to" and insert "before"

Page 8, lines 10 and 19, delete "which" and insert "that"

Page 8, line 23, delete the period and insert a semicolon

Page 9, line 23, delete the period and insert "; and"

Page 9, lines 26 and 33, delete the semicolon and insert a period

Page 9, line 27, delete "(n)" and insert "Subd. 2."

Page 10, line 1, delete "(o)" and insert "Subd. 3."

Page 10, line 5, delete "(1)" and insert "(a)"

Page 10, line 6, delete "seven" and insert "ten"

Page 10, line 13, delete "(2)" and insert "(b)"

Page 10, line 25, delete the semicolon and insert a period

Page 10, line 26, delete "(p)" and insert "Subd. 4."

Page 10, line 32, delete "(q)(1)" and insert "Subd. 5. (a)"

Page 11, line 1, delete "(2)" and insert "(b)"

Page 11, line 4, delete "(3)"

Page 11, line 7, delete "(i) the" and insert "(1) The"

Page 11, line 9, delete "(ii) the" and insert "(2) The"

Page 11, line 11, delete "(iii) the" and insert "(3) The"

Page 11, line 12, delete "(iv) the" and insert "(4) The"

Page 11, line 14, delete "(v) the" and insert "(5) The"

Page 11, line 16, delete "(vi) any" and insert "(6) Any"

Page 11, lines 17 and 27, delete "which" and insert "that"

Page 11, line 19, before "As" insert "Subdivision 1."

Page 11, line 33, delete "clause (o)" and insert "subdivision 3"

Page 12, line 5, delete "clause (o)" and insert "subdivision 3,"

Page 12, line 14, delete "Aggregate" and insert "The sum of"

Page 12, line 19, delete "are equal to not less than" and insert "equals or exceeds the sum of"

Page 12, lines 21 and 25, delete "not less than"

Page 13, line 3, delete "either"

Page 13, line 4, delete "(i)"

Page 13, lines 10 and 21, delete ", and" and insert a semicolon

Page 13, line 14, delete "and"

Page 13, line 31, delete "(ii)"

Page 14, line 1, delete "; or" and insert a period

Page 14, line 2, delete "(iii)" and insert "Subd. 2."

Page 14, lines 3 and 11, before "clause" insert "subdivision 1,"

Page 14, line 5, delete "an amount equal to"

Page 14, line 11, delete "(iv)" and insert "Subd. 3."

Page 14, line 17, delete "made payment" and insert "paid them"

Page 14, line 18, delete "thereof"

Page 14, line 18, delete the semicolon and insert a period

Page 14, line 19, delete "(v)" and insert "Subd. 4."

Page 14, line 19, delete "shall be interpreted as"

Page 14, line 20, delete "requiring" and insert "requires"

Page 14, line 20, delete the comma and insert "that does"

Page 14, line 21, delete the comma and insert "and is"

Page 14, line 22, delete the semicolon and insert a period

Page 14, line 23, delete "(vi)" and insert "Subd. 5."

Page 14, line 30, delete "Any" and insert "Subd. 6."

Page 15, line 20, delete "which" and insert "that"

Page 15, lines 22 and 23, delete "providers" and insert "providers"

Page 16, line 13, delete "thereof"

Page 16, line 16, delete "shall be" and insert "is"

Page 16, line 23, delete "shall remain" and insert "remains"

Page 16, line 29, delete "which" and insert "that"

Page 17, line 1, after the comma insert "subdivision 1,"

Page 17, line 16, delete "which" and insert "that"

Page 18, line 16, delete "and" and insert "or"

Page 19, line 3, delete "in the application"

Page 19, lines 31 and 32, delete "which" and insert "that"

Page 20, lines 7 and 14, delete "which" and insert "that"

Page 20, line 28, after "section" insert "for any violation, misstatement or omission"

Page 20, line 29, delete "regardless of whether or not" and insert "only if"

Page 20, line 30, delete "had actual knowledge of" and insert "knew or should have known of the violation,"

Page 21, line 1, before "The" insert "Subdivision 1."

Page 21, line 10, before "For" insert "Subd. 2."

Page 21, line 16, before "For" insert "Subd. 3."

Page 21, lines 22, 24 and 33, delete "which" and insert "that"

Page 22, line 10, delete "under this act" and insert "hereunder"

Page 22, line 13, delete "such"

Page 22, line 14, delete "this act" and insert "sections 3 to 16"

Page 22, line 16, delete "such a" and insert "the"

Page 22, line 17, delete "under this act"

Page 22, line 18, delete "this act" and insert "sections 3 to 16"

Page 24, line 3, delete "which" and insert "that"

Page 24, line 7, delete "as are necessary"

The motion prevailed. So the amendment was adopted.

S. F. No. 789 was then progressed.

On motion of Mr. Coleman, the report of the Committee of the Whole, as kept by the Secretary, was adopted.

RECESS

Mr. Coleman moved that the Senate do now recess until 2:00 o'clock p.m. The motion prevailed.

The hour of 2:00 o'clock p.m. having arrived, the President called the Senate to order.

CALL OF THE SENATE

Mr. Davies imposed a call of the Senate. The following Senators answered to their names:

Bang	Hanson	Merriam	Rued	Stumpf
Barrette	Humphrey	Nelson	Schmitz	Ueland, A.
Bernhagen	Johnson	Ogdahl	Setzepfandt	Ulland, J.
Chmielewski	Keefe, S.	Olson	Sieloff	Vega
Davies	Kirchner	Omann	Sikorski	Wegener
Dieterich	Knaak	Penny	Sillers	Willet
Dunn	Knoll	Peterson	Spear	
Engler	Luther	Pillsbury	Staples	
Gearty	McCutcheon	Purfeerst	Stern	
Gunderson	Menning	Renneke	Stokowski	

The Sergeant at Arms was instructed to bring in the absent members.

Without objection, the Senate reverted to the Order of Business of Reports of Committees.

REPORTS OF COMMITTEES

Mr. Coleman from the Subcommittee on Bill Scheduling, to which were referred S. F. Nos. 657, 2094, 1641, 1704, 1854, 1132, 1398, 773, 2109, 1756, 1208, 2138, 1783, 2053, 2136, 1844, 2111, 1997, 2168, 2183, 2017, 1805, 1788, 1838, 2172 and 2231, makes the following report:

That the above Senate Files be placed on the General Orders Calendar in the order indicated.

That there were no other bills before the Subcommittee on which floor action was requested.

Mr. Hanson moved the adoption of the foregoing committee report. The motion prevailed. Report adopted.

Without objection, the Senate reverted to the Order of Business of Motions and Resolutions.

MOTIONS AND RESOLUTIONS
SUSPENSION OF RULES

Mr. Hanson moved that the rules of the Senate be so far suspended as to take up the General Orders Calendar and waive the lie-over requirement. The motion prevailed.

GENERAL ORDERS

The Senate resolved itself into a Committee of the Whole, with Mr. Gearty in the chair.

After some time spent therein, the committee arose, and Mr. Gearty reported that the committee had considered the following:

S. F. Nos. 789, 1615, 1892, 1716, 1796, 1751, 1541, 2095, 1732, 1731, 1613, 2090, 1679, 2110, 2104, 1900, 1957, 2077, 1937, 2131, 2102, 2040, 1703, 1187, 1889, 1979, 1662, 1188, 1700, 1358, 1922, 1825, 1810 and 1818 which the committee recommends to pass.

S. F. No. 1863, which the committee recommends to pass with the following amendment offered by Mr. Luther:

Page 1, after line 15, insert:

"Section 1. Minnesota Statutes 1978, Section 487.30, Subdivision 1, is amended to read:

487.30 [CONCILIATION COURT.] Subdivision 1. The conciliation court shall hear and determine civil claims if the amount of money or property which is the subject matter of the claim does not exceed ~~\$1,000~~ **\$1,500** for the determination thereof without jury trial and by a simple and informal procedure. The rules of the supreme court shall provide for a right of appeal from the decision of the conciliation court to the county court for a trial on the merits. The territorial jurisdiction of a conciliation court shall be coextensive with the county in which the court is established."

Page 2, after line 9, insert:

"Sec. 3. Minnesota Statutes 1978, Section 488A.12, Subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of ~~\$1000~~ **\$1,500**. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Hennepin.

(b) Notwithstanding the provisions of clause (a), or any rule of court to the contrary, the conciliation court of Hennepin county has jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Hennepin county, and the summons in the action may be served anywhere within the state of Minnesota."

Page 9, after line 31, insert:

"Sec. 13. Minnesota Statutes 1978, Section 488A.29, Subdivision 3, is amended to read:

Subd. 3. [JURISDICTION.] (a) Excepting actions involving title to real estate, the court has jurisdiction to hear, conciliate, try and determine civil actions at law where the amount in controversy does not exceed the sum of ~~\$1000~~ **\$1,500**. The territorial jurisdiction of the court is coextensive with the geographic boundaries of the county of Ramsey.

(b) Notwithstanding the provisions of clause (a) or any rule of court to the contrary, the conciliation court of Ramsey county has

jurisdiction to determine an action brought pursuant to section 504.20 for the recovery of a deposit on rental property located in whole or in part in Ramsey county, and the summons in the action may be served anywhere in the state of Minnesota."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "raising the jurisdictional limit for conciliation court;"

Page 1, line 7, after the second comma, insert "Subdivision 1 and"

Page 1, line 8, after the first semicolon, insert "488A.12, Subdivision 3;"

Page 1, line 10, after the second semicolon, insert "488A.29, Subdivision 3;"

The motion prevailed. So the amendment was adopted.

S. F. No. 1707, which the committee recommends to pass with the following amendment offered by Mr. Dunn:

Page 2, after line 20, insert:

"Before adopting any regulation under this section the board shall hold a public hearing on the matter with notice in the manner provided in section 366.15."

Page 2, after line 22, insert:

"Sec. 3. Minnesota Statutes 1978, Section 366.13, is amended to read:

366.13 [ZONING DISTRICTS.] For any or all of these purposes the board of supervisors of any such town where a majority of the legal voters voting thereon have voted "Yes" at such an election, may divide the portions of the town into districts or zones of such number, shape, and area as may be deemed best suited to carry out the purposes of sections 366.10 to 366.18, and within such districts or zones it may regulate and restrict the location, height, bulk, number of stories, size of buildings and other structures, the location of roads and schools, the percentage of lot which may be occupied, the sizes of yards and other open spaces, the density and distribution of population, the uses of buildings and structures for trade, industry, residence, recreation, public activities, or other purposes, and the uses of land for trade, industry, residence, recreation, agriculture, forestry, soil conservation, water supply conservation, or other purposes. All such regulations shall be uniform for each class and kind of buildings and for the use of land throughout each district, but the regulations in one district may differ from those in other districts.

No such board of supervisors may make any regulation prohibiting the erection, establishment, alteration, enlargement, use, occupancy or maintenance of any landing area or airport as defined by the act of Congress known as the Civil Aeronautics Act of 1938,

owned by any municipality, political subdivision, or public corporation created in and for any two or more municipalities, the operation and use of which has been approved by the department of transportation or by the Civil Aeronautics Board of the United States, nor shall any permit under the provisions of sections 366.10 to 366.18 be required for any such erection, establishment, alteration, enlargement, use, occupancy or maintenance. Any regulations heretofore made by any board of supervisors prohibiting such erection, establishment, alteration, enlargement, use, occupancy or maintenance of airports are hereby abrogated and annulled.

Before adopting any division or regulation under this section the board shall hold a public hearing on the matter with notice in the manner provided in section 366.15."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 4, after "question;" insert "requiring hearing and notice before certain actions;"

Page 1, line 5, after "366.12" insert "; 366.13;"

The motion prevailed. So the amendment was adopted.

S. F. No. 1811, which the committee recommends to pass with the following amendments offered by Messrs. Setzepfandt and Purfeerst:

Mr. Setzepfandt moved to amend S. F. No. 1811 as follows:

Page 1, after line 19, insert:

"Sec. 2. This act is effective the day following final enactment."

The motion prevailed. So the amendment was adopted.

Mr. Purfeerst moved to amend S. F. No. 1811 as follows:

Amend the title as follows:

Page 1, lines 3 and 4, delete "caused by highway construction"

The motion prevailed. So the amendment was adopted.

S. F. No. 1921, which the committee recommends to pass with the following amendment offered by Mr. Sillers:

Page 1, line 11, strike everything after "Moorhead"

Page 1, strike lines 12 and 13

Page 1, line 14, strike "between them for public transportation service" and insert *"is authorized to provide and assist public transportation services through acquisition, construction or operation; directly, by lease or contract,"*

Amend the title as follows:

Page 1, line 3, delete "under a contract"

The motion prevailed. So the amendment was adopted.

S. F. No. 2067, which the committee recommends to pass with the following amendment offered by Mr. Johnson:

Page 1, line 10, before "(a)" insert "*Subdivision 1.*"

Page 1, line 16, reinstate the stricken language

Page 1, line 17, delete the new language

Page 2, after line 22, insert:

"Subd. 2. (a) The time price differential authorized by sections 168.66 to 168.77 in a retail installment sale for a class 1 motor vehicle as defined by subdivision 1, which is sold between the effective date of this subdivision and July 1, 1983, shall not exceed \$10 per \$100 per year.

(b) This subdivision supercedes the provisions of subdivision 1, clause (a), regarding the lawful time price differential rate for class 1 motor vehicles, from the effective date of this subdivision until July 31, 1983."

Page 2, line 24, after the period insert "*Section 1, subdivision 2, is repealed on July 31, 1983.*"

The motion prevailed. So the amendment was adopted.

S. F. No. 978, which the committee recommends to pass with the following amendment offered by Mr. Keefe, S.:

Page 3, line 23, delete "provision of the statutes of this state" and insert "law"

The motion prevailed. So the amendment was adopted.

S. F. No. 1813, which the committee recommends to pass with the following amendment offered by Mr. Setzepfandt:

Page 2, line 13, reinstate "residence,"

Page 2, line 15, after the semicolon insert "*provided that the owner of a licensed mobile home park who resides in or adjacent to the park may use his residence as the established place of business required by this section;*"

The motion prevailed. So the amendment was adopted.

S. F. No. 1493, which the committee recommends to pass with the following amendment offered by Mr. Wegener:

Page 2, after line 1, insert:

"Sec. 2. Minnesota Statutes, 1979 Supplement, Section 204A.23, is amended to read:

204A.23 [COMPENSATION.] The compensation for services performed under the Minnesota election law shall be as follows:

(a) To presidential electors from funds appropriated to the secretary of state for this purpose, \$35 for each day's attendance at the capitol, and an amount for each mile necessarily traveled in

going to and returning from St. Paul, equal to the amount allowed for state employees in accordance with regulation under section 471.665, subdivision 1;

(b) To persons, other than county, city or township employees during their normal work day, appointed or designated by the county auditor to carry ballots to or from the county auditor's office, a sum not less than the prevailing Minnesota minimum wage for each hour necessarily spent and an amount for each mile of necessary travel, equal to the amount allowed for state employees in accordance with regulation under section 471.665, subdivision 1;

(c) To members of county canvassing boards, \$5 for each eight hours of service as members of the canvassing board and seven and one-half cents for each mile of necessary travel each day, provided that in counties now or hereafter having a population of 600,000 or more the members of the county canvassing boards in those counties shall be paid \$12 for each eight hours of service as members of the canvassing board, and mileage a sum not less than the prevailing Minnesota minimum wage for each hour necessarily spent and an amount for each mile of necessary travel, equal to the amount allowed for state employees pursuant to section 471.665, subdivision 1;

(d) The compensation for election judges in home rule charter and statutory cities shall be fixed by the governing body of the city. The compensation of election judges in unorganized territory shall be fixed by the county board. The compensation for election judges in towns shall be fixed by the town board. *A county or a town election judge shall receive, and an election judge who travels to pick up election supplies or to deliver election returns to the county auditor shall receive, in addition to other compensation authorized by this section, a sum not less than the prevailing Minnesota minimum wage for each hour spent performing these duties, plus mileage in the same amount as allowed for state employees pursuant to section 471.665, subdivision 1; and*

(e) To special peace officers, an amount for each hour of service rendered by direction of the judges, to be fixed as in the case of judges of election."

Page 2, line 2, delete *"This act"* and insert *"Section 1"*

Page 2, line 3, after the period, insert *"Section 2 is effective for elections after the date of final enactment."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert *"fixing compensation for county canvassing boards and county and township election judges;"*

Page 1, line 7, before the period, insert *"; and Minnesota Statutes, 1979 Supplement, Section 204A.23"*

The motion prevailed. So the amendment was adopted.

Mr. Coleman moved that the report of the Committee of the Whole, as kept by the Secretary, be now adopted.

Mr. Davies requested that S. F. No. 2131 be divided out.

The question was taken on the adoption of the motion of Mr. Coleman. The motion prevailed.

The question was taken on the adoption of the report on S. F. No. 2131. The motion prevailed.

MEMBERS EXCUSED

Mr. Schaaf was excused from the Session of today. Mr. Lessard was excused from this afternoon's Session. Mr. Tennesen was excused from the Session of today from 10:00 o'clock a.m. to 3:00 o'clock p.m. Mr. Dieterich was excused from this afternoon's Session at 4:00 o'clock p.m. Mr. Knutson was excused from the Session of today at 3:00 o'clock p.m.

MOTIONS AND RESOLUTIONS—CONTINUED

Mr. Coleman moved that the Senate do now adjourn until 10:00 o'clock a.m., Wednesday, March 12, 1980. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate