

THIRTY-FIRST DAY

St. Paul, Minnesota, Wednesday, April 8, 1981

The Senate met at 11:30 a.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. Marvin Sandness.

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

Ashbach	Dieterich	Kronebusch	Peterson, C.C.	Stern
Belanger	Engler	Langseth	Peterson, D.L.	Stokowski
Benson	Frank	Lantry	Peterson, R.W.	Stumpf
Berg	Frederickson	Lindgren	Petty	Taylor
Berglin	Hanson	Luther	Ramstad	Tennessen
Bernhagen	Hughes	Merriam	Renneke	Ulland
Bertram	Humphrey	Moe, D.M.	Rued	Vega
Brataas	Johnson	Moe, R.D.	Schmitz	Waldorf
Chmielewski	Keefe	Nelson	Setzepfandt	Wegener
Dahl	Knoll	Olhoft	Sieloff	Willet
Davies	Knutson	Pehler	Solon	
Davis	Kroening	Penny	Spear	

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. Bang, Dicklich, Frederick, Lessard, Menning, Pillsbury, Purfeerst and Sikorski were excused from the Session of today.

EXECUTIVE AND OFFICIAL COMMUNICATIONS

April 3, 1981

The Honorable Jack Davies
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. Nos. 8 and 30.

Sincerely Yours,

Albert H. Quie, Governor

April 6, 1981

The Honorable Harry A. Sieben, Jr.
 Speaker of the House of Representatives
 The Honorable Jack Davies
 President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1981 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

S.F. No.	H.F. No.	Session Laws Chapter No.	Date Approved 1981	Date Filed 1981
8		16	April 3	April 6
30		17	April 3	April 6
	38	18	April 3	April 6
	77	19	April 3	April 6
	183	20	April 3	April 6
	496	21	April 3	April 6

Sincerely,

Joan Anderson Growe
 Secretary of State

REPORTS OF COMMITTEES

Mr. Moe, R.D. moved that the Committee Reports at the Desk be now adopted. The motion prevailed.

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

S. F. No. 734: A bill for an act relating to economic development; providing grants to colleges and universities receiving federal small business management grants; 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. Davies from the Committee on Judiciary, to which was referred

S. F. No. 272: A bill for an act relating to public welfare; requiring certain facilities to safeguard the well-being and safety of persons in their care; providing for penalties; proposing new law coded in Minnesota Statutes, Chapter 245.

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 1980, Section 626.556, Subdivision 2, is amended to read:

Subd. 2: [DEFINITIONS.] As used in this section, the following terms have the meanings given them unless the specific content indicates otherwise:

(a) "Sexual abuse" means the subjection by the child's parents, guardian, or person responsible for the child's care, to any act which constitutes a violation of sections 609.342, 609.343, 609.344, or 609.345. Sexual abuse also includes any act which involves a minor which constitutes a violation of sections 609.321 to 609.324 or 617.246.

(b) "Neglect" means failure by a parent, guardian or other person responsible for a child's care to supply a child with necessary food, clothing, shelter or medical care when reasonably able to do so or failure to protect a child from conditions or actions which imminently and seriously endanger the child's physical or mental health when reasonably able to do so. Nothing in this section shall be construed to mean that a child is neglected solely because the child's parent, guardian or other person responsible for his care in good faith selects and depends upon spiritual means or prayer for treatment or care of disease or remedial care of the child.

(c) "Physical abuse" means:

(i) Any physical injury inflicted by a parent, guardian or other person responsible for the child's care on a child other than by accidental means; or

(ii) Any physical injury that cannot reasonably be explained by the history of injuries provided by a parent, guardian or other person responsible for the child's care.

(d) "Report" means any report received by the local welfare agency, police department or county sheriff pursuant to this section.

(e) "Facility" means a day care facility or a residential facility as defined in section 245.782.

(f) "Operator" means an operator or agency as defined in section 245.782.

Sec. 2. Minnesota Statutes 1980, Section 626.556, is amended by adding a subdivision to read:

Subd. 12. [DUTIES OF FACILITY OPERATORS.] Any operator, employee, or volunteer worker at any facility who intentionally neglects, physically abuses, or sexually abuses any child in the care of that facility may be charged with a violation of section 609.23. Any operator of a facility who knowingly permits conditions to exist which result in neglect, physical abuse, or sexual abuse of a child in the care of that facility may be charged with a violation of section 609.23.

Sec. 3. Minnesota Statutes 1980, Section 626.557, Subdivision 19, is amended to read:

Subd. 19. [PENALTY.] Any caretaker, as defined in subdivision 2, or operator or employee thereof, or volunteer worker thereat, who intentionally abuses or neglects a vulnerable adult, or being a caretaker, knowingly permits conditions to exist which result in the abuse or neglect of a vulnerable adult, may be charged with a violation of section 609.23."

Amend the title as follows:

Page 1, delete lines 2 to 6 and insert:

"relating to children; prohibiting neglect and abuse of children; amending Minnesota Statutes 1980, Sections 626.556, Subdivision 2, and by adding a

subdivision; and 626.557, Subdivision 19.”

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 692: A bill for an act relating to Ramsey County; stating positions in the unclassified county service; placing employees of the judicial district administrator's office in the unclassified service; amending Laws 1974, Chapter 435, Section 3.02, Subdivision 6, as amended.

Reports the same back with the recommendation that the bill do pass and be placed on the Consent Calendar. Report adopted.

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 533: A bill for an act relating to crimes; authorizing law enforcement agencies in municipalities with less than 25,000 inhabitants to seize property unlawfully used in connection with controlled substance violations; amending Minnesota Statutes 1980, Section 152.01, Subdivision 17.

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

Page 1, line 12, strike “STATE”

Page 1, lines 15 and 16, reinstate the stricken language

Page 1, line 16, strike “25,000” and insert “2,500”

Amend the title as follows:

Page 1, line 3, delete “less than 25,000” and insert “more than 2,500”

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

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

S. F. No. 1118: A bill for an act relating to local government; removing a limit on advertising budgets of certain statutory cities; amending Minnesota Statutes 1980, Section 465.56, Subdivision 1; repealing Minnesota Statutes 1980, Section 465.56, Subdivision 2.

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

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

S. F. No. 863: A bill for an act relating to natural resources; authorizing the soil and water conservation board to purchase certain insurance; appropriating money; amending Minnesota Statutes 1980, Section 40.03, Subdivision 4.

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

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

S. F. No. 576: A bill for an act relating to the city of East Grand Forks;

permitting the city to acquire and develop certain land for industrial purposes.

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

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

S. F. No. 771: A bill for an act relating to Otter Tail county; authorizing the county board to grant certain powers for a district created under Minnesota Statutes, Chapter 116A.

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

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

H. F. No. 829: A bill for an act relating to counties; concerning Anoka county; providing for a seven member board of commissioners; amending Minnesota Statutes 1980, Section 375.01.

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

Page 1, line 14, after the period, insert "Any other county with a population of 100,000 or more according to the last federal decennial census may by resolution of its county board provide for a seven-member board of county commissioners. A certified copy of the resolution of the county board of any county choosing to exercise this option shall be transmitted to the secretary of state, and the county commissioner districts shall be redistricted by the county board in accordance with section 375.025."

Amend the title as follows:

Page 1, line 2, delete "concerning Anoka county;"

Page 1, line 3, before the semicolon, insert "in certain counties"

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. 726: A bill for an act relating to insurance; modifying the definition of a covered claim for purposes of the state's insurance guaranty association act; amending Minnesota Statutes 1980, Section 60C.09, 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. 513: A bill for an act relating to interest; regulating rates of interest on loans for business and agricultural transactions and loans made by agricultural credit corporations; removing certain deficiencies and ambiguities; amending Minnesota Statutes 1980, Sections 334.011, Subdivision 1; and 334.061.

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

Page 1, after line 9, insert:

"Section 1. Minnesota Statutes 1980, Section 334.01, Subdivision 2, is amended to read:

Subd. 2. A contract for the loan or forbearance of money, goods, or things in action, in the amount of \$100,000 or more, *and any extensions, including extensions of installments and related changes in the terms thereof,* shall be exempt from the provisions of this chapter and the interest for ~~such an~~ the indebtedness shall be at the rate of \$6 upon \$100 for a year, unless a different rate is contracted for in writing."

Page 1, line 19, strike "four and one-half" and insert "five"

Page 2, line 18, delete "*four and one-half*" and insert "five"

Page 2, line 23, delete "*and 2*" and insert "*to 3*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, after the semicolon, insert "clarifying the usury exemption on certain loans;"

Page 1, line 2, delete "regulating" and insert "increasing"

Page 1, line 6, after "Sections" insert "334.01, Subdivision 2;"

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. 268: A bill for an act relating to insurance; regulating suicide provisions in life insurance contracts; proposing new law coded in Minnesota Statutes, Chapter 61A.

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. 258: A bill for an act relating to commerce; allowing the manufacture, sale, and shipment of gambling devices for use in other states; amending Minnesota Statutes 1980, Sections 349.31, Subdivision 1; 609.75, Subdivision 1; 609.76; proposing new law coded in Minnesota Statutes, Chapter 349.

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

Page 1, line 21, delete "*out of*" and insert "*in jurisdictions where use of the gambling device is legal*"

Page 1, line 22, delete "*the state*"

Page 2, line 1, delete "*out of the*" and insert "*in jurisdictions where use of the gambling device is legal*"

Page 2, line 2, delete "*state*"

Amend the title as follows:

Page 1, line 3, delete "other" and insert "jurisdictions where use of the gambling device is legal"

Page 1, line 4, delete "states"

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

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

H. F. No. 168: A bill for an act relating to motor vehicle carriers; providing procedures for granting permits to courier service carriers in certain cases; amending Minnesota Statutes 1980, Section 221.121, Subdivision 4.

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

Page 1, delete section 1 and insert:

"Section 1. [COURIER SERVICES CARRIER PERMIT.]

Notwithstanding the provisions of section 221.121, for 180 days following enactment of this section, the commission shall issue a courier services carrier permit without a hearing to all petitioners who apply for a permit. These petitions shall not be subject to contest or to the requirement that the area to be served has a need for the transportation services requested in the petition and that existing permit and certificated carriers in the area to be served have failed to demonstrate that they offer sufficient transportation services to meet fully and adequately those needs."

Amend the title as follows:

Page 1, line 4, delete "; amending Minnesota Statutes" and insert a period

Page 1, delete line 5

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

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

H. F. No. 371: A bill for an act relating to insurance; prohibiting insurance companies which offer funeral or burial expense policies from designating as beneficiaries under the policies persons who provide funeral or burial services and supplies; removing the prohibition against an insurance company's affiliation with a funeral establishment; proposing new law coded in Minnesota Statutes, Chapter 72A; repealing Minnesota Statutes 1980, Section 72A.321.

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

Page 1, line 24, after "fee" insert ", commission or other reimbursement"

Page 2, line 1, after "may" insert "not"

Page 2, line 1, after "receive" insert "payment other than"

Page 2, line 1, delete "its" and insert "reasonable"

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

Mr. Spear from the Committee on Public Employees and Pensions, to which

was referred

S. F. No. 388: A bill for an act relating to public employment; altering the definition of supervisors in public sector collective bargaining; amending Minnesota Statutes 1980, Section 179.63, Subdivision 9a; repealing Minnesota Statutes 1980, Section 179.63, Subdivision 9.

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 1980, Section 179.63, Subdivision 9, is amended to read:

Subd. 9. "Supervisory employee", when the reference is to other than essential employees as defined in subdivision 11, means any person having authority in the interests of the employer to hire, transfer, suspend, promote, discharge, assign, reward or discipline other employees or responsibly to direct them or adjust their grievances on behalf of the employer; ~~or to effectively recommend any of the aforesaid actions~~, if in connection with the foregoing the exercise of such authority is not merely routine or clerical in nature but requires the use of independent judgment. Any determination of "supervisory employee" may be appealed to the public employment relations board.

Sec. 2. Minnesota Statutes 1980, Section 179.71, Subdivision 3, is amended to read:

Subd. 3. The director shall determine appropriate units, except where appropriate units are defined by section 179.741. In determining the appropriate unit he shall take into consideration, along with other relevant factors, the principles and the coverage of uniform comprehensive position classification and compensation plans of the employees, involvement of professions and skilled crafts and other occupational classifications, relevant administrative and supervisory levels of authority, geographical location, and the recommendation of the parties, and shall place particular importance upon the history and extent of organization and the desires of the petitioning employee representatives.

In addition, with regard to the inclusion or exclusion of supervisory employees, the director must find that an employee may perform ~~or effectively recommend~~ a majority of those functions referred to in section 179.63, subdivision 9 or 9a, before an employee may be excluded as supervisory. However, in every case the administrative head, and his assistant, of a municipality, municipal utility, police or fire department shall be considered a supervisory employee.

He shall not designate an appropriate unit which includes employees subject to section 179.63, subdivision 11, with employees not included in section 179.63, subdivision 11.

Sec. 3. [EFFECTIVE DATE.]

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

Amend the title as follows:

Page 1, delete lines 2 to 6 and insert:

"relating to public employment labor relations; modifying the definition of non-essential supervisory employees; amending Minnesota Statutes 1980, Sections 179.63, Subdivision 9; and 179.71, Subdivision 3."

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

Mr. Spear from the Committee on Public Employees and Pensions, to which was referred

S. F. No. 269: A bill for an act relating to public employment; authorizing recognition of legal strike by non-members of bargaining unit; amending Minnesota Statutes 1980, Section 179.64, by adding a subdivision.

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

Page 1, line 11, after "section" insert "*or in section 179.68, subdivision 3,*"

Page 1, line 16, after "strike" insert "*, provided that the exclusive representative of a unit which may respect a picket line provides the employer with at least 24 hours written notice of the intention of the unit to respect a picket line*"

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 360: A bill for an act relating to metropolitan government; providing for certain transit commission plans and passes; amending Minnesota Statutes 1980, Sections 473.408, Subdivisions 6 and 7; and 473.411, Subdivision 1.

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

Mr. Purfeerst from the Committee on Transportation, to which was referred

S. F. No. 924: A bill for an act relating to metropolitan government; changing procedures for financial assistance to the metropolitan transit commission; establishing a program to assist demonstrations of alternative methods of providing public transit service for certain communities; providing for alternative uses of metropolitan transit tax levies; amending Minnesota Statutes 1980, Sections 174.24, Subdivision 3; 473.411, Subdivision 1; and 473.446; proposing new law coded in Minnesota Statutes, Chapter 174; repealing Minnesota Statutes 1980, Section 174.28.

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 1980, Section 174.31, is amended to read:

174.31 [~~SPECIAL DEMONSTRATION PROJECT~~; COORDINATION OF SPECIAL TRANSPORTATION SERVICE IN THE METROPOLITAN AREA.]

Subdivision 1. [~~ESTABLISHMENT~~; OBJECTIVES.] A special demon-

~~station~~ project for coordination of special transportation service in the metropolitan area as defined in section 473.121, subdivision 2, shall be ~~established and implemented~~ by the commissioner with the following objectives:

(a) To provide greater access to transportation for the elderly, handicapped and others with special transportation needs in the metropolitan area and particularly to fill all unmet needs for that transportation in the transit taxing district as defined in section 473.446, subdivision 2; and

(b) To develop an integrated system of special transportation service providing transportation tailored to meet special individual needs in the most cost-efficient manner using existing public and private providers of service.

For the purpose of this section "project" means the ~~demonstration~~ project established under this subdivision, "~~commission~~" means the metropolitan transit commission as established in section 473.404 and "~~commissioner~~" means the commissioner of transportation.

Subd. 2. [FINANCING; IMPLEMENTATION; MANAGEMENT AND ADVISORY GROUPS.] The project shall be operated pursuant to the rules governing by the commission and funded with money available under the ~~paratransit grant program from the state and other resources~~. The commissioner shall not operate the project but shall contract for services necessary for its operation with the commission. All transportation service provided through the project shall be provided under a The contract between the commissioner and the provider which specifies commission shall specify the service to be provided and the rates for providing it. The commissioner shall establish a committee to set management policies for the project. The management policy committee shall include the commissioner or his designee, representatives of persons contracting to provide services for the project, a representative of the metropolitan council, a representative of the metropolitan transit commission and at least two representatives of the task force established to advise the committee. The meetings of the management policy committee shall be public and minutes of all meetings shall be taken, preserved and made available for public inspection. The commissioner shall establish an advisory task force of individuals representing the elderly, handicapped and other users of service provided by the project to advise the management policy committee commission.

Subd. 3. [DUTIES OF COMMISSIONER THE COMMISSION.] In implementing the project the ~~commissioner~~ commission shall:

(a) Encourage participation in the project by public and private providers of special transportation service currently receiving capital or operating assistance from a public agency;

(b) Contract with public and private providers that have demonstrated their ability to effectively provide service at a reasonable cost;

(c) Encourage individuals using service provided through the project to use the type of service most appropriate to their particular needs;

(d) Insure that all persons providing service through the project receive equitable treatment in the allocation of the ridership;

(e) Encourage shared rides to the greatest extent practicable;

(f) Insure that a full range of service is made available through the project to

all parts of the metropolitan transit taxing district;

(g) Encourage public agencies that provide transportation to eligible individuals as a component of human services and educational programs to coordinate with the project and to allow reimbursement for services provided through the project at rates that reflect the public cost of providing those services; and

(h) Adopt rules by January 15, 1982, establishing criteria to be used in determining individual eligibility for special transportation services.

Subd. 4. [COORDINATION REQUIRED.] The commissioner shall not grant any financial assistance under section 174.24 or 174.25 to any recipient that proposes to use any part of the grant to provide special transportation service in the metropolitan area unless the program is coordinated with the project in the manner determined by the commissioner. ~~A recipient of a grant made before June 8, 1979 shall coordinate its program with the project as far as practicable but shall not be denied any additional grant for which it is otherwise qualified solely because it is not coordinated with the project.~~

Subd. 4a. [EQUITABLE ALLOCATION.] The commission shall distribute all available funding under this section in a manner designed to achieve an equitable allocation of special transportation services based on the proportion of the number of elderly, handicapped, disabled, or economically disadvantaged individuals who actually use the special transportation service and who reside in the east and west service areas, including suburbs.

Subd. 5. [COMPLIANCE WITH OPERATING STANDARDS.] A vehicle providing special transportation service which is subject to the operating standards adopted pursuant to section 174.30 shall not be allowed to provide service through the project ~~after January 1, 1981~~, unless a current certificate of compliance has been issued to the vehicle.

Subd. 5a. [COST EFFECTIVENESS.] In implementing the special transportation service program, the commission shall, based on considerations of cost effectiveness, provide an appropriate mix of vehicles based on the demonstrated need within a given service area including, where appropriate, the use of lift vans, shared-ride taxis, and shared-ride vans.

Subd. 6. [EVALUATION AND REPORTS.] The commissioner shall evaluate the project and submit a report to the legislature in January, 1981, including the following information:

(a) All amounts of money spent or obligated for the project by the commissioner and the persons receiving those amounts;

(b) The types of service provided, number of individuals served and areas covered;

(c) A comparison of the cost of providing different types of service;

(d) A review of the achievements or failures of the project, problems encountered in implementation and conclusions and recommendations concerning future action.

The commissioner shall submit a preliminary report to the legislature in January, 1980, covering the above information to the extent it is available at that time.

Subd. 6a. [DATA BASE.] In order to ensure an equitable mix of special transportation services and vehicles within the transit taxing district, the commission shall develop a data base identifying the users or potential users of the service; the special needs of the users so identified; the type of service provided to those users; the number and types of vehicles allocated within the transit taxing district; and any other information the commission deems relevant. In developing the data base, the commission shall consult with the metropolitan council and the commissioner. The data base so developed shall be the basis for the distribution or redistribution of funds and services within the transit taxing district. The commission shall develop the data base by January 15, 1982, and shall update the base on a yearly basis.

Subd. 6b. [COST SAVINGS STUDY.] The commission shall submit a preliminary report to the legislature in January, 1982, covering the following information:

(a) A determination of the possible cost savings in implementing a longer telephone call-ahead time to reserve rides;

(b) A determination as to whether shorter hours of service would be feasible, cost effective, and still responsive to the needs of the users of the special transportation service; and

(c) Any other information the commission deems pertinent.

Subd. 7. [EXPIRATION OF PROJECT.] The project shall expire June 30, ~~1984~~ 1983, and the commissioner shall not enter a contract or make any grant the proceeds of which may be expended for the purpose of implementing or continuing the project beyond June 30, ~~1984~~ 1983."

Amend the title as follows:

Page 1, delete lines 2 to 12 and insert:

"relating to transportation; modifying and prescribing certain duties of the metropolitan transit commission regarding the special transportation services program; amending Minnesota Statutes 1980, Section 174.31."

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

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

S. F. No. 517: A bill for an act relating to financial institutions; allowing new mortgage instruments; modifying rate restrictions on certain loans; providing a maximum late charge on certain loans; amending Minnesota Statutes 1980, Section 47.20, Subdivisions 1, 2, 4, 4a, 6 and 12.

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

Page 2, delete lines 14 to 16

Page 2, line 17, delete "(4)" and insert "(3)"

Page 2, line 18, after "purchase" insert "in whole or in part,"

Page 2, line 21, delete the period and insert a semicolon

Page 2, after line 21, insert:

“(4) To make, purchase or participate in such loans and advances of credit secured by mortgages on real property which are authorized by the federal home loan bank board or the office of the comptroller of the currency.”

Page 5, line 24, strike “and” and insert a comma

Page 5, line 24, after “fee” insert “, and any share of future appreciation of the mortgaged property”

Page 5, line 25, strike “and” and insert a comma

Page 5, line 25, after “fee,” insert “and any share of future appreciation of the mortgaged property,”

Page 5, line 27, after the period, insert “The finance charge, with respect to wraparound mortgages, shall be computed based upon the face amount of the wraparound mortgage note, which face amount shall consist of the aggregate of those funds actually advanced by the wraparound lender and the total outstanding principal balances of the prior note or notes which have been made a part of the wraparound mortgage note.”

Page 6, line 1, after the period, insert “For purposes of this section, with respect to wraparound mortgages, the rate of interest or loan yield shall be based upon the principal balance set forth in the wraparound note and mortgage and shall not include any interest differential or yield differential between the stated interest rate on the wraparound mortgage and the stated interest rate on the one or more prior mortgages included in the stated loan amount on a wraparound note and mortgage.”

Page 11, lines 12 to 14, reinstate the stricken language

Page 11, line 14, delete “and”

Page 11, line 20, reinstate the stricken language

Page 11, line 23, delete everything after “instruments”

Page 11, delete line 24

Page 11, line 25, delete “the lender”

Page 11, lines 26 to 35, reinstate the stricken language

Page 11, line 35, after the period, insert “This subdivision applies to all conventional loans made on or after June 1, 1979, and before the effective date of this act.”

Page 11, delete line 36

Page 12, delete line 1 and insert:

“Sec. 6. Minnesota Statutes 1980, Section 47.20, is amended by adding a subdivision to read:

Subd. 6a. If the purpose of a conventional loan is to enable a borrower to purchase a one to four family dwelling for his or her primary residence, the lender shall consent to the subsequent transfer of the real estate and shall release the existing borrower from all obligations under the loan instruments, if the transferee (1) meets the standards of credit worthiness normally used by persons in the business of making conventional loans, including but not limited to the ability of the transferee to make the loan payments and satisfactorily

maintain the real estate used as collateral, (2) executes an agreement in writing with the lender whereby the transferee assumes the obligations of the existing borrower under the loan instruments, and (3) executes an agreement in writing to pay interest on the remaining obligation at such rate as agreed to between the transferee and the lender. Any such agreement shall not affect the priority, validity or enforceability of any loan instrument.

Sec. 7. Minnesota Statutes 1980, Section 47.20, is amended by adding a subdivision to read:

Subd. 6b. Charges or fees for late payments on conventional loans shall be governed by chapter 51A for all lenders."

Page 13, line 5, delete "6" and insert "8"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after "6" insert a comma and delete "and"

Page 1, line 6, after "12" insert ", and by adding subdivisions"

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. 732: A bill for an act relating to insurance; revising the statutory provisions relating to surplus lines insurance; clarifying its operation and coverage; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 60A; repealing Minnesota Statutes 1980, Section 60A.20.

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

Delete everything after the enacting clause and insert:

"Section 1. [60A.195] [CITATION.]

Sections 1 to 14 shall be known and may be cited as the Minnesota surplus lines insurance act.

Sec. 2. [60A.196] [DEFINITIONS.]

Unless the context otherwise requires, the following terms have the meanings given them for the purposes of sections 1 to 14:

(a) "Surplus lines insurance" means insurance placed with an insurer permitted to transact the business of insurance in this state only pursuant to sections 1 to 14.

(b) "Eligible surplus lines insurer" means an insurer recognized as eligible to write insurance business under sections 1 to 14 but not licensed by any other Minnesota law to transact the business of insurance.

(c) "Ineligible surplus lines insurer" means an insurer not recognized as an eligible surplus lines insurer pursuant to sections 1 to 14 and not licensed by any other Minnesota law to transact the business of insurance.

(d) "Surplus lines licensee" or "licensee" means a person licensed under sections 1 to 14 to place insurance with an eligible or unlicensed surplus lines

insurer.

(e) "Association" means an association registered under section 13.

(f) "Alien insurer" means any insurer which is incorporated or otherwise organized outside of the United States.

(g) "Insurance laws" means chapters 60 to 79 inclusive.

Sec. 3. [60A.197] [RATES AND FORMS.]

(a) Rates used by eligible and unlicensed surplus lines insurers shall not be subject to the insurance laws except that a rate shall not be unfairly discriminatory.

(b) Forms used by eligible and unlicensed surplus lines insurers pursuant to sections 1 to 14 shall not be subject to the insurance laws, except that a policy shall not contain language which misrepresents the true nature of the policy or class of policies.

Sec. 4. [60A.198] [TRANSACTION OF SURPLUS LINES INSURANCE.]

Subdivision 1. [LICENSE REQUIRED.] A person shall not act in any other manner as an agent or broker in the transaction of surplus lines insurance unless licensed under sections 1 to 14.

Subd. 2. [COMPLIANCE WITH STATUTORY PROVISIONS.] A person shall not offer, solicit, make a quotation on, sell, or issue a policy of insurance, binder, or any other evidence of insurance with an eligible or unlicensed surplus lines insurer, except in compliance with sections 1 to 14.

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

(a) Filing an application in the form and with the information the commissioner may reasonably require to determine the ability of the applicant to act in accordance with sections 1 to 14;

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

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

(1) \$5,000; or

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

(d) Agreeing to file with the commissioner no later than February 15 and August 15 annually, a sworn statement of the charges for insurance procured or placed and the amounts returned on the insurance canceled under the license for the preceding six month period ending December 31 and June 30 respectively, and at the time of the filing of this statement, paying the commissioner a tax on premiums equal to three percent of the total written premiums less cancellations.

Subd. 4. [LICENSEE'S POWERS.] A surplus lines licensee may do any or all of the following:

(a) Place insurance on risks in this state with eligible surplus lines insurers;

(b) Place insurance on risks in this state with unlicensed surplus lines insurers in strict compliance with section 14. If the insurance is provided through the participation of several surplus lines insurers and the licensee has reason to believe that a substantial portion of the insurance would be assumed by eligible surplus lines insurers, then with respect to the unlicensed surplus lines insurers, the insured or the insured's representative shall be informed as provided in section 14, subdivision 1, clause (a); or

(c) Engage in any other acts expressly or implicitly authorized by sections 1 to 14 and the other insurance laws.

Subd. 5. [DISCLOSURES.] Before placement of insurance with an eligible surplus lines insurer, a surplus lines licensee shall inform an insured or the insured's representative that coverage may be placed in conformance with sections 1 to 14 with an insurer not licensed in this state and that payment of loss is not guaranteed in the event of insolvency of the eligible surplus lines insurer.

Sec. 5. [60A.199] [EXAMINATIONS.]

If the commissioner considers it necessary, he may examine the books and records of a surplus lines licensee to determine whether the licensee is conducting business in accordance with sections 1 to 14. For the purposes of facilitating examinations, the licensee shall allow the commissioner free access at reasonable times to all of the licensee's books and records relating to the transactions to which sections 1 to 14 apply. If an examination is conducted, the cost of the examination shall be paid by the insurer.

Sec. 6. [60A.201] [PLACEMENT OF INSURANCE BY LICENSEE.]

Subdivision 1. [RESTRICTIONS.] Insurance shall not be placed by the surplus lines licensee with an eligible or unlicensed surplus lines insurer when coverage is available from a licensed insurer.

Subd. 2. [AVAILABILITY OF OTHER COVERAGE; PRESUMPTION.] There shall be a rebuttable presumption that the following coverages are available from a licensed insurer:

(a) All mandatory automobile insurance coverages required by chapter 65B;

(b) Private passenger automobile physical damage coverage;

(c) Homeowners and property insurance on owner occupied dwellings whose value is less than \$500,000. This figure shall be changed annually by the commissioner by the same percentage as the consumer price index for the Minneapolis-St. Paul metropolitan area is changed;

(d) Any coverage readily available from three or more licensed insurers unless the licensed insurers quote a premium and terms not competitive with a premium and terms quoted by an eligible surplus lines insurer; and

(e) Workers' compensation insurance, except excess workers' compensation insurance which is not available from the workers' compensation reinsurance association.

Subd. 3. [UNAVAILABILITY OF OTHER COVERAGE; PRESUMPTION.] There shall be a rebuttable presumption that the following coverages

are unavailable from a licensed insurer:

(a) Coverages on a list of unavailable coverages maintained by the commissioner pursuant to subdivision 4;

(b) Coverages where one portion of the risk is acceptable to licensed insurers but another portion of the same risk is not acceptable. The entire coverage may be placed with eligible surplus lines insurers if it can be shown that the eligible surplus lines insurer will accept the entire coverage but not the rejected portion alone; and

(c) Any coverage that the licensee is unable to procure after diligent search among licensed insurers.

Subd. 4. [LISTS OF UNAVAILABLE LINES OF INSURANCE; MAINTENANCE.] The commissioner shall maintain on a current basis a list of those lines of insurance for which coverages are believed by the commissioner to be generally unavailable from licensed insurers. The commissioner shall republish a list and make available to all licensees the list every six months. Any person may request in writing that the commissioner add or remove coverage from the current list at the next publication of the list. The commissioner's determinations of coverages to be added to or removed from the list shall not be subject to the administrative procedure act but prior to making determinations the commissioner shall provide opportunity for comment from interested parties.

Sec. 7. [60A.202] [PLACEMENT OF INSURANCE BY LICENSEE.]

Subdivision 1. [RESTRICTION.] Only a surplus lines licensee shall issue evidence of placement of insurance with an eligible or unlicensed surplus lines insurer.

Subd. 2. [WRITTEN COMMUNICATION OF COVERAGE TO BE DELIVERED.] A licensee shall, within seven working days after the date on which the risk was bound or the insured or applicant was advised that coverage has been or will be obtained, deliver to the insured or the insured's representative a policy, a written binder, a certificate or other written evidence of insurance placed with an eligible or unlicensed surplus lines insurer.

Subd. 3. [CONTENTS OF WRITTEN COMMUNICATION.] The written communication showing that insurance has been obtained shall identify all known surplus lines insurers directly assuming any risk of loss. If there is more than one surplus lines insurer, any document issued or certified by the licensee pursuant to subdivision 2 shall specify, to the extent known by the licensee, whether the obligation is joint or several, and if the obligation is several, the proportion of the obligation assumed by each insurer.

Sec. 8. [60A.203] [LICENSEES TO FILE EVIDENCE OF TRANSACTIONS.]

Each surplus lines licensee shall keep a separate account of each transaction entered into pursuant to sections 1 to 14. Evidence of these transactions shall be filed with the commissioner in the form, manner, and time designated by the commissioner or if designated by the commissioner, with an association.

Sec. 9. [60A.204] [ADDITIONAL CHARGES AND FEES.]

Subdivision 1. [PLACEMENT FEES.] A surplus lines licensee may charge,

in addition to the premium charged by an eligible or unlicensed surplus lines insurer, a fee to cover the cost incurred in the placement of the policy which exceeds \$25, but only to the extent that the actual additional cost incurred for services performed by persons or entities unrelated to the licensee exceeds that amount.

Subd. 2. [REGULATION OF FEES.] A fee charged pursuant to subdivision 1 shall not be excessive or discriminatory. The licensee shall maintain complete documentation of all fees charged. Those fees shall not be included as part of the premium for purposes of the computation of the premium taxes.

Subd. 3. [COMMISSION CHARGES.] Notwithstanding the provisions of subdivision 1, a licensee may add a commission charge if the insurer quotes a rate net of commission and the commission is not excessive or discriminatory.

Sec. 10. [60A.205] [COMPENSATION.]

Subdivision 1. [AUTHORIZATION.] A surplus lines licensee may be compensated by an eligible surplus lines insurer and the licensee may compensate a licensed resident agent in this state for obtaining surplus lines insurance business. A licensed resident agent authorized by the licensee may collect a premium on behalf of the licensee, and as between the insured and the licensee, the licensee shall be considered to have received the premium if the premium payment has been made to the agent.

Subd. 2. [CONSEQUENCES OF RECEIPT.] If an eligible surplus lines insurer has assumed a risk, and if the premium for that risk has been received by the licensee who placed the insurance, then as between the insurer and the insured, the insurer shall be considered to have received the premium due to it for the coverage and shall be liable to the insured for any loss covered by the insurance and for the unearned premium upon cancellation of the insurance, regardless of whether the licensee is indebted to the insurer.

Sec. 11. [60A.206] [QUALIFICATION AS ELIGIBLE SURPLUS LINES INSURER.]

Subdivision 1. [INSURERS TO BE RECOGNIZED BY THE COMMISSIONER.] A surplus lines licensee shall place surplus lines insurance only with insurers which are in a stable and unimpaired financial condition. An insurer recognized by the commissioner as an eligible surplus lines insurer pursuant to subdivision 2 shall be considered to meet the requirements of this subdivision. Recognition as an eligible surplus lines insurer shall be conditioned upon the insurers continued compliance with sections 1 to 14.

Subd. 2. [APPLICATION FOR RECOGNITION.] An insurer not otherwise licensed to engage in the business of insurance in Minnesota may apply for recognition as an eligible surplus lines insurer by filing an application in the form and with the information as reasonably required by the commissioner regarding the insurer's financial stability, reputation, integrity and operating plans. The commissioner may delegate to an association the power to process and make recommendations on applications for recognition as an eligible surplus lines insurer. Notwithstanding delegation by the commissioner, an applicant may file an application directly with the commissioner.

Subd. 3. [STANDARDS TO BE MET BY INSURERS.] (a) The commissioner shall recognize the insurer as an eligible surplus lines insurer when

satisfied that the insurer is in a stable, unimpaired financial condition and that the insurer is qualified to provide coverage in compliance with sections 1 to 14. If filed with full supporting documentation before July 1 of any year, applications submitted under subdivision 2 shall be acted upon by the commissioner before December 31 of the year of submission.

(b) The commissioner shall not authorize an insurer as an eligible surplus lines insurer unless the insurer continuously maintains capital and surplus of at least \$3,000,000 and transaction of business by the insurer is not hazardous, financially or otherwise, to its policyholders, its creditors, or the public. Each alien surplus lines insurer shall have current financial data filed with the National Association of Insurance Commissioners Non-admitted Insurers Information Office.

Subd. 4. [REMOVAL OF INSURERS.] When the commissioner considers it necessary, he may request information about or examine the affairs of any eligible surplus lines insurer at the expense of the insurer, to determine whether the insurer should continue to remain on the list of eligible surplus lines insurers. If the commissioner determines that it is in the public interest to remove an insurer from the list because the insurer no longer meets the requirements of sections 1 to 14, or is no longer qualified to provide coverage under sections 1 to 14, the commissioner shall do so. If an insurer removed from the list desires a hearing pursuant to the administrative procedure act, the hearing shall be scheduled within 30 days following request for the hearing.

Subd. 5. [TRUST FUND TO BE MAINTAINED.] Before recognition as an eligible surplus lines insurer in this state, an alien insurer shall maintain a trust fund in the United States in cash, marketable securities, or other substantially equivalent instruments of at least \$1,500,000 with a United States bank which is a member of the Federal Reserve System or which is on deposit with regulatory authorities in this or another state for the benefit of all United States policyholders and beneficiaries. A trust fund required under this subdivision shall not have an expiration date which is at any time less than five years in the future, on a continuing basis.

Subd. 6. [ALTERNATIVE MEANS OF COMPLIANCE.] Subdivisions 3 and 5 shall not apply to unincorporated, individual alien insurers which, in place of the requirements prescribed in subdivisions 3 and 5, maintain assets as provided in subdivision 3 and hold in trust for all policyholders and beneficiaries in the United States not less than \$50,000,000 in the aggregate.

Subd. 7. [APPOINTMENT OF AGENT FOR SERVICE OF PROCESS.] Each eligible surplus lines insurer shall appoint the commissioner as its resident agent, for purposes of service of process.

Sec. 12. [60A.207] [POLICIES TO INCLUDE NOTICE.]

Each policy, cover note, or instrument evidencing surplus lines insurance from an eligible surplus lines insurer which is delivered to an insured or a representative of an insured shall have printed, typed, or stamped in red ink upon its face in not less than 10 point type, the following notice: "THIS INSURANCE IS ISSUED PURSUANT TO THE MINNESOTA SURPLUS LINES INSURANCE ACT. THE INSURER IS AN ELIGIBLE SURPLUS LINES INSURER BUT IS NOT OTHERWISE LICENSED BY THE STATE OF MINNESOTA. IN CASE OF INSOLVENCY, PAYMENT OF CLAIMS IS NOT

GUARANTEED. *This notice shall not be covered or concealed in any manner.*

Sec. 13. [60A.208] [LICENSEE ASSOCIATION.]

Subdivision 1. [LICENSEE'S RIGHT TO ASSOCIATE.] *Surplus lines licensees may associate and the commissioner may register the association for one or more of the following purposes:*

(a) *Advising the commissioner as to the availability of surplus lines coverage and market practices and standards for surplus lines insurers and licensees;*

(b) *Collecting and furnishing records and statistics; or*

(c) *Submitting recommendations regarding administration of sections 1 to 14.*

Subd. 2. [FILING REQUIREMENTS.] (a) *Each association shall file with the commissioner for approval all of the following:*

(1) *A copy of the association's constitution and articles of agreement or association, or the association's certificate of incorporation and bylaws and any rules governing the association's activities; and*

(2) *An agreement that, as a condition of continued registration under subdivision 1, the commissioner may examine the association.*

(b) *Each association shall file with the commissioner and keep current all of the following:*

(1) *A list of members; and*

(2) *The name and address of a resident of this state upon whom notices or orders of the commissioner or process issued by the commissioner may be served.*

Subd. 3. [COMMISSIONER'S POWERS; SUSPENSION OF REGISTRATION.] *The commissioner may refuse to register, or may suspend or revoke the registration of an association for any of the following reasons:*

(a) *It reasonably appears that the association will not be able to carry out the purposes of sections 1 to 14;*

(b) *The association fails to maintain and enforce rules which will assure that members of the association and persons associated with those members comply with sections 1 to 14, other applicable chapters of the insurance laws and rules promulgated under either;*

(c) *The rules of the association do not assure a fair representation of its members in the selection of directors and in the administration of its affairs;*

(d) *The rules of the association do not provide for an equitable allocation of reasonable dues, fees, and other charges among members;*

(e) *The rules of the association impose a burden on competition; or*

(f) *The association fails to meet other applicable requirements prescribed in sections 1 to 14.*

Subd. 4. [MEMBERSHIP LIMITED TO LICENSEES.] *An association shall deny membership to any person who is not a licensee.*

Subd. 5. [ASSOCIATION IS VOLUNTARY.] No licensee may be compelled to join an association as a condition of receiving a license or continuing to be licensed under sections 1 to 14.

Subd. 6. [FINANCIAL STATEMENT TO BE FILED.] Each association shall annually file a certified audited financial statement.

Subd. 7. [REPORTS AND RECOMMENDATIONS BY THE ASSOCIATION.] An association may submit reports and make recommendations to the commissioner regarding the financial condition of any eligible surplus lines insurer. These reports and recommendations shall not be considered to be public information. There shall not be liability on the part of, or a cause of action of any nature shall not arise against, eligible surplus lines insurers, the association or its agents or employees, the directors, or the commissioner or authorized representatives of the commissioner, for statements made by them in any reports or recommendations made under this subdivision.

Subd. 8. [OPERATING ASSESSMENT.] (a) Upon request from the association, the commissioner may approve the levy of an assessment of not more than one-half of one percent of premiums charged pursuant to sections 1 to 14 for operation of the association to the extent that the operation relieves the commissioner of duties otherwise required of the commissioner pursuant to sections 1 to 14. Any assessment so approved may be subtracted from the premium tax owed by the licensee.

(b) The association may revoke the membership and the commissioner may revoke the license in this state, of any licensee who fails to pay an assessment when due, if the assessment has been approved by the commissioner.

Sec. 14. [60A.209] [INSURANCE PROCURED FROM UNLICENSED INSURERS.]

Subdivision 1. [AUTHORIZATION; REGULATION.] A resident of this state may obtain insurance from an unlicensed surplus lines insurer in this state through a surplus lines licensee. The licensee shall first attempt to place the insurance with a licensed insurer, or if that is not possible, with an eligible surplus lines insurer. If coverage is not obtainable from a licensed insurer or an eligible surplus lines insurer, the licensee shall certify to the commissioner, on a form prescribed by the commissioner, that these attempts were made. Upon obtaining coverage from an unlicensed surplus lines insurer, the licensee shall:

(a) Have printed, typed, or stamped in red ink upon the face of the policy in not less than 10 point type the following notice: "THIS INSURANCE IS ISSUED PURSUANT TO THE MINNESOTA SURPLUS LINES INSURANCE ACT. THIS INSURANCE IS PLACED WITH AN INSURER THAT IS NOT LICENSED BY THE STATE NOR RECOGNIZED BY THE INSURANCE COMMISSIONER AS AN ELIGIBLE SURPLUS LINES INSURER. IN CASE OF ANY DISPUTE RELATIVE TO THE TERMS OR CONDITIONS OF THE POLICY OR THE PRACTICES OF THE INSURER, THE INSURANCE COMMISSIONER WILL NOT BE ABLE TO ASSIST IN THE DISPUTE. IN CASE OF INSOLVENCY, PAYMENT OF CLAIMS IS NOT GUARANTEED." The notice may not be covered or concealed in any manner; and

(b) Collect from the insured appropriate premium taxes and report the transaction to the commissioner on a form prescribed by the commissioner. If

the insured fails to pay the taxes when due, the insured shall be subject to a civil fine of not more than \$1,000, plus accrued interest from the inception of the insurance.

Subd. 2. [PENALTY.] Except as provided in this section, a person who assists or in any manner aids directly or indirectly in the procurement of insurance from an unlicensed surplus lines insurer in this state is guilty of a misdemeanor, punishable by imprisonment for not more than one year, or by a fine of not more than \$1,000, or both.

Subd. 3. [DUTY TO REPORT.] Each insured in this state who procures, causes to be procured, or continues or renews insurance with an unlicensed surplus lines insurer or any self-insurer in this state who procures or continues excess of loss, catastrophe, or other insurance upon a subject of insurance resident, located, or to be performed within this state, other than insurance procured pursuant to section 6 or subdivision 1 of this section shall file a written report regarding the insurance with the commissioner on forms prescribed by the commissioner and furnished to the insured upon request. The report shall be filed within 30 days after the date the insurance was procured, continued, or renewed and shall be accompanied by the tax on the premiums of two percent. The report shall show all of the following:

- (a) The name and address of the insured;*
- (b) The name and address of the insurer;*
- (c) The subject of the insurance;*
- (d) A general description of the coverage;*
- (e) The amount of premium currently charged for the insurance; and*
- (f) Any additional pertinent information reasonably requested by the commissioner.*

Subd. 4. [ALLOCATION OF PREMIUMS ACCORDING TO LOCATION OF SUBJECT MATTER.] If the insurance described in subdivision 1 also covers a subject of insurance residing, located, or to be performed outside this state, for the purposes of this section, a proper pro rata portion of the entire premium payable for all of that insurance shall be allocated according to the subjects of insurance residing, located, or to be performed in this state.

Subd. 5. [ACTS CONSTITUTING PROCUREMENT OF INSURANCE IN THE STATE.] Any insurance placed with an unlicensed surplus lines insurer procured through negotiations or an application in whole or in part occurring or made within or from without this state, or for which premiums in whole or in part are remitted directly or indirectly from within this state, shall be considered to be insurance procured, continued, or renewed in this state under subdivision 3.

Subd. 6. [UNLICENSED SURPLUS LINES INSURERS; LIABILITY ON POLICIES OR CONTRACTS.] Except with respect to placement pursuant to section 4, subdivision 4, if an unlicensed insurer offering benefits under a written contract which constitutes the transaction of insurance or which offers benefits substantially similar to benefits under policies of insurance, whether or not the benefits are identified or described as insurance, fails to pay a claim or loss within the provision of the contract, any person who assisted or aided,

directly or indirectly, in the procurement of the contract shall be liable to the person to whom the obligations are owed for the full amount of the claim or loss, in the manner provided by the contract.

Sec. 15. [REPEALER.]

Minnesota Statutes 1980, Section 60A.20, is repealed."

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

Mr. Spear from the Committee on Public Employees and Pensions, to which was referred

S. F. No. 1081: A bill for an act relating to the state auditor; providing funding to be used to prepare the report to the legislature on the general financial condition of the various volunteer firefighters' relief associations; appropriating money.

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

Page 1, line 9, delete "\$20,000" and insert "\$7,000"

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

Mr. Spear from the Committee on Public Employees and Pensions, to which was referred

S. F. No. 595: A bill for an act relating to education; providing for the preparation of a report by the legislative commission on employee relations analyzing current insurance programs available to teachers and other public school employees in Minnesota; amending Minnesota Statutes 1980, Section 3.855, Subdivision 3.

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

Page 2, line 18, delete "This" and after "section" insert "I"

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

Mr. Olhott from the Committee on General Legislation and Administrative Rules, to which was referred

S. F. No. 1043: A bill for an act relating to administrative procedures; providing for the effect on rules of the transfer of powers between agencies; recodifying certain other procedures relating to the transfer of powers between agencies; modifying the powers of the revisor of statutes with respect to drafting; compiling and publishing rules; extending certain statutory definitions of terms to administrative rules; amending Minnesota Statutes 1980, Sections 3.965, Subdivision 2; 15.0411, Subdivisions 2 and 3; 15.0412, Subdivisions 1, 1a, 2a, 4, 4c, 4d, 4e, 4f, 4g, 4h, 5, 7, 8, 9 and 10; 15.0413; 15.0415; 16.86, Subdivision 2; 62E.10, Subdivision 8; 121.931, Subdivision 8; 121.932, Subdivision 3; 238.09, Subdivision 9; 271.06, Subdivision 7; 299A.03, Subdivision 6; 360.015, Subdivisions 4, 5 and 16; 645.071, Subdivision 1; 645.08; 645.11; 645.12, Subdivision 1; 645.13; 645.14; 645.15; 645.18;

645.19; 645.20; 645.21; 645.23; 645.24; 645.26, Subdivisions 1 and 2; 645.31, Subdivision 1; 645.34; 645.35; 645.36; 645.37; 645.39; 645.40; 645.41; 645.44, Subdivision 1; 645.45; 645.451, Subdivision 1; 645.46; 645.48; 648.31, Subdivision 6; 648.50, Subdivisions 1, 2, 3 and 4, and by adding subdivisions; proposing new law coded in Minnesota Statutes, Chapters 15 and 645; repealing Minnesota Statutes 1980, Sections 15.015 to 15.04; 174.06, Subdivision 6; and 245.04 to 245.07.

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 1980, Section 3.965, Subdivision 2, is amended to read:

Subd. 2. [REVIEW OF RULES BY COMMISSION.] The commission shall promote adequate and proper rules by agencies and an understanding upon the part of the public respecting them. The jurisdiction of the commission ~~shall include~~ *includes* all rules as defined in section 15.0411, subdivision 3 ~~and all rules promulgated by the department of military affairs.~~ *The commission also has jurisdiction of rules which are filed with the secretary of state in accordance with section 15.0413, subdivision 3. It may hold public hearings to investigate complaints with respect to rules if it considers the complaints meritorious and worthy of attention and. It may, on the basis of the testimony received at the public hearings, suspend any rule complained of by the affirmative vote of at least six members provided the provisions of subdivision 4 have been met. If any rule is suspended, the commission shall as soon as possible place before the legislature, at the next year's session, a bill to repeal the suspended rule. If the bill is defeated, or fails of enactment not enacted in that year's session, the rule shall stand and is effective upon adjournment of the session unless the agency has repealed it. The commission may not suspend it again. If the bill becomes law is enacted, the rule is repealed and shall not be enacted adopted by the agency again unless a law specifically authorizes the adoption of that rule. The commission shall make a biennial report to the legislature and governor of its activities and include therein its recommendations to promote adequate and proper rules and public understanding of the rules.*

Sec. 2. [15.039] [EFFECT OF TRANSFER OF POWERS AMONG AGENCIES.]

Subdivision 1. [APPLICATION OF SECTION.] The provisions of this section apply whenever the responsibilities of an agency are transferred by law to another agency unless the act directing the transfer provides otherwise. The term "responsibilities" includes powers, duties, rights, obligations, and other authority imposed by law on an agency. The term "new agency" means the agency to which responsibilities have been transferred from another agency.

Subd. 2. [IN GENERAL.] The new agency is a continuation of the former agency as to those matters within the jurisdiction of the former agency which are transferred to the new agency. Following a transfer the new agency shall carry out the assigned responsibilities as though the responsibilities of the former agency had not been transferred. No transfer constitutes a new authority for the purpose of succession to all responsibilities of the former agency as

constituted at the time of the transfer.

Subd. 3. [RULES.] All rules adopted pursuant to responsibilities which are transferred to another agency remain effective and shall be enforced by the new agency. Any rulemaking authority which existed to implement the responsibilities which are transferred is transferred to the new agency.

Subd. 4. [COURT ACTIONS.] Any proceeding, court action, prosecution, or other business or matter which is pending on the effective date of a transfer of responsibilities may be conducted by the new agency in the same manner as though it were conducted by the former agency prior to the transfer.

Subd. 5. [CONTRACTS; RECORDS.] The agency whose responsibilities are transferred shall give all contracts, books, maps, plans, papers, records, and property of every description relating to the transferred responsibilities and within its jurisdiction or control to the new agency. The new agency shall accept the material presented.

Subd. 6. [UNEXPENDED FUNDS.] All unexpended funds originally appropriated to an agency for the purposes of any responsibilities which are transferred to another agency are reappropriated under the same conditions as the original appropriation to the new agency effective on the date of the transfer of responsibilities. If the responsibilities are transferred to more than one agency, the commissioner of finance shall allocate any unexpended appropriation to the agencies affected.

Subd. 7. [PERSONNEL.] The positions associated with the responsibilities being transferred are abolished in the agency whose responsibilities are transferred. The approved staff complement for that agency is decreased accordingly. The employees who fill the abolished positions are employees of the agency receiving the new responsibilities. The approved staff complement for that agency is increased accordingly. Personnel changes are effective on the date of transfer of responsibilities.

Sec. 3. Minnesota Statutes 1980, Section 15.0411, Subdivision 2, is amended to read:

Subd. 2. "Agency" means any state officer, board, commission, bureau, division, department, or tribunal, other than a judicial branch court, having a statewide jurisdiction and authorized by law to make rules or to adjudicate contested cases. "Agency" also means the capitol area architectural and planning board.

The administrative procedure act in sections 15.0411 to 15.052 ~~do~~ does not apply to (a) agencies directly in the legislative or judicial branches, (b) emergency powers in sections 12.31 to 12.37, ~~or~~ (c) the department of military affairs, (d) the comprehensive health association provided in section 62E.10, (e) the tax court provided by section 271.06, or (f) the regents of the University of Minnesota.

The contested case procedures of the administrative procedure act provided in sections 15.0418 to 15.0426 do not apply to (a) the Minnesota municipal board, (b) the corrections board, (c) the unemployment insurance program in the department of economic security, (d) the director of mediation services, (e) the workers' compensation division in the department of labor and industry, (f) the workers' compensation court of appeals, (g) the board of pardons, or (h) the

public employment relations board.

Sec. 4. Minnesota Statutes 1980, Section 15.0411, Subdivision 3, is amended to read:

Subd. 3. "Rule" ~~includes means~~ every agency statement of general applicability and future effect, including ~~the amendment, suspension, or repeal thereof~~ ~~amendments, suspensions, and repeals of rules, made adopted~~ to implement or make specific the law enforced or administered by it or to govern its organization or procedure; ~~but~~. It does not include (a) rules concerning only the internal management of the agency or other agencies, and which do not directly affect the rights of or procedure available to the public; ~~or~~ (b) rules of the commissioner of corrections relating to the internal management of institutions under ~~his~~ ~~the commissioner's~~ control and those rules governing the inmates thereof prescribed pursuant to section 609.105; ~~or~~ (c) rules of the division of game and fish published in accordance with section 97.53; ~~or~~ (d) rules relating to weight limitations on the use of highways when the substance of ~~such~~ the rules is indicated to the public by means of signs; ~~or~~ (e) opinions of the attorney general; (f) ~~the systems architecture plan and long range plan of the state education management information system provided by section 121.931;~~ (g) ~~the data element dictionary and the annual data acquisition calendar of the department of education to the extent provided by section 121.932;~~ (h) ~~the comprehensive statewide plan of the crime control planning board provided in section 299A.03;~~ (i) ~~special terms and conditions for an interim certificate of confirmation of the Minnesota cable communications board provided in section 238.09;~~ or (j) occupational safety and health standards provided in section 182.655.

Sec. 5. Minnesota Statutes 1980, Section 15.0412, Subdivision 1, is amended to read:

Subdivision 1. Each agency shall adopt, amend, suspend, or repeal its rules in accordance with the procedures specified in sections 15.0411 to 15.052, and only pursuant to authority delegated by law and in full compliance with its duties and obligations. *If a law authorizing rules is repealed, the rules adopted pursuant to that law are automatically repealed on the effective date of the law's repeal unless there is another law authorizing the rules.* Except as provided in subdivision 3, sections 15.0411 to 15.052 shall not be authority for an agency to adopt, amend, suspend, or repeal rules.

No agency shall adopt a rule which duplicates language contained in Minnesota Statutes unless the hearing examiner determines that duplication of the language is crucial to the ability of a person affected by a rule to comprehend its meaning and effect. When presented with a rule for ~~endorsement~~ certification pursuant to subdivision 2a, the revisor of statutes should indicate in the ~~endorsement~~ certification that the rule duplicates statutory language.

An agency may modify a proposed rule in accordance with the procedures of the administrative procedure act. However, an agency may not modify a proposed rule so that it is substantially different from the proposed rule in the notice of intent to adopt rules.

An agency may withdraw a proposed rule any time prior to filing it with the secretary of state. It shall publish notice that the proposed rule has been withdrawn in the state register. If a rule is withdrawn, the agency may again

propose it for adoption, either in the original or modified form, but the agency shall comply with all procedures of this section.

Sec. 6. Minnesota Statutes 1980, Section 15.0412, Subdivision 1a, is amended to read:

Subd. 1a. Unless otherwise provided by law, an agency may grant a variance to a rule. Before an agency grants a variance, it shall ~~have promulgated~~ *adopt* rules setting forth procedures and standards by which variances shall be granted and denied. An agency receiving a request for a variance shall set forth in writing its reasons for granting or denying the variance. This subdivision shall not constitute authority for an agency to grant variances to statutory standards.

Sec. 7. Minnesota Statutes 1980, Section 15.0412, Subdivision 2a, is amended to read:

Subd. 2a. No procedure to adopt a rule, temporary rule, or emergency rule, shall be initiated by any agency until the agency presents it to the revisor of statutes and the revisor ~~endorses on the rule~~ *certifies* that its form is approved. The revisor may assist in drafting rules as provided by section 648.50.

Sec. 8. Minnesota Statutes 1980, Section 15.0412, Subdivision 4, is amended to read:

Subd. 4. No rule shall be adopted by any agency unless the agency first holds a public hearing ~~thereon~~, affording all affected interests an opportunity to participate. Each agency shall maintain a list of all persons who have registered with the agency for the purpose of receiving notice of rule hearings. The agency may inquire as to whether those persons on the list wish to maintain their names ~~thereon~~ and may remove names for which there is a negative reply or no reply within 60 days. The agency shall, at least 30 days prior to the date set for the hearing, give notice of its intention to ~~hold a hearing~~ *adopt rules* by United States mail to all persons on its list, and by publication in the state register. Each agency may, at its own discretion, also contact persons not on its list and may give notice of its intention to ~~hold a hearing~~ in newsletters, newspapers or other publications or through other means of communication. The notice in the state register shall include the ~~full text of the proposed rule proposed for adoption and, when amending existing rules, whatever portion of the existing rules is necessary to provide adequate notice of the nature of the proposed action or an amended rule in the form provided in section 648.50, subdivision 6, together with a statement of the place, date, and time of the public hearing and other information as required by law or rule.~~ When an entire rule is proposed to be repealed, the agency need only publish that fact, giving the ~~exact~~ citation to the rule to be repealed in the notice.

Sec. 9. Minnesota Statutes 1980, Section 15.0412, Subdivision 4c, is amended to read:

Subd. 4c. At the public hearing the agency shall make an affirmative presentation of facts establishing the need for and reasonableness of the *proposed* rule ~~proposed for adoption~~ and fulfilling any relevant substantive or procedural requirements imposed on the agency by law or rule. The agency may, in addition to its affirmative presentation, rely upon facts presented by others on the record during the rule proceeding to support the rule ~~finally~~ adopted.

Sec. 10. Minnesota Statutes 1980, Section 15.0412, Subdivision 4d, is

amended to read:

Subd. 4d. (a) After allowing written material to be submitted and recorded in the hearing record for five working days after the public hearing ends, or for a longer period not to exceed 20 days if ordered by the hearing examiner, the hearing examiner assigned to the hearing shall ~~proceed to~~ write a report as provided for in section 15.052, subdivision 3.

(b) If the report contains a finding that ~~the proposed a rule is~~ *has been modified in a way which makes it* substantially different from that which was originally proposed ~~at the public hearing~~, or that the agency has not met the requirements of subdivisions 4 to 4f, it shall be submitted to the chief hearing examiner for approval. If the chief hearing examiner approves the finding of the hearing examiner, ~~he the chief hearing examiner~~ shall advise the agency of actions which will correct the defects, and the agency shall not adopt the rule until the chief hearing examiner determines that the defects have been corrected.

(c) If the chief hearing examiner determines that the need for ~~and~~ or reasonableness of the rule has not been established pursuant to subdivision 4, ~~clause (e) 4c~~, and if the agency does not elect to follow the suggested actions of the hearing examiner to correct that defect, then the agency shall submit the proposed rule to the legislative commission to review administrative rules for the commission's advice and comment. The agency shall not ~~proceed to~~ adopt the rule until it has received and considered the advice of the commission; ~~provided, that~~. However, the agency is not required to delay adoption longer than 30 days after the ~~commission's receipt of~~ *commission has received* the agency's submission. Advice of the commission shall not be binding on the agency.

(d) The report shall be completed within 30 days after the close of the hearing record unless the chief hearing examiner, upon written request of the agency or the hearing examiner, orders an extension. ~~In no case shall~~ An extension ~~shall not~~ be granted if the chief hearing examiner determines that an extension would prohibit a rule from being adopted or becoming effective until after a date for adoption or effectiveness as required by statute. The report shall be available to all affected persons upon request for at least five working days before the agency takes any ~~final~~ further action on the rule.

Sec. 11. Minnesota Statutes 1980, Section 15.0412, Subdivision 4e, is amended to read:

Subd. 4e. If, *after completion of the hearing examiner's report*, the agency adopts the rule as recommended by the hearing examiner, ~~it the rule~~ shall be submitted with the complete hearing record to the attorney general, who shall review the rule as to its legality and review its form to the extent the form relates to legality. If the agency ~~makes changes in~~ *modifies* the rule in a manner other than ~~those that~~ recommended by the hearing examiner, it shall submit the rule *as originally proposed and as modified* with the complete hearing record to the chief hearing examiner for a review of the ~~changes~~ *modifications* prior to adopting ~~it the modified rule~~ and submitting it to the attorney general for review. If the chief hearing examiner determines that the ~~proposed final modified rule of the agency~~ is substantially different from that which was originally proposed ~~at the public hearing~~, ~~he the chief hearing examiner~~ shall advise the agency of actions which will correct the defects, ~~and~~. The agency shall not

adopt the *modified* rule until the chief hearing examiner determines that the defects have been corrected. If the agency, the chief hearing examiner, or the attorney general requests, the hearing examiner shall cause a transcript to be prepared of the hearing. The agency shall give notice to all persons who requested to be informed that the hearing record has been submitted to the attorney general. This notice shall be given on the same day that the record is submitted. The attorney general shall, within 20 days, either approve or disapprove the rule. If ~~he~~ *he approves the rule is approved, he the attorney general* shall promptly file two copies of it in the office of the secretary of state. If ~~he~~ *disapproves the rule is disapproved, he the attorney general* shall state in writing ~~his the reasons therefor, and the~~ *and return the rule to the agency. The* rule shall ~~not~~ *neither* be filed in the office of the secretary, nor published. Upon receiving a rule disapproved as illegal, the agency shall either withdraw the rule under subdivision 1 or modify the rule to cure the illegality. If the rule is modified, it shall be submitted to the chief hearing examiner who shall determine if the modified rule is substantially different from the rule as originally proposed. The agency shall not resubmit the rule to the attorney general until the chief hearing examiner determines that the rule is not substantially different from the rule as originally proposed. The secretary of state shall forward one copy of each rule filed to the revisor of statutes.

Sec. 12. Minnesota Statutes 1980, Section 15.0412, Subdivision 4f, is amended to read:

Subd. 4f. A rule ~~shall become~~ *is* effective after it has been subjected to all requirements described in subdivisions 4 to 4g and five working days after ~~publication the notice of adoption is published in the state register, as herein~~ *after provided*, unless a later date is required by ~~statutes law~~ *statutes law* or specified in the rule. If the rule as adopted ~~does not differ from the proposed rule as published in the state register is the same as the proposed rule~~, publication may be made by publishing notice in the state register that the rule has been adopted as proposed and by ~~publishing a citation to~~ *citing* the prior publication. If the rule as adopted differs from the proposed rule, the ~~text of that portion of the adopted rule or subdivisions thereof which differ~~ *differs* from the proposed rule shall be ~~published included in the notice of adoption together with a citation to the prior state register publication of the remainder of the proposed rule.~~

Sec. 13. Minnesota Statutes 1980, Section 15.0412, Subdivision 4g, is amended to read:

Subd. 4g. No rule shall be filed with the secretary of state or published in the state register unless the revisor of statutes has ~~endorsed on the rule certified that~~ *the rule's form is approved as to form*.

Sec. 14. Minnesota Statutes 1980, Section 15.0412, Subdivision 4h, is amended to read:

Subd. 4h. When an agency determines that its proposed adoption, amendment, suspension or repeal of a rule will be noncontroversial in nature, it may utilize the provisions ~~herein in lieu of this subdivision rather than the~~ *provisions of subdivisions 4 to 4g*.

The agency shall ~~publish a~~ *give* notice of its ~~intent~~ *intention* to adopt ~~the a~~ rule without public hearing, ~~together with the proposed rule.~~ *The notice shall be given by publication in the state register, and shall give the same notice by*

United States mail to persons who have registered their names with the agency pursuant to subdivision 4. *The notice in the state register shall include the proposed rule or the amended rule in the form provided in section 648.50, subdivision 6.* When an entire rule is proposed to be repealed, the agency notice need only ~~publish state~~ that fact, giving the ~~exact~~ citation to the rule to be repealed in the notice. The notice shall include a statement advising the public:

- (1) that they have 30 days in which to submit comment on the proposed rule;
- (2) that no public hearing will be held unless seven or more persons make a written request for a hearing within the 30 day comment period;
- (3) of the manner in which persons shall request a hearing on rules proposed pursuant to this subdivision; and
- (4) that the rule may be modified if modifications are supported by the data and views submitted.

Before the date of the notice, the agency shall prepare a statement of need and reasonableness which shall be available to the public. For at least 30 days following the notice, the agency shall afford all interested persons an opportunity to object to the lack of a hearing and to submit data and views on the proposed rule in writing.

The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change.

If, during the 30 day period allowed for comment, seven or more persons submit to the agency a written request for a hearing of the proposed rule, the agency shall proceed under the provisions of subdivisions 4 to 4g. ~~In the event that if a hearing is required, a citation notice of the hearing shall be published in the state register to the publication of the proposed rule may be substituted for republication.~~ Unless the agency has modified the proposed rule, *the notice need not include the text of the proposed rule but only a citation to the state register pages where the text appears.*

If no hearing is required, the agency shall submit to the attorney general the proposed rule and notice as published, the rule as proposed for adoption, any written comments received by the agency, and a statement of need and reasonableness for the rule. The agency shall give notice to all persons who requested to be informed that these materials have been submitted to the attorney general. This notice shall be given on the same day that the record is submitted.

The attorney general shall approve or disapprove the rule as to its legality and its form to the extent the form relates to legality, including the issue of substantial change, within 14 days. ~~If he approves the rule is approved, he the attorney general shall promptly file two copies of it in the office of the secretary of state. If he disapproves the rule is disapproved, he the attorney general shall state in writing his the reasons therefor, and the rule shall not be filed in the office of the secretary of state, nor published.~~

The rule ~~shall become~~ is effective upon publication *of the notice of adoption* in the state register in the same manner as provided for adopted rules in subdivision 4f. The secretary of state shall forward one copy of each rule to the revisor of statutes.

No rule shall be filed with the secretary of state or published in the state

register unless the revisor of statutes has ~~endorsed on the rule~~ *certified that it the rule is approved as to form.*

Sec. 15. Minnesota Statutes 1980, Section 15.0412, Subdivision 5, is amended to read:

Subd. 5. When an agency is directed by statute, federal law or court order to adopt, amend, suspend or repeal a rule in a manner that does not allow for compliance with subdivisions 4 to 4h, or if an agency is expressly required or authorized by statute to adopt temporary rules, the agency shall adopt temporary rules in accordance with this subdivision. The proposed temporary rule shall be published *with a notice of intent to adopt temporary rules* in the state register. For at least 20 days after publication the agency shall afford all interested persons an opportunity to submit data and views on the proposed temporary rule in writing. The proposed temporary rule may be modified if the modifications are supported by the data and views submitted to the agency. The agency shall submit to the attorney general the proposed temporary rule as published, with any ~~proposed~~ modifications. The attorney general shall review the proposed temporary rule as to its legality ~~and~~, *review its form to the extent the form relates to legality*, and shall approve or disapprove the proposed temporary rule and any ~~proposed~~ modifications within five working days. The temporary rule shall take effect upon approval of the attorney general. The attorney general shall file two copies of the approved rule with the secretary of state. Failure of the attorney general to approve or disapprove *a rule* within five working days ~~shall be deemed~~ *is* approval. As soon as practicable, notice of the attorney general's decision shall be published in the state register and the adopted rule shall be published in the manner as provided for adopted rules in subdivision 4 *4f*. Temporary rules adopted under this subdivision shall be effective *for the period stated in the notice of intent to adopt temporary rules which may not be longer than 90 180 days and may be reissued or continued in effect for an additional 90 days; but. The temporary rules may not immediately be reissued thereafter be adopted again* without following the procedure of either subdivisions 4 to 4g or 4h. The secretary of state shall forward one copy of each approved and filed temporary rule to the revisor of statutes.

No approved temporary rule shall be filed with the secretary of state or published in the state register unless the revisor of statutes has ~~endorsed on the rule~~ *certified that it the rule's form is approved as to form.*

Sec. 16. Minnesota Statutes 1980, Section 15.0412, Subdivision 7, is amended to read:

Subd. 7. If the adoption of a rule by an agency will require the expenditure of public moneys by local public bodies, the *appropriate* notice of the ~~proposed rule as required by this section~~ *agency's intent to adopt a rule* shall be accompanied by a written statement giving the agency's reasonable estimate of the total cost to all local public bodies in the state to implement the rule for the two years immediately following adoption of the rule if the estimated total cost exceeds \$100,000 in either of the two years. For purposes of this section, local public bodies shall mean officers and governing bodies of the political subdivisions of the state and other officers and bodies of less than state wide jurisdiction which have the authority to levy taxes.

Sec. 17. Minnesota Statutes 1980, Section 15.0412, Subdivision 8, is amended to read:

Subd. 8. ~~Each~~ The agency shall, within six months after the effective date of a law requiring rules to be promulgated, unless otherwise specified by law, publish ~~notice of hearing or an appropriate~~ notice of intent to adopt a rule ~~without public hearing~~ in accordance with this section. If an agency has not given this notice, it shall report to the appropriate committees of the legislature and the governor its failure to do so, and the reasons for that failure.

Sec. 18. Minnesota Statutes 1980, Section 15.0412, Subdivision 9, is amended to read:

Subd. 9. The agency shall, within six months after issuance of the hearing examiner's report, ~~either withdraw the proposed rules or~~ publish its ~~adopted final action notice of adoption, amendment, suspension, or repeal~~ in the state register. If the agency has not ~~both~~ filed the rules with the secretary of state and published its ~~adopted final action notice~~ in the state register within six months, ~~the rule is automatically withdrawn. It~~ The agency shall not ~~proceed to adopt the subject withdrawn rules without rehearing the rules pursuant to all again following the procedures of this section, and.~~ It shall report to the appropriate committees of the legislature and to the governor its failure to adopt rules and the reasons for that failure.

Sec. 19. Minnesota Statutes 1980, Section 15.0412, Subdivision 10, is amended to read:

Subd. 10. For the purpose of obtaining the revisor's *certificate of approval* of the form of a rule prior to filing the rule with the secretary of state, a copy of the rule shall be submitted *by the agency* to the revisor ~~at the same time on the same day as it is submitted to the attorney general as required by subdivisions 4d, 4e, 4h, and 5.~~ Within five days, the revisor shall *either deliver the certificate to the attorney general or notify the attorney general and the agency of whether he or she will approve that the form of the rule when it is presented for his or her endorsement will not be approved. The revisor's certificate shall be attached to the rules filed with the secretary of state.*

If the attorney general disapproves the rule, the revisor's certificate shall be returned to the revisor by the attorney general. If, after the attorney general disapproves the rule, the agency modifies it, after the chief hearing examiner's review the agency shall submit the modified rule to the revisor for approval as to form.

If the revisor refuses to approve the form of any rules, the revisor's notice to the agency and the attorney general shall indicate the reason for the refusal and specify the modifications necessary so the form of the rules will be approved.

Sec. 20. Minnesota Statutes 1980, Section 15.0413, is amended to read:

15.0413 [EFFECT OF ADOPTION OF RULES; PUBLICATION; APPROPRIATION ADOPTION OF RULES OTHERWISE EXEMPT FROM PROCEDURES.]

Subdivision 1. Every rule approved by the attorney general and filed in the office of the secretary of state as provided in section 15.0412 shall have the force and effect of law five working days after its ~~publication notice of adoption is published~~ in the state register unless a later date is required by statute or specified in the rule. The secretary of state shall keep a permanent record of

rules filed with that office open to public inspection.

Subd. 2. Each rule hereafter amended, suspended, or repealed ~~shall become~~ is amended, suspended, or repealed five working days after the ~~new or amended rule or~~ appropriate notice of suspension or repeal is published in the state register unless a later date is required by ~~statute~~ law or specified in the rule.

Subd. 3. *Except for rules of agencies directly in the legislative or judicial branches, emergency powers in sections 12.31 to 12.37, and the regents of the University of Minnesota, rules adopted, amended, suspended, or repealed by any agency but excluded from the administrative procedure act in section 15.0411, subdivision 2, shall have the force and effect of law upon compliance with the procedures of this subdivision. Rules hereafter promulgated adopted, amended, suspended, or repealed of by any state officer, board, commission, bureau, division, department, or tribunal other than a judicial branch court, having statewide jurisdiction and authorized by law to make rules, but excluded from the definition of "agency" in section 15.0411 from the definition of "rule" in section 15.0411, subdivision 3, except for clauses (a) and (e), shall have the force and effect of law if they upon compliance with this subdivision. The rules have the force and effect of law if:*

(a) the revisor of statutes approves the form of the rules by certificate;

(b) two copies are filed in the office of the secretary of state in the same manner as rules adopted pursuant to section 15.0412 are so filed and if they are submitted to the commissioner of administration in a manner he shall prescribe; and,

(c) a copy is published in the state register.

The rules become effective five working days after publication in the state register. The secretary of state shall forward one copy of each rule to the revisor of statutes. Rules filed in accordance with this subdivision shall be included in Minnesota Rules.

This subdivision, however, shall not apply to rules of the regents of the University of Minnesota. Any law exempting an agency or rule from sections 15.0411 to 15.052 shall not be construed as preventing an agency from complying with section 15.0413, subdivision 3, unless the law specifically provides to the contrary.

Subd. 3a. Rules adopted by a state officer, board, commission, bureau, division, department, or tribunal other than a judicial branch court, which is excluded from the administrative procedure act in Minnesota Statutes 1978, Section 15.0411, Subdivision 2, which were filed with the secretary of state before August 1, 1980, shall have the effect of law and be published by the revisor of statutes pursuant to section 648.50 to the extent the rules are still the accurate rules of the agency.

Subd. 3b. Rules adopted by a state officer, board, commission, bureau, division, department, or tribunal other than a judicial branch court, which is excluded from the administrative procedure act in Minnesota Statutes 1978, Section 15.0411, Subdivision 2, but included in the rulemaking provisions of the act in Minnesota Statutes 1980, Section 15.0411, Subdivision 2, which were not filed with the secretary of state before August 1, 1980, shall have the

effect of law to the extent the rules are still the accurate rules of the agency. The agency which adopted the rules shall file a copy of each of its rules which is effective on the effective date of this subdivision but unfiled with the secretary of state with both the secretary of state and the revisor of statutes before September 1, 1981. The revisor of statutes shall publish these rules in Minnesota Rules.

Sec. 21. Minnesota Statutes 1980, Section 15.0415, is amended to read:

15.0415 [PETITION FOR ADOPTION OF RULE.]

Any interested person may petition an agency requesting the adoption, suspension, amendment or repeal of any rule. The petition shall be specific as to what action is requested and the need for the action. Upon receipt of such receiving a petition an agency shall have 60 days in which to make a specific and detailed reply in writing as to its planned disposition of the request. If the agency states its intention to hold a public hearing on the subject of the request, it shall proceed according to section 15.0412. The attorney general shall prescribe by rule the form for all petitions under this section and may prescribe further procedures for their submission, consideration, and disposition.

Sec. 22. Minnesota Statutes 1980, Section 16.86, Subdivision 2, is amended to read:

Subd. 2. The commissioner shall not be required to publish or distribute those parts of the code which are adopted by reference, and publication within the meaning of the administrative procedures act shall nevertheless be deemed complete. The commissioner shall publish with the code and annually thereafter a list of places where copies of those parts of the code adopted by reference may be obtained together with the approximate cost thereof pursuant to section 15.0412, subdivision 4a.

Sec. 23. Minnesota Statutes 1980, Section 62E.10, Subdivision 8, is amended to read:

Subd. 8. [DEPARTMENT OF STATE EXEMPTION.] The association shall be is exempt from the provisions of chapter 15 administrative procedure act but, to the extent authorized by law to adopt rules, the association may use the provisions of section 15.0413, subdivision 3.

Sec. 24. Minnesota Statutes 1980, Section 121.931, Subdivision 8, is amended to read:

Subd. 8. [RULES.] The state board shall adopt rules prescribing criteria for its decisions pursuant to subdivision 7. These rules shall include at least the criteria specified in section 121.937. The state board shall also adopt rules specifying the criteria and the process for determining which data and data elements are included in the data element dictionary and the annual data acquisition calendar developed pursuant to section 121.932, subdivisions 1 and 2. The state board shall adopt rules requiring regional management information centers to use cost accounting procedures which will account by district for resources consumed at the center for support of each ESV-IS subsystem and of any approved alternative financial management information systems. The adoption of the systems architecture plan and the long range plan pursuant to subdivisions 3 and 4 shall be exempt from the rule-making procedures specified in chapter 15 the administrative procedure act but, to the extent authorized

by law to adopt rules, the board may use the provisions of section 15.0413, subdivision 3.

Sec. 25. Minnesota Statutes 1980, Section 121.932, Subdivision 3, is amended to read:

Subd. 3. [EXEMPTION FROM CHAPTER 15.] Except as provided in section 121.931, subdivision 8, the development of the data element dictionary pursuant to subdivision 1, and the annual data acquisition calendar pursuant to subdivision 2, shall be exempt from the ~~rule-making procedures specified in chapter 15~~ administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 15.0413, subdivision 3.

Sec. 26. Minnesota Statutes 1980, Section 182.655, Subdivision 1, is amended to read:

Subdivision 1. ~~Chapter 15 notwithstanding,~~ Standards and variances shall be proposed, granted, adopted, modified or revoked by the commissioner in accordance with the procedures of this section. *The standards and variances are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the commissioner may use the provisions of section 15.0413, subdivision 3.*

Sec. 27. Minnesota Statutes 1980, Section 238.09, Subdivision 9, is amended to read:

Subd. 9. Notwithstanding the provisions of subdivision 6, the board may issue an interim certificate of confirmation after its acceptance of an application in ~~such a form and containing such the~~ information and supporting documentation ~~as the board may require~~ requires, ~~such the~~ certificate to be valid for not more than five years, to an operating company having a franchise approved by the board to erect a community antenna and establish cable television service for any municipality having a population not greater than 15,000 according to the 1970 federal census; provided that the system shall be constructed and ready for operation by July 1, 1975, in full compliance with all applicable regulations of the federal communications commission and with any special terms or conditions set by the Minnesota board to apply in any individual situation; ~~not subject to chapter 15,~~ to include stipulations regarding minimum channel capacity; extent of two-way capability; means for interconnection; and availability of facilities for public access cablecasting and for local program origination. *The special terms and conditions are exempt from the administrative procedure act but, to the extent authorized by law to adopt rules, the board may use the provisions of section 15.0413, subdivision 3.*

Sec. 28. Minnesota Statutes 1980, Section 271.06, Subdivision 7, is amended to read:

Subd. 7. [RULES.] The rules of civil procedure for the district court of Minnesota shall govern the procedures in the tax court, where practicable. The rules of the tax court in effect on July 1, 1977 shall govern until superseded. The tax court may make additional rules when the law or special circumstances so require, provided that before any additional rule is adopted, the tax court first holds a public hearing thereon, affording all affected interests an opportunity to participate, and gives notice of its intention to hold ~~such a~~ hearing at least 30 days prior to the date set for the hearing by United States mail, to

representatives of associations or other interested groups or persons who have registered their names with the ~~secretary of state~~ court for that purpose and in the state register. The notice in the state register shall include the full text of the rule proposed for adoption. The tax court shall make available at least one free copy of the proposed rule to any person requesting it. At the public hearing the tax court shall make an affirmative presentation of facts establishing the need for and reasonableness of the rule proposed for adoption and fulfilling any relevant substantive or procedural requirements imposed on the tax court by law. After the hearing ends, 20 days shall be allowed for written material to be submitted and recorded in the hearing record. If the tax court approves the rule, the tax court shall promptly ~~file~~ publish ~~it a notice of adoption in the office of the secretary of state register~~. A rule ~~shall become~~ is effective 20 five working days after ~~its publication~~ the notice of adoption is published in the state register unless a later date is specified in the rule. Any rule adopted after July 1, 1977, which is not published in the state register, shall be of no effect. The tax court ~~shall be~~ is exempt from the ~~provisions of chapter 15 administrative procedure act but, to the extent authorized by law, may use the provisions of section 15.0413, subdivision 3.~~

Sec. 29. Minnesota Statutes 1980, Section 299A.03, Subdivision 6, is amended to read:

Subd. 6. [PLANNING FUNCTIONS.] The crime control planning board shall serve as the state planning agency to administer the Omnibus Crime Control and Safe Streets Act of 1968, Public Law 90-351, as amended by the Crime Control Act of 1973, Public Law 93-83, by the Crime Control Act of 1976, Public Law 94-503 and by the Juvenile Justice and Delinquency Prevention Act of 1974, Public Law 93-415, as amended, all of which acts are herein collectively referred to as "federal crime control acts". The board shall develop and revise as necessary a comprehensive statewide plan for the improvement of law enforcement and criminal justice throughout the state. The comprehensive plan shall be deemed to include all individual plans submitted by the board as a prerequisite to the receipt of federal money and all other plans prepared by or under the direction of the board. These individual component plans shall be prepared so as to interrelate with each other and to provide for a unified and coherent statewide comprehensive plan. The plan shall include improvements in law enforcement and criminal justice systems which are designed to encourage interjurisdictional and interdisciplinary actions by affected governmental units. The plan and any revisions ~~shall not be adopted as rules pursuant to chapter 15, but are exempt from the administrative procedure act but, the board to the extent authorized by law to adopt rules, may use the provisions of section 15.0413, subdivision 3.~~ The board shall hold public hearings in respect to proposals for the plan and shall seek opinions of interested persons from outside the board ~~as provided in section 15.0412, subdivision 6.~~ To the extent that the plan or a component thereof is prepared in anticipation of the receipt of federal money, the plan or applicable component thereof shall be consistent with requirements of the federal crime control acts and shall accommodate where reasonable the form and content of regional plans for the improvement of law enforcement and criminal justice.

Sec. 30. Minnesota Statutes 1980, Section 360.015, Subdivision 4, is amended to read:

Subd. 4. [CONFORMITY WITH FEDERAL RULES.] All rules and regu-

lations prescribed adopted by the commissioner under the authority of sections 360.011 to 360.076, shall be kept in conformity, as nearly as may be, with the then current federal legislation governing aeronautics and the regulations duly promulgated thereunder and the rules and standards issued from time to time pursuant thereto.

Sec. 31. Minnesota Statutes 1980, Section 360.015, Subdivision 5, is amended to read:

Subd. 5. **[FILING ADOPTION OF RULES.]** He shall keep on file with the secretary of the state, and at the principal office of the department, a copy of all his rules and regulations, for public inspection. Rules provided for under the authority of sections 360.011 to 360.076, shall be adopted in accordance with the procedures of the administrative procedure act.

Sec. 32. Minnesota Statutes 1980, Section 360.015, Subdivision 16, is amended to read:

Subd. 16. **[EFFECTIVE DATE DISTRIBUTION OF RULES AND REGULATIONS.]** Rules and regulations made adopted by the commissioner shall become effective ten days after publications as hereinafter provided. Publication shall be made distributed as follows:

(a) By filing copies thereof with the secretary of state and the commissioner of administration.

(b) by mailing copies thereof to all owners and operators or managers of airports and to all air schools licensed or registered in the state; and,

(c) (b) by having a reasonable number of copies thereof available at the offices of the department, to be furnished to interested persons upon request.

Sec. 33. **[645.001] [APPLICABILITY OF LAWS ON DEFINITIONS AND INTERPRETATION:]**

Except as otherwise provided, the provisions of chapter 645, insofar as they relate to laws, govern all laws becoming effective after an applicable provision of chapter 645 becomes effective.

The provisions of chapter 645, insofar as they relate to rules, govern all rules becoming effective after the effective date of the provision.

Sec. 34. Minnesota Statutes 1980, Section 645.071, Subdivision 1, is amended to read:

Subdivision 1. **[SOLAR TIME; DAYLIGHT TIME.]** Every mention of, or reference to, any hour or time in any law or rule is to be construed with reference to and in accordance with the mean solar time of the ninetieth meridian of longitude west of Greenwich, commonly known as Central Standard Time. The standard of time in this state in each year commencing at 2 a.m. on the fourth Sunday in May and ending at 2 a.m. on the Tuesday following Labor Day, both dates inclusive, shall be one hour ahead of such that solar time and for the rest of the year shall be such that solar time and. No department of the state government and no county, city or town shall employ any other time or adopt any ordinance or order providing for the use of any other time than the standard time.

Sec. 35. Minnesota Statutes 1980, Section 645.08, is amended to read:

645.08 [CANONS OF CONSTRUCTION.]

In construing the statutes *and rules* of this state, the following canons of interpretation are to govern, unless their observance would involve a construction inconsistent with the manifest intent of the legislature, or repugnant to the context of the statute *or rule*:

(1) Words and phrases are construed according to rules of grammar and according to their common and approved usage; but technical words and phrases and ~~such~~ others ~~as that~~ have acquired a special meaning, or are defined in this chapter, are construed according to ~~such that~~ special meaning or their definition;

(2) The singular includes the plural; and the plural, the singular; words in the masculine gender include the feminine and neuter; words used in the past or present tense include the future;

(3) General words are construed to be restricted in their meaning by preceding particular words;

(4) Words ~~in a law~~ conferring a joint authority upon three or more public officers or other persons are construed to confer authority upon a majority of ~~such the~~ officers or persons; and

(5) A majority of the qualified members of any board or commission constitutes a quorum.

Sec. 36. Minnesota Statutes 1980, Section 645.11, is amended to read:

645.11 [PUBLISHED NOTICE.]

Unless otherwise specifically provided in *a law or rule*, the words "published notice," when used in reference to the giving of notice in any proceeding or the service of any summons, order, or process in judicial proceedings, mean the publication in full of the notice, or other paper referred to, in the regular issue of a qualified newspaper, once each week for the number of weeks specified. When the publication day of any newspaper falls upon Thanksgiving Day, or upon any legal holiday, the publication of notice in any proceeding or the publication of any summons, order, or process in judicial proceedings, may be made either the day before or the day after Thanksgiving Day, or ~~such the~~ legal holiday. When the published notice contains a description of real estate which is located within the legal limits of any city, which city is situated in more than one county, ~~such the~~ published notice may be published in any legal newspaper within ~~such the~~ city.

Sec. 37. Minnesota Statutes 1980, Section 645.12, Subdivision 1, is amended to read:

Subdivision 1. The term "posted notice," when used in *a law or rule* in reference to the giving of notice in any proceeding or the service of any summons, order, or process in judicial proceedings, means the posting, at the beginning of the prescribed period of notice, of a copy of the notice or document referred to, in a manner likely to attract attention, in each of three of the most public places in the town, city, district, or county to which the subject matter of the notice relates, or in which the thing of which notice is given is to occur or to be performed.

Sec. 38. Minnesota Statutes 1980, Section 645.13, is amended to read:

645.13 [TIME; PUBLICATION FOR SUCCESSIVE WEEKS.]

When the term "successive weeks" is used in any law or rule providing for the publishing of notices, the word "weeks" shall be construed as calendar weeks. The publication upon any day of ~~such weeks~~ a week shall be sufficient publication for that week, but at least five days shall elapse between each publication. At least the number of weeks specified in "successive weeks" shall elapse between the first publication and the day for the happening of the event for which the publication is made.

Sec. 39. Minnesota Statutes 1980, Section 645.14, is amended to read:

645.14 [TIME; COMPUTATION OF MONTHS.]

When, in any law or rule, the lapse of a number of months before or after a certain day is required, ~~such the~~ number of months shall be computed by counting the months from ~~such that~~ day, excluding the calendar month in which ~~such the~~ day occurs, and including the day of the month in the last months so counted having the same numerical order as the day of the month from which the computation is made, unless there be not so many days in the last month so counted, in which case the period computed shall expire with the last day of the month so counted.

Sec. 40. Minnesota Statutes 1980, Section 645.15, is amended to read:

645.15 [COMPUTATION OF TIME.]

~~Where~~ When the performance or doing of any act, duty, matter, payment, or thing is ordered or directed, and the period of time or duration for the performance or doing thereof is prescribed and fixed by law or rule, ~~such the~~ time, except as otherwise provided in sections 645.13 and 645.14, shall be computed so as to exclude the first and include the last day of ~~any such the~~ prescribed or fixed period or duration of time. When the last day of ~~such the~~ period falls on Sunday or on any day made a legal holiday, by the laws of this state or of the United States, ~~such that~~ day shall be omitted from the computation.

Sec. 41. Minnesota Statutes 1980, Section 645.18, is amended to read:

645.18 [GRAMMAR; SYNTAX; ELLIPSIS.]

Grammatical errors shall not vitiate a law or rule. A transposition of words and clauses may be resorted to when a sentence is without meaning as it stands. Words and phrases ~~which that~~ may be necessary to the proper interpretation of a law or rule and ~~which that~~ do not conflict with its obvious purpose and intent nor in any way affect its scope and operation may be added in the construction thereof.

Sec. 42. Minnesota Statutes 1980, Section 645.19, is amended to read:

645.19 [CONSTRUCTION OF PROVISOS AND EXCEPTIONS.]

Provisos shall be construed to limit rather than to extend the operation of the clauses to which they refer. Exceptions expressed in a law or rule shall be construed to exclude all others.

Sec. 43. Minnesota Statutes 1980, Section 645.20, is amended to read:

645.20 [CONSTRUCTION OF SEVERABLE PROVISIONS.]

Unless there is a provision in the law or rule that the provisions shall not be

severable, the provisions of all laws *and rules* shall be severable. If any provision of a law *or rule* is found to be unconstitutional and void, the remaining provisions of the law *or rule* shall remain valid, unless the court finds the valid provisions of the law *or rule* are so essentially and inseparably connected with, and so dependent upon, the void provisions that the court cannot presume the legislature would have enacted *or authorized* the remaining valid provisions without the void one; or unless the court finds the remaining valid provisions, standing alone, are incomplete and are incapable of being executed in accordance with the legislative intent.

Sec. 44. Minnesota Statutes 1980, Section 645.21, is amended to read:

645.21 [PRESUMPTION AGAINST RETROACTIVE EFFECT.]

No law *or rule* shall be construed to be retroactive unless clearly and manifestly so intended by the legislature *or authorized by the legislature*.

Sec. 45. Minnesota Statutes 1980, Section 645.23, is amended to read:

645.23 [PENALTIES NO BAR TO CIVIL REMEDIES.]

The provision in any law *or rule* for a penalty or forfeiture for its violation shall not be construed to deprive an injured person of the right to recover from the offender damages sustained by reason of the violation of ~~such~~ the law *or rule*.

Sec. 46. Minnesota Statutes 1980, Section 645.24, is amended to read:

645.24 [PENALTIES FOR EACH OFFENSE.]

When a penalty or forfeiture is provided for the violation of a law *or rule*, ~~such~~ the penalty or forfeiture shall be construed to be for each ~~such~~ violation.

Sec. 47. Minnesota Statutes 1980, Section 645.26, Subdivision 1, is amended to read:

Subdivision 1. [PARTICULAR CONTROLS GENERAL.] When a general provision in a law is in conflict with a special provision in the same or another law, the two shall be construed, if possible, so that effect may be given to both. If the conflict between the two provisions be irreconcilable, the special provision shall prevail and shall be construed as an exception to the general provision, unless the general provision ~~shall be~~ is enacted at a later session and it ~~shall be~~ is the manifest intention of the legislature that ~~such~~ the general provision shall prevail.

When a general provision in a rule is in conflict with a special provision in the same or another rule, the two shall be construed, if possible, so that effect may be given to both. If the conflict between the two provisions is irreconcilable, the special provision shall prevail and shall be construed as an exception to the general provision, unless the general provision is adopted at a later time and it is the manifest intent of the agency that the general provision prevail.

Sec. 48. Minnesota Statutes 1980, Section 645.26, Subdivision 2, is amended to read:

Subd. 2. [CLAUSES IN THE SAME LAW.] When, in the same law *or rule*, several clauses are irreconcilable, the clause last in order of date or position shall prevail.

Sec. 49. Minnesota Statutes 1980, Section 645.31, Subdivision 1, is

amended to read:

Subdivision 1. [AMENDATORY LAWS; RULES.] When a section or part of a law *or rule* is amended, the amendment shall be construed as merging into the original law *or rule*, becoming a part thereof, and replacing the part amended, and the remainder of the original enactment and the amendment shall be read together and viewed as one act *or rule* passed at one time; but the portions of the law *or rule* which were not altered by the amendment shall be construed as effective from the time of their first enactment, and the new provisions shall be construed as effective only from the date when the amendment became effective. When an act *or rule* has been amended "so as to read as follows," or otherwise, a later reference to that act *or rule* either by its original title or as it exists in any compilation of the laws *or rules* of this state includes the act *or rule* as amended.

Sec. 50. Minnesota Statutes 1980, Section 645.34, is amended to read:

645.34 [REPEAL OF AMENDATORY AND ORIGINAL LAWS AND RULES SUBSEQUENTLY AMENDED.]

The repeal of an amendatory law *or rule* does not revive the corresponding provision or section of the original law *or rule* or of any prior amendment. Except as otherwise provided in section 645.26, subdivision 3, the repeal of the original law *or rule*, or section or provision of the original law *or rule*, repeals all subsequent amendments to the original law *or rule*, or to the original section or provision, as the case may be.

Sec. 51. Minnesota Statutes 1980, Section 645.35, is amended to read:

645.35 [EFFECT OF REPEAL.]

The repeal of any law *or rule* shall not affect any right accrued, any duty imposed, any penalty incurred, or any proceeding commenced, under or by virtue of the law *or rule* repealed. Any civil suit, action, or proceeding pending to enforce any right under the authority of the law *or rule* repealed shall and may be proceeded with and concluded under the laws and rules in existence when the suit, action, or proceeding was instituted, notwithstanding the repeal of ~~such~~ the laws *or rules*; or the same may be proceeded with and concluded under the provisions of the new law *or rule*, if any, enacted.

Sec. 52. Minnesota Statutes 1980, Section 645.36, is amended to read:

645.36 [EFFECT OF REPEAL OF A REPEALER.]

When a law *or rule* is repealed which repealed a former law *or rule*, the former law ~~shall~~ *or rule* is not ~~thereby~~ be revived, unless it is so specifically provided.

Sec. 53. Minnesota Statutes 1980, Section 645.37, is amended to read:

645.37 [REPEAL AND REENACTMENT.]

When a law *or rule* is repealed and its provisions are at the same time reenacted *or readopted* in the same or substantially the same terms by the repealing law *or rule*, the earlier law *or rule* shall be construed as continued in active operation. All rights and liabilities incurred under ~~such~~ the earlier law *or rule* are preserved and may be enforced.

Sec. 54. Minnesota Statutes 1980, Section 645.39, is amended to read:

645.39 [IMPLIED REPEAL BY LATER LAW OR RULE.]

When a law or rule purports to be a revision of all laws or rules upon a particular subject, or sets up a general or exclusive system covering the entire subject matter of a former law or rule and is intended as a substitute for ~~such the~~ former law or rule, ~~such the~~ law or rule shall be construed to repeal all former laws or rules upon the same subject. When a general law purports to establish a uniform and mandatory system covering a class of subjects, ~~such the~~ law shall be construed to repeal preexisting local or special laws on the same class of subjects. In all other cases, a later law or rule shall not be construed to repeal an earlier law or rule unless the two laws or rules are irreconcilable.

Sec. 55. Minnesota Statutes 1980, Section 645.40, is amended to read:

645.40 [NON-EXISTENCE OF REASON FOR LAW OR RULE DOES NOT REPEAL IT.]

A law ~~shall~~ is not ~~be deemed~~ repealed because the reason for its passage no longer exists. A rule is not automatically repealed because the reason for its adoption no longer exists unless the authority for its adoption is repealed.

Sec. 56. Minnesota Statutes 1980, Section 645.41, is amended to read:

645.41 [NO IMPLIED REPEAL BY NON-USER.]

A law ~~shall~~ or rule is not ~~be deemed~~ repealed by the failure to use ~~such the~~ law or rule.

Sec. 57. Minnesota Statutes 1980, Section 645.44, Subdivision 1, is amended to read:

Subdivision 1. [MEANINGS ASCRIBED.] The following words, terms, and phrases used in Minnesota Statutes, *Minnesota Rules*, or any legislative act shall have the meanings given them in this section, unless another intention clearly appears.

Sec. 58. Minnesota Statutes 1980, Section 645.45, is amended to read:

645.45 [DEFINITIONS, CONTINUED.]

The following words and phrases, when used in any law enacted after the effective date of Laws 1941, Chapter 492, Section 45, or rule, unless the context clearly indicates otherwise, shall have the meanings ascribed to them in this section:

- (1) "Abode," means domicile;
- (2) "Action," any proceeding in any court of this state;
- (3) "Adult," an individual 18 years of age or over;
- (4) "As now provided by law," or "as now provided by rule" is a reference to the laws or rules in force at the time the law or rule containing the phrase was finally enacted or adopted;
- (5) "As provided by law," or "as provided by rule" is a reference to the laws or rules in force at the particular time the law or rule containing the phrase is applied;
- (6) "Attorney at law," an individual admitted to practice law by a court of record of this state;

(7) "Attorney of record," an attorney at law who is entered on the docket or record of a court as appearing for or representing a party in a legal proceeding;

(8) "Child" or "children" includes children by birth or adoption;

(9) "Day" comprises the time from midnight to the next midnight;

(10) "Fiscal year," the year by or for which accounts are reckoned;

(11) "Hereafter," a reference to the time after the time when the law *or rule* containing ~~such~~ the word takes effect;

(12) "Heretofore," a reference to the time previous to the time when the law *or rule* containing ~~such~~ the word takes effect;

(13) "Judicial sale," a sale conducted by an officer or person authorized for the purpose by some competent tribunal;

(14) "Minor," an individual under the age of 18 years;

(15) "Money," lawful money of the United States;

(16) "Night time," the time from sunset to sunrise;

(17) "Non compos mentis," refers to an individual of unsound mind;

(18) "Notary," a notary public;

(19) "Now," in any provision of a law *or rule* referring to other laws *or rules* in force, or to persons in office, or to any facts or circumstances as existing, relates to the laws *or rules* in force, or to the persons in office, or to the facts or circumstances existing, respectively, on the effective date of ~~such provision~~ *the law or rule*;

(20) "Verified," when used in reference to writings, means supported by oath or affirmation.

Sec. 59. Minnesota Statutes 1980, Section 645.451, Subdivision 1, is amended to read:

Subdivision 1. The terms defined in the following subdivisions ~~shall~~ have the meanings given them for the purpose of any statute or law of this state now in force, for the purposes of any statute or law hereinafter enacted *or any rule adopted* unless a ~~different meaning is specifically attached to the terms~~ or the context clearly requires a different meaning.

Sec. 60. Minnesota Statutes 1980, Section 645.46, is amended to read:

645.46 [REFERENCE TO SUBDIVISION, PARAGRAPH OR CLAUSE.]

Subdivision 1. [STATUTES.] Wherever in the Minnesota Statutes or any legislative act a reference is made to a subdivision without stating the section of which the subdivision referred to is a part, the reference is to the subdivision of the section in which the reference is made.

Subd. 2. [RULES.] Wherever in Minnesota Rules a reference is made to a paragraph or clause without stating the rule of which the paragraph or clause is a part, the reference is to the paragraph or clause of the rule in which the reference is made.

Sec. 61. Minnesota Statutes 1980, Section 645.48, is amended to read:

645.48 [USE OF THE WORD "TO" WHEN REFERRING TO SEVERAL

SECTIONS OR RULES.]

Wherever in the Minnesota Statutes, *Minnesota Rules*, or any legislative act a reference is made to several sections or rules and the section or rule numbers given in the reference are connected by the word "to," the reference includes both the sections or rules whose numbers are given and all intervening sections or rules.

Sec. 62. Minnesota Statutes 1980, Section 648.31, Subdivision 6, is amended to read:

Subd. 6. [AGENCY RULES.] The revisor may integrate agency rules ~~adopted pursuant to Minnesota Statutes, Section 15.0412, Subdivisions 4, 4a to 4h, and 5,~~ into the Minnesota Statutes, or publish the rules as an adjunct to the Minnesota Statutes, or coordinate publication of the rules with the Minnesota Statutes.

Sec. 63. Minnesota Statutes 1980, Section 648.50, Subdivision 1, is amended to read:

Subdivision 1. The revisor of statutes shall:

(a) formulate a plan for the compilation of all permanent agency rules and, to the extent practicable, temporary agency rules, *adopted pursuant to the administrative procedure act or filed pursuant to section 15.0413, subdivision 3,* including their order, classification, arrangement, form, and indexing, and any appropriate tables, annotations, cross references, citations to applicable statutes, explanatory notes, and other appropriate material to facilitate use of the rules by the public, and for the compilation's composition, printing, binding and distribution;

(b) publish the compilation of *permanent agency rules and, if practicable, temporary rules, adopted pursuant to the administrative procedure act or filed pursuant to section 15.0413, subdivision 3,* which shall be called "Minnesota Rules" ~~for the year of the compilation's publication;~~

(c) periodically either publish a supplement or a new compilation, which includes all rules adopted since the last supplement or compilation was published and removes rules incorporated in prior compilations or supplements which are no longer effective;

(d) ~~periodically prepare and submit to the appropriate agency those revisions of the rules, which will, if adopted by the agency, in accordance with section 15.0412, subdivisions 4a to 4g, clarify, modernize or simplify the text of the rule without substantive alteration~~ *include in Minnesota Rules a consolidated list of publications incorporated by reference into the rules indicating where the publications are available for use or purchase by the public;*

(e) maintain an agency rules drafting department to draft or aid in the drafting of rules or amendments to rules for any agency in accordance with the objective or other instructions which the agency shall give the revisor;

(f) prepare and publish an agency rules drafting guide which shall set out the form and method for drafting rules and amendments to rules, and to which all rules shall comply; and

(g) copyright any compilations and or supplements in the name of the state of Minnesota.

Sec. 64. Minnesota Statutes 1980, Section 648.50, is amended by adding a subdivision to read:

Subd. 1a. The revisor of statutes shall periodically prepare style and form revisions of rules to clarify, modernize, or simplify the text without material change to the rules' substance or effect. Before beginning any revision, the revisor shall consult the agency whose rules will be subject to the revision. After the revision is prepared, the revisor shall present it to the agency and receive its consent to proceed to seek adoption of the revision. Upon receiving consent, the revisor shall seek adoption of the rules in accordance with section 15.0412. However, the need and reasonableness statement and any hearing shall be restricted to the issue of whether any material change in the substance and effect of the rule is proposed by the revisor. The revisor shall mail notice of any hearing to the persons registered with the agency whose rules are the subject of the revision. The revisor shall pay all cost to publish notices in the state register and to replenish the agency's stock of rules which exist at the time the revisor adopts the revised rules.

Sec. 65. Minnesota Statutes 1980, Section 648.50, is amended by adding a subdivision to read:

Subd. 1b. The revisor of statutes shall not:

(a) alter the sense, meaning, or effect of any rule in the course of compiling or publishing it;

(b) aid an agency in the preparation of any statement concerning the need for or reasonableness of a rule except as provided by section 64;

(c) act as legal counsel for an agency before a hearing examiner except as provided by section 64.

Sec. 66. Minnesota Statutes 1980, Section 648.50, is amended by adding a subdivision to read:

Subd. 1c. In order to ensure that the complete text of rules is included in the first compilation published pursuant to subdivision 1, clause (b), and containing the revisor's certificate, the revisor may use the Minnesota Code of Agency Rules, the State Register, the rule files of the secretary of state, the files of individual agencies, the records of the hearing examiner's office, and the records of the attorney general. The revisor is not required to compare the text of a rule as shown by the other possible source documents with the text of the rule in the secretary of state's file.

If any comparison of documents shows there is a material discrepancy in the text of the rule, the revisor shall include in Minnesota Rules the text in the secretary of state's files unless the discrepancy between the secretary of state's files and any of the other documents is the result of an obvious unintentional omission or clerical error. The text published by the revisor shall correct those omissions and errors. The revisor shall add an appropriate footnote describing the apparent discrepancy in text. Before publication of Minnesota Rules, the revisor shall also notify the agency whose rules are affected, the attorney general, the chief hearing examiner, and the legislative commission to review administrative rules.

If any comparison of documents shows that a rule has been filed with the secretary of state but apparently has not been published in the state register as

required by law the revisor may, unless the attorney general objects, include the rule in Minnesota Rules or omit the rule if the rule was a repeal but shall add an appropriate footnote describing the apparent fault. Before publication of Minnesota Rules, the revisor shall notify the agency whose rules are affected, the attorney general, the chief hearing examiner, and the legislative commission to review administrative rules.

If a comparison of documents shows that a rule as adopted in the state register has apparently not been filed with the secretary of state, the revisor may not publish the rule in Minnesota Rules unless the attorney general approves the publication. Before publication of Minnesota Rules the revisor shall notify the agency affected, the attorney general, the chief hearing examiner and the legislative commission to review administrative rules of the apparent lack of filing of the rule. If the revisor publishes the rule, the revisor shall add an appropriate footnote describing the apparent lack of filing.

The text of the rules in the first compilation published by the revisor is prima facie evidence of the text of the rules as against any previous documents. However, the previous documents may be used to construe the text of a rule. Except as provided in section 71, the compilation shall not be construed as repealing any unpublished rule. The rules published in the compilation shall be construed as continuations of prior rules and not as new rules.

Sec. 67. Minnesota Statutes 1980, Section 648.50, Subdivision 2, is amended to read:

Subd. 2. The revisor of statutes shall file with the secretary of state one copy of each compilation or supplement which is published. The first compilation shall contain the revisor's certificate that the rules contained in it have been incorporated into the compilation in the manner required by law and that the incorporation is correct. Each copy thereafter shall contain the revisor's certificate that the rules ~~contained in~~ added to the compilation or supplement have been compared to the original rules filed with the secretary of state and are correctly incorporated into the compilation.

Sec. 68. Minnesota Statutes 1980, Section 648.50, Subdivision 3, is amended to read:

Subd. 3. Any subsequent compilation or supplement published by the revisor and containing his certificate is prima facie evidence of the administrative rules in all courts and proceedings. ~~Except as provided in section 71, a~~ compilation or supplement shall not be construed as repealing an unpublished rule. If there is any material inconsistency through omission or otherwise between the first compilation, a subsequent compilation or supplement, the state register, and a rule filed with the secretary of state, and the omission or change was not due to the provisions of section 70 or 71 or the correction of an obvious error or unintentional omission as required by section 66, the rule filed with the secretary shall prevail.

Sec. 69. Minnesota Statutes 1980, Section 648.50, Subdivision 4, is amended to read:

Subd. 4. (a) In preparing a compilation or supplement, the revisor ~~shall not alter the sense, meaning or effect of any rule, but~~ may renumber rules, paragraphs, clauses or other parts of a rule; combine or divide rules, paragraphs, clauses or other parts of a rule; rearrange the order of rules, paragraphs,

clauses, or other parts of a rule; move paragraphs, clauses, or other parts of a rule to another rule; *remove redundant language; make minor punctuation and grammatical changes to facilitate the renumbering, combining, dividing, and rearranging of rules or parts of rules*; change reference numbers to agree with renumbered rules, paragraphs, clauses or other parts of a rule; substitute the proper rule, paragraph, clause, or other part of a rule for the term "this rule", "the preceding rule" and the like; substitute numbers for written words and written words for numbers; *substitute the term "rule" for the term "regulation" when "regulation" refers to a Minnesota rule*; substitute the date on which the rule becomes effective for the words "the effective date of this rule", and the like; change capitalization, *punctuation, and forms of citation* for the purpose of uniformity; correct manifest clerical or typographical errors; correct all misspelled words; and correct manifest grammatical and punctuation errors.

(b) The revisor shall provide headnotes as catch words to rules and, if appropriate, to paragraphs, clauses, or other parts of a rule. The headnotes are not part of the rule even if included with the rule when it is adopted. The revisor shall change headnotes to clearly indicate the subject matter of the rules. "Headnote" means any text functioning as catch words to the substance of text and not itself communicating the substantive content of the rule.

Sec. 70. Minnesota Statutes 1980, Section 648.50, is amended by adding a subdivision to read:

Subd. 4a. For purposes of any compilation or publication of the rules, the revisor, unless the attorney general objects, may omit any extraneous descriptive or informative text which is not an operative portion of the rule. The revisor may also omit effective date provisions, statements that a rule is repealed, prefaces, appendices, guidelines, organizational descriptions, explanations of federal or state law, and similar material. The revisor shall consult with the agency, the attorney general, the legislative commission to review administrative rules, and with the chief hearing examiner before omitting any text from publication.

Sec. 71. Minnesota Statutes 1980, Section 648.50, is amended by adding a subdivision to read:

Subd. 4b. For the purposes of any compilation or publication of the rules, the revisor, unless the attorney general objects, may omit any rules that, by their own terms, are no longer effective or have been repealed directly by the agency, repealed by the legislature, or declared unconstitutional or otherwise void by a court of last resort. The revisor shall not remove a rule which is suspended and not fully repealed, but shall, if practicable, note the fact of suspension in Minnesota Rules. The revisor shall consult the agency involved, the attorney general, the chief hearing examiner, and the legislative commission to review administrative rules before omitting a rule from publication.

Sec. 72. Minnesota Statutes 1980, Section 648.50, Subdivision 6, is amended to read:

Subd. 6. In determining the *drafting* form of rules the revisor shall:

(a) minimize duplication of statutory language;

(b) not permit incorporations into the rules by reference of publications

which are not conveniently available to the public;

(c) to the extent practicable, use plain language in rules and avoid technical language; and

(d) amend rules by showing the text of the rule, paragraph, clause, or other part of a rule being amended *as necessary to provide adequate notice of the nature of the proposed amendment*, as it is shown in the latest compilation or supplement, or, if not yet published in a compilation or supplement, then as the text is shown in the state register, with changes shown by striking and underlining words.

Sec. 73. [REPEALER.]

Minnesota Statutes 1980, Sections 15.015; 15.02; 15.03; 15.04; 174.06, Subdivision 6; 245.04; 245.05; 245.06; and 245.07 are repealed.

Sec. 74. [EFFECTIVE DATE.]

Sections 1 to 73 are effective July 1, 1981."

Delete the title and insert:

"A bill for an act relating to administrative procedures; providing for changes in the recompilation, publication, and drafting of administrative rules; modifying the powers of the revisor of statutes with respect to compiling, publishing, and drafting of administrative rules; clarifying which rules are to be published; fixing a common nomenclature for certain steps in the administrative process; extending statutory standard definitions of terms and principles of construction to administrative rules; providing for the effect of transferring responsibilities between agencies; removing certain obsolete terms and clarifying certain language; amending Minnesota Statutes 1980, Sections 3.965, Subdivision 2; 15.0411, Subdivisions 2 and 3; 15.0412, Subdivisions 1, 1a, 2a, 4, 4c, 4d, 4e, 4f, 4g, 4h, 5, 7, 8, 9 and 10; 15.0413; 15.0415; 16.86, Subdivision 2; 62E.10, Subdivision 8; 121.931, Subdivision 8; 121.932, Subdivision 3; 182.655, Subdivision 1; 238.09, Subdivision 9; 271.06, Subdivision 7; 299A.03, Subdivision 6; 360.015, Subdivisions 4, 5 and 16; 645.071, Subdivision 1; 645.08; 645.11; 645.12, Subdivision 1; 645.13; 645.14; 645.15; 645.18; 645.19; 645.20; 645.21; 645.23; 645.24; 645.26, Subdivisions 1 and 2; 645.31, Subdivision 1; 645.34; 645.35; 645.36; 645.37; 645.39; 645.40; 645.41; 645.44, Subdivision 1; 645.45; 645.451, Subdivision 1; 645.46; 645.48; 648.31, Subdivision 6; 648.50, Subdivisions 1, 2, 3, 4 and 6, and by adding subdivisions; proposing new law coded in Minnesota Statutes, Chapters 15 and 645; repealing Minnesota Statutes 1980, Sections 15.015 to 15.04; 174.06, Subdivision 6; and 245.04 to 245.07."

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 516: A bill for an act relating to handicapped persons; prohibiting persons serving as foreign language interpreters or interpreters for persons with hearing or speaking impairments from disclosing communications made to them during the course of civil, criminal or administrative proceedings; amending Minnesota Statutes 1980, Sections 546.44, by adding a subdivision;

595.02; 611.30; 611.31; and 611.33, by adding a subdivision.

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

Page 1, after line 12, insert:

"Section 1. Minnesota Statutes 1980, Section 546.42, is amended to read:

546.42 ~~[HANDICAPPED PERSONS HANDICAPPED IN COMMUNICATION; INTERPRETERS.]~~

For the purposes of sections 546.42 to 546.44 a ~~handicapped~~ person *handicapped in communication* is one who, because of a hearing, speech or other communication disorder, or because of the inability to speak or comprehend the English language, is unable to understand the proceedings in which he is required to participate, or when named as a party to a legal proceeding, is unable by reason of such deficiency to obtain due process of law."

Page 1, line 16, delete "*cannot*" and insert "*shall not*"

Page 1, line 17, delete "*handicapped*" and after "*person*" insert "*handicapped in communication*"

Page 1, line 17, delete "*compelled*" and insert "*allowed*"

Page 1, lines 17 and 18, after "*any*" insert "*privileged*"

Page 1, lines 18 and 19, delete "*handicapped*"

Page 3, lines 21, 22, 23, and 25, delete "*handicapped*"

Page 3, lines 21 and 25, after "*person*" insert "*handicapped in communication*"

Page 3, line 23, delete "*such*" and insert "*the*"

Page 4, lines 3, 24, 25, and 26, delete "*handicapped*"

Page 4, line 3, after "*persons*" insert "*handicapped in communication*"

Page 4, line 4, strike "*such persons*" and insert "*them*"

Page 4, lines 6 and 7, strike "*such*"

Page 4, line 7, after "*persons*" insert "*handicapped in communication*"

Page 4, line 12, strike "*handicapped*"

Page 4, line 13, after the first "*person*" insert "*handicapped in communication*"

Page 4, line 23, delete "*cannot*" and insert "*shall not*"

Page 4, line 24, after "*person*" insert "*handicapped in communication*"

Page 4, line 24, delete "*compelled*" and insert "*allowed*"

Page 4, lines 24 and 25, after "*any*" insert "*privileged*"

Page 4, line 27, delete "*such*" and insert "*an*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete "handicapped"

Page 1, line 2, after the first "persons" insert "handicapped in communication"

Page 1, line 8, after "Sections" insert "546.42;"

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

Mr. Davies from the Committee on Judiciary, to which was referred

S. F. No. 188: A bill for an act relating to crimes; regulating the furnishing and possession of tear gas compounds; providing penalties; amending Minnesota Statutes 1980, Section 624.73.

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

Delete everything after the enacting clause and insert:

"Section 1. [624.731] [TEAR GAS AND TEAR GAS COMPOUNDS.]

Subdivision 1. [DEFINITIONS.] For the purposes of this section, "authorized tear gas compound" means any substance composed of a mixture of a lachrymator including chloroacetophenone, alpha-chloroacetophenone, orthochlorobenzalmalononitrile or oleoresin capsicum, and the chemical commonly known as tear gas.

Subd. 2. [AUTHORIZED POSSESSION; USE.] Except as provided in subdivisions 3 and 4, a person may possess and use an authorized tear gas compound in the exercise of reasonable force in defense of the person or his property only if it is propelled from an aerosol container, labelled with or accompanied by clearly written instructions as to its use and the dangers involved in its use, and dated to indicate its anticipated useful life.

Subd. 3. [PROHIBITED POSSESSION; USE.] (a) No person under the age of 16 shall possess or use an authorized tear gas compound except by written permission of his parent or guardian. (b) No person prohibited from possessing a pistol pursuant to section 624.713, subdivision 1, clause (b), shall possess or use an authorized tear gas compound. (c) No person prohibited from possessing a pistol pursuant to section 624.713, subdivision 1, clauses (c) to (e), shall possess or use an authorized tear gas compound, except that the certificate or other proof required for possession of a handgun shall not apply. (d) No person shall possess or use tear gas or a tear gas compound other than an authorized tear gas compound.

Subd. 4. [PROHIBITED USE.] (a) No person shall knowingly, or with reason to know, use tear gas, a tear gas compound, or an authorized tear gas compound on or against a peace officer who is in the performance of his duties. (b) No person shall use tear gas, a tear gas compound, or an authorized tear gas compound except as authorized in subdivision 2 or subdivision 6. (c) Tear gas or a tear gas compound shall legally constitute a weapon when it is used in the commission of a crime.

Subd. 5. [PROHIBITED SALE.] Except as provided in subdivisions 2 and 6, no person shall knowingly furnish or sell tear gas or a tear gas compound to another person. No person shall knowingly furnish or sell an authorized tear

gas compound to a person prohibited from possessing it by subdivision 3. No person shall knowingly furnish or sell an authorized tear gas compound which fails to meet the requirements of subdivision 2.

Subd. 6. [EXCEPTIONS.] Nothing in this section shall prohibit the possession or use of by, or the sale or furnishing of, tear gas, a tear gas compound, or an authorized tear gas compound to, a law enforcement agency, peace officer, the national guard or reserves, or a member of the national guard or reserves for use in their official duties.

Subd. 7. [EXEMPTION.] Tear gas, tear gas compounds, and authorized tear gas compounds shall not be classified as an obnoxious or harmful gas, fluid, or substance under section 609.60, clause (5).

Subd. 8. [PENALTIES.] (a) The following violations of this section shall be considered a felony:

(1) The possession or use of tear gas, a tear gas compound, or an authorized tear gas compound by a person specified in subdivision 3, clause (b).

(2) Knowingly selling or furnishing of tear gas, a tear gas compound, or an authorized tear gas compound to a person specified in subdivision 3, clause (b).

(b) The following violation of this section shall be considered a gross misdemeanor and shall be punished by not less than 90 days in jail: The prohibited use of tear gas, a tear gas compound, or an authorized tear gas compound as specified in subdivision 4, clause (a).

(c) The following violations of this section shall be considered a misdemeanor:

(1) The possession or use of tear gas, a tear gas compound, or an authorized tear gas compound which fails to meet the requirements of subdivision 2 by any person except as allowed by subdivision 6.

(2) The possession or use of an authorized tear gas compound by a person specified in subdivision 3, clause (a) or clause (c).

(3) The use of tear gas, a tear gas compound, or an authorized tear gas compound except as allowed by subdivision 2 or subdivision 6.

(4) Knowingly selling or furnishing an authorized tear gas compound to a person specified in subdivision 3, clause (a) or clause (c).

(5) Selling or furnishing of tear gas or a tear gas compound other than an authorized tear gas compound to any person except as allowed by subdivision 6.

Subd. 9. [LOCAL REGULATION.] This section shall be the exclusive regulation of the possession, use, sale, and furnishing of tear gas, tear gas compounds, and authorized tear gas compounds in Minnesota. This section shall supersede and preempt all regulation of the possession, use, sale, and furnishing of tear gas and tear gas compounds by political subdivisions.

Sec. 2. [REPEALER.]

Minnesota Statutes 1980, Section 624.73, is repealed.

Sec. 3. [EFFECTIVE DATE.]

Sections 1 and 2 are effective the day following final enactment provided that an authorized tear gas compound need not meet the labelling and dating requirements of section 1 until January 1, 1982."

Amend the title as follows:

Page 1, delete lines 2 to 4 and insert:

"relating to crimes; regulating the possession, use, sale, and furnishing of tear gas and tear gas compounds; providing penalties; proposing new law coded in Minnesota Statutes, Chapter 624; repealing Minnesota Statutes 1980, Section 624.73."

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

Mr. Moe, R.D. from the Committee on Rules and Administration, to which were referred

H. F. Nos. 339 and 487 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
487	229				
339	323				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 487 be amended as follows:

Page 2, lines 8 and 9, delete *"Ramsey county board of commissioners"* and insert *"commissioner of revenue"*

Page 2, line 9, delete everything after *"shall"*

Page 2, delete line 10

Page 2, line 11, delete *"submit the list"* and insert *"immediately give notice thereof"*

Page 2, line 11, after *"The"* delete *"list"* and insert *"notice"*

Page 2, line 13, delete *"buildings or structures"* and insert *"improvements"*

Page 2, lines 14 and 15, delete *"Ramsey county board of commissioners' list"* and insert *"commissioner's notice"*

Page 2, line 17, delete *"for"* and insert *"in favor of"*

Page 2, line 19, delete *"name of the"* and *"or"*

Page 2, line 21, delete *"be"* and insert *"must"*

Page 2, line 21, delete *"utilized"* and insert *"be used"*

Page 2, line 21, delete *"a"*

Page 2, line 22, delete *"portion"* and insert *"some"*

Page 2, line 23, before the period insert *"; or (iii) allow the parcel to be disposed of pursuant to chapter 282"*

Page 2, line 28, delete "for" and insert "in favor of"

Page 2, delete line 29

Page 2, line 30, delete "county board of commissioners" and insert "the taxing subdivision"

Page 2, line 32, delete "conveyed" and insert "released"

Page 2, lines 32 and 33, delete "to the state"

And when so amended H. F. No. 487 will be identical to S. F. No. 229, and further recommends that H. F. No. 487 be given its second reading and substituted for S. F. No. 229, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 339 be amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. [MAINTENANCE NOT REQUIRED FOR CERTAIN TOWN ROADS.]

The town boards of the towns in St. Louis County may by resolution determine whether to open or maintain town roads upon which no maintenance or construction work has been done for 25 years or more when duly authorized by a vote of the electors of any annual meeting or a special meeting called for that purpose. The provisions of Minnesota Statutes, Section 163.16 shall not apply to town roads upon which no maintenance or construction work has been done for 25 years or more.

Sec. 2. [EFFECTIVE DATE.]

This act is effective for each town in St. Louis County upon the approval of the town board of supervisors of that town and upon compliance with Minnesota Statutes, Section 645.021."

Delete the title and insert:

"A bill for an act relating to towns in St. Louis County; providing a method for determining whether to open or maintain certain town roads."

And when so amended H. F. No. 339 will be identical to S. F. No. 323, and further recommends that H. F. No. 339 be given its second reading and substituted for S. F. No. 323, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which were referred

H. F. Nos. 347, 634, 876, 1075, and 1083 for comparison with companion Senate Files, reports the following House Files were found identical and recommends the House Files be given their second reading and substituted for their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
347	523	1083	990		
634	529				
876	581				
1075	991				

and that the above Senate Files be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Report adopted.

Mr. Moe, R.D. from the Committee on Rules and Administration, to which were referred

H. F. Nos. 131 and 604 for comparison with companion Senate Files, reports the following House Files were found not identical with their companion Senate Files as follows:

GENERAL ORDERS		CONSENT CALENDAR		CALENDAR	
H.F. No.	S.F. No.	H.F. No.	S.F. No.	H.F. No.	S.F. No.
131	154				
604	791				

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 131 be amended as follows:

Page 1, line 12, delete "subdivisions" and insert "a subdivision"

Page 1, line 14, delete "civilly or"

Page 1, line 15, delete "criminally"

Page 1, line 15, after "liable" insert "in a civil or criminal proceeding"

Page 1, line 15, delete everything after "releasing"

Page 1, line 16, delete everything before "to" and after "county" insert a comma

Page 1, line 20, before the semicolon insert "any of the following information relating to the drawer's account"

Page 1, line 26, after "during" insert a comma

Page 2, line 3, delete "current" and insert "last known"

Page 2, after line 4, insert:

"Sec. 2. Minnesota Statutes 1980, Section 609.535, is amended by adding a subdivision to read:"

Page 2, delete lines 6 to 11, and insert "HOLDER.] If there is a written request to a drawee from a payee or holder of a check or other order for the

payment of money that has been dishonored other than by a stop payment order, accompanied with a photostatic copy of the dishonored check or other order for payment of money, the drawee shall not be liable in a civil or criminal proceeding for releasing to the payee or holder any of the following information relating to the drawer's account:"

Page 2, line 12, after "Whether" insert a comma and before "order" delete "the" and insert "other"

Page 2, line 13, after "payment" insert a comma

Page 2, line 17, delete "most current" and insert "last known"

Page 2, delete line 19, and insert:

"Sec. 3. Minnesota Statutes 1980, Section 609.535, is amended by adding a subdivision to read:

Subd. 8. [NOTICE.] The provisions of subdivisions 6 and 7 shall not be applicable unless the notice to the maker or drawer required by subdivision 3 states that if the check or other order for the payment of money is not paid in full within five business days after receipt of the notice, the drawee may release information relating to the issuer's account to the payee or holder of the check or other order for the payment of money and to law enforcement and prosecuting authorities. No person shall be liable for threatening a criminal action to collect a civil obligation solely because of inclusion of the language permitted to be contained in the notice by this subdivision.

Sec. 4. Minnesota Statutes 1980, Section 609.535, is amended by adding a subdivision to read:

Subd. 9. [CONFIDENTIALITY OF INFORMATION.] Any information"

Page 2, line 21, delete the comma after "delivered"

Page 2, line 22, delete the comma after "delivery"

Page 2, line 26, delete "2" and insert "5"

Page 2, line 27, delete "Section 1" and insert "This act"

Amend the title as follows:

Page 1, line 7, before "amending" insert "providing notification of the release of information; restricting further disclosure of information released;"

And when so amended H. F. No. 131 will be identical to S. F. No. 154, and further recommends that H. F. No. 131 be given its second reading and substituted for S. F. No. 154, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H. F. No. 604 be amended as follows:

Page 3, line 20, delete "no less than that"

Page 3, line 21, strike "allowed for state employees pursuant to section 471.665,"

Page 3, line 22, strike "subdivision 1"

Page 3, line 22 before the semicolon, insert "*to be set by the governing body that sets the compensation of the election judge*"

And when so amended H. F. No. 604 will be identical to S. F. No. 791, and further recommends that H. F. No. 604 be given its second reading and substituted for S. F. No. 791, and that the Senate File be indefinitely postponed.

Pursuant to Rule 49, this report was prepared and submitted by the Secretary of the Senate on behalf of the Committee on Rules and Administration. Amendments adopted. Report adopted.

SECOND READING OF SENATE BILLS

S. F. Nos. 272, 692, 533, 1118, 576, 771, 726, 513, 268, 388, 269, 517, 732, 595, 1043, 516 and 188 were read the second time.

SECOND READING OF HOUSE BILLS

H. F. Nos. 829, 258, 168, 371, 487, 339, 347, 634, 876, 1075, 1083, 131 and 604 were read the second time.

MOTIONS AND RESOLUTIONS

Mr. Spear moved that the name of Mrs. Stokowski be added as co-author to S. F. No. 452. The motion prevailed.

Mr. Petty moved that the name of Mr. Dahl be added as co-author to S. F. No. 730. The motion prevailed.

Mr. Sikorski moved that the name of Mrs. Stokowski be added as co-author to S. F. No. 842. The motion prevailed.

Mr. Peterson, R. W. moved that the name of Mr. Lessard be added as co-author to S. F. No. 985. The motion prevailed.

Mrs. Lantry moved that the name of Mrs. Stokowski be added as co-author to S. F. No. 1011. The motion prevailed.

Mr. Humphrey moved that the name of Mr. Dahl be added as co-author to S. F. No. 1082. The motion prevailed.

Mr. Humphrey moved that the name of Mr. Dahl be added as co-author to S. F. No. 1086. The motion prevailed.

Ms. Berglin moved that the name of Mr. Merriam be added as co-author to S. F. No. 1237. The motion prevailed.

Mr. Davis moved that the name of Mr. Rued be added as co-author to S. F. No. 1242. The motion prevailed.

Mr. Humphrey introduced—

Senate Resolution No. 49: A Senate resolution acknowledging April as cancer control month in Minnesota.

Referred to the Committee on Rules and Administration.

CALENDAR

H. F. No. 117: A bill for an act relating to general assistance; removing the presumption of eligibility from general assistance; providing that applications be permitted no later than four days after assistance is requested; requiring that determinations be made with respect to the need for emergency general assistance; providing that eligibility determinations for general assistance be made no later than 30 days following application; providing that the first general assistance grant be computed for eligible applicants from the time when assistance is requested; requiring vendor payments of grants until eligibility determinations are complete; amending Minnesota Statutes 1980, Sections 256D.07 and 256D.09, Subdivision 1.

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 56 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Frank	Lantry	Peterson, R. W.	Stumpf
Benson	Frederickson	Lindgren	Petty	Taylor
Berg	Hanson	Luther	Ramstad	Tennessen
Berglin	Hughes	Merriam	Renneke	Ulland
Bernhagen	Humphrey	Moe, D. M.	Rued	Vega
Bertram	Johnson	Moe, R. D.	Schmitz	Waldorf
Brataas	Keefe	Nelson	Setzepfandt	Wegener
Dahl	Knoll	Olthoff	Sieloff	Willet
Davies	Knutson	Pehler	Solon	
Davis	Kroening	Penny	Spear	
Dieterich	Kronebusch	Peterson, C. C.	Stern	
Engler	Langseth	Peterson, D. L.	Stokowski	

So the bill passed and its title was agreed to.

S. F. No. 356: A bill for an act relating to taxation; authorizing certain taxing districts to provide property tax exemption or abatement for certain new business facilities; requiring an adjustment of the EARC valuation; adjusting the local government aid formula; requiring a report from the commissioner of revenue; requiring county approval and providing for a reverse referendum; amending Minnesota Statutes 1980, Sections 124.212; and 477A.01, Subdivision 4; proposing new law coded in Minnesota Statutes, Chapter 273.

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 34 and nays 23, as follows:

Those who voted in the affirmative were:

Berg	Hanson	Moe, R. D.	Petty	Stern
Bernhagen	Hughes	Nelson	Ramstad	Taylor
Bertram	Humphrey	Olthoff	Renneke	Ulland
Chmielewski	Johnson	Pehler	Rued	Vega
Davis	Knutson	Penny	Schmitz	Wegener
Engler	Langseth	Peterson, C. C.	Setzepfandt	Willet
Frederickson	Lindgren	Peterson, D. L.	Solon	

Those who voted in the negative were:

Ashbach	Dahl	Knoll	Merriam	Stokowski
Belanger	Davies	Kroening	Moe, D. M.	Stumpf
Benson	Dieterich	Kronebusch	Peterson, R. W.	Waldorf
Berglin	Frank	Lantry	Sieloff	
Brataas	Keefe	Luther	Spear	

So the bill passed and its title was agreed to.

CONSENT CALENDAR

S. F. No. 825: A bill for an act relating to courts; abolishing the maintenance of certain court records; amending Minnesota Statutes 1980, Sections 485.07; 548.08; 548.15; 548.22; 548.24; and 572.22, Subdivision 1.

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 53 and nays 0, as follows:

Those who voted in the affirmative were:

Belanger	Dieterich	Kronebusch	Penny	Spear
Benson	Engler	Langseth	Peterson, D. L.	Stern
Berg	Frank	Lantry	Peterson, R. W.	Stokowski
Berglin	Frederickson	Lindgren	Petty	Stumpf
Bernhagen	Hanson	Luther	Ramstad	Taylor
Bertram	Hughes	Merriam	Renneke	Ulland
Brataas	Humphrey	Moe, D. M.	Rued	Vega
Chmielewski	Johnson	Moe, R. D.	Schmitz	Waldorf
Dahl	Knoll	Nelson	Setzepfandt	Wegener
Davies	Knutson	Olhoft	Sieloff	
	Kroening	Pehler	Solon	

So the bill passed and its title was agreed to.

S. F. No. 718: A bill for an act relating to marriage; making the age of consent requirements for boys the same as for girls; amending Minnesota Statutes 1980, Section 517.02.

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 55 and nays 2, as follows:

Those who voted in the affirmative were:

Ashbach	Davis	Knutson	Pehler	Sieloff
Belanger	Dieterich	Kronebusch	Penny	Solon
Benson	Engler	Langseth	Peterson, C. C.	Spear
Berg	Frank	Lantry	Peterson, D. L.	Stern
Berglin	Frederickson	Lindgren	Peterson, R. W.	Stokowski
Bernhagen	Hanson	Luther	Petty	Stumpf
Bertram	Hughes	Merriam	Ramstad	Taylor
Brataas	Humphrey	Moe, D. M.	Renneke	Ulland
Chmielewski	Johnson	Moe, R. D.	Rued	Vega
Dahl	Keefe	Nelson	Schmitz	Wegener
Davies	Knoll	Olhoft	Setzepfandt	Willet

Messrs. Kroening and Waldorf voted in the negative.

So the bill passed and its title was agreed to.

H. F. No. 214: A bill for an act relating to labor; regulating certain steam engine and boiler operators; exempting certain operators from testing requirements; amending Minnesota Statutes 1980, Section 183.411.

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 57 and nays 0, as follows:

Those who voted in the affirmative were:

Ashbach	Dieterich	Kronebusch	Peterson, C. C.	Stern
Belanger	Engler	Langseth	Peterson, D. L.	Stokowski
Benson	Frank	Lantry	Peterson, R. W.	Stumpf
Berg	Frederickson	Lindgren	Petty	Taylor
Berglin	Hanson	Luther	Ramstad	Ulland
Bernhagen	Hughes	Merriam	Renneke	Vega
Bertram	Humphrey	Moe, D. M.	Rued	Waldorf
Brataas	Johnson	Moe, R. D.	Schmitz	Wegener
Chmielewski	Keefe	Nelson	Setzepfandt	Willet
Dahl	Knoll	Olhoft	Sieloff	
Davies	Knutson	Pehler	Solon	
Davis	Kroening	Penny	Spear	

So the bill passed and its title was agreed to.

INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Chmielewski introduced—

S.F. No. 1250: A bill for an act relating to taxation; creating a new property classification and providing a reduced assessment ratio for commercial and industrial property; amending Minnesota Statutes 1980, Section 273.13, Subdivision 9.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Rued, Bertram, Benson, Berg and Dicklich introduced—

S.F. No. 1251: A bill for an act relating to health; changing the mandatory fluoridation program to an optional one; amending Minnesota Statutes 1980, Section 144.145.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Davies, Dahl and Keefe introduced—

S.F. No. 1252: A bill for an act relating to insurance; removing insurance solicitors from insurance licensing provisions; prescribing certain fees; providing for licensing of certain legal entities as agents; providing for the licensing of other insurance agents; providing for examinations; providing exceptions to the licensing requirements; authorizing temporary licenses; providing for appointment of agents by insurers; prohibiting certain persons from obtaining an agent's license; providing for the revocation or suspension of licenses upon specified conditions; providing for the surrender, loss, or des-

truction of licenses; prescribing certain powers of the commissioner; authorizing the sale of contracts on a variable basis without licensure in certain circumstances; authorizing the commissioner to promulgate rules; prescribing penalties; amending Minnesota Statutes 1980, Sections 60A.02, Subdivision 7; 60A.14, Subdivision 1; 60A.17, Subdivisions 1, 3, 5, 6, 10, 12, and 13, and by adding subdivisions; repealing Minnesota Statutes 1980, Sections 60A.02, Subdivision 8; and 60A.17, Subdivisions 2, 2a, 2b, 4, 5a, 6a, 7, and 9.

Referred to the Committee on Commerce.

Mr. Knoll introduced—

S.F. No. 1253: A bill for an act relating to consumer protection; providing for a definition of building materials which may contain urea formaldehyde; providing for exceptions; amending Minnesota Statutes 1980, Section 325F.18, by adding a subdivision.

Referred to the Committee on Commerce.

Mr. Ramstad introduced—

S.F. No. 1254: A bill for an act relating to state government; changing the name of the department of public welfare to the department of social services; amending Minnesota Statutes 1980, Section 245.03.

Referred to the Committee on Governmental Operations.

Messrs. Berg, Bernhagen, Frederick, Setzepfandt and Peterson, C.C. introduced—

S.F. No. 1255: A bill for an act relating to taxation; exempting sales of certain food products from the sales tax; amending Minnesota Statutes 1980, Section 297A.25, Subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Ulland, Stumpf, Ramstad, Mrs. Kronebusch and Mr. Knoll introduced—

S.F. No. 1256: A bill for an act relating to state government; directing the commissioner of administration to obtain state office space in certain types of historically significant buildings when practical; authorizing the commissioner to lease or provide space in state buildings for commercial, cultural, recreational, and educational activities; amending Minnesota Statutes 1980, Section 16.243; proposing new law coded in Minnesota Statutes, Chapter 16.

Referred to the Committee on Governmental Operations.

Messrs. Frank and Merriam introduced—

S.F. No. 1257: A bill for an act relating to drainage; eliminating requirement for auditor's lien statement; changing payment procedures for assessments for certain ditches and drainage systems; amending Minnesota Statutes 1980, Sections 106.371; 106.381; 106.391; 106.401; 106.411, Subdivision 9; 106.471, Subdivisions 5 and 6; 106.491; and 112.64, Subdivision 2; repealing

Minnesota Statutes 1980, Sections 106.341, 106.351 and 106.361.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Ulland, Purfeerst and Ashbach introduced—

S.F. No. 1258: A bill for an act relating to state contracts; requiring public work contracts to contain an equitable adjustment clause; proposing new law coded in Minnesota Statutes 1980, Chapter 446.

Referred to the Committee on Governmental Operations.

Mr. Humphrey introduced—

S.F. No. 1259: A bill for an act relating to Independent School District No. 281, Robbinsdale; providing an alley system for at large election of school board members.

Referred to the Committee on Elections and Reapportionment.

Messrs. Lessard, Johnson, Hanson, Willet and Merriam introduced—

S.F. No. 1260: A bill for an act relating to taxation; providing that owners or occupants of auxiliary forest lands and owners of forest lands under the tree growth tax law shall not be required to build or maintain partition fences; amending Minnesota Statutes 1980, Sections 88.49, by adding a subdivision; and 270.38, by adding a subdivision.

Referred to the Committee on Taxes and Tax Laws.

Mr. Chmielewski introduced—

S.F. No. 1261: A bill for an act relating to health; altering the definition of certain terms in the certificate of need act; allowing health care facilities to change some services under certain circumstances without obtaining a certificate of need; amending Minnesota Statutes 1980, Section 145.833, Subdivision 5.

Referred to the Committee on Health, Welfare and Corrections.

Messrs. Merriam and Peterson, R.W. introduced—

S.F. No. 1262: A bill for an act relating to the Coon Creek watershed district; authorizing an annual administrative levy by the district.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Merriam and Setzepfandt introduced—

S.F. No. 1263: A bill for an act relating to commerce; prohibiting certain sales of gasoline for prices which are determined by certain factors other than actual gallonage received; proposing new law coded in Minnesota Statutes, Chapter 296.

Referred to the Committee on Commerce.

Mr. Merriam introduced—

S.F. No. 1264: A bill for an act relating to taxation; correcting the formula

for limiting the property tax credit for transmission lines; amending Minnesota Statutes 1980, Section 273.42, Subdivision 2.

Referred to the Committee on Taxes and Tax Laws.

Mrs. Lantry introduced—

S.F. No. 1265: A bill for an act relating to the Battle Creek watershed district; permitting deferral of special assessments in certain cases of hardship.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Bertram introduced—

S.F. No. 1266: A bill for an act relating to retirement; granting an option as to public employees retirement association membership to employees of public hospitals, nursing homes and extended care facilities; proposing new law coded in Minnesota Statutes, Chapter 355; repealing Minnesota Statutes 1980, Section 355.73, Subdivision 6.

Referred to the Committee on Public Employees and Pensions.

Messrs. Kroening, Willet and Mrs. Lantry introduced—

S.F. No. 1267: A bill for an act relating to public employment; creating a new bargaining unit for state employees; amending Minnesota Statutes 1980, Section 179.741, Subdivision 1, and by adding a subdivision.

Referred to the Committee on Public Employees and Pensions.

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

MOTIONS AND RESOLUTIONS

CONFIRMATION

Mr. Merriam moved that the report from the Committee on Agriculture and Natural Resources, reported April 6, 1981, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Merriam moved that the foregoing report be now adopted. The motion prevailed.

Mr. Merriam moved that in accordance with the report from the Committee on Agriculture and Natural Resources, reported April 6, 1981, the Senate, having given its advice, do now consent to and confirm the appointment of:

WATER PLANNING BOARD

Alvin Payne, Rt. 1, Box 40, DeGraff, Chippewa County, effective August 13, 1980, for a term expiring June 30, 1982.

The motion prevailed. So the appointment was confirmed.

CONFIRMATION

Mr. Spear moved that the report from the Committee on Public Employees

and Pensions, reported April 6, 1981, pertaining to appointments, be taken from the table. The motion prevailed.

Mr. Spear moved that the foregoing report be now adopted. The motion prevailed.

Mr. Spear moved that in accordance with the report from the Committee on Public Employees and Pensions, reported April 6, 1981, the Senate, having given its advice, do now consent to and confirm the appointments of:

PUBLIC EMPLOYMENT RELATIONS BOARD

Karl F. Landholm, 735 Arbogast, St. Paul, Ramsey County, effective June 12, 1980, for a term expiring the first Monday in January, 1982.

Karen A. Olsen, 1809 41st Avenue NE, Minneapolis, Anoka County, effective April 20, 1979, for a term expiring the first Monday in January, 1983.

The motion prevailed. So the appointments were confirmed.

MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Thursday, April 9, 1981. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate