

## FIFTY-EIGHTH DAY

St. Paul, Minnesota, Friday, May 20, 1983

The Senate met at 12:00 noon and was called to order by the President.

### CALL OF THE SENATE

Mr. Vega imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

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

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

|             |               |            |                |           |
|-------------|---------------|------------|----------------|-----------|
| Adkins      | Diessner      | Kroening   | Olson          | Sieloff   |
| Anderson    | Dieterich     | Kronebusch | Pehler         | Solon     |
| Belanger    | Frank         | Laidig     | Peterson, C.C. | Spear     |
| Benson      | Frederick     | Langseth   | Peterson, D.C. | Storm     |
| Berg        | Frederickson  | Lantry     | Peterson, D.L. | Stumpf    |
| Berglin     | Freeman       | Lessard    | Peterson, R.W. | Taylor    |
| Bernhagen   | Hughes        | Luther     | Petty          | Ulland    |
| Bertram     | Isackson      | McQuaid    | Pogemiller     | Vega      |
| Brataas     | Johnson, D.E. | Mehrrens   | Purfeerst      | Waldorf   |
| Chmielewski | Johnson, D.J. | Merriam    | Ramstad        | Wegscheid |
| Dahl        | Jude          | Moe, D.M.  | Reichgott      | Willet    |
| Davis       | Kamrath       | Moe, R.D.  | Renneke        |           |
| DeCramer    | Knaak         | Nelson     | Samuelson      |           |
| Dicklich    | Knutson       | Novak      | Schmitz        |           |

The President declared a quorum present.

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

### EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communication was received.

May 17, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

I have the honor to inform you that the following enrolled Acts of the 1983 Session of the State Legislature have been received from the Office of the Governor and are deposited in the Office of the Secretary of State for preservation, pursuant to the State Constitution, Article IV, Section 23:

| S.F. No. | H.F. No. | Session Laws Chapter No. | Date Approved 1983 | Date Filed 1983 |
|----------|----------|--------------------------|--------------------|-----------------|
| 44       |          | 144                      | May 17             | May 17          |
| 568      |          | 145                      | May 17             | May 17          |
| 705      |          | 146                      | May 17             | May 17          |
| 843      |          | 147                      | May 17             | May 17          |
| 900      |          | 148                      | May 17             | May 17          |
|          | 171      | 149                      | May 17             | May 17          |
|          | 360      | 150                      | May 17             | May 17          |
|          | 490      | 151                      | May 17             | May 17          |
|          | 530      | 152                      | May 17             | May 17          |
|          | 588      | 153                      | May 17             | May 17          |
|          | 608      | 154                      | May 17             | May 17          |
|          | 694      | 155                      | May 17             | May 17          |
|          | 758      | 156                      | May 17             | May 17          |
|          | 958      | 157                      | May 17             | May 17          |

Sincerely,

Joan Anderson Growe  
Secretary of State

### MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 863: A resolution memorializing the President and Secretary of State of the United States to protest discrimination against Soviet Jews and seek an end to restrictions on their emigration.

Senate File No. 863 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

### CONCURRENCE AND REPASSAGE

Mr. Spear moved that the Senate concur in the amendments by the House to S.F. No. 863 and that the bill be placed on its repassage as amended. The motion prevailed.

S.F. No. 863 was read the third time, as amended by the House, and placed on its repassage.

The question was taken on the repassage of the resolution, as amended.

The roll was called, and there were yeas 41 and nays 0, as follows:

Those who voted in the affirmative were:

|             |           |               |                |        |
|-------------|-----------|---------------|----------------|--------|
| Adkins      | DeCramer  | Johnson, D.E. | Mehrkens       | Storm  |
| Anderson    | Dieklich  | Johnson, D.J. | Moe, R. D.     | Stumpf |
| Belanger    | Diessner  | Jude          | Peterson, D.C. | Ulland |
| Benson      | Dieterich | Kamrath       | Peterson, D.L. | Vega   |
| Bernhagen   | Frank     | Knaak         | Pogemiller     | Willet |
| Bertram     | Frederick | Kronebusch    | Ramstad        |        |
| Chmielewski | Freeman   | Laidig        | Schmitz        |        |
| Dahl        | Hughes    | Lantry        | Sieloff        |        |
| Davis       | Isackson  | Luther        | Spear          |        |

So the resolution, as amended, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to the following House File:

H.F. No. 1310: A bill for an act relating to capital improvements; authorizing the acquisition and betterment of public land and buildings and other public improvements of a capital nature with certain conditions; authorizing issuance of state bonds; appropriating money; proposing new law coded in Minnesota Statutes, chapter 16.

And the House respectfully requests that a Conference Committee of five members be appointed thereon:

Rice; Carlson, L.; Vanasek; Munger and Rose have been appointed as such committee on the part of the House.

House File No. 1310 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1983

Mr. Willet moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 1310, and that a Conference Committee of 5 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 911: A bill for an act relating to utilities; specifying the commission's authority over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

Senate File No. 911 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. Frank moved that the Senate do not concur in the amendments by the

House to S.F. No. 911, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 87: A bill for an act relating to public welfare; requiring reporting of abuse or neglect of children; exempting determinations of eligibility for day care and foster care licenses from application of the Minnesota criminal offenders rehabilitation law; requiring arrest information and reports to be made available to the commissioner of public welfare for the purpose of investigating applicants for a day care or residential facility license; establishing the burden of proof in certain appeals; providing for appointment of guardianship of children whose parents are deceased; clarifying investigative authority of welfare agencies in making mandated investigations of physical or sexual abuse and neglect; amending Minnesota Statutes 1982, sections 245.783, subdivision 3; 245.801, subdivision 4; 260.011, subdivision 2; 260.242, subdivision 2, and by adding a subdivision; 364.09; and 626.556, subdivisions 2, 4, 7, and 10.

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

Wynia; Clark, J. and Levi.

Senate File No. 87 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 159: A bill for an act relating to occupations and professions; regulating chiropractic practice; providing rulemaking authority for the board of chiropractic examiners; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; and 148.08, and by adding a subdivision.

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

Ogren, Valan and McEachern.

Senate File No. 159 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:



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

S.F. No. 218: A bill for an act relating to commitment of persons who are mentally ill, mentally retarded, or mentally ill and dangerous; requiring mental commitment proceedings for persons acquitted of a criminal charge pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency to be held in the court in which acquittal took place; modifying the burden of going forward with the evidence on the issues of mental illness, mental retardation, and mental illness and dangerousness in certain cases; amending Minnesota Statutes 1982, sections 253B.02, subdivision 4, and by adding subdivisions; 253B.07, subdivisions 1, 2, 3, and 7, and by adding a subdivision; 253B.08, subdivision 7; 253B.12, subdivision 4; 253B.18, subdivision 1; 253B.19, subdivision 1; 253B.21, subdivision 5; and 253B.23, subdivision 7.

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

Kelly, Long and McKasy.

Senate File No. 218 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 415: A bill for an act relating to state government; providing for salaries for constitutional officers, agency heads, metropolitan agency heads, and certain judicial positions; providing an expense allowance; establishing a compensation council; limiting local government salaries; prohibiting cash payments for accumulated vacation pay; expanding the authority of the commissioner of employee relations to set salaries; requiring the governor to recommend certain salaries; removing salary setting authority of certain state agencies; removing additional compensation for the career executive service; requiring the percentage of women in the career executive service to be increased; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; amending Minnesota Statutes 1982, sections 3.855, subdivision 3; 3.922, subdivision 5; 15A.081, subdivisions 1, 6, and 7, and by adding a subdivision; 15A.083, subdivisions 1, 2, and 4; 43A.17, by adding subdivisions; 43A.18, subdivisions 3, 4, and 5; 43A.21, by adding a subdivision; 105.71, subdivision 2; 136.034; 136A.03; 179.741, subdivision 1; 244.09, subdivision 10; 256.482, subdivision 2; 298.22, subdivision 1; 326.241, subdivision 2; 352.03, subdivision 4; 354.06, subdivision 2; 484.68, subdivision 6; and Laws 1980, chapter 564, article XII, section 1, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 15A; repealing Minnesota Statutes 1982, sections 16A.16; 136.063; and

136A.035.

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

Simoneau, Vanasek, Sparby, Bishop and McKasy.

Senate File No. 415 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 455: A bill for an act relating to nonprofit corporations; providing for approval of certain actions by boards of directors without formal board meetings; amending Minnesota Statutes 1982, section 317.20, subdivision 12.

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

Riveness, Quinn and Knuth.

Senate File No. 455 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 545: A bill for an act relating to welfare; changing laws relating to child support enforcement; providing for determination of paternity; providing for determination and modification of child support; amending Minnesota Statutes 1982, sections 256.74, by adding a subdivision; 256.87; 257.55, subdivision 1; 257.58; 257.59, subdivision 1; 257.60; 257.62, subdivision 1, and by adding subdivisions; 257.64, subdivision 1; 257.66, subdivisions 3 and 4; 257.69, subdivision 2; 518.10; 518.17, by adding a subdivision; 518.551, subdivisions 1, 5, and 6, and by adding subdivisions; 518.611; 518.64, subdivisions 2 and 5, and by adding a subdivision; 518.645; 518B.01, subdivisions 2 and 6; 518C.17, subdivision 1; 518C.33, subdivision 1; and 548.09; proposing new law coded in Minnesota Statutes, chapters 257, 518, and 543; repealing Minnesota Statutes 1982, sections 256.87, subdivision 2; 256.872; 256.873; 256.876; and 518.551, subdivisions 2, 3, and 4.

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

Brandl, Quist and Rodosovich.

Senate File No. 545 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 591: A bill for an act relating to insurance; health and accident; prohibiting provider discrimination in insurance policies covering mental health services; amending Minnesota Statutes 1982, section 62A.152, by adding a subdivision.

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

Skoglund, Burger and Ellingson.

Senate File No. 591 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 889: A bill for an act relating to local government; clarifying powers of municipalities and redevelopment agencies with respect to acquisition, construction, leasing, selling, loan of funds, and issuance of revenue bonds for industrial development projects; amending Minnesota Statutes 1982, sections 474.03 and 474.06.

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

Berkelman, Price and Schreiber.

Senate File No. 889 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

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

S.F. No. 964: A bill for an act relating to corporations; providing for the determination of eligibility for the indemnification of certain persons; prohibiting the use of corporate information obtained improperly; authorizing the use of protective orders and other relief to prevent the premature disclosure of certain confidential information or the use of corporate information obtained improperly; permitting the use of corporate names of corporations

not filing the active status report; restricting the right of a corporation to deny cumulative voting; protecting preemptive rights of shareholders; clarifying when equitable relief is available to minority stockholders; providing for the retention of cumulative voting and preemptive rights after incorporation; amending Minnesota Statutes 1982, sections 300.083, subdivision 6; 302A.115, by adding a subdivision; 302A.215; 302A.413, by adding a subdivision; 302A.461, subdivisions 4, 6, and by adding a subdivision; 302A.521, subdivision 6; and 302A.751, subdivision 1, and by adding a subdivision.

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

Ellingson, Greenfield and Heap.

Senate File No. 964 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 238 and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 238: A bill for an act relating to mining; including peat within the provisions of mineland reclamation laws; requiring adoption of certain reclamation rules prior to issuance of metallic mining permits; amending Minnesota Statutes 1982, sections 93.44; 93.46, subdivisions 2 and 6; and 93.481, by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 93.

Senate File No. 238 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 267 and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 267: A bill for an act relating to taxation; increasing the amount of reduced valuations required to be maintained as public record; allowing the commissioner discretion in apportioning levies; increasing the amount of reduction in valuation requiring an opportunity for hearing; allowing county auditors to combine legal descriptions over section lines; classifying farm rental value data; excluding certain corporations from receiving agricultural property tax valuation; providing for continuation of open space treatment; providing for the assessment of certain class 3 property based upon its use; requiring publication of certain requirements for obtaining a homestead after the assessment date; removing special taxing districts from levy limits; allowing counties to charge for NSF checks; providing for rounding of tax amounts on tax statements; directing the use of the previous

years mill rate when distributing delinquent tax proceeds; changing the date for filing list of delinquent personal property taxes; extending application of the alternate sale procedure; increasing the fee for lost deeds; changing the process for distributing mortgage registration tax proceeds; raising the fee for trip permits; requiring filing of an amended estate tax return in certain situations; clarifying the date interest accrues on estate tax amounts due; providing for department action following the filing of an amended return; requiring state's share of federal credit to not be less than state's share of the estate; providing a definition of surviving spouse for estate tax purposes; requiring filing of final account to commissioner of revenue; changing the requirement for filing a declaration of estimated gross earnings tax; imposing a penalty for failure to pay estimated gross earnings tax; extending the time allowed to claim gasoline or special fuel tax refunds; changing the requirements relating to distribution of free samples of cigarettes; imposing a penalty for failure to pay the tax on wines and spirituous liquors; conforming penalties for non-payment of tax on beer to penalties imposed on other taxes; delaying implementation of the assessment penalty; requiring payment of current taxes before a plat is recorded; amending Minnesota Statutes 1982, sections 270.10, subdivisions 1 and 3; 270.12, subdivision 3; 270.19; 272.46, subdivision 2; 273.11, subdivision 7; 273.111, subdivision 3; 273.112, subdivision 7, and by adding a subdivision; 273.13, subdivisions 4, and 16; 275.50, subdivision 2; 276.02; 276.04; 276.10; 277.02; 282.01, subdivision 7a; 282.33, subdivision 1; 287.08; 291.005, subdivision 1; 291.03, subdivision 1; 291.07, subdivision 1; 291.09, subdivision 3a; 291.131, subdivision 6; 291.132, subdivision 1; 291.215, subdivision 3; 295.365; 295.366, subdivision 1; 296.17, subdivisions 3 and 17; 297.03, subdivision 10; 340.485, subdivision 1, and by adding subdivisions; 340.492; 477A.04; 505.04; repealing Minnesota Statutes 1982, sections 272.022; 272.023; 272.024; 273.13, subdivision 18; 273.23; 273.24; 273.28; 273.29; 273.30; 273.31; 273.34; 273.44; 273.45; 273.52; 288.01; 288.02; 288.03; 288.04; 288.05; 291.07, subdivision 3; and 473F.04.

Senate File No. 267 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 19, 1983

Mr. President:

I have the honor to announce the following change in the membership of the Conference Committee on House File No. 380:

The name of Halberg has been deleted.

The name of Quinn has been added.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 149, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 149 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 149

A bill for an act relating to natural resources; clarifying the hunting of certain animals with dogs; amending Minnesota Statutes 1982; section 98.46, subdivision 2.

May 18, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 149, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 149 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 98.46, subdivision 2, is amended to read:

Subd. 2. Fees for the following licenses, to be issued to residents only, shall be:

- (1) To take small game, \$7;
- (2) To take deer with firearms, \$15;
- (3) To take deer with bow and arrow, \$15;
- (4) To take fish by angling, \$6.50;
- (5) Combination husband and wife, to take fish by angling, \$10.50;
- (6) To take moose, \$140 for an individual or for a party of not to exceed four persons;
- (7) To take bear only, \$15;
- (8) To take turkeys, \$10, in addition to a small game license.
- ~~(9) To take raccoon, bobcat, coyote or fox with the aid of dogs, \$7.50, in addition to a small game license.~~

Sec. 2. Minnesota Statutes 1982, section 98.48, subdivision 3, is amended to read:

Subd. 3. The commissioner may issue special permits, without fee, to take, possess and transport wild animals in such manner and under such conditions as he may prescribe for scientific, educational or exhibition purposes, or for use as pets, provided no wild or native deer may be taken or possessed for propagation, or exhibition or pet purposes, except those now lawfully possessed for such purposes. *The commissioner shall establish cri-*

*teria for issuing special permits to persons for the purpose of possessing wild and native deer as pets, pursuant to his authority under section 97.53, subdivision 2. All animals possessed under authority of this provision, as well as deer now contained on game farms, private and public parks and zoos, and their progeny, or possessed as pets, may be disposed of only as prescribed by the commissioner."*

Delete the title and insert:

"A bill for an act relating to game and fish; eliminating the separate license for hunting certain animals with dogs; authorizing special permits to possess deer as pets; amending Minnesota Statutes 1982, sections 98.46, subdivision 2; and 98.48, subdivision 3."

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

House Conferees: (Signed) Steve Sviggum, Phyllis Kahn, Patrick W. Beard

Senate Conferees: (Signed) Lyle G. Mehrkens, Bob Lessard, Mel Frederick

Mr. Mehrkens moved that the foregoing recommendations and Conference Committee Report on H.F. No. 149 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 149 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 52 and nays 0, as follows:

Those who voted in the affirmative were:

|             |                |            |                 |           |
|-------------|----------------|------------|-----------------|-----------|
| Adkins      | Diessner       | Knaak      | Olson           | Schmitz   |
| Anderson    | Dieterich      | Kroening   | Peterson, C. C. | Sieloff   |
| Belanger    | Frank          | Kronebusch | Peterson, D. C. | Solon     |
| Benson      | Frederick      | Laidig     | Peterson, D. L. | Spears    |
| Berg        | Freeman        | Lantry     | Petty           | Storm     |
| Bernhagen   | Hughes         | Luther     | Pogemiller      | Stumpf    |
| Bertram     | Isackson       | McQuaid    | Purfeerst       | Vega      |
| Chmielewski | Johnson, D. E. | Mehrkens   | Ramstad         | Wegscheid |
| Dahl        | Johnson, D. J. | Moe, R. D. | Reichgott       |           |
| Davis       | Jude           | Nelson     | Renneke         |           |
| Dicklich    | Kamrath        | Novak      | Samuelson       |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 521, and repassed said bill in accordance with the report of the Committee, so

adopted.

House File No. 521 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 521

A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution's board of directors hold qualifying shares; clarifying limitations on junior mortgage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thrift company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.23, subdivisions 6 and 7; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47.

May 18, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 521, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 521 be further amended as follows:

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1982, section 45.04, subdivision 1, is amended to read:

Subdivision 1. [FILING; FEE; HEARING.] The incorporators of ~~any~~ a bank proposed to be organized under the laws of this state shall execute and acknowledge ~~on a written application, in writing,~~ in the form prescribed by the department of commerce, ~~and shall file the same in its office, which.~~ The application ~~shall~~ *must* be signed by two or more of the incorporators; ~~requesting and request~~ a certificate authorizing the proposed bank to transact



business at the place and in the name stated in the application. ~~At the time of filing the application~~ The applicant shall ~~pay~~ *file the application with the department with a \$1,000 filing fee of \$1,000, which shall be paid into the state treasury and credited to the general fund and shall pay to the commissioner of banks the sum of and a \$500 as a investigation fee for investigating the application which shall*. ~~The fees must be turned over by him to the state treasurer and credited by the treasurer to the general fund of the state.~~ Thereupon the commission shall fix a time, within 60 days after the filing of the application, for a hearing ~~at its office at the state capitol, at which hearing it shall~~ to decide whether or not the application ~~shall~~ *will* be granted. A notice of the hearing ~~shall~~ *must* be published in the form prescribed by the commission in ~~some~~ a newspaper published in the municipality in which the proposed bank is to be located, and if there ~~be~~ *is* no such newspaper, then at the county-seat of the county in which the bank is proposed to be located. The notice ~~shall~~ *must* be published once, at the expense of the applicants, not less than 30 days prior to the date of the hearing. At the hearing the commission shall consider the application and hear the applicants and ~~such~~ witnesses ~~as~~ that may appear in favor of or against the granting of the application of the proposed bank. *If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, must be paid by the applicant and 50 percent equally by the intervening parties.*

Sec. 2. Minnesota Statutes 1982, section 46.07, subdivision 2, is amended to read:

Subd. 2. [CONFIDENTIAL RECORDS.] The commissioner shall divulge facts and information obtained in the course of examining financial institutions under his supervision only when and to the extent that he is required or permitted by law to report upon or take special action regarding the affairs of an institution, or to testify in a criminal proceeding or in a court of justice, except that he may, in his discretion, furnish information as to matters of mutual interest to an official or examiner of the federal reserve system, the federal deposit insurance corporation, ~~or the federal savings and loan insurance corporation,~~ the national credit union administration, *a legally constituted state credit union share insurance corporation approved under section 52.24, or the issuer of a commitment for insurance or guarantee of the certificates of an industrial loan and thrift company approved under section 53.10.* The commissioner shall not be required to disclose the name of a debtor of a financial institution under his supervision, or anything relative to the private accounts, ownership, or transactions of an institution, or any fact obtained in the course of an examination thereof, except as herein provided. These records are classified confidential for purposes of the Minnesota government data practices act and their destruction, as prescribed in section 46.21, ~~shall be~~ *is* exempt from the provisions of chapter 138 and Laws 1971, Chapter 529, so far as their deposit with the state archives.

Sec. 3. Minnesota Statutes 1982, section 47.54, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION.] Any bank desiring to establish a detached facility shall execute and acknowledge ~~an~~ *a* written application, ~~in writing,~~ in the form prescribed by the commissioner, and shall file the application in the commissioner's office, ~~together~~ with a fee of \$500, ~~and~~. If an application is contested, *50 percent of an additional fee equal to the actual costs incurred by the commissioner in approving or disapproving the appli-*

cation, payable to the state treasurer and credited by the treasurer to the general fund, *shall be paid by the applicant and 50 percent equally by the intervening parties.* Thereupon the applicant shall publish a notice of the filing of the application in a newspaper published in the municipality in which the proposed detached facility is to be located, and if there is no such newspaper, then at the county seat of the county in which the facility is proposed to be located. The notice ~~shall~~ *must* be in the form prescribed by the commissioner and, in addition to the publication, the applicant ~~shall~~ *must* mail a copy of the notice by certified mail to every bank located within three miles of the proposed location of the detached facility, measured in the manner ~~as provided above~~ *in section 47.52.*

Sec. 4. Minnesota Statutes 1982, section 47.64, subdivision 6, is amended to read:

Subd. 6. ~~The person establishing and maintaining an electronic financial terminal, exclusive of any supporting equipment, structure, or system, shall limit its use in the performance of financial transactions to transactions for customers of Minnesota financial institutions and for customers of financial institutions located within 20 miles of Minnesota in an adjoining state. A customer of a bank, savings bank, savings and loan association, or credit union located outside Minnesota may, with the consent of the person establishing an electronic financial terminal, use the terminal for the withdrawal of funds and for the inquiry as to the balance in that customer's accounts maintained with that institution. Nothing in sections 47.61 to 47.74 shall be construed to authorize any person, other than a financial institution, to engage in business which is only legally authorized to be engaged in by financial institutions.~~

Sec. 5. Minnesota Statutes 1982, section 48.06, is amended to read:

#### 48.06 [DIRECTORS; QUALIFICATIONS.]

If the number of directors exceeds nine, they may designate, semi-annually, by resolution, nine of their number, a majority of whom ~~shall constitute~~ *constitutes* a quorum for the transaction of business. Every director of a bank ~~shall actually own at least \$1,000 par value of the bank's common, fully paid stock, or an equivalent interest, as determined by the commissioner, in a company which has control over a bank within the meaning of section 2 of the Bank Holding Company Act of 1956, 12 U.S.C. 1841, and shall take and subscribe an oath that he is the owner in good faith of that amount of stock, that the stock is not in any way pledged for any loan or debt, and that he will faithfully perform his official duties, and not knowingly violate, or permit to be violated, any provision of law. The taking of this oath shall must be duly certified in the minutes of the records of the bank.~~

Sec. 6. Minnesota Statutes 1982, section 48.19, subdivision 1, is amended to read:

Subdivision 1. [RESTRICTIONS; EXCEPTION.] No bank or trust company shall make any loan upon the security of real estate unless it is a first lien thereon, except that a bank or trust company may take a junior lien: (a) upon real estate to secure a loan previously contracted; (b) upon farm real estate to secure a loan made to a farmer who resides in a county which due to weather conditions is a declared federal disaster area at the time the loan

contract is signed; or (c) upon real estate to secure a loan if the total unpaid aggregate of all outstanding liens against the same real estate does not exceed 80 percent of its appraised value. *This limitation applies notwithstanding the provisions of sections 47.20, subdivision 1 and 47.21 as to loans, advances of credit, or participations in loans eligible for purchase in whole or in part by the federal national mortgage association or the federal home loan mortgage corporation or which are authorized by the federal home loan bank board or office of the comptroller of the currency. Before any such these loans are made the value of the real estate shall must be determined by an appraisal made by a committee appointed by the board of directors, which appraisal shall be made a matter of record; except that but the board may accept an appraisal made by or for an agency of the United States government when such if the agency is guaranteeing or insuring the loan or any part thereof. The appraisal must be made a matter of record.*

A bank may take additional liens on the same security and. These shall be liens are considered to be part of the same mortgage lien thereon providing if it has been established that there are no intervening liens.

Loans in which the small business administration cooperates through agreements to participate on an immediate or deferred basis under the federal small business act or loans or obligations secured or guaranteed by the United States or any department, bureau, board, commission, or establishment of the United States, including any corporation wholly owned directly or indirectly by the United States, shall are not be subject to the restrictions or limitations of this section imposed upon loans secured by real estate.

Sec. 7. Minnesota Statutes 1982, section 48.68, is amended to read:

48.68 [DIRECTORS; QUALIFICATIONS; VACANCIES, HOW FILLED.]

Each director of a trust company shall own at least \$1,000 par value of its capital stock or equivalent interest as prescribed in section 48.06, and A majority of them shall the directors of a trust company must be residents of this state. Each shall take and subscribe an oath that he will diligently and honestly perform his official duties and will not knowingly violate, or permit to be violated, any provision of law relating to trust companies and that he is the owner in good faith of the stock above specified standing in his name; The taking of this oath to must be noted on the minutes of the records of the corporation and filed with the commissioner. Failure of any person selected as director to qualify shall create creates a vacancy in the board, and all vacancies in the board shall must be filled by the qualified members; provided, that. However, not more than one-third of the membership of the board may be so filled in any one year.

Sec. 8. [47.016] [DISPOSITION OF CREDIT INSURANCE INCOME.]

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

(b) "Credit insurance" means credit life and accident and health insurance as defined in section 62B.02.

(c) "Officer", "director", "employee", and "shareholder" include the spouse and minor children of the officer, director, employee, or share-

holder.

(d) "Interest" includes ownership through a spouse or minor children; ownership through a broker, nominee, or agent; and ownership through a corporation, partnership, association, joint venture, or proprietorship.

(e) "Financial institution" means any person who lends money and sells credit insurance to the borrower.

Subd. 2. [SCOPE AND PURPOSE.] This section applies to sales of credit insurance by employees, officers, directors, and shareholders of a financial institution and by corporations, partnerships, associations, and other entities in which these persons have an interest. The purposes of this section are (1) to prohibit employees, officers, directors, members, and shareholders of financial institutions from benefiting personally on the sale of credit insurance to loan customers and (2) to encourage marketing of credit insurance through the use of financial facilities only under arrangements which assure that employees, officers, directors, and shareholders do not receive benefits not shared with all stockholders or members of the financial institution.

Subd. 3. [DISTRIBUTION OF CREDIT INSURANCE INCOME.] No employee, officer, director, or shareholder of a financial institution, nor a corporation, partnership, association, or other entity in which these persons have an interest, may retain commissions or other income from the sale of credit insurance in connection with a loan made by the financial institution. All such income received by these persons or by a corporation, partnership, association, or other entity in which these persons have an interest, must be turned over to the financial institution. Nothing in this section prohibits a financial institution from receiving the income directly in the form of commissions or as compensation for use of its premises, personnel, and good will.

Sec. 9. Minnesota Statutes 1982, section 49.36, subdivision 1, is amended to read:

Subdivision 1. [REQUIREMENTS.] This consolidation agreement and certified copy of the proceedings of the meetings of the respective boards of directors, at which the making of the agreement was authorized, ~~shall~~ must be submitted to the commissioner of banks for approval; ~~and it shall with a fee of \$250 payable to the commissioner of banks. The fee must be paid in equal parts by the parties to the agreement. The consolidation is not be effective until so approved by the commissioner. The commissioner shall take action after the documents are submitted, and shall be entitled to further information from the consolidated corporation as may be requested, by request or as may be obtained upon a hearing directed by the commissioner.~~

Sec. 10. Minnesota Statutes 1982, section 49.37, is amended to read:

49.37 [STOCKHOLDERS TO APPROVE; CERTIFICATE OF CONSOLIDATION.]

Either before or after the consolidation agreement has been approved by the commissioner of banks, it ~~shall~~ must be submitted to the stockholders of each corporation at a meeting thereof called for that purpose, and it ~~shall~~ does not become binding upon the corporation until it ~~shall~~ have been approved at each of the meetings by the vote or ballot of the stockholders,

holding at least a majority of the amount of stock of the respective corporations. Proof of the holding of these meetings and the results thereof ~~shall must~~ be submitted to the commissioner of banks. After the consolidation agreement ~~shall have~~ *has* been so approved by the stockholders of the respective corporations and by the commissioner of banks, the latter shall issue a certificate reciting that these corporations have complied with the provisions of sections 49.34 to 49.41, ~~and;~~ *and* declaring the consolidation of these corporations; *and stating* the name of the consolidated corporation, the amount of capital stock thereof, and the names of the first board of directors, and the place of business of the consolidated corporation, which ~~shall must~~ be within the city where any one of the constituent corporations ~~shall have~~ *has* been previously authorized to have its place of business. Upon the issuing of this certificate and the filing thereof for record in the office of the secretary of state, ~~and also in the office of the county recorder within and for the county in which the consolidated corporation is authorized to have its principal place of business;~~ this incorporation ~~shall be~~ *is* deemed to be complete, and the consolidated corporation shall, from the date of this certificate, have ~~such the~~ term of corporate existence as ~~may be~~ therein specified, not exceeding the longest unexpired term of any constituent corporation. The certificate of the commissioner of banks ~~shall be~~ *is* prima facie evidence that all of the provisions of sections 49.34 to 49.41 have been complied with, and ~~shall be~~ *is* conclusive evidence of the existence of the consolidated corporation.

Sec. 11. Minnesota Statutes 1982, section 51A.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION FOR CERTIFICATE OF INCORPORATION.] At any time hereafter any ~~five~~ *three* or more individuals, citizens of this state, may apply to form a mutual association or capital stock association to promote thrift and home financing subject to approval as ~~hereinafter~~ provided in sections 51A.01 to 51A.57. ~~Five Three~~ of the individual applicants shall be incorporators and sign and acknowledge before an officer competent to take acknowledgments of deeds, two copies of an application for a certificate of incorporation in the form prescribed by the commerce commission, and of the bylaws in the form set out in this section or in a form approved by the commissioner, which shall be filed with the commissioner, accompanied by the incorporation fee. The applicants shall submit with their application statements, exhibits, map, and other data which the commissioner may require, ~~which.~~ *The data shall must* be sufficiently detailed and comprehensive to enable the commerce commission to pass upon the application as to the criteria set out in subdivision 3.

Sec. 12. Minnesota Statutes 1982, section 51A.03, subdivision 4, is amended to read:

Subd. 4. [PROCEDURE; FILING OF ARTICLES.] The procedure for processing the application, conducting the hearing, and other matters pertinent thereto, ~~shall must~~ be established by rules ~~promulgated~~ *adopted* by the commissioner. After approval, if approved, the commissioner shall issue a certificate of approval and the articles of incorporation ~~shall must~~ then be filed with the secretary of state, who shall record ~~same them~~ and certify the fact; thereon. ~~The certificate and articles shall be filed with the county recorder of the county of the principal place of business, as specified in the certificate.~~

Sec. 13. Minnesota Statutes 1982, section 51A.065, subdivision 4, is amended to read:

Subd. 4. [SUBMISSION TO MEMBERS OR STOCKHOLDERS.] If the commissioner or other appropriate supervisory authority ~~shall approve~~ *approves* a plan of conversion in accordance with subdivision 3, the plan ~~shall~~ *must* be submitted for adoption to the members or stockholders of the converting applicant by vote at a meeting called to consider the action. *Except in the case of a conversion of a state association to a federally chartered association of like corporate form, or vice versa pursuant to subdivision 7 and in addition to any notice of annual or special meeting required by Laws 1981, Chapter 276 and at least three weeks prior to the meeting, a copy of the plan, together with an accurate summary plan description explaining the operation of the plan and the rights, duties, obligations, liabilities, conditions, and requirements which may be imposed upon the members or stockholders and the converted applicant as a result of the adoption of the plan, shall* ~~must~~ be mailed to each member or stockholder eligible to vote at the meeting. The plan of conversion may be approved by not less than a majority of the total number of votes eligible to be cast at the meeting. If the plan is ~~so~~ approved, action ~~shall~~ *must* be taken to obtain a charter, articles of incorporation, articles of association or similar instrument, adopt bylaws, elect directors and officers and take other action prescribed or appropriate for the type of corporation into which the converting applicant will be converted. A certified report of the proceedings at the meeting ~~shall~~ *must* be filed promptly with the commissioner or other appropriate supervisory authority.

Sec. 14. Minnesota Statutes 1982, section 51A.13, subdivision 2, is amended to read:

Subd. 2. [QUALIFICATIONS REQUIRED OF DIRECTORS OF MUTUAL ASSOCIATIONS.] ~~In order to qualify as a director, a member of a mutual association must hold individually, or jointly with his spouse, a savings account, the withdrawal value of which is at least \$500; provided that, if the assets of the association exceed \$5 million, the withdrawal value of the account must be at least \$1,000.~~ Except with the written consent of the commissioner, no member shall be eligible for election or shall serve as a director or officer of an association who has been adjudicated a bankrupt or convicted of a criminal offense involving dishonesty or a breach of trust. A director shall automatically cease to be a director when he ceases to be a member, or when he is adjudicated a bankrupt or is convicted of a criminal offense as herein provided, ~~or when the net equity above loans of all savings accounts in the association held by him aggregates less than the minimum required to be eligible for election as a director,~~ but no action of the board of directors shall be invalidated through the participation of the director in the action; ~~provided, that.~~ *However,* if a director becomes ineligible under the terms of this subdivision by reason of the exercise by the association of the right of redemption of savings accounts provided for in section 51A.34, he shall remain validly in office until the expiration of his term or until he otherwise becomes ineligible, resigns, or is removed, whichever may occur first.

Sec. 15. Minnesota Statutes 1982, section 51A.13, subdivision 2a, is amended to read:

Subd. 2a. [QUALIFICATIONS REQUIRED OF DIRECTORS OF STOCK

ASSOCIATIONS.] In order to qualify as a director of a capital stock association each director shall own and hold shares of voting capital stock of the association unencumbered with a par or stated value of not less than \$500; provided that, if the total assets of the association exceed \$5,000,000, a director must own and hold shares of not less than \$1,000. Except with the written consent of the commissioner, no person shall be eligible for election or shall serve as director or officer of an association who has been adjudicated a bankrupt or convicted of a criminal offense involving dishonesty or a breach of trust. A director shall automatically cease to be a director when he is adjudicated a bankrupt or is convicted of a criminal offense as herein provided or when the par or stated value of the shares of voting capital stock of the association held by him aggregates less than the minimum required to be eligible for election as a director.

Sec. 16. Minnesota Statutes 1982, section 51A.51, subdivision 2, is amended to read:

Subd. 2. [INCORPORATION FEE.] At the time of filing the application for a certificate of incorporation, the incorporators shall pay a \$1,000 filing fee of ~~\$1,000~~ which shall be paid into the state treasury and credited to the general fund, and shall pay to the banking department the sum of a \$500 as a ~~investigation fee for investigating the application.~~ *If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, shall be paid by applicant and 50 percent equally by the intervening parties.*

Sec. 17. Minnesota Statutes 1982, section 51A.51, subdivision 3a, is amended to read:

Subd. 3a. [FEE FOR ESTABLISHMENT OF OTHER THAN PRINCIPAL OFFICE.] There shall accompany each application to the commissioner for establishment of other than the principal office a \$1,000 filing fee of ~~\$1,000~~ payable to the state treasury and \$500 payable to the banking department. *If an application is contested, 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund, shall be paid by applicant and 50 percent equally by the intervening parties.*

Sec. 18. Minnesota Statutes 1982, section 52.203, is amended to read:

52.203 [MERGER.]

Any credit union chartered by this state may merge with and be absorbed by any other state or federal credit union, and any credit union chartered by this or any other state or any federal credit union may be merged into a successor credit union chartered by this state, upon approval of all regulatory agencies concerned, and upon compliance with this section as regards the credit union chartered by this state. *At the time of filing with the commissioner of any proposed merger or consolidation plan, the credit unions proposing to merge or consolidate shall submit a fee of \$100 payable to the commissioner of banks. The fee shall be paid in equal parts by the credit unions' party to the proposal.*

A credit union may be absorbed after two-thirds of its members present and entitled to vote ~~shall~~ have voted in favor of the merger at a special meeting called by a majority of the board of directors for that purpose, upon ~~fourteen~~ 14-days mailed written notice to each member at his last known address clearly stating the purpose of the special meeting, or at any regular meeting after like notice of the purpose has been given. Thereafter, the board of directors ~~shall have authority to~~ may execute an agreement of merger with the successor credit union, subject to approval of ~~such~~ the agreement by the commissioner of banks. The commissioner shall approve or disapprove of ~~said~~ the agreement within 60 days of the date the agreement is submitted to him. ~~Such~~ The approved agreement ~~shall~~ must be filed with the county recorder in the county where ~~such~~ the credit union is located.

If the successor credit union which absorbs one or more credit unions is chartered by this state it ~~shall have authority to~~ may execute an agreement of merger upon approval of ~~such~~ the agreement by the commissioner of banks and by the board of directors of the credit union. The commissioner of banks shall approve the merger agreement if it is in the best interest of the credit unions involved. In any event, the commissioner of banks shall approve or disapprove of the merger agreement within 60 days of the date the agreement is submitted to him. Members of, and persons eligible for membership in, the credit union being absorbed ~~shall~~ have all rights of membership in the successor credit union.

The charter and license and all other rights and property of the credit union being absorbed ~~shall be~~ is deemed to be transferred to and invested in the successor credit union upon ~~such~~ execution and approval of the merger agreement without further action. Any pending action or other judicial proceeding to which the credit union being absorbed is a party at the date of merger ~~shall~~ does not abate by reason of the merger. If the credit union being absorbed is chartered by this state, its corporate existence ~~shall cease~~ ceases upon ~~such~~ the execution and approval of the merger agreement without further action.

Sec. 19. Minnesota Statutes 1982, section 53.01, is amended to read:

#### 53.01 [ORGANIZATION.]

It is lawful for three or more persons, who desire to form a corporation for the purpose of carrying on primarily the business of loaning money to persons within the conditions set forth in this chapter, to organize, under this chapter, an industrial loan and thrift company, by filing with the secretary of state and the county recorder in the county in which the place of business of the corporation is located, a certificate of incorporation, and upon paying the fees prescribed by sections 301.07 and 301.071 or chapter 302A and upon compliance with the procedure provided for the organization and government of ordinary corporations under the laws of this state, and upon compliance with the additional requirements of this chapter prior to receiving authorization to do business.

Sec. 20. Minnesota Statutes 1982, section 53.03, subdivision 1, is amended to read:

Subdivision 1. [APPLICATION, FEE, NOTICE.] Any corporation hereafter organized as an industrial loan and thrift company, shall, after



compliance with the requirements set forth in sections 53.01 and 53.02, ~~cause an file a written application, in writing, to be made to with the department of commerce for a certificate of authorization. The application, in triplicate, shall must be in the form prescribed by the department of commerce and filed in its office.~~ The application shall must be made in the name of the corporation, executed and acknowledged by two of its officers designated by the board of directors of the corporation for that purpose, requesting a certificate authorizing the corporation to transact business as an industrial loan and thrift company, at the place and in the name stated in the application. At the time of filing the application the applicant shall pay a \$1,000 filing fee of \$500, ~~to be paid into the state treasury and credited to the general fund and also shall pay to the commissioner of banks the sum of \$250 and a \$500 as a investigation fee for investigating the application, which fee shall.~~ *The fees must be turned over by the commissioner to the state treasurer and credited to the general fund of the state, and. The applicant shall also submit a copy of the bylaws of the corporation, its articles of incorporation and all amendments thereto at that time.* If the application is contested, ~~the applicant shall pay 50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited to the general fund of the state shall be paid by the applicant and 50 percent equally by the intervening parties.~~ A notice of the filing of the application shall must be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the proposed industrial loan and thrift company is to be located, or, if there be none, in a newspaper published at the county seat of the county in which the company is proposed to be located. If the department of commerce receives a written objection to the application from any person within 20 days of the notice having been fully published a contested case hearing shall must be conducted on the application. The department of commerce may without cause order a contested case hearing on the application. Notice of a hearing in connection with this section shall must be published once in the form prescribed by the department of commerce, at the expense of the applicant, in the same manner as a notice of application.

Sec. 21. Minnesota Statutes 1982, section 53.03, subdivision 5, is amended to read:

Subd. 5. [PLACE OF BUSINESS.] Not more than one place of business shall may be maintained under any certificate of authorization issued subsequent to the enactment of Laws 1943, Chapter 67, pursuant to the provisions of this chapter, but the department of commerce may issue more than one certificate of authorization to the same corporation upon compliance with all the provisions of this chapter governing an original issuance of a certificate of authorization. ~~Where~~ *The filing fee for a branch application shall be \$500 and the investigation fee \$250.* If a corporation has been issued more than one certificate of authorization, ~~such the~~ corporation shall allocate a portion of contributed capital to each office for which ~~such the~~ certificate has been issued, in order to comply with the capital requirements of section 53.02 and section 53.05, clauses (2) and (3) which sections shall be are applicable to each ~~such~~ office and the capital allocated thereto in the same manner as if each certificate had been issued to a separate corporation. Each additional certificate of authorization issued pursuant to the provisions of this subdivision shall must be filed with the secretary of state and the county recorder of the county in which the corporation is authorized to do

business thereunder. ~~Any such~~ *The corporation may change one or more of its locations upon the written approval of the commissioner of banks. A fee of \$100 must accompany each application to the commissioner for approval to change the location of an established office.*

Sec. 22. Minnesota Statutes 1982, section 53.03, subdivision 6, is amended to read:

Subd. 6. [AMENDED CERTIFICATES, THRIFT CERTIFICATES FOR INVESTMENT, APPLICATION, FEE, NOTICE.] Upon approval by the commissioner of banks of a commitment for insurance or guarantee of certificates to be held for investment as required in section 53.10, subdivision 3, an industrial loan and thrift company may apply to the department of commerce for an amended certificate of authorization and consent to sell and issue thrift certificates for investment.

The application, in triplicate, ~~shall~~ *must* be in the form prescribed by the department of commerce and filed in its office. At the time of filing the application, the applicant shall pay a filing fee of \$500 and if an application is contested, *50 percent of an additional fee equal to the actual costs incurred by the department of commerce in approving or disapproving the application, payable to the state treasurer and credited by the treasurer to the general fund shall, must* be paid by applicant *and 50 percent equally by the intervening parties.* A notice of the filing of the application ~~shall~~ *must* be published once within 30 days of the receipt of the form prescribed by the department of commerce, at the expense of the applicant, in a newspaper published in the municipality in which the place of business under the application is located, or if there is none, in a newspaper published at the county seat of the county in which the place of business is located. Not more than one place of business maintained under a certificate of authorization ~~shall~~ *may* be the subject of an application.

Sec. 23. Minnesota Statutes 1982, section 53.04, subdivision 3a, is amended to read:

Subd. 3a. (a) The right to make loans, secured or unsecured, at the rates and on the terms and other conditions permitted licensees under chapter 56. *Loans made under the authority of chapter 56 must be in amounts in compliance with section 53.05, clause (3), or 56.131, subdivision 1, paragraph (a), whichever is less.* The right to extend credit or lend money and to collect and receive charges therefor as provided by chapter 334, or in lieu thereof to charge, collect, and receive interest at the rate of 21.75 percent per annum. The provisions of sections 47.20 and 47.21 do not apply to loans made under this section, except as specifically provided in this subdivision. Nothing in this subdivision ~~shall be~~ *is* deemed to supersede, repeal, or amend any provision of section 53.05. A licensee making a loan under this chapter secured by a lien on real estate shall comply with the requirements of section 47.20, subdivision 8.

(b) Loans made under this section at a rate of interest not in excess of that provided for in paragraph (a) may be secured by real or personal property, or both. If the proceeds of a loan made after August 1, 1984 are used in whole or in part to satisfy the balance owed on a contract for deed, the rate of interest charged on the loan ~~shall~~ *must* not exceed the rate provided in section 47.20, subdivision 4a. If the proceeds of a loan secured by a first lien on

the borrower's primary residence are used to finance the purchase of the borrower's primary residence, the loan must comply with the provisions of section 47.20.

Sec. 24. Minnesota Statutes 1982, section 53.05, is amended to read:

53.05 [POWERS, LIMITATION.]

No industrial loan and thrift company ~~shall have power to~~ may do any of the following:

(1) ~~To~~ carry commercial or demand banking accounts; ~~to~~ use the word "bank" or "banking" in its corporate name; ~~to~~ receive savings accounts or deposits or operate as a savings bank;

(2) ~~To~~ have outstanding at any one time certificates of indebtedness, exclusive of those held by the company, as security for loans made by it of more than seven times the sum of the contributed capital and appropriated reserves of the company *until July 1, 1985, or the date an industrial loan and thrift company obtains a commitment for insurance or guarantee of accounts acceptable to the commissioner as required by section 53.10, whichever is earlier, and thereafter 15 times the sum of contributed capital and appropriated reserves of the company;*

(3) ~~To~~ lend money in excess of ten percent of its contributed capital and appropriated reserves to any person primarily liable; ~~provided,~~ however, if a loan has been made to any one person primarily liable and payments have been made on the certificate of indebtedness securing it, the amount of ~~such~~ the payments may be added to the limitation stated in this clause for the purpose of determining whether additional loans may be made to that person;

(4) ~~To~~ accept trusts or act as guardian, administrator, or judicial trustee in any form; ~~or~~

(5) ~~To~~ deposit any of its funds in any banking corporation, unless that corporation has been designated by vote of a majority of directors or of the executive committee present at a meeting duly called, at which a quorum was in attendance-;

(6) ~~To~~ change any allocation of capital made pursuant to section 53.03 or to reduce or withdraw in any way any portion of the contributed capital and appropriated reserves without prior written approval of the commissioner of banks-; *or*

(7) ~~To~~ take any instrument in which blanks are left to be filled in after execution.

Sec. 25. Minnesota Statutes 1982, section 53.06, is amended to read:

53.06 [DIRECTORS, RESIDENCE.]

At least three-fourths of the directors of any industrial loan and thrift company ~~shall~~ *must* be residents of the county in which the industrial loan and thrift company maintains its principal place of business, an adjacent county or any county in which the industrial loan and thrift company maintains a place of business pursuant to this chapter. ~~Each director shall own and hold shares of common stock of the industrial loan and thrift company, unen-~~

umbered, with a par value of not less than \$500.

Sec. 26. Minnesota Statutes 1982, section 56.001, subdivision 3, is amended to read:

Subd. 3. [APPLICABLE CHARGE.] "Applicable charge" means the amount of interest attributable to each monthly installment period of the loan contract. The applicable charge is computed as if each installment period were one month and any charge for extending the first installment period beyond one month, *or reduction in charge for a first installment less than one month*, is ignored. The applicable charge for any installment period is that which would have been made for the period had the loan been made on an interest-bearing basis at the single annual percentage rate permitted by section 56.131, subdivision 1, based upon the assumption that all payments were made according to schedule. For convenience in computation, the licensee may round the single annual rate to the nearest one quarter of one percent.

Sec. 27. Minnesota Statutes 1982, section 56.131, subdivision 1, is amended to read:

Subdivision 1. [INTEREST RATES AND CHARGES.] (a) On any loan in the principal amount of \$35,000 or less, a licensee may contract for and receive interest, calculated according to the actuarial method, not exceeding the equivalent of the greater of any of the following:

(1) the total of: (i) 33 percent per year on that part of the unpaid balance of the principal amount not exceeding \$350; and (ii) 19 percent per year on that part of the unpaid balance of the principal amount exceeding \$350; or

(2) 21.75 percent per year on the unpaid balance of the principal amount.

(b) On any loan where interest has been calculated according to the method provided for in paragraph (a), clause (1), interest ~~shall~~ *must* be contracted for and earned as provided in that provision or at the single annual percentage rate computed to the nearest one hundredth of one percent that would earn the same total interest at maturity of the contract as would be earned by the application of the graduated rates provided in paragraph (a), clause (1), when the debt is paid according to the agreed terms and the calculations are made according to the actuarial method.

(c) Loans may be interest-bearing or precomputed.

(d) To compute time on interest-bearing and precomputed loans, including, but not limited to the calculation of interest, a day ~~shall be~~ *is* considered 1/30 of a month when calculation is made for a fraction of a calendar month. A year ~~shall be~~ *is* 12 calendar months. A calendar month ~~shall be~~ *is* that period from a given date in one month to the same numbered date in the following month, and if there is no same numbered date, to the last day of the following month.

(e) With respect to interest-bearing loans:

(1) Interest ~~shall~~ *must* be computed on unpaid principal balances outstanding from time to time, for the time outstanding. Each payment ~~shall~~ *must* be applied first to the accumulated interest and the remainder of the payment applied to the unpaid principal balance; provided however, that if

the amount of the payment is insufficient to pay the accumulated interest, the unpaid interest continues to accumulate to be paid from the proceeds of subsequent payments and is not added to the principal balance.

(2) Interest ~~shall~~ *must* not be payable in advance or compounded. However, if part or all of the consideration for a new loan contract is the unpaid principal balance of a prior loan, then the principal amount payable under the new loan contract may include any unpaid interest which has accrued. The unpaid principal balance of a precomputed loan is the balance due after refund or credit of unearned interest as provided in paragraph (f), clause (3). The resulting loan contract ~~shall be~~ *is* deemed a new and separate loan transaction for all purposes.

(f) With respect to precomputed loans:

(1) Loans ~~shall~~ *must* be repayable in substantially equal and consecutive monthly installments of principal and interest combined, except that the first installment period may be ~~longer~~ *more or less* than one month by not more than 15 days, and the first installment payment amount may be larger than the remaining payments by the amount of interest charged for the extra days *and must be reduced by the amount of interest for the number of days less than one month to the first installment payment*; and ~~provided further that~~ monthly installment payment dates may be omitted to accommodate borrowers with seasonal income.

(2) Payments may be applied to the combined total of principal and precomputed interest until the loan is fully paid. Payments ~~shall~~ *must* be applied in the order in which they become due.

(3) When any loan contract is paid in full by cash, renewal or refinancing, or a new loan, one month or more before the final installment due date, a licensee shall refund or credit the borrower with the total of the applicable charges for all fully unexpired installment periods, as originally scheduled or as deferred, which follow the day of prepayment; if the prepayment is made other than on a scheduled payment date, the nearest scheduled installment payment date ~~shall~~ *must* be used in the computation; provided further, if the prepayment occurs prior to the first installment due date, the licensee may retain 1/30 of the applicable charge for a first installment period of one month for each day from the date of the loan to the date of prepayment, and shall refund or credit the borrower with the balance of the total interest contracted for. If the maturity of the loan is accelerated for any reason and judgment is entered, the licensee shall credit the borrower with the same refund as if prepayment in full had been made on the date the judgment is entered.

(4) If an installment, other than the final installment, is not paid in full within ten days of its scheduled due date, a licensee may contract for and receive a default charge not exceeding five percent of the amount of the installment, but not less than \$2.

(5) If the parties agree in writing, either in the loan contract or in a subsequent agreement, to a deferment of wholly unpaid installments, a licensee may grant a deferment and may collect a deferment charge as provided in this section. A deferment postpones the scheduled due date of the earliest unpaid installment and all subsequent installments as originally scheduled.

or as previously deferred, for a period equal to the deferment period. The deferment period is that period during which no installment is scheduled to be paid by reason of the deferment. The deferment charge for a one-month period may not exceed the applicable charge for the installment period immediately following the due date of the last undeferred payment. A proportionate charge may be made for deferment for periods of more or less than one month. A deferment charge is earned pro rata during the deferment period and is fully earned on the last day of the deferment period. Should a loan be prepaid in full during a deferment period, the licensee shall make or credit to the borrower a refund of the unearned deferment charge in addition to any other refund or credit made for prepayment of the loan in full.

(6) If two or more installments are delinquent one full month or more on any due date, and if the contract so provides, the licensee may reduce the unpaid balance by the refund credit which would be required for prepayment in full on the due date of the most recent maturing installment in default. Thereafter, and in lieu of any other default or deferment charges, the single annual percentage rate permitted by this subdivision may be charged on the unpaid balance until fully paid.

(7) Following the final installment as originally scheduled or deferred, the licensee, for any loan contract which has not previously been converted to interest-bearing under paragraph (f), clause (6), may charge interest on any balance remaining unpaid, including unpaid default or deferment charges, at the single annual percentage rate permitted by this subdivision until fully paid.

Sec. 28. Minnesota Statutes 1982, section 56.155, subdivision 1, is amended to read:

Subdivision 1. [AUTHORIZATION.] No licensee shall, directly or indirectly, sell or offer for sale any insurance in connection with any loan made under this chapter except as and to the extent authorized by this section. The sale of credit life and credit accident and health insurance ~~shall be~~ *is* subject to the provisions of chapter 62B, except that the term of the insurance may exceed 60 months if the term of the loan exceeds 60 months. Life, accident, and health insurance, or any of them, may be written upon or in connection with any loan but ~~shall~~ *must* not be required as additional security for the indebtedness. If the debtor chooses to procure credit life insurance or credit accident and health insurance as security for the indebtedness, he shall have the option of furnishing this security through existing policies of insurance owned or controlled by him or of furnishing the coverage through any insurer authorized to transact business in this state. A statement in substantially the following form *must be made orally and provided in writing* in bold face type of a minimum size of 12 points ~~shall be provided~~ to the borrower before the transaction is completed *for each credit life and accident and health insurance coverage sold*:

**CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE ARE NOT REQUIRED TO OBTAIN CREDIT. YOU MAY BUY ANY INSURANCE FROM ANYONE YOU CHOOSE OR YOU MAY USE EXISTING INSURANCE. THE CREDIT LIFE INSURANCE AND CREDIT DISABILITY INSURANCE AVAILABLE THROUGH THIS**

LENDER HAD AN ACTUAL LOSS RATIO DURING THE CALENDAR YEAR LAST REPORTED TO THE DEPARTMENT OF COMMERCE OF \_\_\_\_\_ PERCENT. THIS MEANS THAT, ON THE AVERAGE, \$\_\_\_\_\_ OF EVERY \$100 IN PREMIUMS PAID TO THE INSURANCE COMPANY WERE RETURNED AS BENEFITS TO POLICY-HOLDERS DURING THAT YEAR.

The licensee shall have 30 days after the insurance company submits its report of losses to the department of commerce for the previous calendar year to change its disclosure to reflect the current loss ratio.

The licensee shall disclose whether or not the benefits shall commence as of the first day of disability and shall further disclose the number of days that an insured obligor must be disabled, as defined in the policy, before benefits, whether retroactive or nonretroactive, shall commence. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit accident and health benefits shall *may* be procured by or through a licensee upon more than one of the obligors. In case there are multiple obligors under a transaction subject to this chapter, no policy or certificate of insurance providing credit life insurance shall *may* be procured by or through a licensee upon more than two of the obligors in which case they shall be insured jointly. The premium or identifiable charge for the insurance shall *must* not exceed that filed by the insurer with the insurance division of the department of commerce. The charge, computed at the time the loan is made for a period not to exceed the full term of the loan contract on an amount not to exceed the total amount required to pay principal and charges, may be deducted from the proceeds or may be included as part of the principal of any loan. If a borrower procures insurance by or through a licensee, the statement required by section 56.14 shall *must* disclose the cost to the borrower and the type of insurance, and the licensee shall cause to be delivered to the borrower a copy of the policy, certificate, or other evidence thereof, within a reasonable time. No licensee shall decline new or existing insurance which meets the standards set out in this section nor prevent any obligor from obtaining ~~such~~ *this* insurance coverage from other sources. Notwithstanding any other provision of this chapter, any gain or advantage to the licensee or to any employee, affiliate, or associate of the licensee from ~~such~~ *this* insurance or the sale or provision thereof shall ~~not be deemed to be~~ *is not an* additional or further ~~charges~~ *charge* in connection with the loan; nor shall ~~are~~ any of the provisions pertaining to insurance contained in this section ~~be deemed~~ prohibited by any other provision of this chapter.

Sec. 29. Minnesota Statutes 1982, section 168.72, subdivision 1, is amended to read:

Subdivision 1. (a) The time price differential authorized by sections 168.66 to 168.77 in a retail installment sale shall *may* not exceed the following rates:

Class 1. Any motor vehicle designated by the manufacturer by a year model of the same or not more than one year prior to the year in which the sale is made — \$8 per \$100 per year.

Class 2. Any motor vehicle designated by the manufacturer by a year model of two or three years prior to the year in which the sale is made — \$11 per \$100 per year.

Class 3. Any motor vehicle not in Class 1 or Class 2 — \$13 per \$100 per year plus a flat charge of \$3 for each retail installment sale.

(b) The time price differential ~~shall~~ *must* be computed on the principal balance as determined under section 168.71, clause (b) and ~~shall~~ *must* be computed at the rate indicated on contracts payable in successive monthly installment payments substantially equal in amount extending for a period of one year. *For purposes of this subdivision and section 168.73, contracts payable in successive monthly installment payments include those where the first installment is scheduled for not less than 15 days nor more than one month and 15 days from the date of the contract.* On contracts providing for installment payments extending for a period less than or greater than one year, the time price differential ~~shall~~ *must* be computed proportionately.

(c) When a retail installment contract provides for unequal or irregular installment payments, the time price differential is at the effective rate provided in clause (a) hereof, having due regard for the irregular schedule of payment.

(d) The time price differential is inclusive of all charges incident to investigating and making the contract, and for the extension of the credit provided for in the contract and no fee, commission, expense or other charge whatsoever ~~shall~~ *may* be taken, received, reserved or contracted for except as provided in sections 168.66 to 168.77.

Sec. 30. Minnesota Statutes 1982, section 300.025, is amended to read:

300.025 [ORGANIZATION, CERTIFICATE.]

Any three or more persons may form a corporation for any of the purposes specified in section 47.12 by *applying to the department of commerce and complying with the all applicable organizational requirements and the conditions hereinafter prescribed; provided however,* no corporation ~~shall~~ *may* be formed under this section which might be formed under the Minnesota business corporation act. ~~They shall~~ *The incorporators must* subscribe and acknowledge a certificate specifying:

(1) The name, the general nature of its business, and the principal place of ~~transacting the same business.~~ The name ~~shall~~ *must* distinguish it from all other corporations, domestic or foreign, authorized to do business in this state; and shall contain the word "company," "corporation," "bank," "association," or "incorporated."

(2) The period of its duration, if limited.

(3) The names and places of residence of the incorporators.

(4) In what board its management ~~shall~~ *will* be vested, the date of the annual meeting at which it ~~shall~~ *will* be elected, and the names and addresses of those composing the board until the first election, a majority of whom shall always be residents of this state.

(5) The amount of capital stock, if any, how ~~the same~~ *it* is to be paid in, the number of shares into which it is to be divided, and the par value of each



share; and, if there is to be more than one class, a description and the terms of issue of each; and the method of voting thereon.

(6) The highest amount of indebtedness or liability to which the corporation shall will at any time be subject.

It may contain any other lawful provision defining and regulating the powers and business of the corporation, its officers, directors, trustees, members, and stockholders ~~provided that~~. However, corporations subject to provisions of ~~section~~ sections 48.27 and 51A.22, subdivision 2, may show their highest amount of indebtedness to be 30 times the amount of its capital and actual surplus.

Sec. 31. Minnesota Statutes 1982, section 300.20, is amended to read:

300.20 [BOARD OF DIRECTORS, ELECTION; VACANCY, HOW FILLED.]

The business of ~~every such~~ the corporation, ~~except savings banks, shall~~ must be managed by a board of at least three directors, ~~unless a greater number is otherwise required by law,~~ elected by ballot by ~~and from~~ the stockholders or members. Any board of directors of a financial institution referred to in section 47.12 which has less than five members may be increased to not more than five members by order of the commissioner of banks. ~~When~~ If the certificate of incorporation or the bylaws so provides, a vacancy in the board of directors may be filled by the remaining directors. Not more than one-third of the members of the board may be so filled in any one year. The business of a savings ~~banks shall~~ bank must be managed by a board of at least seven trustees, residents of this state, each of whom, before being authorized to act, shall file a written acceptance of the trust. A majority of the directors or trustees shall constitute a quorum for the transaction of business. Any action which might be taken at a meeting of the board of directors, trustees, or managers may be taken without a meeting if done in writing signed by all of the directors, trustees, or managers.

Sec. 32. [EFFECTIVE DATE.]

*Sections 1 to 31 are effective the day following final enactment.*

Delete the title and insert:

“A bill for an act relating to financial institutions; providing for the payment of hearing costs on contested applications; including credit union share insurance corporations and industrial loan and thrift guarantee issuers in the group of organizations permitted to receive examination reports; removing the requirement that a financial institution’s board of directors hold qualifying shares; clarifying limitations on junior mortgage loans by banks; establishing application fees; removing a certain filing requirement; reducing the number of savings association incorporators; clarifying the notice requirements for savings association conversions; clarifying the industrial loan and thrift company lending limit and increasing the capital to deposit limitation; providing first installment requirements for regulated lenders and motor vehicle sales finance companies; providing credit insurance disclosure requirements for regulated lenders; clarifying financial corporation organizational requirements; providing that no employee, officer, director, or shareholder of a financial institution, or a corporation, partnership, or asso-

ciation in which these persons have an interest, may retain income from the sale of credit insurance in connection with a loan made by the financial institution; providing that the income must be turned over to the financial institution; regulating the use of terminals by financial institutions located outside the state; amending Minnesota Statutes 1982, sections 45.04, subdivision 1; 46.07, subdivision 2; 47.54, subdivision 1; 47.64, subdivision 6; 48.06; 48.19, subdivision 1; 48.68; 49.36, subdivision 1; 49.37; 51A.03, subdivisions 1 and 4; 51A.065, subdivision 4; 51A.13, subdivisions 2 and 2a; 51A.51, subdivisions 2 and 3a; 52.203; 53.01; 53.03, subdivisions 1, 5, and 6; 53.04, subdivision 3a; 53.05; 53.06; 56.001, subdivision 3; 56.131, subdivision 1; 56.155, subdivision 1; 168.72, subdivision 1; 300.025; and 300.20; proposing new law coded in Minnesota Statutes, chapter 47."

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

House Conferees: (Signed) Thomas R. Berkelman, Ann Wynia, Adolph L. Kvam

Senate Conferees: (Signed) Sam G. Solon, Gary W. Laidig, Michael O. Freeman

Mr. Solon moved that the foregoing recommendations and Conference Committee Report on H.F. No. 521 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 521 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

|             |               |            |                |           |
|-------------|---------------|------------|----------------|-----------|
| Adkins      | Frank         | Kronebusch | Peterson, D.C. | Solon     |
| Anderson    | Frederick     | Laidig     | Peterson, D.L. | Spear     |
| Benson      | Freeman       | Lantry     | Petty          | Storm     |
| Berg        | Hughes        | Lessard    | Pogemiller     | Vega      |
| Bernhagen   | Isackson      | Luther     | Purfeerst      | Waldorf   |
| Bertram     | Johnson, D.E. | McQuaid    | Ramstad        | Wegscheid |
| Chmielewski | Johnson, D.J. | Mehrkens   | Reichgott      | Willet    |
| Dahl        | Jude          | Moe, R. D. | Renneke        |           |
| Davis       | Kamrath       | Nelson     | Samuelson      |           |
| Dicklich    | Knaak         | Novak      | Schmitz        |           |
| Dieterich   | Kroening      | Olson      | Sieloff        |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 667, and repassed said bill in accordance with the report of the Committee, so adopted.

H.F. No. 667 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 667

A bill for an act relating to employment; providing leaves of absence for adoptive parents; proposing new law coded in Minnesota Statutes, chapter 181.

May 17, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 667, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 667 be amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [181.92] [LEAVES FOR ADOPTIVE PARENTS.]

*An employer who permits paternity or maternity time off to a biological father or mother shall, upon request, grant time off, with or without pay, to an adoptive father or mother. The minimum period of this time off shall be four weeks, or, if the employer has an established policy of time off for a biological parent which sets a period of time off of less than four weeks, that period of time shall be the minimum period for an adoptive parent. The period of time off shall, at the direction of the adoptive parent, begin before, or at the time of, the child's placement in the adoptive parent's home, and shall be for the purpose of arranging the child's placement or caring for the child after placement. An employer shall not penalize an employee for requesting or obtaining time off according to this section.*

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment.”*

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

House Conferees: (Signed) Kathleen Blatz, Leonard Price, Rick Krueger

Senate Conferees: (Signed) Duane D. Benson, Patricia Louise Kronebusch, Ember D. Reichgott

Mr. Benson moved that the foregoing recommendations and Conference Committee Report on H.F. No. 667 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 667 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the

## Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

|             |               |            |                |           |
|-------------|---------------|------------|----------------|-----------|
| Adkins      | Dieterich     | Knaak      | Olson          | Schmitz   |
| Anderson    | Frank         | Kroening   | Peterson, C.C. | Sieloff   |
| Belanger    | Frederick     | Kronebusch | Peterson, D.C. | Solon     |
| Benson      | Frederickson  | Laidig     | Peterson, D.L. | Spear     |
| Berg        | Freeman       | Lantry     | Petty          | Storm     |
| Berglin     | Hughes        | Lessard    | Pogemiller     | Vega      |
| Bernhagen   | Isackson      | Luther     | Purfeerst      | Waldorf   |
| Chmielewski | Johnson, D.E. | McQuaid    | Ramstad        | Wegscheid |
| Dahl        | Johnson, D.J. | Mehrkens   | Reichgott      | Willet    |
| Davis       | Jude          | Moe, R. D. | Renneke        |           |
| Dicklich    | Kamrath       | Novak      | Samuelson      |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MESSAGES FROM THE HOUSE - CONTINUED

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 654, 1169, 1216, 1231 and 796.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 19, 1983

### FIRST READING OF HOUSE BILLS

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

H.F. No. 654: A bill for an act relating to outdoor recreation; requiring a user fee for cross country skiers; creating a cross country ski trail grant-in-aid program; imposing a penalty; appropriating money for recreational purposes; proposing new law coded in Minnesota Statutes, chapter 85.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 912, now on Special Orders.

H.F. No. 1169: A bill for an act relating to taxation; property; changing the meeting dates for local boards of review and the state board of equalization; changing other miscellaneous dates; modifying the appeal process in certain situations; amending Minnesota Statutes 1982, sections 270.11, subdivisions 1 and 2; 270.12, subdivisions 2, 3, and by adding a subdivision; 270.13; 270.87; 271.01, subdivision 5; 271.21, subdivision 4; 273.33, subdivision 2; 273.37, subdivision 2; 274.01, subdivision 1; 274.14; 274.16; and 275.07, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 1216: A bill for an act relating to taxation; exempting petroleum products used in certain improvements to agricultural land for purposes of the sales tax; prohibiting certain retroactive imposition of tax, penalty, and

interest; amending Minnesota Statutes 1982, section 297A.25, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

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

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 796: A bill for an act relating to parks, open space and recreation; authorizing the issuance of state bonds and expenditure of the proceeds to acquire and better regional recreation open space lands by the metropolitan council and metropolitan area local governmental units; authorizing expenditures for acquisition and betterment of state parks, recreation areas, trails, forests, fishing management lands, wildlife management areas, natural and scientific areas, wild, scenic, and recreational rivers, canoe and boating routes, and public water access; appropriating money; amending Minnesota Statutes 1982, sections 85.015, by adding a subdivision; and 473.147, subdivision 1.

Referred to the Committee on Finance.

### MOTIONS AND RESOLUTIONS

Mr. Benson moved that the name of Mrs. Kronebusch be added as a co-author to S.F. No. 1265. The motion prevailed.

Mr. Pehler moved that H.F. No. 720, No. 46 on Special Orders, be stricken and re-referred to the Committee on Education. The motion prevailed.

Mr. Bertram introduced—

Senate Resolution No. 59: A Senate resolution honoring the Gene Peichowski family for their heroic action to save the Gary Rand family from their burning home.

Referred to the Committee on Rules and Administration.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 92 at 1:00 p.m.:

Messrs. Peterson, R.W.; Merriam; Peterson, D.L.; Pehler and Nelson. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Willet moved that the following members be excused for a Conference Committee on H.F. No. 1290 at 1:00 p.m.:

Messrs. Willet, Kroening, Luther, Dahl and Solon. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Dieterich moved that the following members be

excused for a Conference Committee on H.F. No. 289 at 2:00 p.m.:

Messrs. Dieterich, Sieloff and Ms. Peterson, D.C. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 92 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 92

A bill for an act relating to towns, cities, and counties; requiring other government units to give notice to towns, cities, and counties of actions that affect land use or taxation; proposing new law coded in Minnesota Statutes, chapter 471.

May 19, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 92, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 92 be amended as follows:

Page 1, lines 11 and 12, delete "*excluding the metropolitan area as defined by section 473.121, subdivision 2,*"

Page 1, line 14, after "*days*" insert "*prior*"

Page 1, line 14, after "*action*" insert "*by the state or political subdivision*"

Page 1, line 14, after "*will*" insert "*directly*"

Page 1, line 15, delete "*taxable status or*"

Page 1, line 16, delete "*provisions for*"

Page 1, line 19, after "*or*" insert "*boundary*"

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

Senate Conferees: (Signed) Joe Bertram, Earl W. Renneke, Lawrence J. Pogemiller

House Conferees: (Signed) Stephen G. Wenzel, Connie Levi, Wally Sparby

Mr. Bertram moved that the foregoing recommendations and Conference Committee Report on S.F. No. 92 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 92 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the

Conference Committee.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

|             |                |            |                 |           |
|-------------|----------------|------------|-----------------|-----------|
| Adkins      | Dicklich       | Kamrath    | Novak           | Sieloff   |
| Anderson    | Diessner       | Knaak      | Olson           | Spear     |
| Belanger    | Dieterich      | Kroening   | Peterson, C. C. | Storm     |
| Benson      | Frank          | Kronebusch | Peterson, D. C. | Stumpf    |
| Berg        | Frederick      | Laidig     | Petty           | Vega      |
| Berglin     | Frederickson   | Langseth   | Pogemiller      | Waldorf   |
| Bernhagen   | Freeman        | Lantry     | Purfeerst       | Wegscheid |
| Bertram     | Hughes         | Lessard    | Ramstad         | Willet    |
| Chmielewski | Isackson       | Luther     | Reichgott       |           |
| Dahl        | Johnson, D. E. | McQuaid    | Renneke         |           |
| Davis       | Johnson, D. J. | Mehrkens   | Samuelson       |           |
| DeCramer    | Jude           | Moe, R. D. | Schmitz         |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 639 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 639

A bill for an act relating to energy; changing a cross-reference for non-public data reporting; amending the definition of "earth sheltered"; changing the due date of biennial energy reports; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; and 116J.18, subdivision 1.

May 12, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 639, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accede to the amendments of the House of Representatives.

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

Senate Conferees: (Signed) Phyllis W. McQuaid, Don Frank, Gen Olson

House Conferees: (Signed) Pat Piper, Gordon O. Voss, Bob Waltman

Mr. Frank moved that the foregoing recommendations and Conference Committee Report on S.F. No. 639 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 639 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 57 and nays 0, as follows:

Those who voted in the affirmative were:

|             |               |            |                 |           |
|-------------|---------------|------------|-----------------|-----------|
| Adkins      | Dicklich      | Kamrath    | Novak           | Sieloff   |
| Anderson    | Diessner      | Knaak      | Olson           | Spear     |
| Belanger    | Dieterich     | Kroening   | Peterson, C. C. | Storm     |
| Benson      | Frank         | Kronebusch | Peterson, D. C. | Stumpf    |
| Berg        | Frederick     | Laidig     | Petty           | Ulland    |
| Berglin     | Frederickson  | Langseth   | Pogemiller      | Vega      |
| Bernhagen   | Freeman       | Lantry     | Purfeerst       | Waldorf   |
| Bertram     | Hughes        | Lessard    | Ramstad         | Wegscheid |
| Chmielewski | Isackson      | Luther     | Reichgott       | Willet    |
| Dahl        | Johnson, D.E. | McQuaid    | Renneke         |           |
| Davis       | Johnson, D.J. | Mehrrens   | Samuelson       |           |
| DeCramer    | Jude          | Moe, R. D. | Schmitz         |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 398 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 398

A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destruction; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

May 13, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 398, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 398 be amended as follows:

Page 4, line 10, before "Except" insert "(a) Where federal law specifically prohibits a person from disclosing patient identifying information in connection with a report of suspected abuse or neglect under this act, that person need not make a required report unless the vulnerable adult, or his guardian, conservator, or legal representative, has consented to disclosure in a manner which conforms to federal requirements. Facilities whose patients or residents are covered by such a federal law shall seek consent to the disclosure or suspected abuse or neglect from each patient or resident, or his guardian, conservator, or legal representative, upon his admission to the



*facility. Persons who are prohibited by federal law from reporting an incident of suspected abuse or neglect shall promptly seek consent to make a report.*

(b)''

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

Senate Conferees: (Signed) Allan H. Spear, Randolph W. Peterson, Fritz Knaak

House Conferees: (Signed) John T. Clawson, Lee Greenfield, Kathleen Blatz

Mr. Spear moved that the foregoing recommendations and Conference Committee Report on S.F. No. 398 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 398 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

|             |               |            |                |           |
|-------------|---------------|------------|----------------|-----------|
| Adkins      | Dicklich      | Kamrath    | Novak          | Spear     |
| Anderson    | Diessner      | Knaak      | Olson          | Storm     |
| Belanger    | Dieterich     | Kroening   | Peterson, C.C. | Stumpf    |
| Benson      | Frank         | Kronebusch | Peterson, D.C. | Ulland    |
| Berg        | Frederick     | Laidig     | Petty          | Vega      |
| Berglin     | Frederickson  | Langseth   | Pogemiller     | Waldorf   |
| Bernhagen   | Freeman       | Lantry     | Purfeerst      | Wegscheid |
| Bertram     | Hughes        | Lessard    | Ramstad        | Willet    |
| Chmielewski | Isackson      | Luther     | Reichgott      |           |
| Dahl        | Johnson, D.E. | McQuaid    | Renneke        |           |
| Davis       | Johnson, D.J. | Mehrkens   | Schmitz        |           |
| DeCramer    | Jude          | Moe, R. D. | Sieloff        |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 72 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 72

A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

May 18, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 72, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate accedes to the House amendment and that S.F. No. 72 be further amended as follows:

Page 2, after line 16, insert:

"Sec. 2. Minnesota Statutes 1982, section 624.713, subdivision 1, is amended to read:

Subdivision 1. [INELIGIBLE PERSONS.] The following persons shall not be entitled to possess a pistol:

(a) A person under the age of 18 years except that a person under 18 may carry or possess a pistol (i) in the actual presence or under the direct supervision of his parent or guardian, (ii) for the purpose of military drill under the auspices of a legally recognized military organization and under competent supervision, (iii) for the purpose of instruction, competition, or target practice on a firing range approved by the chief of police or county sheriff in whose jurisdiction the range is located and under direct supervision; or (iv) if the person has successfully completed a course designed to teach marksmanship and safety with a pistol and approved by the commissioner of natural resources;

(b) A person who has been convicted in this state or elsewhere of a crime of violence unless ten years have elapsed since the person has been restored his civil rights or the sentence has expired, whichever occurs first, and during that time he has not been convicted of any other crime of violence. For purposes of this section, crime of violence includes crimes in other states or jurisdictions which would have been crimes of violence as herein defined if they had been committed in this state;

(c) A person who is or has ever been confined or committed in Minnesota or elsewhere as a "mentally ill," "mentally deficient retarded," or "mentally ill and dangerous to the public" person as ~~those terms are~~ defined in section ~~253A.02~~ 253B.02, to a ~~hospital, mental institution or sanitarium~~ treatment facility, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof that he is no longer suffering from this disability;

(d) A person who has been convicted in Minnesota or elsewhere for the unlawful use, possession, or sale of a controlled substance other than conviction for possession of a small amount of marijuana, as defined in section 152.01, subdivision 16, or a person who is or has ever been hospitalized or committed for treatment for the habitual use of a controlled substance or marijuana, as defined in sections 152.01 and 152.02, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that he has not abused a controlled substance or marijuana during the previous two years; ~~or~~

(e) A person who has been confined or committed to a ~~hospital, mental institution or sanitarium~~ treatment facility in Minnesota or elsewhere as ~~an~~ "inebriate person" "chemically dependent" as ~~that term is~~ defined in section

253A.02 253B.02, or for alcoholic problems, unless he possesses a certificate of a medical doctor or psychiatrist licensed in Minnesota, or other satisfactory proof, that he has not abused alcohol during the previous two years; or

(f) *A peace officer who is informally admitted to a treatment facility pursuant to section 253B.04 for chemical dependency, unless he possesses a certificate from the head of the treatment facility that he has been discharged or provisionally discharged from the treatment facility.*

A person who issues a certificate pursuant to this subdivision in good faith shall not be liable for damages in an action arising out of the issuance."

Page 6, line 17, after the period, insert "Section 2 applies to all releases or discharges occurring before, on, or after that date."

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing certain peace officers to carry pistols;"

Page 1, line 6, after the semicolon, insert "624.713, subdivision 1;"

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

Senate Conferees: (Signed) Darril Wegscheid, Lawrence J. Pogemiller

House Conferees: (Signed) Janet Clark, Joseph R. Begich, Bert J. McKasy

Mr. Wegscheid moved that the foregoing recommendations and Conference Committee Report on S.F. No. 72 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 72 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 56 and nays 0, as follows:

Those who voted in the affirmative were:

|             |               |            |               |           |
|-------------|---------------|------------|---------------|-----------|
| Adkins      | Dicklich      | Kamrath    | Olson         | Storm     |
| Anderson    | Diessner      | Knaak      | Peterson.C.C. | Stumpf    |
| Belanger    | Dieterich     | Kronebusch | Peterson.D.C. | Taylor    |
| Benson      | Frank         | Laidig     | Petty         | Ulland    |
| Berg        | Frederick     | Langseth   | Pogemiller    | Vega      |
| Berglin     | Frederickson  | Lantry     | Purfeerst     | Waldorf   |
| Bernhagen   | Freeman       | Lessard    | Ramstad       | Wegscheid |
| Bertram     | Hughes        | Luther     | Reichgott     | Willet    |
| Chmielewski | Isackson      | McQuaid    | Renneke       |           |
| Dahl        | Johnson, D.E. | Mehrkens   | Schmitz       |           |
| Davis       | Johnson, D.J. | Moe, R. D. | Sieloff       |           |
| DeCramer    | Jude          | Novak      | Spear         |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

**MOTIONS AND RESOLUTIONS - CONTINUED**

S.F. No. 652 and the Conference Committee Report thereon were reported to the Senate.

**CONFERENCE COMMITTEE REPORT ON S.F. NO. 652**

A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 32.

May 19, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 652, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S. F. No. 652 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [32.415] [MILK FOR MANUFACTURING; QUALITY STANDARDS.]

*In order to provide uniform quality standards, producers of milk used for manufacturing purposes shall conform to the standards contained in Subparts D and F of the United States Department of Agriculture Consumer and Marketing Service Recommended Requirements for Milk for Manufacturing Purposes and its Production and Processing, Vol. 37 Federal Register, No. 68, Part II, April 7, 1972, with the following exceptions:*

- (a) Inspections of producers shall begin not later than January 1, 1984;*
- (b) Producers shall comply with the standards not later than July 1, 1985, except as otherwise allowed under the standards; and*
- (c) The commissioner shall develop methods by which producers can comply with the standards without violation of religious beliefs. The commissioner may adopt rules, including temporary rules, for the purpose of this clause.*

*The commissioner of agriculture shall perform or contract for the performance of the inspections necessary to implement this section or shall certify dairy industry personnel to perform the inspections.*

*The commissioner and other employees of the department shall make every reasonable effort to assist producers in achieving the milk quality standards at minimum cost and to use the experience and expertise of the University of Minnesota and the agricultural extension service to assist producers in achieving the milk quality standards in the most cost-effective manner.*

*The commissioner of agriculture shall consult with producers, processors, and others involved in the dairy industry in order to prepare for the imple-*

mentation of this section including development of informational and educational materials, meetings, and other methods of informing producers about the implementation of standards under this section.

**Sec. 2. [32.417] [INVESTMENT REIMBURSEMENTS TO MANUFACTURED MILK PRODUCERS.]**

*An operator of a dairy farm that produces milk for sale in cans may apply for a reimbursement in the amount of \$100 for the first \$500 or fraction thereof, and ten percent of the next \$2,000, of the net expenditures by the operator for any capital improvements or equipment installed primarily for the purpose of conforming to the standards adopted in section 1. No reimbursement may be made to an applicant unless:*

*(a) the applicant provides receipts for the expenditures;*

*(b) a dairy inspector authorized by the commissioner certifies that the applicant's dairy operation complies with the standards adopted in section 1 as a result of the installation of the improvements or equipment; and*

*(c) the expenditures for the improvements and equipment were made on or after the effective date of this section but before July 1, 1985.*

*The commissioner shall provide an application form for the reimbursement program. By January 1, 1984, the commissioner shall adopt temporary rules under sections 14.29 to 14.36 which provide reimbursement application and payment procedures, and eligibility criteria based on an applicant's need for a reimbursement. Notwithstanding the provisions of section 14.35, the rules shall be effective until July 1, 1985. No reimbursement application may be approved after June 30, 1985.*

**Sec. 3. [APPROPRIATIONS.]**

*Subdivision 1. [INVESTMENT REIMBURSEMENT.] \$300,000 is appropriated from the general fund to the commissioner of agriculture for the biennium ending June 30, 1985 for reimbursements under section 2.*

*Subd. 2. [ADMINISTRATION.] \$30,800 is appropriated from the general fund to the commissioner of agriculture for the fiscal year ending June 30, 1984, for administrative expenses incurred to implement the provisions of this act. The approved complement of the department is increased by one full-time unclassified position.*

**Sec. 4. [EFFECTIVE DATE.]**

*Sections 1 and 2 are effective the day following final enactment. Section 3 is effective July 1, 1983."*

Amend the title as follows:

Page 1, line 5, after the semicolon, insert "authorizing reimbursements to certain dairy producers for expenditures to comply with the rules; appropriating money;"

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

Senate Conferees: (Signed) Darril Wegscheid, Gene Merriam, Charles R. Davis, Charles A. Berg, Gary M. DeCramer

House Conferees: (Signed) Paul Anders Ogren, Stephen G. Wenzel,

Henry J. Kalis, Wally Sparby, Sylvester Uphus

Mr. Wegscheid moved that the foregoing recommendations and Conference Committee Report on S.F. No. 652 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 652 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 4, as follows:

Those who voted in the affirmative were:

|             |               |            |                |           |
|-------------|---------------|------------|----------------|-----------|
| Adkins      | Diessner      | Kamrath    | Peterson, C.C. | Storm     |
| Anderson    | Dieterich     | Kronebusch | Petty          | Stumpf    |
| Belanger    | Frank         | Laidig     | Pogemiller     | Taylor    |
| Berg        | Frederick     | Langseth   | Purfeerst      | Ulland    |
| Bernhagen   | Frederickson  | Lessard    | Ramstad        | Vega      |
| Bertram     | Freeman       | Luther     | Reichgott      | Wegscheid |
| Chmielewski | Hughes        | McQuaid    | Renneke        | Willet    |
| Dahl        | Isackson      | Mehrkens   | Samuelson      |           |
| Davis       | Johnson, D.E. | Moe, R. D. | Schmitz        |           |
| DeCramer    | Johnson, D.J. | Novak      | Sieloff        |           |
| Dicklich    | Jude          | Olson      | Spear          |           |

Ms. Berglin, Mr. Kroening, Mrs. Lantry and Mr. Waldorf voted in the negative.

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 923 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 923

A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

May 19, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 923, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 923 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [134.40] [PROTECTION OF LIBRARY MATERIAL.]

*Section 3 describes misuse of library materials and prescribes penalties for intentional removal of, damage to, and detention of library materials.*

Sec. 2. Minnesota Statutes 1982, section 466.01, subdivision 1, is amended to read:

Subdivision 1. [MUNICIPALITY.] For the purposes of sections 466.01 to 466.15, “municipality” means any city, whether organized under home rule charter or otherwise, any county, town, public authority, public corporation, special district, school district, however organized, county agricultural society organized pursuant to chapter 38, *public library, regional public library system, multi-county multi-type library system*, or other political subdivision.

Sec. 3. [609.541] [PROTECTION OF LIBRARY PROPERTY.]

*Subdivision 1. [DAMAGE TO LIBRARY MATERIALS.] A person who intentionally, and without permission from library personnel damages any books, maps, pictures, manuscripts, films, or other property of any public library or library belonging to the state or to any political subdivision is guilty of a petty misdemeanor.*

*Subd. 2. [REMOVAL OF LIBRARY PROPERTY.] A person who intentionally, and without permission from library personnel removes any books, maps, pictures, manuscripts, films, or other property of any public library or library belonging to the state or to any political subdivision is guilty of a misdemeanor.*

*Subd. 3. [DETENTION OF LIBRARY MATERIALS.] A person who detains a book, periodical, pamphlet, film, or other property belonging to any public library, or to a library belonging to the state or any political subdivision, for more than 60 days after notice in writing to return it, given after the expiration of the library's stated loan period for the material, is guilty of a petty misdemeanor. The written notice shall be sent by mail to the last known address of the person detaining the material. The notice shall state the type of material borrowed, the title of the material, the author's name, the library from which the material was borrowed, and the date by which the material was to have been returned to the library. The notice shall include a statement indicating that if the material is not returned within 60 days after the written notice the borrower will be in violation of this section.*

*Subd. 4. [RESPONSIBILITY FOR PROSECUTION FOR REGIONAL LIBRARIES.] For regional libraries the county attorney for the county in which the offense occurred shall prosecute violations of subdivisions 1 to 3.”*

Amend the title as follows:

Page 1, line 2, after the semicolon insert “defining misuse of library materials;”

Page 1, line 6, delete “chapter” and insert “chapters 134 and”

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

Senate Conferees: (Signed) Darril Wegscheid, Michael O. Freeman, Fritz Knaak

House Conferees: (Signed) Buzz Anderson, Joe Quinn

Mr. Wegscheid moved that the foregoing recommendations and Conference Committee Report on S.F. No. 923 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 923 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 53 and nays 0, as follows:

Those who voted in the affirmative were:

|             |               |               |                |           |
|-------------|---------------|---------------|----------------|-----------|
| Adkins      | DeCramer      | Johnson, D.J. | Olson          | Spear     |
| Anderson    | Dicklich      | Jude          | Peterson, C.C. | Storm     |
| Belanger    | Diessner      | Kamrath       | Petty          | Stumpf    |
| Benson      | Dieterich     | Kroening      | Pogemiller     | Taylor    |
| Berg        | Frank         | Langseth      | Purfeerst      | Ulland    |
| Berglin     | Frederick     | Lantry        | Ramstad        | Vega      |
| Bernhagen   | Frederickson  | Lessard       | Reichgott      | Waldorf   |
| Bertram     | Freeman       | Luther        | Renneke        | Wegscheid |
| Chmielewski | Hughes        | McQuaid       | Samuelson      | Willet    |
| Dahl        | Isackson      | Mehrrens      | Sicliff        |           |
| Davis       | Johnson, D.E. | Novak         | Solon          |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1003 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 1003

A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

May 17, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1003, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1003 be amended as follows:

Page 1, line 17, delete "*case manager*" and insert "*participating provider*,"

Page 1, line 25, delete "*the projects*" and insert "*a project*"

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



Senate Conferees: (Signed) Eric D. Petty, Linda Berglin, Howard A. Knutson

House Conferees: (Signed) John E. Brandl, Tony Onnen, Lee Greenfield

Mr. Petty moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1003 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1003 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 51 and nays 0, as follows:

Those who voted in the affirmative were:

|             |               |                |            |           |
|-------------|---------------|----------------|------------|-----------|
| Adkins      | Dicklich      | Kroening       | Pogemiller | Stumpf    |
| Anderson    | Dieterich     | Laidig         | Purteerst  | Taylor    |
| Benson      | Frank         | Langseth       | Ramstad    | Ulland    |
| Berg        | Frederick     | Lantry         | Reichgott  | Vega      |
| Berglin     | Frederickson  | Lessard        | Renneke    | Waldorf   |
| Bernhagen   | Hughes        | Luther         | Samuelson  | Wegscheid |
| Bertram     | Isackson      | McQuaid        | Schmitz    | Willet    |
| Chmielewski | Johnson, D.E. | Mehrkens       | Sieloff    |           |
| Dahl        | Johnson, D.J. | Novak          | Solon      |           |
| Davis       | Jude          | Peterson, C.C. | Spear      |           |
| DeCramer    | Kamrath       | Petty          | Storm      |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

## MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1233 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 1233

A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; author-

izing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

May 18, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1233, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 1233 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [TRANSPORTATION AND OTHER AGENCIES; APPROPRIATIONS.] The sums set forth in the columns designated “APPROPRIATIONS” are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal years indicated for each purpose. The figures “1983”, “1984”, and “1985”, wherever used in this act, mean that the appropriation or appropriations listed thereunder are available for the year ending June 30, 1983, June 30, 1984, or June 30, 1985, respectively.

SUMMARY BY FUND

|              | 1983            | 1984                 | 1985                 | TOTAL                  |
|--------------|-----------------|----------------------|----------------------|------------------------|
| General      | \$10,000        | \$82,717,500         | \$80,685,200         | \$163,412,700          |
| Special      |                 | 335,500              | 372,700              | 708,200                |
| Airports     |                 | 9,356,900            | 10,335,400           | 19,712,300             |
| M.S.A.S.     |                 | 51,500,000           | 54,100,000           | 105,600,000            |
| C.S.A.H.     |                 | 154,900,000          | 163,400,000          | 318,300,000            |
| Tr. Hwy.     |                 | 603,211,800          | 598,162,700          | 1,201,374,500          |
| Hwy. User    |                 | 7,618,100            | 7,477,700            | 15,095,800             |
| <b>TOTAL</b> | <b>\$10,000</b> | <b>\$909,639,800</b> | <b>\$914,553,700</b> | <b>\$1,824,203,500</b> |

APPROPRIATIONS  
Available for the Year  
Ending June 30  
1984                      1985

Sec. 2. TRANSPORTATION

|  |               |               |
|--|---------------|---------------|
| Subdivision 1. Total Department<br>Appropriation | \$798,913,700 | \$804,853,200 |
| Approved Complement - 4425                       |               |               |
| General - 16                                     |               |               |
| State Airports - 37                              |               |               |
| Trunk Highway - 4371                             |               |               |
| Federal - 1                                      |               |               |

The appropriations in this section are from the trunk highway fund, except where another fund is designated.

Of this appropriation, \$24,862,800 the first year and \$23,933,800 the second year is from the general fund; \$9,311,900 the first year and \$10,310,400 the second year is from the state airports fund; \$51,500,000 the first year and \$54,100,000 the second year is from the municipal state aid street fund; \$154,900,000 the first year and \$163,400,000 the second year is from the county state aid highway fund; \$558,339,000 the first year and \$553,109,000 the second year is from the trunk highway fund.

|  |             |             |
|--|-------------|-------------|
| Subd. 2. Highway Development . . . . . | 566,923,700 | 573,418,700 |
| Trunk Highway Development              |             |             |

| 1984          | 1985          |
|---------------|---------------|
| \$342,824,000 | \$335,308,700 |

It is estimated that this appropriation will be funded as follows:

|                     |               |               |
|---------------------|---------------|---------------|
| Federal Highway Aid | \$212,500,000 | \$204,000,000 |
| Highway User Taxes  | \$ 95,323,700 | \$ 91,308,700 |
| Bond Proceeds       | \$ 35,000,000 | \$ 40,000,000 |

1984

1985

\$

\$

The bond proceeds in this appropriation are the same as those appropriated by Laws 1977, chapter 277, section 1, and Laws 1983, chapter 17, section 12, both as amended by this act.

The commissioner of transportation shall notify the chairman of the senate finance committee and chairman of the house appropriations committee promptly of any events that should cause these estimates to change.

This appropriation is for the actual construction, reconstruction, and improvement of trunk highways. This includes the cost of actual payment to land owners for lands acquired for highway right of way, payment to lessees, interest subsidies, and relocation expenses.

#### County State Aids

|               |               |
|---------------|---------------|
| \$154,900,000 | \$163,400,000 |
|---------------|---------------|

This appropriation is from the county state-aid highway fund and is available until expended.

#### Municipal State Aids

|               |               |
|---------------|---------------|
| \$ 51,500,000 | \$ 54,100,000 |
|---------------|---------------|

This appropriation is from the municipal state-aid street fund and is available until expended.

Of the above appropriation, \$155,000 the first year and \$163,500 the second year shall be allocated to those communities where the population fell below 5,000 according to the 1980 federal census.

If an appropriation for either county state aids or municipal state aids is insufficient to exhaust the balance in the fund from which it is made in the year for which it is made, the commissioner of finance, upon request of the commissioner of transportation, shall notify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the remainder and shall then add that amount to the appropriation. The amount added is appropriated for the purposes of county state aids or municipal state aids, as appropriate.

#### Highway Debt Service

|               |               |
|---------------|---------------|
| \$ 17,700,000 | \$ 20,610,000 |
|---------------|---------------|

For transfer to the state bond fund.

If this appropriation is insufficient to make all transfers required in the year for which it is made, the commissioner of finance shall no-

|  |      |      |
|--|------|------|
|  | 1984 | 1985 |
|  | \$   | \$   |

tify the committee on finance of the senate and the committee on appropriations of the house of representatives of the amount of the deficiency and shall then transfer that amount pursuant to the statutory open appropriation.

Any excess appropriation shall be canceled to the trunk highway fund.

|                                       |             |             |
|---------------------------------------|-------------|-------------|
| Subd. 3. Highway Operations . . . . . | 144,188,200 | 145,306,300 |
|---------------------------------------|-------------|-------------|

The amounts that may be expended from this appropriation for each activity are as follows:

|                          |               |  |
|--------------------------|---------------|--|
| Maintenance              |               |  |
| \$ 99,572,600            | \$100,685,400 |  |
| Maintenance Preservation |               |  |
| \$ 7,503,000             | \$ 7,501,000  |  |
| Construction Support     |               |  |
| \$ 37,112,600            | \$ 37,119,900 |  |

|                                       |            |            |
|---------------------------------------|------------|------------|
| Subd. 4. Technical Services . . . . . | 28,573,600 | 28,158,500 |
|---------------------------------------|------------|------------|

The amounts that may be expended from this appropriation for each activity are as follows:

|                      |               |  |
|----------------------|---------------|--|
| Engineering Services |               |  |
| \$ 18,024,800        | \$ 17,629,100 |  |

This appropriation includes \$1,400,000 each year for the purpose of delivery of an expanded highway development program. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

|                         |              |  |
|-------------------------|--------------|--|
| Engineering Development |              |  |
| \$ 6,890,400            | \$ 6,872,600 |  |

\$75,000 the first year and \$75,000 the second year is for a transportation research contingent account to finance research projects that are reimbursable from the federal government or from other sources. Expenditures from this account are subject to the approval of the commissioner of finance. Reimbursements shall be deposited in the trunk highway fund. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

|                                |            |  |
|--------------------------------|------------|--|
| State Aid Technical Assistance |            |  |
| \$ 656,000                     | \$ 656,000 |  |

The variance committee shall be continued during the biennium ending June 30, 1985.

|                           |              |  |
|---------------------------|--------------|--|
| Electronic Communications |              |  |
| \$ 1,796,400              | \$ 1,794,900 |  |

|  | 1984         | 1985       |
|--|--------------|------------|
| Environmental Services   | \$           | \$         |
| \$ 1,206,000   | \$ 1,205,900 |            |
| For the fiscal biennium ending June 30, 1985, the commissioner shall spend no money to acquire or condemn outdoor advertising devices as defined in Minnesota Statutes, chapter 173. |              |            |
| Subd. 5. Public Transportation Assistance  | 23,352,600   | 22,452,600 |

The appropriations in this subdivision are from the general fund.

Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

The amounts that may be expended from these appropriations for each activity are as follows:

(a) Rail Service Improvements

    \$ 400,000      \$ 400,000

This appropriation is for the purpose of supporting AMTRAK operation of the Northstar line between Minneapolis-St. Paul and Duluth.

(b) Metro Mobility

    \$ 5,000,000      \$ 5,000,000

The commissioner of transportation shall evaluate the financial benefits and service consequences of seeking competitive bids for the provision of services for metro mobility. If the commissioner concludes that competitive bidding may reduce the cost of providing service, he should pursue the use of competitive bidding where appropriate during the biennium ending June 30, 1985.

(c) Private Operators

    \$ 965,100      \$ 965,100

(d) Non-MTC Assistance Statewide

    \$ 5,434,200      \$ 5,434,200

(e) Metropolitan Transit Commission

    \$ 11,553,300      \$ 10,653,300

\$6,565,800 the first year and \$5,665,800 the second year is for state operating assistance grants.

Of this appropriation, \$200,000 the second year is available to the metropolitan transit commission only upon certification to the commissioner of transportation that the additional allocation will be used for the purpose of reducing the overall peak or off-peak fare rates

|  |      |      |
|--|------|------|
|  | 1984 | 1985 |
|  | \$   | \$   |

below the level existing on June 30, 1983. This restriction shall not prevent the metropolitan transit commission from certifying to the commissioner the necessity of this additional allocation in fiscal year 1985 due to reductions in the overall peak or off-peak fare rates occurring after June 30, 1983 and before July 1, 1984. In the event that less than \$200,000 is required, the commissior shall transfer only the amount certified.

\$4,987,500 the first year and \$4,987,500 the second year is for social fare reimbursement grants.

For the fiscal biennium ending June 30, 1985, the metropolitan transit commission may continue the existing \$.15 surcharge on fares during the peak hours. The metropolitan transit commission shall not increase its base fare beyond the level existing on June 30, 1983.

During the biennium ending June 30, 1985, the chairman of the metropolitan transit commission may appoint five persons in the unclassified service, not to exceed any other statutory complement limitation.

|                                       |           |           |
|---------------------------------------|-----------|-----------|
| Subd. 6. Program Management . . . . . | 5,774,200 | 5,766,500 |
|---------------------------------------|-----------|-----------|

The amounts that may be expended from this appropriation for each activity are as follows:

Highway Programs  
 \$ 1,355,300      \$ 1,355,300

Of this amount \$175,000 the first year and \$175,000 the second year is available for grants to regional development commissions outside the seven-county metropolitan area for transportation studies to identify critical concerns, problems, and issues.

Motor Carrier Safety and Compliance  
 \$ 902,200      \$ 869,300

This appropriation is from the general fund.

Railroads and Waterways  
 \$ 749,400      \$ 749,700

\$223,100 the first year and \$223,300 the second year is from the general fund.

Transit Administration  
 \$ 543,400      \$ 543,400

\$345,300 the first year and \$345,300 the second year is from the general fund.

|  | 1984       | 1985         |
|--|------------|--------------|
| Transportation Information and Support | \$         | \$           |
| \$ 2,223,900                           |            | \$ 2,248,800 |
| Subd. 7. General Support .....         | 20,851,800 | 19,500,700   |

The amounts that may be expended from this appropriation for each activity are as follows:

Finance and Administration  
 \$ 8,051,500      \$ 8,054,700

General Services  
 \$ 3,635,900      \$ 3,939,000

\$36,100 the first year and \$37,900 the second year is from the general fund.

\$56,200 the first year and \$58,600 the second year is from the state airports fund.

If an appropriation in this section for data processing development for either year is insufficient, the appropriation for the other year is available for it.

Equipment  
 \$ 8,273,400      \$ 6,566,800

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

\$3,500 the first year and \$5,400 the second year is from the general fund.

\$6,100 the first year and \$1,900 the second year is from the state airports fund.

Legal Services  
 \$ 891,000      \$ 940,200

This appropriation is for the purchase of legal services from or through the attorney general.

|                            |           |            |
|----------------------------|-----------|------------|
| Subd. 8. Aeronautics ..... | 9,249,600 | 10,249,900 |
|----------------------------|-----------|------------|

The appropriations in this subdivision are from the state airports fund.

The amounts that may be expended from this appropriation for each activity are as follows:

Aeronautics Operations  
 \$ 439,600      \$ 447,300

During the biennium ending June 30, 1985, the commissioner shall not require the registration of personal use airports except for those within five miles of a public airport, whether privately or publicly owned.

Aeronautics Development and Assistance  
 \$ 8,479,700      \$ 9,660,100



1984

1985

\$

\$

\$971,500 the first year and \$1,014,200 the second year is for navigational aids.

\$5,092,300 the first year and \$6,269,400 the second year is for airport construction grants.

\$1,400,000 the first year and \$1,400,000 the second year is for airport maintenance grants.

If the appropriation for either year for navigational aids, airport construction grants, or airport maintenance grants is insufficient, the appropriation for the other year is available for it. These appropriations shall be expended only for grant-in-aid programs for airports that are not state owned.

These appropriations are to be expended in accordance with Minnesota Statutes, section 360.305, subdivision 4, clauses (1), (2), (4), and (5).

The commissioner of transportation may transfer unencumbered balances among these appropriations with the approval of the governor after consultation with the legislative advisory commission.

\$16,900 the first year and \$7,500 the second year is for maintenance of the Pine Creek Airport.

#### Air Transportation Services

\$ 330,300      \$ 142,500

The commissioner of transportation shall expend no money for pilot uniforms.

During the biennium ending June 30, 1985, the commissioner of transportation shall establish the position of state air dispatcher.

#### Subd. 9. Transfers

The commissioner of transportation with the approval of the commissioner of finance may transfer unencumbered balances among the appropriations from the trunk highway fund made in this section. No transfer shall be made from the appropriation for trunk highway development. No transfer shall be made from the appropriations for debt service to any other appropriation. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

#### Subd. 10. Contingent Appropriations

1984                      1985

\$                              \$

(a) The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the state airports fund to an appropriation for state airports purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the state airports fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

(b) The commissioner of transportation, with the approval of the governor after consultation with the legislative advisory commission, may transfer all or part of the unappropriated balance in the trunk highway fund to an appropriation for trunk highway purposes in order to meet an emergency or to take advantage of an unanticipated receipt of income to the trunk highway fund. The amount transferred is appropriated for the purpose of the account to which it is transferred.

Sec. 3. TRANSPORTATION

|                        |         |         |
|------------------------|---------|---------|
| REGULATION BOARD ..... | 375,200 | 375,200 |
|------------------------|---------|---------|

Approved Complement - 8

Four support positions, with their incumbents, are transferred from the public utilities commission to the transportation regulation board.

One support position and its incumbent are transferred from the department of transportation to the transportation regulation board.

This appropriation is from the trunk highway fund.

Sec. 4. PUBLIC SAFETY

Subdivision 1. General Operations and Management .....

|  |            |            |
|--|------------|------------|
|  | 68,134,000 | 68,181,700 |
|--|------------|------------|

|                       | 1984    | 1985    |
|-----------------------|---------|---------|
| Approved Complement - | 1,631.9 | 1,630.8 |
| General -             | 385.0   | 385.0   |
| Special -             | .5      | .5      |
| Trunk Highway -       | 1,039.3 | 1,039.3 |
| Highway User -        | 174.6   | 174.6   |
| Federal -             | 32.5    | 31.4    |

The above approved complement includes 511 for state funded unclassified patrol officers and supervisors of the highway patrol.

|    |      |      |
|----|------|------|
|    | 1984 | 1985 |
| \$ |      | \$   |

Nothing in this provision is intended to limit the authority of the commissioner of public safety to transfer personnel, with the approval of the commissioner of finance, among the various units and divisions within this section provided that the above complement shall be reduced accordingly.

No new highway patrol supervisory positions shall be established, with the exception of special duty assigned ranks for the length of assignment only.

The commissioner of public safety, in cooperation with the departments of revenue and transportation, shall submit a report to the legislature outlining the costs and benefits of establishing ports of entry on Minnesota trunk highways. The study shall include, but is not necessarily limited to, an evaluation of the financial requirements for establishing ports of entry, the feasibility of ports of entry, the optimum location of ports of entry, and the impact ports of entry might have on the revenues collected for road and street purposes in Minnesota. The report shall be submitted to the chairman of the house appropriations committee and the chairman of the senate finance committee by November 1, 1983.

Of this appropriation, \$17,274,400 the first year and \$17,281,200 the second year is from the general fund; \$45,000 the first year and \$45,000 the second year is from the state airports fund; \$43,446,900 for the first year and \$43,627,800 the second year is from the trunk highway fund; and \$7,368,100 the first year and \$7,227,700 the second year is from the highway user tax distribution fund.

The amounts that may be expended from this appropriation for each program are specified in the following subdivisions of this section.

Subd. 2. Administration and Related Services

|              |              |
|--------------|--------------|
| \$ 2,715,000 | \$ 2,739,800 |
|--------------|--------------|

\$2,581,600 the first year and \$2,603,000 the second year is from the trunk highway fund.

\$133,400 the first year and \$136,800 the second year is from the highway user tax distribution fund.

Subd. 3. Emergency Services

|            |            |
|------------|------------|
| \$ 878,800 | \$ 784,900 |
|------------|------------|

|                                | 1984         | 1985 |
|--------------------------------|--------------|------|
|                                | \$           | \$   |
| Subd. 4. Criminal Apprehension |              |      |
| \$ 10,022,000                  | \$ 9,816,600 |      |

The commissioner may use this appropriation for the purpose of matching private donations for conducting research on driver impairment.

Of this appropriation, \$1,060,100 the first year and \$735,000 the second year is from the trunk highway fund for blood alcohol analysis.

\$212,700 the first year and \$219,100 the second year is for use by the bureau of criminal apprehension for the purpose of investigating cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$59,500 the first year and \$59,700 the second year is for the bureau of criminal apprehension to continue to provide in-service training for peace officers on a regional basis.

\$171,000 the first year and \$171,000 the second year is for grants to local officials for the cooperative investigation of cross-jurisdictional criminal activity. Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$38,000 the first year and \$38,000 the second year is for reimbursing political subdivisions for training peace officers and firefighters in the conduct of arson investigations.

Any unliquidated balance of data processing development money remaining in the first year does not cancel but is available for the second year of the biennium.

|                      |              |  |
|----------------------|--------------|--|
| Subd. 5. Fire Safety |              |  |
| \$ 1,474,500         | \$ 1,484,300 |  |

\$11,700 the first year and \$12,200 the second year is for reimbursing political subdivisions who enter into agreements to perform uniform fire code inspections.

|                       |               |  |
|-----------------------|---------------|--|
| Subd. 6. State Patrol |               |  |
| \$ 29,538,800         | \$ 29,914,800 |  |

Except for \$330,600 the first year and \$345,800 the second year from the general fund for executive protection, this appropriation is from the trunk highway fund.

|  | 1984 | 1985 |
|--|------|------|
|  | \$   | \$   |

The commissioner may assign up to 11 pilots to the air patrolling of highways.

This appropriation provides sufficient money to operate the mobile truck weighing program on a 12 month basis.

No more than five positions in the state patrol support activity shall be filled by state troopers.

The commissioner may not require the use of gasohol in the operation of state patrol vehicles.

Subd. 7. Capitol Security

|    |         |    |         |
|----|---------|----|---------|
| \$ | 728,500 | \$ | 722,300 |
|----|---------|----|---------|

Subd. 8. Driver and Vehicle Licensing

|    |            |    |            |
|----|------------|----|------------|
| \$ | 21,234,600 | \$ | 21,435,000 |
|----|------------|----|------------|

Of this appropriation, \$10,459,900 the first year and \$10,583,700 the second year is from the trunk highway fund, and \$7,090,900 the first year and \$7,234,700 the second year is from the highway user tax distribution fund.

\$500,000 the first year and \$500,000 the second year is for alcohol assessment reimbursements to counties.

Any unliquidated balance of data processing development money remaining in the first year does not cancel but is available for the second year of the biennium.

Subd. 9. Liquor Licensing

|    |         |    |         |
|----|---------|----|---------|
| \$ | 506,000 | \$ | 506,200 |
|----|---------|----|---------|

During the biennium ending June 30, 1985, the liquor control program shall concentrate its activities along the border areas of Minnesota.

Subd. 10. Ancillary Services

|    |         |    |         |
|----|---------|----|---------|
| \$ | 892,400 | \$ | 921,600 |
|----|---------|----|---------|

\$137,100 the first year and \$137,100 the second year is from the trunk highway fund for traffic safety and research.

\$654,000 the first year and \$683,100 the second year is for the crime victims reparations board. Any unencumbered balance remaining the first year does not cancel but is available for the second year of the biennium.

\$45,000 the first year and \$45,000 the second year is from the state airports fund for the civil air patrol.

|   |    |      |    |      |
|---|----|------|----|------|
|   | \$ | 1984 | \$ | 1985 |
| <p>\$56,300 the first year and \$56,400 the second year is for the expenses of the Private Detective and Protective Agency Licensing Board.</p> |    |      |    |      |

Subd. 11. Transfers

The commissioner of public safety with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs within funds. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Subd. 12. Reimbursements

(a) The sums of \$382,500 for the first year and \$385,900 for the second year are appropriated from the general fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1984 and January 1, 1985 respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for general fund purposes in the administration and related services program.

(b) The sums of \$384,400 for the first year and \$411,300 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the general fund on January 1, 1984 and January 1, 1985 respectively, in order to reimburse the general fund for expenses not related to the fund. These represent amounts appropriated out of the general fund for operation of the criminal justice data network related to driver and motor vehicle licensing.

(c) The sums of \$333,200 for the first year and \$329,400 for the second year are appropriated from the highway user tax distribution fund for transfer by the commissioner of finance to the trunk highway fund on January 1, 1984 and January 1, 1985 respectively, in order to reimburse the trunk highway fund for expenses not related to the fund. These represent amounts appropriated out of the trunk highway fund for highway user fund purposes in the administration and related services program.

Sec. 5. AGRICULTURE

|   |            |            |
|---|------------|------------|
| General Operations and Management . . . . . | 14,760,600 | 13,734,700 |
| Approved Complement - 453.8                 |            |            |

|                           | 1984 | 1985 |
|---------------------------|------|------|
|                           | \$   | \$   |
| General - 222.3           |      |      |
| Special/Revolving - 216.5 |      |      |
| Federal - 15              |      |      |

Of this appropriation, \$14,610,400 the first year and \$13,556,000 the second year is from the general fund; and \$150,200 the first year and \$178,700 the second year is from the special revenue fund.

The amounts that may be expended from this appropriation for each program are as follows:

#### Agricultural Protection Service

|              |              |
|--------------|--------------|
| \$ 3,441,200 | \$ 3,461,300 |
|--------------|--------------|

Notwithstanding Laws 1981, chapter 356, section 23, the commissioner of agriculture need transfer from the grain inspection account to the general fund by June 30, 1983 only the amount of the unobligated balance in the account not needed to provide working capital during the fiscal year ending June 30, 1984, as determined by the commissioner of finance. Any amounts due under Laws 1981, chapter 356, section 23 and not transferred to the general fund by June 30, 1983 shall be transferred to the general fund by June 30, 1984. It is estimated that this delay will reduce general fund transfers from other funds by \$250,000 for fiscal year 1983.

The commissioner of agriculture shall not initiate any new weigh stations until the recommendations of a select committee on livestock weighing have been received by the legislature. The committee shall be made up of three members of the house agriculture committee appointed by the speaker and three members of the senate agriculture and natural resources committee appointed by the subcommittee on committees of the committee on rules and administration. The committee shall report no later than January 30, 1984.

There is appropriated to the Department of Agriculture \$10,000 for fiscal year 1983 for the purpose of implementing a gypsy moth control program. These funds are available until expended.

#### Agricultural Promotion Service

|              |              |
|--------------|--------------|
| \$ 5,771,600 | \$ 4,632,000 |
|--------------|--------------|

\$150,200 the first year and \$178,700 the second year is from the commodities research and

|  | 1984 | 1985 |
|--|------|------|
| promotion account in the special revenue fund. | \$   | \$   |

\$500,000 the first year and \$500,000 the second year is for the agriculture development grant program to be expended in accordance with Minnesota Statutes, section 17.101. The commissioner shall submit a work program and semi-annual progress reports to the chairman of the senate finance committee and the chairman of the house appropriations committee.

For the biennium ending June 30, 1985, the commissioner of agriculture may provide money to assist in the implementation of research and promotional orders pursuant to Minnesota Statutes, sections 17.51 to 17.69 from the appropriation provided for agriculture development grants. This money shall be provided in accordance with Minnesota Statutes, section 17.101.

No more than \$15,000 may be spent for implementing a barley research and promotion order.

No more than \$30,000 may be spent for implementing a corn research and promotion order.

\$1,500,000 the first year is for transfer to the special family farm security program account created by Minnesota Statutes, section 41.61, subdivision 1, for the purpose of paying lenders for defaulted loans.

\$2,846,200 the first year and \$3,164,600 the second year is for family farm security interest payment adjustments. If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

#### Administration and Financial Aids Service

|              |  |              |
|--------------|--|--------------|
| \$ 2,512,400 |  | \$ 2,553,200 |
|--------------|--|--------------|

The appropriation for administration and financial aids service includes the following amounts for grants to agricultural societies and associations:

(a) For aid to the northeastern Minnesota junior livestock show association

|          |  |          |
|----------|--|----------|
| \$ 1,200 |  | \$ 1,200 |
|----------|--|----------|

(b) For aid to Minnesota livestock breeders association

|           |  |           |
|-----------|--|-----------|
| \$ 14,200 |  | \$ 14,200 |
|-----------|--|-----------|



|  | \$ | 1984  | \$ | 1985  |
|--|----|-------|----|-------|
| (c) For aid to northern sheep growers associations | \$ | 1,000 | \$ | 1,000 |
| (d) For aid to southern sheep growers associations | \$ | 400   | \$ | 400   |
| (e) For Red River valley livestock associations    | \$ | 6,000 | \$ | 6,000 |

The amount appropriated by clause (e) shall be disbursed pursuant to provisions of Minnesota Statutes, section 38.02.

(f) For the Red River Valley Dairymen's Association, Inc., for the purpose of promoting better dairying

|    |       |    |       |
|----|-------|----|-------|
| \$ | 1,200 | \$ | 1,200 |
|----|-------|----|-------|

Clauses (b), (c), (d), (e), and (f) shall be expended under provisions of Minnesota Statutes, section 17.07.

(g) Aid to county and district agricultural societies

|    |         |    |         |
|----|---------|----|---------|
| \$ | 260,200 | \$ | 257,600 |
|----|---------|----|---------|

Of this amount, \$2,600 in fiscal year 1984 is for reimbursing Morrison County for costs incurred in fiscal year 1982;

Of the amount appropriated by clause (g), \$3,800 each year is for livestock premiums to county fair associations for carrying on boys' and girls' club work. The amount appropriated by clause (g) shall be disbursed according to Minnesota Statutes, section 38.02.

Of the amounts appropriated by clause (g), \$900 each year shall be available for agricultural aid to the Red Lake Band of Chippewa Indians, to be expended as may be directed by the Indian council for the purpose of encouraging activities and arts that will advance the economic and social interest of their people and particularly to promote a program of agricultural development that will utilize to the greatest possible extent the lands and forest owned by them. This appropriation may be used to help maintain an agricultural extension service, to promote 4-H club work, or for premiums for the competitive display of exhibits at any fair or exposition that may be arranged under the direction of the council.

|   | 1984     | 1985     |
|---|----------|----------|
| (h) For aid in payment of premiums at exhibitions of poultry for the poultry associations | \$ 2,800 | \$ 2,800 |

Out of the amounts appropriated by clause (h) the amount of \$827 shall be allotted each fiscal year to aid the Minnesota state poultry association in the payment of premiums and other necessary expenses, exclusive of salaries or wages of any kind, at its annual exhibition.

\$8,800 the first year and \$9,200 the second year is for payment of claims relating to live-stock damaged by endangered animal species.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

The commissioner of agriculture shall submit a report to the chairman of the house appropriations committee and the chairman of the senate finance committee by January 15, 1984 outlining the costs and benefits of continuing the building lease beyond October 30, 1984.

#### Soil and Water Conservation Board

|              |              |
|--------------|--------------|
| \$ 3,035,400 | \$ 3,088,200 |
|--------------|--------------|

\$420,700 the first year and \$420,700 the second year is for general purpose grants in aid to soil and water conservation districts.

\$99,200 the first year and \$152,300 the second year is for grants to districts for technical assistance, education, and demonstrations of conservation tillage.

\$198,500 the first year and \$198,500 the second year is for grants to watershed districts and other local units of government in the southern Minnesota river basin study area 2 for flood plain management.

\$1,541,400 the first year and \$1,541,400 the second year is for grants to soil and water conservation districts for cost-sharing contracts for erosion control and water quality management.

\$158,700 the first year and \$158,700 the second year is for grants in aid to soil and water conservation districts and local units of government to assist them in solving sediment and erosion control problems. Grants shall not exceed 50 percent of total project costs or 50 percent of the local share if federal money is

|  |      |      |
|--|------|------|
|  | 1984 | 1985 |
|  | \$   | \$   |

used. Priority shall be given to projects designed to solve lakeshore, stream bank, and roadside erosion and to projects eligible for federal matching money.

\$12,400 the first year and \$12,400 the second year is for grants to soil and water conservation districts for review and comment on water permits.

The commissioner of agriculture with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

Sec. 6. BOARD OF ANIMAL HEALTH

|   |           |           |
|---|-----------|-----------|
| General Operations and Management . . . . . | 1,237,600 | 1,198,000 |
| Approved Complement - 35                    |           |           |

This appropriation includes \$40,000 the first year and \$40,000 the second year for payment of indemnities. If the appropriation for indemnities for either year is insufficient, the appropriation for the other year is available for it. Indemnities of less than \$1 shall not be paid.

For the biennium ending June 30, 1985, the board of animal health may request additional funding from the legislative advisory commission for the purpose of implementing the provisions of a bill known as H.F. 512, tentatively coded as Minnesota Statutes, section 35.255.

Sec. 7. COMMERCE

|   |           |           |
|---|-----------|-----------|
| General Operations and Management . . . . . | 7,501,900 | 7,530,300 |
| Approved Complement - 220                   |           |           |
| General - 217                               |           |           |
| Special - 3                                 |           |           |

Of this appropriation, \$7,316,600 the first year and \$7,336,300 the second year are from the general fund; and \$185,300 the first year and \$194,000 the second year are from the special revenue fund.

The amounts that may be expended from this appropriation for each program are as follows:

|   |              |              |
|---|--------------|--------------|
| Supervision of State-Chartered Financial Institutions | \$ 2,599,100 | \$ 2,612,000 |
|---|--------------|--------------|

|   | 1984 | 1985 |
|---|------|------|
| During the biennium ending June 30, 1985, the commissioner of banks shall cooperate with the state treasurer in the conduct of audits relating to unclaimed property. | \$   | \$   |

## Investment Protection

|              |    |           |
|--------------|----|-----------|
| \$ 1,127,600 | \$ | 1,135,900 |
|--------------|----|-----------|

\$185,300 the first year and \$194,000 the second year is from the real estate education, research and recovery account in the special revenue fund for the purpose of Minnesota Statutes, section 82.34, subdivision 6. If the appropriation from the special revenue fund for either year is insufficient, the appropriation for the other year is available for it.

## Consumer Services

|              |    |           |
|--------------|----|-----------|
| \$ 1,043,300 | \$ | 1,050,600 |
|--------------|----|-----------|

## Regulation of Insurance Companies

|              |    |           |
|--------------|----|-----------|
| \$ 2,042,900 | \$ | 2,042,900 |
|--------------|----|-----------|

This appropriation includes \$35,000 the first year and \$35,000 the second year for costs associated with the assigned risk plan review board.

During the biennium ending June 30, 1985, the commissioner of insurance shall cooperate with the state treasurer to improve procedures for notifying beneficiaries of the death of life insurance policyholders.

## General Support

|            |    |         |
|------------|----|---------|
| \$ 689,000 | \$ | 688,900 |
|------------|----|---------|

The commission with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations of the house of representatives.

## Sec. 8. [NON-HEALTH RELATED BOARDS.]

|   |           |           |
|---|-----------|-----------|
| Subdivision 1. Total for this section ..... | 2,665,100 | 2,644,100 |
| Subd. 2. Board of Abstractors .....         | 3,800     | 3,700     |
| Subd. 3 Board of Accountancy .....          | 238,500   | 218,200   |

If the department of administration has not approved purchase of a microcomputer and re-

|   | 1984      | 1985      |
|---|-----------|-----------|
|   | \$        | \$        |
| lated software by July 1, 1983, the board of accountancy, notwithstanding any other law to the contrary, may purchase a microcomputer and related software. |           |           |
| Approved Complement - 4   |           |           |
| Subd. 4. Board of Architecture,<br>Engineering and Land Surveying . . . . .   | 257,600   | 256,800   |
| Approved Complement - 5   |           |           |
| Subd. 5. Board of Barber Examiners . . . . .  | 106,200   | 106,200   |
| Approved Complement - 3   |           |           |
| Subd. 6. Board of Boxing . . . . .  | 25,600    | 25,700    |
| Approved Complement - 1   |           |           |
| Subd. 7. Board of Electricity . . . . .   | 677,300   | 677,500   |
| Approved Complement - 18  |           |           |
| Subd. 8. Board of Peace Officer<br>Standards and Training   |           |           |
| General Operations and Management . . . . .   | 1,356,100 | 1,356,000 |
| Approved Complement - 9   |           |           |
| \$1,000,000 the first year and \$1,000,000 the second year is for peace officers training pursuant to Minnesota Statutes, section 626.86.                   |           |           |
| Sec. 9. PUBLIC UTILITIES<br>COMMISSION . . . . .  | 1,122,400 | 1,120,500 |
| Approved Complement - 27  |           |           |
| Sec. 10. PUBLIC SERVICE   |           |           |
| General Operations and Management . . . . .   | 3,267,300 | 3,272,900 |
| Approved Complement - 86  |           |           |

The amounts that may be expended from this appropriation for each program are as follows:

|                         |              |              |
|-------------------------|--------------|--------------|
| Utility Regulation      | \$ 1,259,700 | \$ 1,265,700 |
| Weights and Measures    | \$ 1,572,600 | \$ 1,572,400 |
| Administrative Services | \$ 435,000   | \$ 434,800   |

The public service department with the approval of the commissioner of finance may transfer unencumbered balances not specified for a particular purpose among the above programs. Transfers shall be reported forthwith to the committee on finance of the senate and the committee on appropriations in the house of

|   | 1984      | 1985      |
|---|-----------|-----------|
|   | \$        | \$        |
| representatives.  |           |           |
| Sec. 11. ETHICAL PRACTICES BOARD .....                      | 172,100   | 171,900   |
| Approved Complement - 5                                     |           |           |
| Sec. 12. MINNESOTA MUNICIPAL BOARD .....                    | 192,200   | 200,700   |
| Approved Complement - 4                                     |           |           |
| Sec. 13. MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION ..... | 65,800    | 67,600    |
| Sec. 14. UNIFORM LAWS COMMISSION .....                      | 12,300    | 11,600    |
| Sec. 15. VOYAGEURS NATIONAL PARK CITIZENS COMMITTEE .....   | 53,700    | 50,800    |
| Sec. 16. SOUTHERN MINNESOTA RIVERS BASIN BOARD .....        | 52,400    | 52,300    |
| Sec. 17. MINNESOTA HISTORICAL SOCIETY .....                 | 7,341,200 | 7,294,600 |

The amounts that may be expended from this appropriation for each program are as follows:

- (a) Minnesota Historical Society Operations
  - \$ 6,898,800      \$ 6,891,400

This appropriation includes money for a seven-day-a-week tour program in the capitol and historical buildings. The historical building shall remain open for public use on Saturdays and, if necessary, adjustments in the remainder of the weekday schedule may be effected by the Minnesota historical society.

Any unencumbered balance remaining at the end of the first year shall be returned to the state treasury and credited to the general fund.

The appropriation in this subdivision includes no money for compensation increases. The Minnesota historical society will draw on the salary supplement appropriation for that purpose. Employees of the Minnesota historical society will be paid in accordance with the appropriate pay plan.

- (b) Historic Grant-In-Aid
  - \$ 246,200      \$ 246,200

For historic site grants to encourage local historic preservation projects.

To be eligible for a grant, a county or local project group must provide a 50 percent

|  |    |      |    |      |
|--|----|------|----|------|
|  | \$ | 1984 | \$ | 1985 |
| match, in accordance with the historical society's guidelines. |    |      |    |      |

(c) Fiscal Agent

|    |         |    |         |
|----|---------|----|---------|
| \$ | 196,200 | \$ | 157,000 |
|----|---------|----|---------|

\$51,100 the first year and \$51,900 the second year is for the Sibley House Association.

This appropriation is available for operation and maintenance of the Sibley House and related buildings on the Old Mendota state historic site owned by the Sibley House association.

The historical society should seek an agreement with the Sibley House association whereby the historical society will make payments to the association for this purpose and will provide the association with technical assistance in applying for federal grants.

Notwithstanding any laws to the contrary, the Sibley House association may purchase fire, wind, hail, and vandalism insurance, and insurance coverage for fine art objects from this appropriation.

\$55,000 the first year and \$55,000 the second year is for the Government Learning Center.

\$32,100 the first year and \$32,100 the second year is for the Minnesota Humanities Commission.

\$18,000 the first year and \$18,000 the second year is for the Minnesota International Center.

\$40,000 in the first year is for the purpose of maintaining Minnesota military history museums at Fort Snelling and Camp Ripley.

Any unencumbered balance remaining in (b) or (c) the first year does not cancel but is available for the second year of the biennium.

|                                      |           |           |
|--------------------------------------|-----------|-----------|
| Sec. 18. BOARD OF THE ARTS . . . . . | 2,020,600 | 2,068,900 |
| Approved Complement - 11             |           |           |
| General - 8                          |           |           |
| Federal - 3                          |           |           |

The amounts that may be expended from this appropriation for each program are as follows:

(a) Administrative Services

|    |         |    |         |
|----|---------|----|---------|
| \$ | 232,200 | \$ | 232,200 |
|----|---------|----|---------|

|  | 1984    | 1985    |
|--|---------|---------|
|  | \$      | \$      |
| (b) Subsidies and Grants   |         |         |
| \$ 1,788,400      \$ 1,836,700   |         |         |
| <p>\$75,000 the first year and \$75,000 the second year is for individual artist grants.</p> <p>The board of the arts shall report to the chairman of the senate finance committee and the chairman of the house appropriations committee by January 1, 1984 concerning its success at obtaining money from federal, private, and other sources to match state money appropriated for individual artists grants.</p> <p>\$50,000 the first year and \$50,000 the second year is for arts in education.</p> <p>\$688,800 the first year and \$737,100 the second year is for the support of regional arts councils throughout the state.</p> <p>Any unencumbered balance remaining in (a) or (b) the first year does not cancel but is available for the second year of the biennium.</p> |         |         |
| Sec. 19. MINNESOTA HUMANE SOCIETY .....  | 43,800  |         |
| <p>No state money shall be expended for the care, feeding, housing, or disposal of animals.</p> <p>Any unencumbered balance remaining in the first year does not cancel but is available for the second year of the biennium.</p>  |         |         |
| Sec. 20. MINNESOTA HORTICULTURAL SOCIETY .....   | 67,900  | 67,900  |
| Sec. 21. MINNESOTA ACADEMY OF SCIENCE .....  | 20,400  | 20,500  |
| Sec. 22. SCIENCE MUSEUM OF MINNESOTA .....   | 273,400 | 290,500 |
| Sec. 23. MINNESOTA SAFETY COUNCIL .....  | 50,700  | 50,700  |
| <p>This appropriation is from the trunk highway fund.</p>  |         |         |
| Sec. 24. DISABLED AMERICAN VETERANS .....  | 20,100  | 20,100  |
| <p>For salaries, supplies, and expenses to be expended as provided by Laws 1941, chapter 425.</p>  |         |         |
| Sec. 25. VETERANS OF FOREIGN WARS .....  | 25,000  | 25,000  |
| <p>For carrying out the provisions of Laws 1945.</p>   |         |         |



|  | 1984    | 1985    |
|--|---------|---------|
|  | \$      | \$      |
| chapter 455.                               |         |         |
| Sec. 26. GENERAL CONTINGENT ACCOUNTS ..... | 650,000 | 650,000 |

The appropriations in this section shall be expended with the approval of the governor after consultation with the legislative advisory commission pursuant to Minnesota Statutes, section 3.30.

If an appropriation in this section for either year is insufficient, the appropriation for the other year is available for it. This appropriation for each purpose are more specifically described in the following subdivisions of this section.

|                                    |            |            |
|------------------------------------|------------|------------|
| Trunk Highway Fund                 | \$ 400,000 | \$ 400,000 |
| Highway User Tax Distribution Fund | \$ 250,000 | \$ 250,000 |

|                            |         |         |
|----------------------------|---------|---------|
| Sec. 27. TORT CLAIMS ..... | 600,000 | 600,000 |
|----------------------------|---------|---------|

To be disbursed by the commissioner of finance.

This appropriation is from the trunk highway fund.

If the appropriation for either year is insufficient, the appropriation for the other year is available for it.

Sec. 28. Minnesota Statutes 1982, section 12.14, is amended to read:

12.14 [ASSESSMENT FOR NUCLEAR SAFETY PREPAREDNESS ACT.]

Any person, firm, corporation or association in the business of owning or operating a nuclear fission electrical generating plant located in Minnesota, shall pay an assessment of ~~\$250,000 per plant~~ to cover the ~~initial~~ cost of ~~upgrading~~ nuclear power plant emergency response plans and other programs necessary to deal with incidents resulting from the operation of nuclear fission electrical generating plants. ~~This assessment shall be paid to the state for deposit in the general fund within 90 days of April 25, 1980. Thereafter,~~ An assessment of ~~\$75,000~~ ~~\$100,000~~ per plant shall be paid ~~annually~~ on July 1 of each year, ~~beginning with July 1, 1981, to cover ongoing costs related to the emergency response plan.~~

Sec. 29. Minnesota Statutes 1982, section 17.101, is amended to read:

17.101 [PROMOTIONAL ACTIVITIES.]

*Subdivision 1.* [DEPARTMENTAL DUTIES.] For the purposes of expanding, improving, and developing the markets for products of Minnesota agriculture, the commissioner of agriculture shall encourage and promote the marketing of these products by means of ~~promotional~~ activities such as

**advertising and other appropriate activities:**

- (a) advertising Minnesota agricultural products;
- (b) assisting state agricultural commodity organizations;
- (c) developing methods to increase processing and marketing of agricultural commodities including commodities not being produced in Minnesota on a commercial scale, but which may have economic potential in national and international markets;
- (d) investigating and identifying new marketing technology and methods to enhance the competitive position of Minnesota agricultural products;
- (e) evaluating livestock marketing opportunities;
- (f) assessing and developing national and international markets for Minnesota agricultural products;
- (g) studying the conversion of raw agricultural products to manufactured products including ethanol;
- (h) hosting the visits of foreign trade teams to Minnesota and defraying the teams' expenses;
- (i) assisting Minnesota agricultural businesses desiring to sell their products in national and international markets; and
- (j) other activities the commissioner deems appropriate to promote Minnesota agricultural products in national and international markets.

Subd. 2. [AGRICULTURAL DEVELOPMENT GRANTS.] In order to carry out the duties in subdivision 1, the commissioner, in addition to whatever other resources the department may commit, shall make grants and enter into contracts to fulfill the obligations of subdivision 1. The commissioner may contract with, among others, agricultural commodity organizations and agriculture related businesses to fulfill the duties. The commissioner shall make permanent or temporary rules for the administration of these grants and contracts. The rules shall specify at a minimum:

- (a) eligibility criteria;
- (b) application procedures;
- (c) provisions for application review and project approval;
- (d) provisions for program monitoring and review for all approved grants and contracts; and
- (e) other provisions the commissioner finds necessary.

Contracts entered into by the commissioner pursuant to this subdivision shall not exceed 75 percent of the cost of the project supported by the commissioner's grant. In any biennium, no organization shall receive more than \$70,000 in grants from the commissioner.

Subd. 3. [AUDITS.] The books, records, documents, and accounting procedures and practices of any organization receiving a grant from the commissioner under the provisions of subdivision 2 shall be subject to examination by the department. The commissioner may prescribe uniform methods of accounting to be used by grant recipients.

*Subd. 4. [ADVISORY GROUP.] The commissioner may establish an ad hoc advisory group to assist him in evaluating grant requests made pursuant to subdivision 2.*

Sec. 30. Minnesota Statutes 1982, section 17A.04, subdivision 5, is amended to read:

Subd. 5. [LICENSE FEE.] The applicant shall submit to the commissioner the following applicable fee ~~or fees and penalties for late renewal~~:

~~(1) \$120 (a) \$150 for each livestock market agency and public stockyard license, penalty \$38; (2) \$42 for each livestock dealer license; and (3) \$24 for each agent license~~

*(b) \$50 for each livestock dealer license, penalty \$13;*

*(c) \$30 for each agent of a livestock dealer license, penalty \$10;*

*(d) \$50 for each meat packing company license, penalty \$13;*

*(e) \$30 for each agent of a meat packing company license, penalty \$10.*

Sec. 31. Minnesota Statutes 1982, section 18.51, subdivision 2, is amended to read:

Subd. 2. [FEES; PENALTY.] ~~Each~~ A nurseryman shall be required to pay an annual fee before the commissioner shall issue a certificate of inspection. This fee shall be based on the area of all of his nurseries as follows:

Nurseries:

- |   |                                       |
|---|---------------------------------------|
| (1) 1/2 acre or less                        | <del>\$25</del> \$30 per nurseryman   |
| (2) Over 1/2 acre to and including 2 acres  | <del>\$35</del> \$50 per nurseryman   |
| (3) Over 2 acres to and including 10 acres  | <del>\$60</del> \$100 per nurseryman  |
| (4) Over 10 acres to and including 50 acres | <del>\$160</del> \$300 per nurseryman |
| (5) Over 50 acres                           | <del>\$400</del> \$600 per nurseryman |

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 32. Minnesota Statutes 1982, section 18.52, subdivision 5, is amended to read:

Subd. 5. [FEES; PENALTY.] ~~Each~~ A dealer is required to *shall* pay an annual fee. ~~The fee charged shall be based on the dealer's gross sales of the dealer during the preceding certificate year. In the case of A dealer operating for the first year, will pay the minimum fee will suffice.~~

Dealers:

- |                               |  |
|-------------------------------|--|
| (1) Gross sales up to \$1,000 | at a location<br><del>\$20</del> \$30 per location |
| (2) Gross sales over \$1,000  | at a location                                      |

|  |  |
|--|--|
| and up to \$5,000                                | <del>\$30</del> \$40 per location                    |
| (3) Gross sales over \$5,000<br>up to \$10,000   | at a location<br><del>\$45</del> \$70 per location   |
| (4) Gross sales over \$10,000<br>up to \$25,000  | at a location<br><del>\$70</del> \$100 per location  |
| (5) Gross sales over \$25,000<br>up to \$75,000  | at a location<br><del>\$115</del> \$150 per location |
| (6) Gross sales over \$75,000<br>up to \$100,000 | at a location<br><del>\$175</del> \$220 per location |
| (7) Gross sales over \$100,000                   | at a location<br><del>\$250</del> \$330 per location |

In addition to the above fees, a minimum penalty of \$10 or 25 percent of the fee due, whichever is greater, shall be charged for any application for renewal not received by January 1 of the year following expiration of a certificate.

Sec. 33. Minnesota Statutes 1982, section 18.53, is amended to read:

18.53 [GREENHOUSE CERTIFICATION.]

The commissioner or his employee may inspect and certify greenhouses and greenhouse plants as being free from plant pests upon request of the greenhouse operator and issue a greenhouse certificate. The fee is ~~\$25~~ \$30 for each greenhouse operator. ~~Said~~ The certificate shall ~~expire~~ expires on November 15 next following the date of issue.

Sec. 34. Minnesota Statutes 1982, section 18.54, is amended to read:

18.54 [LOCAL SALES AND MISCELLANEOUS.]

Subdivision 1. The commissioner or his employee may make small lot inspections or perform other necessary services for which another charge is not specified. For these services the commissioner shall charge a fee of \$10; ~~in addition, a charge may be made for the necessary expenses incurred by the inspector set a fee plus expenses that will recover the cost of performing this service, as provided in section 16A.128.~~ The commissioner may set an additional acreage fee for inspection of seed production fields for exporters in order to meet domestic and foreign plant quarantine requirements.

Subd. 2. The commissioner shall have the authority to provide special services such as virus disease-free certification and other similar programs. Participation by nurserymen shall be voluntary. Plants offered for sale as certified virus-free must be grown according to certain procedures in a manner defined by the commissioner for the purpose of eliminating viruses and other injurious disease or insect pests. The commissioner ~~may~~ shall collect reasonable fees from participating nurserymen for services and materials that are necessary to conduct this type of work, *as provided in section 16A.128.*

Sec. 35. Minnesota Statutes 1982, section 18A.22, subdivision 5, is amended to read:

Subd. 5. [FEE.] Each application for registration and renewal shall be accompanied by a registration fee of ~~\$10~~ \$25 for each pesticide registered.

~~All such~~ These registrations shall expire on December 31 of ~~any one~~ each year, unless cancelled sooner.

Sec. 36. Minnesota Statutes 1982, section 18A.22, subdivision 7, is amended to read:

Subd. 7. [LATE REGISTRATION.] If the renewal of a pesticide registration is filed after December 31, or an original application is filed after the first month the pesticide is first manufactured or sold within this state, an additional fee of ~~\$5~~ \$10 shall be paid by the applicant before the registration for that pesticide may be issued or renewed.

Sec. 37. Minnesota Statutes 1982, section 18A.26, is amended to read:

18A.26 [LICENSE, REGISTRATION, DEALER, APPLICATOR, FEE.]

Subdivision 1. [RESTRICTED USE PESTICIDE DEALER LICENSE.]

(a) Any person offering for sale or having in his possession with intent to distribute to the ultimate user a restricted use pesticide and any private applicator purchasing from an unlicensed source for his own use any restricted use pesticide shall obtain a license from the commissioner. Application for a restricted use pesticide dealer license shall be made upon the forms and in the manner, which may include an examination, as the commissioner requires to determine if the applicant is qualified to sell restricted use pesticides.

(b) Application for a license requires payment of a fee of ~~\$35~~ \$50. Licenses shall be renewed annually prior to January 1, upon receipt of a ~~\$35~~ \$50 fee and the completed application form.

(c) If an application for renewal of a restricted use pesticide dealer license is not filed prior to January 1 of any one year, an additional fee of ~~\$10~~ \$13 shall be paid by the applicant before the renewal license may be issued.

(d) The dealer license shall not be transferable to another person or to another location.

(e) Each licensed restricted use pesticide dealer shall be responsible for the acts of each person employed by him in the solicitation and sale of restricted use pesticides.

(f) Provisions of this subdivision shall not apply to:

(1) A licensed commercial applicator, noncommercial applicator or structural pest control applicator who sells or uses pesticides only as an integral part of his pesticide application service;

(2) A federal, state, county, or municipal agency which provides pesticides only for its own programs; and

(3) A duly licensed pharmacist, physician, dentist, or veterinarian when administering or dispensing a restricted use pesticide for use in man or other animal in his practice.

Subd. 2. [COMMERCIAL APPLICATOR LICENSE.] (a) No commercial applicator shall use or supervise the use of any pesticide without a commercial applicator's license issued by the commissioner. Application for the license shall be made upon forms and in such manner, which may include an examination, as the commissioner may require. An aerial applicator shall secure an endorsement to his license showing that he has been licensed for

commercial spraying or dusting operations, or both, in accordance with chapter 360, and that he has passed an examination prepared by the department of transportation and administered by the department of agriculture, testing whether he is knowledgeable in the aerial application of pesticides. A person intending to apply pesticides in any public waters shall secure an endorsement to his license showing that he has passed an examination prepared by the department of natural resources and administered by the department of agriculture, testing whether he is knowledgeable in the application of pesticides in water.

(b) The commissioner may renew any applicator's license, subject to re-examination or other requirements imposed by the commissioner to ensure that the applicator understands changing technology and to assure a continuing level of competence and ability to use pesticides safely and properly.

(c) Each application for a license shall require payment of an annual fee of ~~\$10~~ \$40 and an identification card fee of ~~\$7.50~~ \$10 for the applicant and ~~\$7.50~~ \$10 for each additional identification card desired.

(d) If the renewal application is not filed prior to March 1 in any year, an additional fee of ~~\$5~~ \$10 shall be paid by the applicant before the renewal license may be issued.

(e) The license issued shall not be transferable to another person.

(f) Every licensee or his designated operator shall have an identification card when applying pesticides for hire and shall display it upon demand of an authorized representative of the commissioner or a law enforcement officer. The identification card shall contain such information as the commissioner may by rule require.

(g) A person required to be licensed under this subdivision who carries on spraying or dusting operations for hire or who employs or engages an applicator to carry on spraying or dusting operations for hire, shall be responsible for proper application of the material or device. He shall use materials, dosages, formulas, devices and methods of application acceptable to the commissioner based upon registered approved uses of the material or device within limits prescribed by state and federal laws and regulations. He shall not be held liable for the actions of a chemical when applied in accordance with the recommendation of the manufacturer or the commissioner.

### Subd. 3. [STRUCTURAL PEST CONTROL APPLICATOR LICENSE, REGISTRATION.]

(a) No person shall engage in structural pest control applications for hire unless registered or licensed by the commissioner. Before any person shall engage in structural pest control application he shall apply on forms supplied by the commissioner for a registration or license to engage in such activities. The commissioner shall determine from the application and the statements contained therein if such applicant is qualified to be registered or to receive a license. The commissioner shall require the applicant to pass a written or an oral examination, or both, and may also require a practical demonstration regarding structural pest control. The examination procedure, including all the phases and contents of the examination, shall be established by the commissioner.

(b) A registration or license is effective until January 1 next following the date of its issuance, and may be renewed annually on or before that date. Registrations or licenses are not transferable to any other person.

(c) ~~An~~ *No annual fee of \$15 must need* accompany an application for registration or renewal where the applicant is licensed by a political subdivision or municipality to engage in structural pest control ~~or \$75. An annual fee of \$100 must accompany an application for registration or renewal~~ if the applicant is not so licensed. Employees of a person who is registered or licensed under this subdivision shall pay a fee of ~~\$40~~ \$20 for an initial license or registration and a fee of ~~\$6~~ \$20 for each renewal thereof. The commissioner may establish other requirements for renewal as are necessary to assure competence of registrants or licensees.

(d) In case a delinquency in the payment of the license or registration renewal fee extends beyond three months the licensee or registrant will be required to obtain a new license or registration subject to all the requirements, procedures and fees required for an initial license or registration.

(e) The commissioner shall establish categories of master, journeyman, and apprentice in structural pest control applications. No person shall engage in structural pest control applications as a sole proprietorship, company, partnership, or corporation unless he is licensed or registered as a master in structural pest control applications or unless he employs a person so licensed or registered.

(f) The commissioner shall notify each licensee or registrant by mail that his fee is due and payable and if not received before the expiration date of the registration or license 50 percent will be added to the required annual renewal fee or fees.

Subd. 4. [NONCOMMERCIAL APPLICATOR.] (a) No noncommercial applicator may use a restricted use pesticide or supervise the use of a restricted use pesticide without having a valid noncommercial applicator license issued by the commissioner for use categories or subcategories for which the pesticide application is made.

(b) License applications shall be made upon forms and in the manner, which may include an examination, as the commissioner may prescribe to determine if the applicant is qualified.

(c) The commissioner may renew a license subject to re-examination or other requirements designed to ensure that the applicator continues to understand changing technology and to assure a continuing level of competence and ability to use pesticides safely and properly.

(d) Each application for a license shall require payment of an annual fee of ~~\$10~~ \$40 and an identification card fee of ~~\$7.50~~ \$10 for the applicant and ~~\$7.50~~ \$10 for each additional identification card desired. Governmental agencies shall be exempt from the fee. The license shall be renewed annually prior to January upon payment of applicable fees and compliance with any other requirement.

(e) If an application for renewal of license is not filed prior to March 1, in any year, an additional fee of ~~\$5~~ \$10 shall be paid by the applicant before the renewal license may be issued.

#### Sec. 38. [PURPOSE.]

*It is the policy of the legislature that consumers should be able to purchase truthfully and adequately labeled seeds for planting. Sections 39 to 51 es-*

*establish a uniform labeling system for agricultural, vegetable, flower, tree or shrub seeds whereby consumers can be protected from inadequately or illegally labeled seed and also whereby fair competition can be achieved.*

Sec. 39. [21.80] [MINNESOTA SEED LAW.]

*Sections 39 to 51 may be cited as the "Minnesota Seed Law."*

Sec. 40. [21.81] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The terms used in sections 39 to 51 have the meanings given them in this section.*

*Subd. 2. [ADVERTISEMENT.] "Advertisement" means any representation, other than on a label, disseminated in any manner or by any means, relating to seed within the scope of sections 39 to 51.*

*Subd. 3. [AGRICULTURAL SEEDS.] "Agricultural seeds" includes the seeds of grass, forage, cereal, oil, fiber crops, seeds of vegetables grown for processing, and any other kinds of seeds commonly recognized within this state as agricultural or field seeds, lawn seeds, or mixtures of those seeds, and may include noxious weed seed when the commissioner determines that the seed is being used as agricultural seed.*

*Subd. 4. [BLEND.] "Blend" means seed consisting of more than one variety of a kind, each in excess of five percent of the whole.*

*Subd. 5. [CERTIFIED SEED.] "Certified seed" means certified, registered, or foundation seed, or any other term conveying a similar meaning when referring to seed that has been produced, conditioned, and labeled in compliance with the rules of an officially recognized seed certification agency.*

*Subd. 6. [COMMISSIONER.] "Commissioner" means the commissioner of agriculture or his authorized agent and may include a county agricultural inspector.*

*Subd. 7. [CONDITIONING.] "Conditioning" means cleaning to remove chaff, sterile florets, immature seeds, weed seeds, inert matter, and other crop seeds, scarifying, combining to obtain uniform quality, or any other operation which would change the purity or germination of the seed and require retesting to determine the quality of the seed. Conditioning does not include such operations as packaging, labeling, combining uniform lots of the same kind or variety without cleaning or preparing a mixture without cleaning, if it would not require retesting to determine the quality of the seed.*

*Subd. 8. [FLOWER SEEDS.] "Flower seeds" includes seeds of herbacious plants grown for their blooms, ornamental foliage, or other ornamental parts and commonly known and sold under the name of flower seeds in this state.*

*Subd. 9. [GENUINE GROWER'S DECLARATION.] A "genuine grower's declaration" is a statement signed by the grower which gives for a lot of agricultural seed, the lot number, kind, variety, origin, weight, year of production, date of shipment, and to whom it was sold, shipped, or delivered.*

*Subd. 10. [GERMINATION.] "Germination" means the percentage of*



*seeds other than hard seeds which are capable of producing normal seedlings under favorable growing conditions. Broken, weak, diseased, malformed, or abnormal seedlings shall not be considered as having germinated.*

*Subd. 11. [HYBRID.] "Hybrid" when applied to kinds or varieties of seed means the first generation seed of a cross produced by controlling the pollination and by combining (a) two or more inbred lines; (b) one inbred or a single cross with an open pollinated variety; or (c) two selected clones, seed lines, varieties, or species. "Controlling the pollination" means to use a method of hybridization which will produce pure seed which is at least 75 percent hybrid seed. The second generation or subsequent generations from these crosses are not hybrids. Hybrid designations shall be treated as variety names.*

*Subd. 12. [INITIAL LABELER.] "Initial labeler" means a person who is the first to label for sale within this state an agricultural, vegetable, flower, tree, or shrub seed.*

*Subd. 13. [KIND.] "Kind" means one or more related species or subspecies which singly or collectively is known by one common name, such as wheat, oats, or sweet clover.*

*Subd. 14. [LABEL.] "Label" includes a tag or other device attached to or written, stamped, or printed on any container or accompanying any lot of bulk seeds purporting to set forth the kind of seeds contained, or any other information relating to the labeled seed and includes invoices under which any seed is imported into the state.*

*Subd. 15. [LOT.] "Lot" means a definite quantity of seed identified by a lot number or other mark, every portion or bag of which is uniform within recognized tolerances for the factors which appear in the labeling.*

*Subd. 16. [MIXTURE.] "Mixture" means seeds consisting of more than one kind, each in excess of five percent of the whole.*

*Subd. 17. [NOXIOUS WEED SEEDS.] "Noxious weed seeds" includes prohibited and restricted noxious weed seeds.*

*Subd. 18. [PERSON.] "Person" means an individual, partnership, corporation, company, society, association, or firm.*

*Subd. 19. [PROHIBITED NOXIOUS WEED SEEDS.] "Prohibited noxious weed seeds" are those weed seeds which are prohibited from being present in any agricultural, vegetable, flower, tree or shrub seed. They are the seeds of weeds which are highly destructive and difficult to control by good cultural practices or by the use of herbicides. They not only reproduce by seed but also may spread by underground reproductive parts such as roots and rootstocks and aboveground reproductive parts such as runners and stolons.*

*Subd. 20. [PURE LIVE SEED.] "Pure live seed" means the product of the percent germination multiplied by the percent pure seed divided by 100 percent.*

*Subd. 21. [PURE SEED.] "Pure seed" means seed exclusive of inert matter and all other seeds not of the kind of seed being considered as defined by*

*the rules for testing seeds of the association of official seed analysts.*

*Subd. 22. [RECORD.] "Record" includes all information relating to seed shipments and includes a file sample of each lot of seed. For tree and shrub seed, the record includes all documents regarding statement of origin and elevation where the seed originated.*

*Subd. 23. [RESTRICTED NOXIOUS WEED SEEDS.] "Restricted noxious weed seeds" are those weed seeds which, if present in agricultural, vegetable, flower, tree or shrub seed, shall be named on the label together with the number per pound of seed specified and which shall not exceed the legal limit. They are seeds of weeds which are objectionable in fields, lawns, and gardens of this state and can be controlled by good cultural practice and use of herbicides.*

*Subd. 24. [SCREENINGS.] "Screenings" means chaff, sterile florets, immature seed, weed seeds, inert matter, and other material removed from seed in any kind of conditioning and which contains less than 25 percent by weight of live agricultural or vegetable seed.*

*Subd. 25. [SEIZURE.] "Seizure" means a legal process carried out by a court order against a definite amount of seed.*

*Subd. 26. [SELL.] "Sell," when applying to agricultural, vegetable, flower, tree or shrub seed, and seed samples, includes:*

*(a) selling or transferring ownership;*

*(b) offering and exposing for sale, exchange, distribution, giving away, and transportation in or into this state;*

*(c) having in possession with intent to sell, exchange, distribute, give away, or transport in or into this state;*

*(d) storing, carrying, and handling in aid of traffic in seeds, whether done in person or through an agent, employee, or other person; and*

*(e) receiving, accepting, and holding on consignment for sale.*

*Subd. 27. [STOP SALE.] "Stop sale" means an administrative order restraining the sale, use, disposition, and movement of a definite amount of seed.*

*Subd. 28. [TREATED.] "Treated" means that the seed has received an application of a substance or that it has been subjected to a process for which a claim is made.*

*Subd. 29. [TREE AND SHRUB SEEDS.] "Tree and shrub seeds" includes seeds of woody plants commonly known and sold as tree and shrub seeds in this state.*

*Subd. 30. [TREE SEED COLLECTOR'S DECLARATION.] A "tree seed collector's declaration" is a statement signed by a grower or person having knowledge of the place of collection which gives for a lot of seed: the lot number, common or scientific name of the species, subspecies if appropriate, origin, elevation, and quantity of tree and shrub seed.*

*Subd. 31. [TYPE.] "Type" means a group of varieties so nearly similar that individual varieties cannot be clearly differentiated except under special*

conditions.

*Subd. 32. [VEGETABLE SEEDS.] "Vegetable seeds" includes the seeds of those crops which are grown in gardens and on truck farms that are generally known and sold under the name of vegetable or herb seeds in this state.*

*Subd. 33. [VARIETY.] "Variety" means a subdivision of a kind characterized by growth, yield, plant, fruit, seed, or other characteristics by which it can be differentiated from other plants of the same kind.*

*Subd. 34. [WEED SEEDS.] "Weed seeds" includes the seeds of all plants generally recognized as weeds within this state, including noxious weed seeds.*

**Sec. 41. [21.82] [LABEL REQUIREMENTS; AGRICULTURAL, VEGETABLE, OR FLOWER SEEDS.]**

*Subdivision 1. [FORM.] Each container of agricultural, vegetable, or flower seed which is offered for sale for sowing purposes shall bear or have attached in a conspicuous place a plainly written or printed label or tag in the English language giving the information required by this section. This statement shall not be modified or denied in the labeling or on another label attached to the container.*

*Subd. 2. [CONTENT.] For agricultural, vegetable, or flower seeds, except as otherwise provided in subdivisions 4, 5, 6, 7 and 8, the label shall contain:*

*(a) The name of the kind or kind and variety for each agricultural or vegetable seed component in excess of five percent of the whole and the percentage by weight of each in order of its predominance. The commissioner shall by rule designate the kinds that are required to be labeled as to variety. If the variety of those kinds generally labeled as to variety is not stated and it is not required to be stated, the label shall show the name of the kind and the words: "Variety not stated."*

*(1) The percentage that is hybrid shall be at least 95 percent of the percentage of pure seed shown unless the percentage of pure seed which is hybrid seed is shown separately. If two or more kinds or varieties are present in excess of five percent and are named on the label, each that is hybrid shall be designated as hybrid on the label. Any one kind or kind and variety that has pure seed which is less than 95 percent but more than 75 percent hybrid seed as a result of incompletely controlled pollination in a cross shall be labeled to show the percentage of pure seed that is hybrid seed or a statement such as "contains from 75 percent to 95 percent hybrid seed." No one kind or variety of seed shall be labeled as hybrid if the pure seed contains less than 75 percent hybrid seed. The word hybrid shall be shown on the label in conjunction with the kind.*

*(2) Blends shall be listed on the label using the term "blend" in conjunction with the kind.*

*(3) Mixtures shall be listed on the label using the term "mixture," "mix," or "mixed."*

*(b) Lot number or other lot identification.*

*(c) Origin, if known, or that the origin is unknown.*

(d) *Percentage by weight of all weed seeds present in agricultural, vegetable, or flower seed. This percentage may not exceed one percent. If weed seeds are not present in vegetable or flower seeds, the heading "weed seeds" may be omitted from the label.*

(e) *Name and rate of occurrence per pound of each kind of restricted noxious weed seeds present. They shall be listed under the heading "noxious weed seeds." If noxious weed seeds are not present in vegetable or flower seeds, the heading "noxious weed seeds" may be omitted from the label.*

(f) *Percentage by weight of agricultural, vegetable, or flower seeds other than those required to be named on the label. They shall be listed under the heading "other crop." If "other crop" seeds are not present in vegetable or flower seeds, the heading "other crop" may be omitted from the label.*

(g) *Percentage by weight of inert matter.*

(h) *Net weight of contents, to appear on either the container or the label, except that in the case of vegetable or flower seed containers with contents of 200 seeds or less, a statement indicating the number of seeds in the container may be listed along with or in lieu of the net weight of contents.*

(i) *For each named agricultural or vegetable seed:*

(1) *percentage of germination, exclusive of hard seed;*

(2) *percentage of hard seed, if present; and*

(3) *the calendar month and year the percentages were determined by test.*

(j) *Name and address of the person who labeled the seed or who sells the seed within this state, or a code number which has been registered with the commissioner.*

*Subd. 3. [TREATED SEED.] For all named agricultural, vegetable, or flower seeds which are treated, for which a separate label may be used, the label shall contain:*

(a) *a word or statement to indicate that the seed has been treated;*

(b) *the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;*

(c) *the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;*

(d) *in the case of mercurials or similarly toxic substances, a poison statement and symbol;*

(e) *a word or statement describing the process used when the treatment is not of pesticide origin; and*

(f) *the date beyond which the inoculant is considered ineffective if the seed is treated with an inoculant. It shall be listed on the label as "inoculant: expires (month and year)" or wording that conveys the same meaning.*

*Subd. 4. [HYBRID SEED CORN.] For hybrid seed corn purposes a label shall contain:*

(a) *a statement indicating the number of seeds in the container may be*

listed along with or in lieu of the net weight of contents; and

(b) for each variety of hybrid seed field corn, the day classification as determined by the originator or owner. The day classification shall approximate the number of days of growing season necessary from emergence of the corn plant above ground to relative maturity and shall conform to the day classification established by the director of the Minnesota agricultural experiment station for the appropriate zone.

*Subd. 5. [GRASS SEED.] For grass seed and mixtures of grass seeds intended for lawn and turf purposes, the requirements in clauses (a) to (c) must be met.*

(a) The label shall contain the percentage by weight of inert matter, up to ten percent by weight except for those kinds specified by rule. The percentage by weight of foreign material not common to grass seed must be listed as a separate item in close association with the inert matter percentage.

(b) If the seed contains no "other crop" seed, the following statement may be used and may be flagged: "contains no other crop seed."

(c) When grass seeds are sold outside their original containers, the labeling requirements are met if the seed is weighed from a properly labeled container in the presence of the purchaser.

*Subd. 6. [COATED AGRICULTURAL SEEDS.] For coated agricultural seeds the label shall contain:*

(a) percentage by weight of pure seeds with coating material removed;

(b) percentage by weight of coating material shown as a separate item in close association with the percentage of inert matter; and

(c) percentage of germination determined on 400 pellets with or without seeds.

*Subd. 7. [VEGETABLE SEEDS.] For vegetable seeds prepared for use in home gardens or household plantings the requirements in clauses (a) to (d) apply. The origin may be omitted from the label.*

(a) The label shall contain the following:

(1) the year for which the seed was packed for sale listed as "packed for (year)," or the percentage of germination and the calendar month and year that the percentages were determined by test; and

(2) for vegetable seeds which germinate less than the standard last established by the commissioner:

(i) percentage of germination, exclusive of hard seed;

(ii) percentage of hard seed, if present; and

(iii) the words "below standard" in not less than eight point type and the month and year the percentages were determined by test.

(b) The percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.

(c) The percentage by weight of inert matter may be omitted from a label if it is less than ten percent.

*(d) The labeling requirements for vegetable seeds sold outside their original containers are met if the seed is weighed from a properly labeled container in the presence of the purchaser.*

*Subd. 8. [FLOWER SEEDS.] (a) All flower seed labels shall contain:*

*(1) the name of the kind and variety or a statement of type and performance characteristics as prescribed by rules;*

*(2) the year for which the seed was packed for sale listed as "packed for (year)," or the percentage of germination and the calendar month and year that the percentage was determined by test; and*

*(3) for flower seeds which germinate less than the standard last established by the commissioner:*

*(i) the percentage of germination exclusive of hard seed; and*

*(ii) the words "below standard" in not less than eight point type and the month and year this percentage was determined by test.*

*(b) The origin may be omitted from the label.*

*(c) The percentage by weight of pure seed may be omitted from a label if the total is more than 90 percent.*

*(d) The percentage by weight of inert matter may be omitted from a label if it is less than ten percent.*

**Sec. 42. [21.83] [LABEL REQUIREMENTS; TREE OR SHRUB SEEDS.]**

*Subdivision 1. [FORM.] Each container of tree or shrub seed which is offered for sale for sowing purposes shall bear or have attached in a conspicuous place a plainly written or printed label or tag in the English language giving the information required by this section. This label statement shall not be modified or denied in the labeling or on another label attached to the container, except that labeling of seed supplied under a contractual agreement may be made by an invoice accompanying the shipment or by an analysis tag attached to the invoice if each bag or other container is clearly identified by a lot number stenciled on the container. Each bag or container that is not so stenciled must carry complete labeling.*

*Subd. 2. [LABEL CONTENT.] For all tree or shrub seed subject to this section the label shall contain:*

*(a) the common name of the species, and the subspecies if appropriate;*

*(b) the scientific name of the genus and species, and the subspecies if appropriate;*

*(c) the lot number or other lot identification;*

*(d) for seed collected from a predominantly indigenous stand, the area of collection given by latitude and longitude, or geographic description, or political subdivision such as state or county;*

*(e) for seed collected from a predominantly nonindigenous stand, the identity of the area of collection and the origin of the stand or the words "origin not indigenous;"*

(f) the elevation or the upper and lower limits of elevation within which the seed was collected;

(g) the percentage of pure seed by weight;

(h) for those kinds of seed for which standard testing procedures are prescribed:

(1) the percentage of germination exclusive of hard seed;

(2) the percentage of hard seed, if present; and

(3) the calendar month and year the percentages were determined by test; or

(4) in lieu of the requirements of clauses (1) to (3), the seed may be labeled "test is in progress, results will be supplied upon request;"

(i) for those species for which standard germination testing procedures have not been prescribed by the commissioner, the calendar year in which the seed was collected; and

(j) the name and address of the person who labeled the seed or who sells the seed within this state.

*Subd. 3. [TREATED SEED.] For all treated tree and shrub seeds for which a separate label may be used the label shall contain:*

(a) a word or statement to indicate that the seed has been treated;

(b) the commonly accepted, coined, chemical, or abbreviated generic chemical name of the applied substance;

(c) the caution statement "Do not use for food, feed, or oil purposes" if the substance in the amount present with the seed is harmful to human or other vertebrate animals;

(d) in the case of mercurials or similarly toxic substances, a poison statement and symbol;

(e) a word or statement describing the process used when the treatment is not of pesticide origin;

(f) if the seed has been treated with an inoculant, the date beyond which the inoculant is considered ineffective. It shall be listed on the label as "inoculant: expires (month and year)" or wording which conveys the same meaning.

#### Sec. 43. [21.84] [RECORDS.]

Each person whose name appears on the label of agricultural, vegetable, flower, tree or shrub seeds subject to section 41 or 42 shall keep for three years complete records of each lot of agricultural, vegetable, flower, tree or shrub seed sold in this state and shall keep for one year a file sample of each lot of seed after disposition of the lot. In addition, the grower shall have as a part of the record a "genuine grower's declaration" or a "tree seed collector's declaration."

#### Sec. 44. [21.85] [DUTIES OF THE COMMISSIONER.]

*Subdivision 1. [ENFORCEMENT.] The commissioner shall administer*

and enforce sections 39 to 51.

*Subd. 2. [SEED LABORATORY.] The commissioner shall establish and maintain a seed laboratory for seed testing, employing necessary agents and assistants to administer and enforce sections 39 to 51, none of whom, except those who are employed on a regular full-time basis, shall come within or be governed by chapter 43A. The compensation for the unclassified employees shall be on the basis of a rating and salary scale determined by the commissioner's plan of the department of employee relations or the appropriate bargaining unit contract.*

*Subd. 3. [ENTRY UPON PREMISES.] For the purpose of administering and enforcing sections 39 to 51 the commissioner may enter upon any public or private premises during regular business hours in order to have access to seeds and the records concerning the seeds that are subject to sections 39 to 51, and to enter any truck or other conveyer by land, water, or air at any time when the conveyer is accessible, for the same purpose.*

*Subd. 4. [INSPECTION AND SAMPLING.] The commissioner shall sample, inspect, make analysis of and test seeds subject to sections 39 to 51 that are offered for sale for sowing purposes at the time and place and to the extent necessary to determine whether the seeds are in compliance with sections 39 to 51.*

*Subd. 5. [NOTICE OF VIOLATION.] The commissioner shall promptly notify the person who sold, labeled, or transported seed that has been:*

*(1) found to be in violation of sections 39 to 51;*

*(2) placed under a stop sale order; or*

*(3) seized on complaint of the commissioner to a court of competent jurisdiction.*

*Subd. 6. [STOP SALE ORDERS.] The commissioner may issue and enforce a written or printed "stop sale" order to the owner or custodian of any lot of seed which he finds to be in violation of sections 39 to 51. The order shall prohibit further sale, conditioning, and movement of the seed, except on approval of the enforcing officer, until the officer has evidence that the law has been complied with and has issued a release from the "stop sale" order. With respect to seed which has been denied sale, conditioning, or movement, the owner or custodian of the seed may appeal from the order to a court where the seeds are found, for the discharge of the seeds from the order prohibiting the sale, conditioning, or movement in accordance with the findings of the court. This subdivision does not limit the right of the enforcement officer to proceed in a different fashion.*

*Subd. 7. [SEIZURE.] Any lot of seed not in compliance with sections 39 to 51 is subject to seizure on complaint of the commissioner to a court of competent jurisdiction in the locality where the seed is located. If the court finds the seed to be in violation and orders the condemnation of the seed, it shall be denatured, destroyed, relabeled, or otherwise disposed of in compliance with law. In no instance shall the court order dispose of the seed without first giving the claimant an opportunity to apply to the court for the release of the seed or permission to condition or relabel it into compliance.*

*Subd. 8. [INJUNCTION.] When the commissioner applies to any court for*



*a temporary or permanent injunction restraining any person from violating or continuing to violate sections 39 to 51, the injunction shall be issued without requiring a bond.*

*Subd. 9. [PROSECUTIONS.] When the commissioner finds that a person has violated any part of sections 39 to 51, he may initiate court proceedings in the locality in which the violation occurred. No prosecution shall be instituted without a person having an opportunity to appear in person or by a representative before the commissioner to provide evidence. Either a county attorney or the attorney general may prosecute actions under sections 39 to 51.*

*Subd. 10. [COMMISSIONER MAY ALTER REQUIREMENTS IN EMERGENCIES.] In the event of acute shortages of any seed or seeds, or the occurrence of other conditions which in the opinion of the commissioner create an emergency which would make impractical the enforcement of any requirement of sections 39 to 51 relating to the percentage of purity and weed seed content of any seed or seeds, the commissioner may temporarily change and alter any requirement relating to percentage of purity and weed seed content for the duration of the emergency.*

*Subd. 11. [RULES.] The commissioner may make necessary rules, including temporary rules, for the proper enforcement of sections 39 to 51. Existing rules shall remain in effect unless temporary or permanent rules are made that supercede them.*

*Subd. 12. [SERVICE TESTING AND IDENTIFICATION.] The commissioner shall provide for purity and germination tests of seeds and identification of seeds and plants for farmers, dealers, and others. He may establish and collect fees for testing and identification.*

*Subd. 13. [SAMPLING EXPORT SEED.] The commissioner may sample agricultural, vegetable, flower, tree or shrub seeds which are destined for export to other countries. He may establish and collect suitable fees from the exporter for this service.*

*Subd. 14. [COOPERATION WITH UNITED STATES DEPARTMENT OF AGRICULTURE.] The commissioner shall cooperate with the United States department of agriculture in seed law enforcement.*

**Sec. 45. [21.86] [UNLAWFUL ACTS.]**

*Subdivision 1. [PROHIBITIONS.] A person may not advertise or sell any agricultural, vegetable, flower, or tree and shrub seed if:*

*(a) A test to determine the percentage of germination required by sections 41 and 42 has not been completed within a nine-month period, exclusive of the calendar month in which the test was completed. This prohibition does not apply to tree, shrub, agricultural, or vegetable seeds packaged in hermetically sealed containers. Seeds packaged in hermetically sealed containers under the conditions defined by rule may be offered for sale for a period of 36 months after the last day of the month that the seeds were tested for germination prior to packaging. If seeds in hermetically sealed containers are offered for sale more than 36 months after the last day of the month in which they were tested prior to packaging, they must be retested within a nine-month period, exclusive of the calendar month in which the retest was*

completed;

(b) It is not labeled in accordance with sections 41 and 42 or has false or misleading labeling;

(c) False or misleading advertisement has been used in respect to its sale;

(d) It contains prohibited noxious weed seeds;

(e) It consists of or contains restricted noxious weed seeds in excess of 25 seeds per pound or in excess of the number declared on the label attached to the container of the seed or associated with the seed;

(f) It contains more than one percent by weight of all weed seeds;

(g) It contains less than the stated net weight of contents;

(h) It contains less than the stated number of seeds in the container;

(i) It contains any labeling, advertising, or other representation subject to sections 41 and 42 representing the seed to be certified unless:

(1) it has been determined by a seed certifying agency that the seed conformed to standards of purity and identity as to kind, species, subspecies, or variety, and also that tree seed was found to be of the origin and elevation claimed, in compliance with the rules pertaining to the seed; and

(2) the seed bears an official label issued for it by a seed certifying agency stating that the seed is of a certified class and a specified kind, species, subspecies, or variety;

(j) It is labeled with a variety name but not certified by an official seed certifying agency when it is a variety for which a United States certificate of plant variety protection has been granted under United States Code, title 7, sections 2481 to 2486, specifying sale by variety name only as a class of certified seed. Seed from a certified lot may be labeled as to variety name when used in a blend or mixture by or with approval of the owner of the variety; or

(k) The person whose name appears on the label does not have complete records including a file sample of each lot of agricultural, vegetable, flower, tree or shrub seed sold in this state as required in section 43.

Subd. 2. [MISCELLANEOUS VIOLATIONS.] No person may:

(a) detach, alter, deface, or destroy any label required in sections 41 and 42 or alter or substitute seed in a manner that may defeat the purposes of sections 41 and 42;

(b) hinder or obstruct in any way any authorized person in the performance of duties under sections 39 to 51;

(c) fail to comply with a "stop sale" order or to move or otherwise handle or dispose of any lot of seed held under a stop sale order or attached tags, except with express permission of the enforcing officer for the purpose specified;

(d) use the word "type" in any labeling in connection with the name of any agricultural seed variety;

(e) use the word "trace" as a substitute for any statement which is re-

quired; or

(f) plant any agricultural seed which the person knows contains weed seeds or noxious weed seeds in excess of the limits for that seed.

Sec. 46. [21.87] [EXEMPTION.]

Sections 41 and 42 do not apply:

(a) to seed or grain not intended for sowing purposes;

(b) to seed in storage in or being transported or consigned to a conditioning establishment for conditioning, provided that the invoice or label accompanying any shipment of the seeds bears the statement "seeds for conditioning," and provided that any labeling or other representation which may be made with respect to the unconditioned seed is subject to the provisions of sections 41 and 42; or

(c) to any carrier with respect to seed transported or delivered for transportation in the ordinary course of its business as a carrier, provided that the carrier is not engaged in producing, conditioning, or marketing seeds subject to sections 41 and 42.

Sec. 47. [21.88] [PENALTIES.]

Subdivision 1. [MISDEMEANOR; GROSS MISDEMEANOR.] A violation of sections 39 to 51 or a rule adopted under section 44 is a misdemeanor. Each additional day of violation is a separate offense. A subsequent violation by a person is a gross misdemeanor.

Subd. 2. [UNLAWFUL PRACTICE.] In addition to other penalties provided by law, a person who violates a provision of sections 39 to 51 or a rule adopted under section 44 has committed an unlawful practice under sections 325F.68 and 325F.69 and is subject to the remedies provided in sections 8.31 and 325F.70.

Subd. 3. [PENALTIES NOT TO APPLY.] A person is not subject to the penalties in subdivision 1 or 2 for having sold seeds which were incorrectly labeled or represented as to kind, species, subspecies, if appropriate, variety, type, origin and year, elevation or place of collection if required, if the seeds cannot be identified by examination unless he has failed to obtain an invoice or genuine grower's or tree seed collector's declaration or other labeling information and to take other reasonable precautions to ensure the identity is as stated.

Sec. 48. [21.89] [SEED FEE PERMITS.]

Subdivision 1. [SEED FEE.] In order to pay for administering and enforcing sections 39 to 51, the commissioner shall establish the fees charged for various seeds and shall collect the fees on all seeds covered by sections 39 to 51.

Subd. 2. [PERMITS; ISSUANCE, REVOCATION.] The commissioner shall issue a permit to the initial labeler of agricultural, vegetable, or flower seeds which are offered for sale in Minnesota and which conform to and are labeled under sections 39 to 51. The person shall furnish to the commissioner an itemized statement of all seeds sold in Minnesota for the periods established by the commissioner. This statement shall be delivered, along with the

payment of the fee, to the commissioner no later than 30 days after the end of each reporting period. Any person holding a permit shall show as part of the analysis labels or invoices on all agricultural, vegetable, flower, tree or shrub seeds all information the commissioner requires. The commissioner may revoke any permit in the event of failure to comply with applicable laws and rules.

*Subd. 3. [PENALTY.] A penalty fee established by the commissioner shall be assessed any permit holder who fails to submit a statement and pay the fee due within the 30 days following the end of each reporting period.*

*Subd. 4. [EXEMPTIONS.] A person who labels for sale agricultural, vegetable, or flower seeds must have a seed fee permit unless:*

*(a) The person labels and sells less than 50,000 pounds of agricultural seed in Minnesota each calendar year. If more than 50,000 pounds are labeled and sold in Minnesota by any person, the person must have a seed fee permit and pay fees on all seed sold. A person who labels and sells grass seeds and mixtures of grass seeds intended for lawn or turf purposes is not exempted from having a permit and paying seed fees on all seeds in this category sold in Minnesota; or*

*(b) The agricultural, vegetable, or flower seeds are of the breeder or foundation seed classes of varieties developed by publicly financed research agencies intended for the purpose of increasing the quantity of seed available.*

**Sec. 49. [21.90] [HYBRID SEED FIELD CORN VARIETY REGISTRATION.]**

*Subdivision 1. [GROWING ZONES.] The director of the agricultural experiment station at the University of Minnesota shall determine, establish, and number or otherwise identify corn growing zones of the state and determine and publish a list of day classifications for each zone which will approximate the number of days growing season necessary for corn from emergence of the corn plants above ground after planting to relative maturity.*

*Subd. 2. [FEES.] A record of each hybrid seed field corn variety to be sold in Minnesota shall be registered with the commissioner by February 1 of each year by the originator or owner. The commissioner shall establish the annual fee for registration for each variety. The record shall include the permanent designation of the hybrid as well as the day classification and zone of adaptation, as determined under subdivision 1, which the originator or owner declares to be the zone in which the variety is adapted. In addition, at the time of the first registration of a hybrid seed field corn variety, the originator or owner shall include a sworn statement that his declaration of the zone of adaptation was based on actual field trials in that zone and that the field trials substantiate his declaration as to the day and zone classifications to which the variety is adapted. The name or number used to designate a hybrid seed field corn variety in the registration is the only name of all seed corn covered by or sold under that registration.*

*Subd. 3. [TESTS OF VARIETIES.] If the commissioner needs to verify that a hybrid seed field corn variety is adapted to the corn growing zone declared by the originator or owner, it must, when grown in several official*

comparative trials by the director of the Minnesota agricultural experiment station in the declared zone of adaptation, have an average kernel moisture at normal harvest time which does not differ from the average kernel moisture content of three or more selected standard varieties adapted for grain production in that particular growing zone by more than four percentage points. If a new variety when tested has more than six percentage points of moisture over the standard variety, it must have the relative maturity increased by five days in the correct zone of adaptation before it can be sold the second year. If it does not exceed the standard varieties by more than five percentage points of moisture the second year tested, it can be sold the third year with the same relative maturity. If upon being tested the third year the moisture percentage points are found to be over the four percentage points allowed, the variety then must have the relative maturity increased by five days in the correct zone. The varieties to be used as standard varieties for determining adaptability to a zone shall be selected for each zone by the director of the Minnesota agricultural experiment station with the advice and consent of the commissioner of agriculture. Should a person, firm, originator, or owner of a hybrid seed field corn variety wish to offer hybrid seed for sale or distribution in this state, the person, firm, originator, or owner not having distributed any products in Minnesota during the past ten years, or not having any record of testing by an agency acceptable to the commissioner, then after registration of the variety the commissioner is required to have the variety tested for one year by the director of the Minnesota agricultural experiment station before it may be distributed in Minnesota. Should any person, firm, originator, or owner of a seed field corn variety be guilty of two successive violations with respect to the declaration of relative maturity date and zone number, then the violator must commence a program of pretesting for varieties as determined by the commissioner. The list of varieties to be used as standards in each growing zone shall be sent by the commissioner not later than February 1 of each year to each seed firm registering hybrid varieties with the commissioner as of the previous April 1. To assist in defraying the expenses of the Minnesota agricultural experiment station in carrying out the provisions of this section, there shall be transferred annually from the seed inspection fund to the agricultural experiment station a sum which shall at least equal 80 percent of the total revenue from all hybrid seed field corn variety registrations.

Sec. 50. [21.91] [SEED CERTIFICATION AGENCIES.]

*Subdivision 1. [MINNESOTA.] The official seed certification agency for Minnesota shall be determined by the commissioner of agriculture and the director of the Minnesota agricultural experiment station.*

*Subd. 2. [OTHER JURISDICTIONS.] The official seed certification agency for other jurisdictions shall be determined and the identity filed as a public record in the office of the commissioner of agriculture. The determination shall be made by the commissioner of agriculture and the director of the Minnesota agricultural experiment station.*

Sec. 51. [21.92] [SEED INSPECTION FUND.]

*There is established in the state treasury an account known as the seed inspection fund. Fees and penalties collected by the commissioner under sections 39 to 51 shall be deposited into this account. The rates at which the*

fees are charged may be adjusted pursuant to section 16A.28. Money in this account, including interest earned and any appropriations made by the legislature for the purposes of sections 39 to 51, is annually appropriated to the commissioner for the administration and enforcement of sections 39 to 51.

Sec. 52. Minnesota Statutes 1982, section 27.041, subdivision 2, is amended to read:

Subd. 2. [LICENSES.] The license, or a certified copy thereof of the license, shall must be kept posted in the office of the licensee at each place within the state where he transacts business. Every license shall expire June 30 following its issuance and thereafter be renewed July 1 each year. Any license issued under this subdivision shall is automatically be void upon the termination of the surety bond covering the licensed operation. The fee for each license shall be based on the following schedule:

| License Fee | Penalty for<br>Late Renewal | Dollar Volume of Business            |
|-------------|-----------------------------|--------------------------------------|
| \$ 30       | \$ <del>9.60</del> \$10     | \$10,000 or less per month           |
| \$ 60       | \$18 \$15                   | Over \$10,000 to \$50,000 per month  |
| \$ 90 \$180 | \$ <del>26.40</del> \$45    | Over \$50,000 to \$100,000 per month |
| \$120 \$240 | \$36 \$60                   | Over \$100,000 per month             |

A fee of \$5 \$10 shall be charged for each certified copy of a license, \$2 for each license identification card, and \$2 for each license identification truck decal. The commissioner shall make appropriate license fee adjustments for up to one year from July 1, 1975 for persons required to be licensed hereunder, who hold validly issued licenses as of the effective date of Laws 1975, Chapter 227 under the provisions of law amended or repealed herein. When the licensee sells, disposes of, or discontinues his business during the lifetime of his license he shall at the time the action is taken, notify the commissioner in writing, and upon demand produce before the commissioner a full statement of all assets and liabilities as of the date of transfer or discontinuance of the business.

All moneys Money collected from license fees shall be deposited in the state treasury.

Sec. 53. Minnesota Statutes 1982, section 28A.08, is amended to read:

28A.08 [LICENSE FEES; PENALTIES.]

The fees for licenses and the penalties for late renewal thereof prescribed herein shall of licenses set in this section apply to the sections named except as provided under section 28A.09. Except as specified herein, bonds and assessments based on number of units operated or volume handled or processed which are provided for in said laws shall not be affected, nor shall any penalties for late payment of said assessments, nor shall inspection fees, be affected by this chapter.

| Type of food handler   | License Fee | Penalty   |
|--|-------------|-----------|
| 1. Retail food handler   |             |           |
| (a) Having gross sales of less than \$250,000 \$50,000 for the immediately previous license or fiscal year | \$ 48 \$25  | \$ 6 \$10 |
| (b) Having \$50,000 to \$250,000 gross sales for the immediately previous license or fis-                  |             |           |

|   |             |           |
|---|-------------|-----------|
| <i>cal year</i>   | \$ 50       | \$13      |
| (b) (c) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year                 | \$ 36 \$100 | \$12 \$25 |
| (e) (d) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year                         | \$ 60 \$200 | \$18 \$50 |
| 2. Wholesale food handler   | \$ 36 \$100 | \$12 \$25 |
| 3. Food broker  | \$ 18 \$50  | \$ 6 \$13 |
| 4. (a) Wholesale food processor or manufacturer   | \$120       | \$36      |
| (a) Having gross sales of less than \$250,000 for the immediately previous license or fiscal year                       | \$150       | \$38      |
| (b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year                     | \$200       | \$50      |
| (c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year                             | \$250       | \$ 63     |
| 5. (b) Wholesale food processor of meat or poultry products under supervision of the U.S. Department of Agriculture     | \$ 60       | \$18      |
| (a) Having gross sales of less than \$250,000 for the immediately previous license of fiscal year                       | \$ 75       | \$19      |
| (b) Having \$250,000 to \$1,000,000 gross sales for the immediately previous license or fiscal year                     | \$ 90       | \$23      |
| (c) Having over \$1,000,000 gross sales for the immediately previous license or fiscal year                             | \$105       | \$27      |
| 6. (e) Wholesale food manufacturer having the permission of the commissioner to use the name Minnesota farmstead cheese | \$ 30       | \$12 \$10 |

Sec. 54. Minnesota Statutes 1982, section 28A.09, is amended to read:

28A.09 [INSPECTION FEES FOR VENDING MACHINES.]

Subdivision 1. [ANNUAL FEE; EXCEPTIONS.] Every coin operated food vending machine ~~shall be~~ is subject to an annual state inspection fee of \$2 \$5 for each nonexempt machine, provided that:

(a) Food vending machines may be inspected by either a home rule charter or statutory city, or a county, but not both, and if inspected by a home rule charter or statutory city, or a county they shall not be subject to the state inspection fee, but the home rule charter or statutory city, or the county may impose a reasonable inspection or license fee. A home rule charter or statutory city or county that does not inspect food vending machines shall not impose a food vending machine inspection or license fee.

(b) Vending machines dispensing only bottled or canned soft drinks or ice manufactured and packaged by another shall be exempt from the state inspection fee, but may be inspected by the state, or by a home rule charter city or statutory city or a county which may impose a reasonable inspection or license fee.

Subd. 2. [IDENTIFICATION; RULES.] The commissioner may require that ~~any~~ a vending machine ~~shall~~ *must* be identified in accordance with rules promulgated pursuant to chapter 14.

Sec. 55. Minnesota Statutes 1982, section 32.075, is amended to read:

32.075 [TERM OF LICENSE; TRANSFERABILITY; FEES AND PENALTIES.]

Every license issued by the commissioner shall be for a period ending on the thirty-first day of December next following, and shall not be transferable. The fee for each such initial license shall be ~~\$48~~ \$25 and each renewal thereof shall be ~~\$7.20~~ \$10 and shall be paid to the commissioner before any license or renewal thereof is issued. If a license renewal is not applied for on or before January 1 of each year, a penalty of ~~25 percent of the license fee~~ \$10 shall be imposed. A person who does not renew his license within one year following its December 31 expiration date, except those persons who do not renew such license while engaged in active military service, shall be required to prove his competency and qualification pursuant to section 32.073, before a license is issued. The commissioner may require any other person who renews his license to prove his competency and qualification in the same manner. All license fees and penalties received by the commissioner shall be paid into the state treasury.

Sec. 56. Minnesota Statutes 1982, section 32.59, is amended to read:

32.59 [NONRESIDENT MANUFACTURER LICENSE.]

Any person who manufactures frozen foods, mix, ice cream mix, mix base, or ice cream mix base outside of the state, for sale within the state, shall apply for registration with the department of agriculture in ~~such the~~ *the* form; and ~~furnish such with the~~ *provide* information; ~~as it may require the commissioner requires.~~ Samples of all frozen foods, mix, ice cream mix, mix base, or ice cream mix base, so manufactured for sale and sold within this state, ~~shall must~~ be submitted to the department. Each application for registration ~~shall must~~ be accompanied by a fee of ~~\$120~~ \$150, which ~~shall constitute~~ *is* the registration fee ~~in case if a~~ certificate of registration is granted. If the department of agriculture ~~shall find~~ *finds* that the samples ~~so~~ submitted are up to the accepted standards; and otherwise comply with the laws of this state, it shall issue to *the* applicant a certificate of registration. *The penalty for a late registration application is \$38 if the registration is not renewed by January 1 of any year.*

Sec. 57. Minnesota Statutes 1982, section 34.02, is amended to read:

34.02 [LICENSES; EXCEPTIONS.]

No person ~~shall may~~ manufacture, mix, or compound any soft drinks or other non-alcoholic beverage, to be sold in bottles, barrels, kegs, jars, coolers, cans, glasses or tumblers, or other containers, without first having obtained a license ~~therefor~~ from the commissioner. *License fees shall be established in accordance with section 28A.05, clause (c).* Sections 34.02 to 34.11 ~~shall do~~ not apply to beverages manufactured, mixed, or compounded in quantities of one quart or less at one time.

Sec. 58. Minnesota Statutes 1982, section 34.05, subdivision 1, is amended to read:

Subdivision 1. Any person who distributes soft drinks or other non-alcoholic beverages manufactured outside of this state, for sale within this state,



shall apply for registration with the commissioner in ~~such~~ the form and ~~furnish such~~ *accompanied by* information as ~~he may require~~ *the commissioner requires*. Samples of all soft drinks or other non-alcoholic beverages manufactured for sale and sold within this state ~~shall must~~ be submitted to the commissioner once each year for laboratory examination. Each application ~~shall must~~ be accompanied by a registration fee of \$100 *established in accordance with section 28A.05, clause (c)*, which ~~shall constitute~~ *is* the registration fee in case registration is granted, and one-half of which may be retained to reimburse the state for inspection ~~should if~~ registration ~~be is~~ refused. If the commissioner finds that the samples submitted are up to accepted standards, and otherwise comply with the laws of this state, he shall issue to the applicant a certificate of registration.

Sec. 59. Minnesota Statutes 1982, section 40.03, subdivision 2, as amended by Laws 1983, chapter 66, section 1, is amended to read:

Subd. 2. [EMPLOYEES.] The department of agriculture shall provide administrative functions of this section. The commissioner of agriculture shall make available ~~by separate budget~~ to the state soil and water conservation board the staff services, funds for operation, and office space necessary for the administration and coordination of its functions. The state board shall be responsible to the commissioner ~~for reporting purposes in regard to staff functions and operations which relate to department activities~~.

The commissioner of agriculture shall, ~~subject to approval of the state board~~, provide an administrative officer and other necessary permanent and temporary technical experts, agents and employees. ~~The state board shall determine the personnel's qualifications and duties, and recommend compensation to the commissioner of employee relations.~~ The state board may call upon the attorney general for necessary legal services. It shall have authority to delegate to its chairman or to one or more of its other officers or members or administrative officer any of its own powers and duties it may deem proper. ~~The administrative officer is responsible to the state board and may be dismissed by the commissioner of agriculture only upon the advice and recommendation of the state board.~~ All permanent personnel of the state board are employees of the department of agriculture and are in the classified service of the state except as otherwise required by statute. In order to perform its duties, the state board may request information from the supervising officer of any state agency or state institution of higher education, including the state universities, the community colleges, and the post-secondary vocational technical schools. ~~The supervising officer shall comply with the state board's request to the extent possible considering available appropriations and may assign agency or institution employees to compile existing information and to complete special reports, surveys, or studies concerning the problems specified in section 40.02.~~

Sec. 60. Minnesota Statutes 1982, section 41.61, subdivision 1, as amended by H.F. No. 1308, enacted at the 1983 regular session, is amended to read:

Subdivision 1. *There is created a special account in the state treasury for the purposes of financing the family farm security program.*

Such sums as may be needed from time to time to pay lenders for defaulted loans and make other payments authorized by this chapter are appropriated from the ~~general fund~~ *special account* to the commissioner. The sum of all outstanding family farm security loans guaranteed by the commissioner at any time shall not exceed \$100,000,000.

Sec. 61. Minnesota Statutes 1982, section 43A.04, is amended by adding a subdivision to read:

*Subd. 8. [DONATION OF TIME BY STATE PATROL.] Notwithstanding any law to the contrary, the commissioner shall authorize the appointing authority to permit the donation of up to three hours of accumulated vacation time in each year by each employee who is a member of law enforcement unit number 1 to their union representative for the purpose of carrying out the duties of his or her office.*

Sec. 62. Minnesota Statutes 1982, section 70A.06, is amended by adding a subdivision to read:

*Subd. 5. (1) Rates and changes and amendments of rates for policies of insurance against damage by hail must be filed with the commissioner 30 days prior to their effective date.*

*(2) An insurer increasing the rate charged for a policy of insurance against damage by hail shall notify the insured 30 days prior to a renewal, if applicable.*

Sec. 63. Minnesota Statutes 1982, section 79.251, subdivision 1, is amended to read:

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of sections 79.24 to 79.27. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of five members to be appointed by the commissioner of insurance. Two members shall be insureds holding policies issued pursuant to section 79.25. Two members shall be members of the association. The commissioner shall be the fifth member and shall vote.

Initial appointments shall be made by September 1, 1981 and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk review board shall audit the reserves established by insurers (a) for individual cases arising under policies issued under section 79.25 and (b) for the total book of business issued under section 79.25.

(4) The assigned risk review board shall monitor the operations of sections 79.24 to 79.27 and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All members of the association issuing policies under section 79.25 shall pay ~~and to the commissioner shall receive and disburse, on behalf of the board,~~ a .25 percent assessment on premiums for policies issued under section 79.25 for the purpose of defraying the costs of the assigned risk review board. *Proceeds of the assessment shall be deposited in the state treasury and credited to the general fund.*

Sec. 64. Minnesota Statutes 1982, section 155A.07, subdivision 7, is

amended to read:

Subd. 7. [FEES.] Examination and licensing fees shall be established and adjusted, by rule, so that the total amount of fee income at least meets the anticipated costs, as provided in section ~~214.06~~ 16A.128.

Sec. 65. Minnesota Statutes 1982, section 155A.08, subdivision 5, is amended to read:

Subd. 5. [FEES.] Licensing and inspection fees shall be established and adjusted, by rule, so that the total amount of fee income at least meets the anticipated costs, as provided in section ~~214.06~~ 16A.128.

Sec. 66. Minnesota Statutes 1982, section 169.81, subdivision 3b, is amended to read:

Subd. 3b. [PERMITS FOR CERTAIN SEMITRAILERS; FEES.] The commissioner may issue an annual permit for a semitrailer in excess of 45 feet in length, if the distance from the kingpin to the center of the rearmost axle of the semitrailer does not exceed 40 feet, and if a combination of vehicles, which includes a semitrailer in excess of 45 feet for which a permit has been issued pursuant to this subdivision, does not exceed the length limits set out in this section. The annual fee for a permit issued under this subdivision is ~~\$36~~ \$40.

Sec. 67. Minnesota Statutes 1982, section 169.86, subdivision 5, is amended to read:

Subd. 5. [FEES.] The commissioner, with respect to highways under his jurisdiction, may charge a fee for each permit issued. All such fees for permits issued by the commissioner of transportation shall be deposited in the state treasury and credited to the trunk highway fund. Except for those annual permits for which the permit fees are specified elsewhere in this chapter, the fees shall be:

(a) ~~\$12~~ \$15 for each single trip permit.

(b) ~~\$12~~ \$36 for each job permit. A job permit may be issued for like loads carried on a specific route for a period not to exceed two months. "Like loads" means loads of the same product, weight and dimension.

(c) \$60 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:

(1) ~~truck cranes;~~

(2) ~~construction equipment, machinery, and supplies;~~

(3) ~~manufactured homes;~~

(4) ~~farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, clauses (a) to (f).~~

(5) ~~refuse compactor vehicles that carry a gross weight up to but not in excess of 22,000 pounds on a single rear axle and not in excess of 38,000 pounds on a tandem rear axle;~~

(6) (2) motor vehicles used to alleviate a temporary crisis adversely affecting the safety or well-being of the public;

(7) (3) motor vehicles which travel on interstate highways and carry loads

authorized under subdivision 1a;

*(d) \$120 for an annual permit to be issued for a period not to exceed 12 consecutive months. Annual permits may be issued for:*

*(1) truck cranes;*

*(2) construction equipment, machinery, and supplies;*

*(3) manufactured homes;*

*(4) farm equipment when the movement is not made according to the provisions of section 169.80, subdivision 1, clauses (a) to (f);*

*(5) double-deck buses;*

*(6) commercial boat hauling.*

Sec. 68. Minnesota Statutes 1982, section 169.862, is amended to read:

169.862 [PERMITS FOR WIDE LOADS OF BALED HAY.]

The commissioner of transportation, with respect to highways under his jurisdiction, and local authorities, with respect to highways under their jurisdiction, may issue an annual permit to enable a vehicle carrying round baled hay, with a total outside width of the vehicle or the load thereon not exceeding 11-1/2 feet, to be operated on public streets and highways. Permits issued pursuant to this section shall be governed by the applicable provisions of section 169.86 except as otherwise provided herein, and in addition shall carry the following restrictions:

(a) The vehicles shall not be operated between sunset and sunrise, when visibility is impaired by weather, fog or other conditions rendering persons and vehicles not clearly visible at a distance of 500 feet, or on Saturdays, Sundays and holidays.

(b) The vehicles shall not be operated on interstate highways.

(c) The vehicles shall not be operated on a trunk highway with a pavement less than 24 feet wide.

(d) A vehicle operated under the permit shall be equipped with a retractable or removable mirror on the left side so located that it will reflect to the driver a clear view of the highway for a distance of at least 200 feet to the rear of the vehicle. Simultaneous flashing amber lights, as provided in section 169.59, subdivision 4, shall be displayed to the front and rear of the vehicle. The flashing amber lights shall be lighted only when the width of the load exceeds eight feet. The flashing amber light system shall be in addition to and separate from the turn signal system and the hazard warning light system.

(e) A vehicle operated under the permit shall display red, orange or yellow flags, 12 inches square, as markers at the front and rear, and on both sides of the load. The load shall be securely bound to the transporting vehicle.

The fee for the permit shall be ~~\$25~~ \$24.

Sec. 69. Minnesota Statutes 1982, section 170.23, is amended to read:

170.23 [ABSTRACTS; FEE; ADMISSIBLE IN EVIDENCE.]

The commissioner shall upon request furnish any person a certified ab-

stract of the operating record of any person subject to the provisions of this chapter, and, if there shall be no record of any conviction of such person of violating any law relating to the operation of a motor vehicle or of any injury or damage caused by such person, the commissioner shall so certify. Such abstracts shall not be admissible as evidence in any action for damages or criminal proceedings arising out of a motor vehicle accident. A fee of ~~\$2.50~~ \$5 shall be paid for each such abstract. *The commissioner shall permit a person to inquire into the operating record of any person by means of the inquiring person's own computer facilities for a fee to be determined by the commissioner of at least \$2 for each inquiry. The commissioner shall furnish an abstract that is not certified for a fee to be determined by the commissioner in an amount less than the fee for a certified abstract but more than the fee for an inquiry by computer.*

Sec. 70. Minnesota Statutes 1982, section 171.26, is amended to read:

171.26 [MONEYS CREDITED TO TRUNK HIGHWAY FUND AND TO GENERAL FUND.]

All money received under the provisions of this chapter shall be paid into the state treasury with 90 percent of such money credited to the trunk highway fund, and ten percent credited to the general fund, *except as provided in section 171.29, subdivision 2.*

Sec. 71. Minnesota Statutes 1982, section 171.29, subdivision 2, is amended to read:

Subd. 2. Any person whose drivers license has been revoked as provided in subdivision 1, *except under section 169.121 or 169.123*, shall pay a \$30 fee before his drivers license is reinstated. *A person whose drivers license has been revoked as provided in subdivision 1 under section 169.121 or 169.123 shall pay a \$100 fee before his drivers license is reinstated; 75 percent of this fee shall be credited to the trunk highway fund and 25 percent shall be credited to the general fund.*

Sec. 72. Minnesota Statutes 1982, section 173.07, subdivision 2, is amended to read:

Subd. 2. The commissioner of transportation may renew each permit for additional one year periods upon the receipt of an application therefor made within 30 days of the expiration date of such permit together with the payment of an annual fee of ~~\$15~~ \$30. The permit or renewal thereof shall be revocable for any violation of sections 173.01 to 173.11 or regulations adopted thereunder at any time by the commissioner of transportation on 30 days written notice to the permit holder. All fees collected shall be paid into the trunk highway fund.

Sec. 73. Minnesota Statutes 1982, section 173.08, subdivision 1, is amended to read:

Subdivision 1. [ADVERTISING DEVICES RESTRICTED.] No advertising device, excepting the advertising devices described and permitted under ~~Laws 1971, Chapter 883 sections 173.01 to 173.27~~, shall be erected or maintained in an adjacent area, after June 8, 1971, except the following:

(a) Directional and other official signs, including, but not limited to, signs pertaining to natural wonders, scenic and historical attractions, which are

required or authorized by law, and which comply with regulations which shall be promulgated by the commissioner relative to their lighting, size, spacing and other requirements as may be appropriate to implement ~~Laws 1971, Chapter 883 sections 173.01 to 173.27;~~

(b) Advertising devices advertising the sale or lease of property upon which they are located, provided that there shall not be more than one such sign, advertising the sale or lease of the same property, visible to traffic proceeding in any one direction on any one interstate or primary highway;

(c) Advertising devices advertising activities conducted on the property on which they are located, including, without limiting the generality of the foregoing, goods, sold, stored, manufactured, processed or mined thereon, services rendered thereon, and entertainment provided thereon;

(d) Advertising devices stating the name and address of the owner, lessee or occupant of such property or information otherwise required or authorized by law to be posted or displayed thereon;

(e) Public utility signs;

(f) Service club and religious notices, ~~except that a permit with a fee of \$2 shall be required;~~

(g) Advertising devices of which the advertising copy or the name of the owner thereof is in no part visible from the traveled way of the aforesaid highways;

(h) Advertising devices which are located, or which are to be located, in business areas and which comply, or will comply when erected, with the provisions of ~~Laws 1971, Chapter 883 sections 173.01 to 173.27.~~

Sec. 74. Minnesota Statutes 1982, section 173.13, subdivision 4, is amended to read:

Subd. 4. The annual fee for each such permit or renewal thereof shall be as follows:

(1) If the advertising area of the advertising device does not exceed 50 square feet, the fee shall be ~~\$10~~ \$20.

(2) If the advertising area exceeds 50 square feet but does not exceed 300 square feet, the fee shall be ~~\$20~~ \$40.

(3) If the advertising area exceeds 300 square feet, the fee shall be ~~\$40~~ \$80.

(4) No fee shall be charged for a permit for directional and other official signs and notices as they are defined in section 173.02.

Sec. 75. Minnesota Statutes 1982, section 174.24, subdivision 3, is amended to read:

Subd. 3. [FINANCIAL ASSISTANCE.] Payment of financial assistance shall be by contract between the commissioner and an eligible recipient. The commissioner shall determine the total operating cost of any public transit system receiving or applying for assistance in accordance with generally accepted accounting principles. To be eligible for financial assistance, an applicant or recipient shall provide to the commissioner all finan-

cial records and other information and shall permit any inspection reasonably necessary to determine total operating cost and correspondingly the amount of assistance which may be paid to the applicant or recipient. Where more than one county or municipality contributes assistance to the operation of a public transit system, the commissioner shall identify one as lead agency for the purpose of receiving moneys under this section.

The commissioner shall adopt rules establishing uniform performance standards for private operators of regular route transit systems in the transit taxing district, as defined in section 473.446, subdivision 2. The rules are subject to the provisions in the administrative procedure act of sections 14.01 to 14.70. Payments to those private operators shall be based on the uniform performance standards and operating deficit and shall not exceed 100 percent of the operating deficit as determined by the commissioner. Payments shall be based on approved estimates of expenditures during the contract period and shall be subject to audit and adjustment after any payment has been made.

Prior to distributing operating assistance to eligible recipients for any contract period, the commissioner shall place all recipients into one of the following classifications: large urbanized area service, urbanized area service, small urban area service, rural area service, and elderly and handicapped service. The commissioner shall distribute funds under this section so that the percentage of total operating cost paid by any recipient from local sources will not exceed the percentage for that recipient's classification, *except as provided in an undue hardship case*. The percentages shall be: for large urbanized area service, 55 percent; for urbanized area service and small urban area service, 40 percent; for rural area service, 35 percent; and for elderly and handicapped service, 35 percent. The remainder of the total operating cost will be paid from state funds less any assistance received by the recipient from any federal source. For purposes of this subdivision "local sources" means all local sources of funds and includes all operating revenue, tax levies, and contributions from public funds, except that the commissioner may exclude from the total assistance contract revenues derived from operations the cost of which is excluded from the computation of total operating cost.

If a recipient informs the commissioner in writing after the establishment of these percentages but prior to the distribution of financial assistance for any year that paying its designated percentage of total operating cost from local sources will cause undue hardship, the commissioner may reduce the percentage to be paid from local sources by the recipient and increase the percentage to be paid from local sources ~~for all~~ *by one or more other recipients in its inside or outside the classification so that the total state funds to be received by all the recipients in the classification will not be altered, provided that no recipient shall have its percentage thus reduced or increased for more than two years successively*. If for any year the funds appropriated to the commissioner to carry out the purposes of this section are insufficient to allow the commissioner to pay the state share of total operating cost as provided in this paragraph, the commissioner shall reduce the state share in each classification to the extent necessary.

Sec. 76. Minnesota Statutes 1982, section 174A.02, subdivision 2, is amended to read:

Subd. 2. [SPECIFIC FUNCTIONS AND POWERS.] The board shall further hold hearings and issue orders in cases brought before it by either the commissioner or by a third party in the following areas:

(a) Adequacy of services which ~~all~~ carriers are providing to the public, including the continuation, termination or modification of ~~all~~ services and facilities.

(b) The reasonableness of tariffs of rates, fares, and charges, or ~~any a part~~ or classification thereof, ~~and prescribe the form and manner of filing, posting and publication thereof.~~ The board may authorize common carriers by rail and motor carrier for hire to file tariffs of rates, fares, and charges individually or by group. ~~All such~~ Carriers participating in group rate making ~~shall~~ have the free and unrestrained right to take independent action either before or after ~~any a~~ determination arrived at through such procedure.

(c) The issuing of franchises, permits, or certificates of convenience and necessity.

Sec. 77. Minnesota Statutes 1982, section 174A.06, is amended to read:

174A.06 [CONTINUATION OF RULES OF PUBLIC SERVICE COMMISSION, PUBLIC UTILITIES COMMISSION, AND DEPARTMENT OF TRANSPORTATION.]

~~All rules,~~ Orders and directives heretofore in force, issued or promulgated by the public service commission, *public utilities commission*, or the department of transportation under authority of chapters ~~174,~~ 216A, 218, 219, and 221 ~~and 222 shall~~ remain and continue in force and effect until repealed, modified, or superseded by duly authorized ~~rules,~~ orders or directives of the transportation regulation board. *Rules adopted by the public service commission, public utilities commission or the department of transportation under authority of the following sections are transferred to the transportation regulation board and continue in force and effect until repealed, modified, or superseded by duly authorized rules of the transportation regulation board:*

(1) *section 218.041 except rules related to the form and manner of filing railroad rates, railroad accounting rules, and safety rules;*

(2) *section 219.40;*

(3) *rules relating to rates or tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.031, subdivision 1;*

(4) *rules relating to the sale, assignment, pledge, or other transfer of a stock interest in a corporation holding authority to operate as a permit carrier as prescribed in section 221.151, subdivision 1, or a local cartage carrier under section 221.296, subdivision 8;*

(5) *rules relating to rates, charges, and practices under section 221.161, subdivision 4; and*

(6) *rules relating to rates, tariffs, or the granting, limiting, or modifying of permits or certificates of convenience and necessity under section 221.296, subdivision 2.*

The board shall review the transferred rules, orders, and directives and,



when appropriate, develop and adopt new rules, orders, or directives within 18 months of July 1, ~~1984~~ 1985.

Sec. 78. Minnesota Statutes 1982, section 221.061, is amended to read:

221.061 [OPERATION CERTIFICATE FOR REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

~~Any~~ A person desiring a certificate authorizing operation as a regular route common carrier or petroleum carrier, or an extension of or amendment to ~~such~~ that certificate, shall file a petition ~~therefor~~ with the board which ~~shall~~ *must* contain ~~such~~ information as the board, by rule may prescribe.

Upon the filing of a petition for a certificate, the petitioner shall pay ~~into the state treasury to the commissioner~~ as a fee for ~~the issuance thereof~~ *issuing the certificate* the sum of \$75 and for ~~any a~~ transfer or lease of ~~such the~~ certificate the sum of \$37.50.

The petition ~~shall~~ *must* be processed as any other petition. The board shall cause a copy and a notice of hearing thereon to be served upon ~~any a~~ competing carrier operating into ~~any a~~ city located on the proposed route of the petitioner and to ~~such~~ other persons or bodies politic which the ~~commission board~~ *deems* interested in the petition. ~~Such~~ A competing carrier and other persons or bodies politic are hereby declared to be interested parties to the proceedings.

If, during the hearing, an amendment to the petition is proposed which appears to be in the public interest, the board may allow ~~the same~~ *it* when the issues and the territory are not unduly broadened by the amendment.

Sec. 79. Minnesota Statutes 1982, section 221.071, is amended to read:

221.071 [ISSUANCE OF CERTIFICATE TO REGULAR ROUTE COMMON CARRIER OR PETROLEUM CARRIER.]

If the board finds from the evidence that the petitioner is fit and able to properly perform the services proposed and that public convenience and necessity requires the granting of the petition or ~~any a part thereof of it~~, it shall issue a certificate of public convenience and necessity to the petitioner. In determining whether a certificate should be issued, the board shall give primary consideration to the interests of the public that might be affected ~~thereby~~, to the transportation service being furnished by ~~any a~~ railroad which may be affected by the granting of the certificate, and to the effect which the granting of the certificate will have upon other transportation service essential to the communities which might be affected by the granting of the certificate. The board may issue a certificate as applied for or issue it for a part only of the authority sought and may attach to the authority granted ~~such~~ terms and conditions as in its judgment public convenience and necessity may require.

The board may grant a temporary certificate, ex parte, valid for a period not exceeding six months, upon a showing that no regular route common carrier is then authorized to serve on the route sought, that there is no other petition on file with the board covering said route, and that there is *a* need for the proposed service.

A certificate which has been issued to a regular route common carrier may

be amended by the board on ex parte petition and payment of a fee of \$25 fee to the commissioner so as to grant an additional or alternate route where there is no other means of transportation over such the proposed additional route or between the termini thereon, and such the proposed additional route does not exceed ten miles in length.

Sec. 80. Minnesota Statutes 1982, section 221.131, is amended to read:

221.131 [PERMITS; TERMS, FEES, IDENTIFICATION CARDS.]

Permits issued pursuant to under the provisions of sections 221.011 to 221.291 shall be are effective for a 12-month period. Each permit holder shall have has one annual renewal date encompassing all of the permits held by him. The permit holder shall pay into the treasury of the state of Minnesota to the commissioner a fee of \$25 for each kind of permit, reinstatement, or extension of authority for which a petition is filed, except on annual renewal, pursuant to under section 221.121 and a registration fee of \$20 on each vehicle, including pickup and delivery vehicles, operated by him under authority of the permit during the 12-month period or fraction of the 12-month period. Trailers used by petitioner in combination with power units shall are not be counted as vehicles in the computation of fees under this section if the petitioner pays the fees for power units. The commissioner shall furnish a distinguishing identification card for each vehicle or power unit for which a fee has been paid, which and the identification card shall must at all times be carried in the vehicle or power unit to which it has been assigned. Identification cards may be reassigned to another vehicle or power unit without fee by the commissioner upon petition of the permit holder. Identification cards issued under the provisions of this section shall be are valid only for the period for which the permit is effective. The name and residence of the permit holder shall must be stenciled or otherwise shown on both sides of each registered vehicle operated under the permit. In the event a permit has been suspended or revoked, the board may consider a petition for reinstatement of the permit, upon the same procedure required for an original petition, and may, in its discretion, grant or deny the permit. Regular route common carriers and petroleum carriers, operating under sections 221.011 to 221.291, shall annually on or before January 1 of each calendar year, pay into the treasury of the state of Minnesota to the commissioner an annual registration fee of \$20 for each vehicle, including pickup and delivery vehicles, operated during any a calendar year.

The department may issue special "floater" identification cards up to a maximum of five per motor carrier. Floater cards may be freely transferred between vehicles used under short-term leases by the motor carrier. The motor carrier shall pay to the commissioner a fee of \$100 for each floater card issued.

A fee of \$3 shall be, to be paid to the commissioner, is charged for the replacement of an unexpired identification card which has been lost or damaged by the owner.

The provisions of this section are limited by the provisions of any applicable federal law.

Sec. 81. Minnesota Statutes 1982, section 221.221, is amended to read:

221.221 [ENFORCEMENT POWERS.]

Transportation representatives and hazardous material specialists of the department for the purpose of enforcing the provisions of this chapter and section 296.17, subdivisions 10 and 17 and the applicable rules, orders, or directives of the commissioner, the commissioner of revenue, and the board issued pursuant to under this chapter and chapter 296, but for no other purpose, shall have all the powers conferred by law upon police officers. The powers shall include the authority to conduct inspections at designated highway weigh stations or under other appropriate circumstances within the state for the purpose of viewing log books, licenses, health certificates and other documents or equipment required to be maintained within commercial motor vehicles operating in Minnesota pursuant to applicable state motor vehicle carrier laws and rules.

Sec. 82. Minnesota Statutes 1982, section 221.296, subdivision 5, is amended to read:

Subd. 5. [PERMIT FEES.] Upon filing of a petition for a permit the petitioner shall pay to the state treasury commissioner as a fee for the issuance thereof of the permit, the sum of \$50, and shall thereafter pay an annual renewal fee of \$75 plus \$5 per motor vehicle if the local cartage carrier operates less than five motor vehicles, or \$100 plus \$5 per motor vehicle if the local cartage carrier operates at least five but less than 15 motor vehicles, or \$150 plus \$5 per motor vehicle if the local cartage carrier operates 15 or more vehicles provided that said the \$5 per motor vehicle charge shall does not apply to taxicabs operated pursuant to under a local cartage permit. Upon issuance of the permit the commissioner shall assign the carrier a permit number, which shall must be painted or prominently displayed on both sides of all vehicles used by the local cartage carrier under authority of said the permit.

Sec. 83. Minnesota Statutes 1982, section 221.64, is amended to read:

#### 221.64 [REGISTRATION FEE; EXEMPTIONS.]

Such Registration as herein provided shall must be granted upon petition, without hearing, upon payment of an initial filing fee in the amount of \$25 to the commissioner. Upon petition, and payment of said the fee if applicable, the commissioner shall furnish to the registration holder a distinguishing identification stamp for each motor vehicle included in said the registration which and the stamp shall must at all times be carried in the registered vehicle of the registration holder. For each identification stamp issued, the commissioner shall establish and collect a fee of no more than \$5 to be deposited in the state treasury, provided that a lesser fee may be collected pursuant to under the terms of reciprocal agreements between the commissioner and the regulatory bodies of other states or provinces of the Dominion of Canada.

Sec. 84. Minnesota Statutes 1982, section 221.81, is amended to read:

#### 221.81 [BUILDING MOVER REGULATION.]

Subdivision 1. [DEFINITION DEFINITIONS.] For the purposes of this section, the terms used in this section have the meanings given them in this subdivision.

(a) "Building mover" means any a person, corporation, or other entity

engaged in the business of raising, supporting off the foundation, and moving buildings, ~~excluding manufactured homes on and over public streets and highways.~~ *Building mover does not include a person who moves manufactured homes or farmers moving farm buildings.*

(b) "Political subdivision" means a city, town, or county.

(c) "Road authority" has the meaning given it in section 160.02, subdivision 9.

Subd. 2. [LICENSE.] ~~All building movers operating in Minnesota shall be licensed by the board.~~ *No person may operate as a building mover in this state unless licensed by the commissioner.*

Subd. 3. [LICENSE APPLICATION.] To obtain a license to operate as a building mover an applicant shall file ~~a petition~~ *an application* with the commissioner specifying the name and address of its officers and other information as the ~~board commissioner~~ *commissioner* may reasonably require. The ~~board commissioner~~ *commissioner* shall issue the license upon compliance by the applicant with ~~bonding and insuring insurance~~ *requirements set by rule of the department* and payment of an initial \$150 filing fee. A license once granted ~~shall continue~~ *continues* in full force and effect, subject to a \$100 annual renewal fee and compliance with ~~bonding and insuring insurance~~ *requirements*, unless revoked or suspended.

The commissioner, upon approval of a license for a building mover, shall issue a sufficient number of cab cards to each licensed mover to provide one cab card for each power unit used in moving buildings. The fee is ~~\$50~~ *\$10* for each cab card issued. The cab card must be carried at all times in a readily available place in the cab of the power unit for which it was issued. The building mover may also purchase up to five floater cab cards for a fee of ~~\$200~~ *\$100* for each floater card issued. Cab cards ~~shall be~~ *are* effective for a 12-month period and ~~shall~~ *continue* from year to year thereafter upon payment of the required fee. Cab cards ~~shall be~~ *only be* good for the period for which the license is effective.

~~Licenses shall be transferable pursuant to the provisions of section 221.151.~~

Subd. 3a. [INSURANCE.] *Each building mover shall have in effect the following:*

(a) *comprehensive general liability insurance including completed operations, underground property damage, and collapse coverage in the amount of at least \$500,000 for bodily injury or property damage; and*

(b) *motor vehicle liability insurance in the amount of at least \$500,000 for bodily injury or property damage.*

*The insurance must be written by an insurer licensed to do business in the state of Minnesota. Each building mover shall file with the commissioner a certificate evidencing the insurance. The insurance policy must provide that the policy may not be canceled without the insurer first giving 30 days written notice to the commissioner of the impending cancellation.*

Subd. 3b. [LOCAL PERMITS.] *A building mover may not move a building on or across a street or highway without first obtaining a permit from the road authority having jurisdiction over the street or highway. A permit for*

*the movement of a building may not be granted to a building mover who does not possess a current license issued by the commissioner.*

*Subd. 3c. [LOCAL REGULATION.] No license to move buildings or bond, cash deposit, or insurance coverage may be required by a political subdivision of the state other than the license and insurance coverage required by the commissioner. A road authority may charge a fee for services performed and may require a permit which reasonably regulates the hours, routing, movement, parking, or speed limit for a building mover operating on streets or highways under its jurisdiction. A building mover shall comply with the state building code in jurisdictions which have adopted the state building code, and with local ordinances which regulate the moving or removing of buildings. A building mover may not be required to pay a route approval fee to, or obtain a permit for the movement of a building on streets or highways from, a political subdivision which is not also the road authority. This section does not prohibit a political subdivision from charging a permit fee for regulation of activities which do not involve the use of public streets or highways. Neither the state nor a political subdivision may regulate rates charged by building movers.*

*Subd. 4. [LICENSE REVOCATION, SUSPENSION, DENIAL.] The ~~board~~ commissioner, after notice and a hearing, may revoke, suspend, or deny a license for:*

*(a) failure to pay application or renewal fees;*

*(b) failure to comply with bonding and insuring requirements;*

*(c) Conduct of the applicant or license holder that impairs usage of to reimburse the road authority for damage to public highways, roads, streets, or utilities which are not paid for by the license holders insurer;*

*(d) (b) conduct of the applicant or license holders that endangers the health and safety of users of the public highways, roads, streets, or utilities; or*

*(e) a course of (c) conduct of the applicant or license holder that demonstrates unsafe or hazardous operation of the business obstructs traffic in a manner other than as authorized in the permit;*

*(d) violation of the provisions of this section; or*

*(e) failure to obtain required local moving permits or permits required by section 169.86.*

*Subd. 5. [SUSPENSION BY COMMISSIONER.] The commissioner may shall suspend a license without a hearing for the following reasons:*

*(1) (a) failure to pay the application or renewal fee; or*

*(2) (b) failure to comply with bonding and insurance requirements.*

*The suspension shall continue continues until the fees have been are paid and the bonding and insurance requirements have been are satisfied.*

*Subd. 6. [APPLICATION OF VIOLATION AND PENALTY PROVISIONS PENALTIES.] The violation and penalty provisions of section 221.291 are applicable to this section A person who violates, or aids or abets the violation of, any of the provisions of this section is guilty of a misdemeanor. Every distinct violation is a separate offense.*

Subd. 7. [RULES.] The commissioner shall promulgate rules establishing bonding and insuring requirements.

Subd. 8. [LOCAL REGULATION.] No license to move buildings, bond or insurance coverage shall be required by a political subdivision of the state other than the license, bond and insurance coverage issued or required by the board or commissioner. A political subdivision or the department may require a permit which reasonably regulates the hours, routing, movement, parking or speed limit for a building mover operating on streets or roads within the jurisdiction of the political subdivision or highways within the jurisdiction of the commissioner. Neither the state nor a political subdivision may regulate rates charged by building movers.

Subd. 9. [FEES DEPOSITED IN GENERAL FUND.] All fees collected pursuant to this section shall be deposited in the general fund.

Sec. 85. [221.82] [RECEIPTS TO BE CREDITED TO TRUNK HIGHWAY FUND.]

*Money received by the commissioner under the provisions of this chapter shall be paid into the state treasury and credited to the trunk highway fund.*

Sec. 86. [221.83] [COSTS TO BE PAID FROM THE TRUNK HIGHWAY FUND.]

*The costs of administering the provisions of this chapter shall be paid from the trunk highway fund.*

Sec. 87. Minnesota Statutes 1982, section 296.17, subdivision 10, is amended to read:

Subd. 10. [LICENSE.] (a) No motor carrier shall may operate a commercial motor vehicle upon the highways of this state unless and until he has been issued a license pursuant to this section or has obtained a trip permit or temporary authorization as provided in this section.

(b) A license shall be issued to any responsible person qualifying as a motor carrier who makes application therefor and who shall pay pays to the commissioner, at the time thereof, a license fee of \$40 \$20. Such The license shall remain is valid for a period of up to two years or until revoked by the commissioner or until surrendered by the motor carrier. All outstanding licenses will expire on March 31 of each even-numbered year beginning with 1984 and may be renewed upon application to the commissioner and payment of the \$20 fee. Such The license, photocopy, or electrostatic copy of it, shall be carried in the cab of every commercial motor vehicle while it is being operated in Minnesota by a licensed motor carrier.

Sec. 88. Minnesota Statutes 1982, section 296.17, subdivision 17, is amended to read:

Subd. 17. [TRIP PERMITS AND TEMPORARY AUTHORIZATIONS.]

(a) A motor carrier may obtain a trip permit which shall authorize an unlicensed motor carrier to operate a commercial motor vehicle in Minnesota for a period of five consecutive days beginning and ending on the dates specified on the face of the permit. The fee for such the permit shall be \$5 \$15. Fees for trip permits shall be in lieu of the road tax otherwise assessable against such the motor carrier on account of such the commercial motor

vehicle operating therewith, and no reports of mileage shall be required with respect to ~~such~~ *the* vehicle.

The above permit shall be issued in lieu of license if in the course of the motor carrier's operations he operates on Minnesota highways no more than three times in any one calendar year.

(b) Whenever the commissioner is satisfied that unforeseen or uncertain circumstances have arisen which requires a motor carrier to operate in this state a commercial motor vehicle for which neither a trip permit pursuant to clause (a) of this subdivision nor a license pursuant to subdivisions 7 to 22 has yet been obtained, and if the commissioner is satisfied that prohibition of ~~such~~ *that* operation would cause undue hardship, the commissioner may provide the motor carrier with temporary authorization for the operation of ~~such~~ *the* vehicle. A motor carrier receiving temporary authorization pursuant to this subdivision shall perfect the same either by obtaining a trip permit or a license, as the case may be, for the vehicle at the earliest practicable time.

Sec. 89. Minnesota Statutes 1982, section 296.17, subdivision 20, is amended to read:

Subd. 20. [ENFORCEMENT POWERS.] (a) The commissioner is ~~hereby~~ authorized and directed to enforce the provisions of subdivisions 7 to 22. In addition, the commissioner of public safety is ~~hereby~~ authorized and directed to ~~utilize~~ *use* the Minnesota state patrol to assist in the enforcement of the provisions of subdivisions 7 to 22 *and the commissioner of transportation is authorized and directed to enforce the provisions of subdivisions 10 and 17 as provided in section 221.221.*

(b) The officers of the Minnesota state patrol shall in addition to all other powers granted to them by Minnesota Statutes have the power of making arrests, service process, and appearing in court in all matters and things relating to subdivisions 7 to 22 and the administration and enforcement thereof.

Sec. 90. Minnesota Statutes 1982, section 296.25, subdivision 1, is amended to read:

Subdivision 1. Any person who fails to comply with any provisions of sections 296.01 to 296.421, or who makes any false statement in any report, record, or sales ticket required by sections 296.12, 296.14, 296.17, subdivision 5, 296.18, subdivision 2, or 296.21, shall be guilty of a misdemeanor. *A minimum fine of \$200 shall be imposed on a person who fails to obtain a license or trip permit required under section 296.17, subdivisions 10 and 17.*

Prosecutions commenced under this section may be brought in the county in which the defendant resides or in Ramsey county.

The county attorney of any county in which ~~such~~ *the* action is commenced, shall on request of the commissioner of revenue, prosecute violations of this chapter. Costs, fees, and expenses incurred by any county attorney in litigation in connection with ~~such actions~~ *the action* may be paid from appropriations to the commissioner of revenue for the administration of this chapter.

Sec. 91. Minnesota Statutes 1982, section 299C.37, subdivision 3, is amended to read:

Subd. 3. The superintendent of the bureau shall, upon written application, issue a written permit, which shall be nontransferable, to ~~any~~ a person of ~~good moral character, firm, or corporation~~ showing good cause to use ~~such~~ radio equipment capable of receiving ~~any~~ a police emergency frequency, as a necessity, in the lawful pursuit of a business, trade, or occupation.

Sec. 92. Minnesota Statutes 1982, section 299C.46, subdivision 3, is amended to read:

Subd. 3. The datacommunications network shall be used exclusively for criminal justice agencies of the state in connection with enforcement of the criminal or traffic laws of the state.

~~The commissioner of public safety, after consultation with representatives of participating criminal justice agencies, may shall establish a monthly operational network access charge to be paid by each participating criminal justice agency in the event that money available to the commissioner for this purpose is not adequate to pay these costs. The network access charge shall be a standard fee established for each terminal, computer, or other equipment directly addressable by the criminal justice data-communications network, as follows: January 1, 1984 to December 31, 1984, \$40 connect fee per month; January 1, 1985 and thereafter, \$50 connect fee per month.~~

The commissioner of public safety is authorized to arrange for the connection of the datacommunications network with the criminal justice information system of the federal government, any adjacent state, or Canada.

Sec. 93. Minnesota Statutes 1982, section 299D.03, subdivision 8, is amended to read:

Subd. 8. ~~[CAUSES FOR DISCHARGE.] Causes for suspension, demotion, or discharge shall be:~~ *A trooper who has completed six months of continuous employment shall not be suspended, demoted or discharged except for just cause. For purposes of this section, just cause includes, but is not limited to:*

- (1) Conviction of any criminal offense in any court of competent jurisdiction subsequent to the commencement of such employment;
- (2) Neglect of duty or wilful violation or disobedience of orders or rules;
- (3) Inefficiency in performing duties;
- (4) Immoral conduct or conduct injurious to the public welfare, or conduct unbecoming an officer; or
- (5) Incapacity or partial incapacity affecting his normal ability to perform his official duties.

Sec. 94. Minnesota Statutes 1982, section 299D.03, subdivision 9, is amended to read:

Subd. 9. ~~[CHARGES AGAINST TROOPERS.]~~ (a) Charges against any state trooper shall be made in writing and signed and sworn to by the person making the same, which written charges shall be filed with the commissioner. Upon the filing of same, if the commissioner shall be of the opinion that such charges constitute a ground for suspension, demotion, or dis-



charge, he shall order a hearing to be had thereon and fix a time for such hearing and may designate a subordinate as his deputy to conduct such hearing. Otherwise he shall dismiss the charges shall be held on them. The hearing shall be conducted by an arbitrator selected by the parties from a list of five arbitrators provided by the bureau of mediation services. At least ten 30 days before the time appointed for the hearing, written notice specifying the charges filed and stating the name of the person making the charges, shall be served on the employee personally or by leaving a copy thereof at his usual place of abode with some person of suitable age and discretion then residing therein. If the commissioner orders a hearing he may suspend such employee pending his decision to be made after such before the hearing.

(b) Members of the state patrol shall have the option of utilizing either the contractual grievance procedure or the legal remedies of this section, but in no event both.

(c) The commissioner, after having been informed by the exclusive representative that the employee against whom charges have been filed desires to utilize the grievance procedure of the labor agreement, may immediately suspend, demote or discharge the employee without the hearing required by clause (a).

Sec. 95. Minnesota Statutes 1982, section 299D.03, subdivision 10, is amended to read:

Subd. 10. [HEARING ON CHARGES, DECISION, PUNISHMENT.] The commissioner or his designated subordinate shall have power to compel the attendance of witnesses at any such hearing and to examine them under oath, and to require the production of books, papers, and other evidence at any such hearing, and for that purpose may issue subpoenas and cause the same to be served and executed in any part of the state. The employee accused shall be entitled to be confronted with the witnesses against him and have an opportunity to cross-examine the same and to introduce at such hearing testimony in his own behalf, and to be represented by counsel at such hearing. If the hearing is conducted by a designated subordinate of the commissioner such designated subordinate upon completion of the hearing shall forthwith transmit a transcript of the testimony of the hearing, together with his recommendations, to the commissioner. The commissioner, within 25 days after such hearing, shall render his decision in writing and file the same in his office. If after such hearing he finds that any such charge made against such state employee is true, he may punish the offending party by reprimand, suspension without pay, demotion, or dismissal. If upon any such hearing the commissioner shall find the charges made against such trooper are not true, or dismiss such charges after such hearing, such trooper shall be reinstated in his position and any salary or wages withheld from him pending the determination or decision of the commissioner upon such charges shall be paid to such trooper by the commissioner out of state funds. *The arbitrator may compel the attendance of witnesses at the hearing and examine them under oath, and may require the production of books, papers, and other evidence at the hearing, and for that purpose may issue subpoenas and cause them to be served and executed in any part of the state. The employee accused is entitled to be confronted with the witnesses against him and may cross-examine them and may introduce at the hearing testimony in his own behalf, and to be represented by counsel at the hearing.*

Sec. 96. Minnesota Statutes 1982, section 299D.03, subdivision 11, is amended to read:

Subd. 11. [REVIEW BY CERTIORARI OF ARBITRATION AWARD.] Any state trooper who is so suspended, demoted, or dismissed may have such decision or determination of the ~~commissioner~~ reviewed by a writ of ~~certiorari~~ *arbitrator reviewed pursuant to the Uniform Arbitrator Act* in the district court of the county where such trooper resides. If such decision or determination of the ~~commissioner~~ *arbitrator* shall be finally rejected or modified by the court, the trooper shall be reinstated in his position, and the commissioner shall pay to the trooper so suspended out of the funds of the state the salary or wages withheld from him pending the determination of the charges or as may be directed by the court.

Sec. 97. Minnesota Statutes 1982, section 343.01, subdivision 3, is amended to read:

Subd. 3. The society ~~shall~~ *must* be governed by a board of directors consisting of seven persons appointed by the governor. The governor, the commissioner of education, and the attorney general, or their designees shall serve as ex-officio, nonvoting members of the board. The membership terms, compensation, removal, and filling of vacancies of board members other than ex-officio members shall be as provided in section 15.0575; provided that the terms of two initial members shall expire in each of 1979, 1980, and 1981, and the term of the seventh initial member shall expire in 1982. The members of the board shall annually elect a chairman and other officers as deemed necessary. Meetings ~~shall~~ *must* be called by the chairman or at least two other members. *The governor shall appoint an executive director who shall serve in the unclassified civil service at the governor's pleasure for a term coterminous with that of the governor. The board executive director may employ other staff who shall serve in the unclassified civil service at the pleasure of the board.* The commissioner of administration upon request of the ~~board~~ *executive director* shall supply the board with necessary office space and administrative services, and the board shall reimburse the commissioner for the cost ~~thereof~~.

Sec. 98. Minnesota Statutes 1982, section 352.86, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBILITY; RETIREMENT ANNUITY.] Any person who is employed by the department of transportation in the civil service employment classification of aircraft pilot or chief pilot who is covered by the general employee retirement plan of the Minnesota state retirement system pursuant to section 352.01, subdivision 23, who elects this special retirement coverage pursuant to subdivision 3, who is prohibited from performing the duties of aircraft pilot or chief pilot after attaining the age of ~~60~~ 62 years by a regulation of the ~~federal aviation administration~~ adopted by the commissioner of transportation and who terminates employment as a state employee upon attaining that age shall be entitled, upon application, to a retirement annuity computed in accordance with section 352.115, subdivisions 2 and 3, without any reduction for early retirement pursuant to section 352.116, subdivision 1.

Sec. 99. Minnesota Statutes 1982, section 352.86, is amended by adding a subdivision to read:

*Subd. 1a. [DISABILITY BENEFITS.] An employee described in subdivision 1, who is less than 62 years of age and who becomes disabled and physically or mentally unfit to perform his duties due to injury, sickness, or other disability, and who is found disqualified for retention as chief pilot or pilot as a result of a physical examination required by applicable federal laws or regulations, shall be entitled upon application to disability benefits for a maximum of five years in the amount of 75 percent of current monthly salary, to be paid by the appointing authority from the state airports fund. In no case shall disability benefits continue beyond the age of 62 years. These benefits are in lieu of all other state benefits for the disability, including, but not limited to, workers' compensation benefits.*

Sec. 100. Minnesota Statutes 1982, section 360.018, subdivision 1, is amended to read:

Subdivision 1. [GENERALLY.] The general public interest and safety, the safety of persons receiving instruction concerning or operating, using, or traveling in aircraft and of persons and property on the ground, and the interest of aeronautical progress requiring that aircraft operated within this state should be airworthy, that airmen and those engaged in air instruction should be properly qualified, and that airports, restricted landing areas, and air navigation facilities should be suitable for the purposes for which they are designed; the purposes of sections 360.013 to 360.075, requiring that the commissioner should be enabled to exercise the powers of supervision therein granted; and the advantages of uniform regulation making it desirable that aircraft operated within this state should conform with respect to design, construction and airworthiness to the standards prescribed by the United States government with respect to civil aircraft subject to its jurisdiction and that persons engaging in aeronautics within this state should have the qualifications necessary for obtaining and holding appropriate airman certificates of the United States, the commissioner is authorized:

(1) To require the registration annually of federal licenses, permits, or certificates of civil aircraft engaged in air navigation within this state, and to issue certificates of such registration, which certificates may be the same as the certificates issued pursuant to section 360.59, subdivision 3. The application for registration made pursuant to sections 360.54 to 360.67 shall be considered as the application for registration required by this section.

(2) The certificates of registration of aircraft issued pursuant to this section shall constitute licenses of such aircraft for operations within this state to the extent permitted by the federal licenses, certificates, or permits so registered. The application for registration shall contain such information as the commissioner may by rule, regulation, or order prescribe. The first application for registration made in this state shall be verified by the applicant. The second and succeeding applications for registration need not be verified. Each application for registration of aircraft shall be made as required by sections 360.54 to 360.67.

(3) To license any person engaged in commercial operations in accordance with rules and regulations to be adopted by the commissioner and to annually renew such a license. The rules and regulations adopted hereunder shall provide for:

(a) the maximum fee to be charged any one person for an original license and

the renewal thereof; such maximum fee not to exceed \$10;

(b) compliance with all requirements of the United States government relating to permits or certificates governing aircraft and airmen; and

(c) (b) compliance with all laws of the state of Minnesota and rules and regulations of any state department or agency promulgated thereunder;

*The fee for an original license or renewal license is \$30.*

(4) To approve airport and restricted landing area sites and to license airports, restricted landing areas, or other air navigation facilities, in accordance with rules and regulations to be adopted by the commissioner, and to renew such licenses. Licenses granted under this subdivision or under any prior law shall be renewed annually or every three years upon payment of the fee therefor, and licenses shall be granted for airports and restricted landing areas which were being operated under a license on the 1st day of July 1943, without requirements of a certificate of approval, unless the commissioner shall reasonably determine, after a public hearing to be called by him and held in the same manner and upon the same notice as is provided for hearings upon certificates of approval or original licenses, that the operation of such airport or restricted landing area is hazardous to persons operating, using, or traveling in aircraft or to persons and property on the ground. He shall make no charge for approval certificates of proposed property acquisition for airport or restricted landing area purposes. ~~He may charge~~ *The fee for the issuance of each original license for an airport or restricted landing area not to exceed \$10 is \$15 per year and not to exceed \$25 \$40 for three years; based on classifications made by the commissioner.*

(5) To suspend or revoke any license or certificate of registration of an aircraft or licensee of commercial operations issued by him, or to refuse to issue any such license or certificate of registration, when he shall reasonably determine that any aircraft is not airworthy or that any licensee of commercial operations is not qualified has engaged in advertising by means of false or deceptive statements, has been found guilty of gross incompetency or gross negligence, has been found guilty of fraud, dishonesty, forgery, or theft, has wilfully violated the provisions of sections 360.013 to 360.075, the rules and regulations prescribed pursuant thereto, or any other statute of this state relating to aeronautics, or any act of congress or any rule or regulation promulgated pursuant thereto, is addicted to the use of narcotics or other habit forming drug or to the excessive use of intoxicating liquor, has made any false statement in any application for registration of a federal license, certificate or permit, or has been guilty of other conduct, acts, or practices dangerous to the public safety and the safety of those engaged in aeronautics.

#### Sec. 101. [ACCOUNT TRANSFERRED.]

*The air transportation revolving account in the trunk highway fund is transferred to the state airports fund and renamed the air transportation services account.*

#### Sec. 102. [360.024] [AIR TRANSPORTATION SERVICES.]

*The commissioner shall charge users of air transportation services provided by the commissioner for all direct and indirect operating costs, ex-*

*cluding salaries and acquisition of aircraft. All receipts for these services shall be deposited in the air transportation services account in the state airports fund and are appropriated to the commissioner to pay all direct and indirect air service operating costs, excluding salaries.*

Sec. 103. Minnesota Statutes 1982, section 360.63, is amended to read:

360.63 [DEALERS LICENSE.]

Subdivision 1. Any person engaged in the business of selling, purchasing, or dealing in aircraft, new or used, and who desires to withhold aircraft owned by him from tax as provided in sections 360.511 to 360.67, may apply to the commissioner for an aircraft dealer's license. In order to qualify for an aircraft dealer's license the applicant shall show that he has an established place of business on an airport licensed as a public airport by the commissioner and that he has the necessary buildings, facilities and equipment for the proper storage and maintenance of aircraft in accordance with such rules and regulations as may be established by the commissioner. The commissioner may charge a fee of \$10 for each license which license shall be effective for one year from the date of its issuance or he may authorize an aircraft dealer to operate under a flight operator's license as otherwise provided by ~~Minnesota Statutes 1945~~, chapter 360, as amended. The commissioner is empowered to suspend or revoke any license issued by him when he shall determine that the holder thereof has violated any of the provisions of sections 360.511 to 360.67 or has failed to maintain any of the requirements necessary to obtain such license.

Subd. 2. Any licensed aircraft dealer may apply to the commissioner for one or more aircraft dealers plates. A charge of ~~\$5~~ \$15 shall be made for each such plate. Any aircraft owned by said dealer may be used for the purpose of demonstration or for any purpose incident to the usual conduct and operation of his business as an aircraft dealer provided aircraft dealers plates are conspicuously attached to the aircraft when so used, and provided said aircraft has been first listed with the commissioner on an aircraft withholding form provided by him.

Sec. 104. Minnesota Statutes 1982, section 473.408, subdivision 3, is amended to read:

Subd. 3. [SPECIAL FARES.] In off-peak hours the commission and other operators shall charge the following reduced fares for transit service:

(a) not more than ~~20~~ 25 cents plus any zone charges for all persons under the age of 18 holding an identification card issued by the commission;

(b) not more than ~~ten~~ 25 cents for all persons 65 years of age and over holding a medicare card or other identification card authorized or approved by the commission; and

(c) not more than one-half of the full fare for all handicapped persons, as defined by the commission.

Sec. 105. Minnesota Statutes 1982, section 473.436, is amended by adding a subdivision to read:

Subd. 6. [TEMPORARY BORROWING.] *On or after the first day of any fiscal year, the commission may borrow money which may be used or ex-*

*pended by the commission for any purpose, including but not limited to current expenses, capital expenditures and the discharge of any obligation or indebtedness of the commission. The indebtedness shall be represented by a note or notes which may be issued from time to time in any denomination and sold at public or private sale pursuant to a resolution authorizing the issuance thereof, which resolution shall set forth the form and manner of execution of the notes and shall contain other terms and conditions the commission deems necessary or desirable to provide security for the holders of the notes. The note or notes shall be payable from committed or appropriated money of grants or loans of the state or federal government made to the commission, and the money may be pledged to the payment of the notes. To the extent the notes are not paid from the grant or loan money pledged for the payment thereof, the notes shall be paid with the interest thereon from any taxes, income and revenue received or accrued during the fiscal year in which the note or notes were issued, or other money of the commission lawfully available therefor.*

Sec. 106. Minnesota Statutes 1982, section 473.446, subdivision 1, as amended by Laws 1983, chapter 17, section 13, is amended to read:

Subdivision 1. [TAXATION WITHIN TRANSIT TAXING DISTRICT.] For the purposes of sections 473.401 to 473.451 and the metropolitan transit system, except as otherwise provided in this subdivision the metropolitan transit commission shall levy each year upon all taxable property within the metropolitan transit taxing district, defined in subdivision 2, a transit tax consisting of:

(a) An amount equal up to two mills times the assessed value of all such property, based upon the level of transit service provided for the property, the proceeds of which shall be used for payment of the expenses of operating transit and paratransit service;

(b) An additional amount, if any, as the commission determines to be necessary to provide for the full and timely payment of its certificates of indebtedness and other obligations outstanding on July 1, 1977, to which property taxes under this section have been pledged; and

(c) An additional amount necessary to provide full and timely payment of certificates of indebtedness, bonds, or other obligations issued or to be issued pursuant to section 473.436 for purposes of acquisition and betterment of property and other improvements of a capital nature and to which the commission has specifically pledged tax levies under this clause.

Sec. 107. Minnesota Statutes 1982, section 500.221, subdivision 4, is amended to read:

Subd. 4. [REPORTS.] Any natural person, corporation, partnership, limited partnership, trustee, or other business entity prohibited from future acquisition of agricultural land may retain title to any agricultural land lawfully acquired within this state prior to June 1, 1981, but shall file a report with the commissioner of agriculture annually before January 31 containing a description of all agricultural land held within this state, the purchase price and market value of the land, the use to which it is put, the date of acquisition and any other reasonable information required by the commissioner. The commissioner shall make the information available to the public. All

required annual reports shall include a filing fee of ~~\$35~~ \$50 plus \$10 for each additional quarter section of land.

Sec. 108. Minnesota Statutes 1982, section 626.553, subdivision 2, is amended to read:

Subd. 2. Whenever a peace officer discharges a firearm in the course of duty, other than for training purposes or *the killing of an animal that is sick, injured, or dangerous*, notification shall be filed within thirty days of the incident by the officer's department head with the commissioner of public safety. The notification shall contain information concerning the reason for and circumstances surrounding discharge of the firearm. The commissioner of public safety shall file a report with the legislature by November 15 of each even numbered year containing summary information concerning use of firearms by peace officers.

Sec. 109. Minnesota Statutes 1982, section 626.88, subdivision 3, is amended to read:

Subd. 3. [EXCEPTION.] Security guards employed by the capitol complex security division of the department of public safety are not required to comply with subdivision 2 until ~~April~~ July 1, 1983 1985, at which time they shall be subject to the same uniform color restrictions as other security guards.

Sec. 110. [TEMPORARY LEGISLATIVE STUDY COMMISSION ON METROPOLITAN TRANSIT.]

*Subdivision 1. [CREATION; MEMBERSHIP.] A temporary legislative study commission on metropolitan transit is created consisting of five members of the house of representatives and five members of the senate, named by the customary appointing authority in each house. Members must be compensated in the same manner and amount as for other legislative service.*

*Subd. 2. [ORGANIZATION; STAFF.] The commission shall choose a chairperson and other officers as necessary. Staff and administrative support for the commission must be provided by existing legislative service offices.*

*Subd. 3. [STUDY.] The commission shall evaluate:*

*(a) the objectives of the Metropolitan Transit Commission established for the seven-county metropolitan area, and its effectiveness in achieving the purposes established by the legislature;*

*(b) the powers, responsibilities, and external accountability of the transit commission;*

*(c) the internal structure of the transit commission, including the contractual relationship with the management company;*

*(d) the efficiency of current labor practices and contracts relative to use of labor required for peak hours;*

*(e) governmental arrangements for transit planning and development in the metropolitan area, including the relationship with the department of transportation, the metropolitan council, and the transportation advisory board;*

*(f) the proper role of the transit commission in the governance, regulation,*

*and coordination of transit and other public transportation services in the metropolitan area;*

*(g) the financing of public transit in the metropolitan area, including fare structures and sources and amounts of subsidy; and*

*(h) the effectiveness of the metropolitan transit service demonstration program.*

*Subd. 4. [REPORT.] The commission shall submit a report of its findings and recommendations to the legislature by February 1, 1984.*

*Subd. 5. [REPEALER.] This section is repealed on February 2, 1984.*

Sec. 111. Laws 1975, chapter 235, section 2, is amended to read:

Sec. 2. This act is effective July 1, 1975 and shall expire June 30, 1983 1987.

Sec. 112. Laws 1977, chapter 277, section 1, is amended to read:

Section 1. [TRANSPORTATION; HIGHWAY AND BRIDGE BONDS.] The commissioner of finance is authorized and directed, upon request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, Sections 167.50 to 167.52 and of the Minnesota Constitution, Article XI, Sections 4 to 7, and Article XIV, Section 11, at such times and in such amounts as may be requested by the commissioner of transportation. Bonds issued pursuant to this section are authorized in an aggregate principal amount of \$50,000,000. The proceeds of such bonds *sold on or before April 6, 1983* shall be deposited in a separate bridge construction account in the trunk highway fund. *The proceeds of bonds sold after April 6, 1983 shall be deposited in a separate capital improvement account in the trunk highway fund and are appropriated to the commissioner of transportation for capital improvements on the trunk highway system, including interstate routes.*

Sec. 113. Laws 1977, chapter 277, section 3, subdivision 1, is amended to read:

Subdivision 1. The sum of ~~\$50,000,000~~ \$31,000,000, or so much thereof as is determined to be needed, is appropriated from the separate bridge construction account in the trunk highway fund created pursuant to section 1, to the department of transportation for the design, construction and reconstruction of key bridges and bridge approaches on the trunk highway system including interstate routes. Any money appropriated under this subdivision shall be expended in accordance with the requirements for expenditure of money from the Minnesota state transportation fund for trunk highway bridges as those requirements are provided in Minnesota Statutes, Section 174.50 and in rules promulgated pursuant to that section.

Sec. 114. Laws of 1983, chapter 17, section 12 is amended to read:

The commissioner of finance is authorized and directed, on request of the commissioner of transportation, to issue and sell Minnesota trunk highway bonds under the provisions of Minnesota Statutes, sections 167.50 to 167.52 and of the Minnesota Constitution, article XI, sections 4 to 6, and



article XIV, section 11, at the time and in the amounts requested by the commissioner of transportation. Bonds issued under this section are authorized in an aggregate principal amount of \$56,000,000. *The proceeds of the bonds shall be deposited in a separate capital improvement account in the trunk highway fund and are appropriated to the commissioner of transportation for capital improvements on the trunk highway system, including interstate routes.*

Sec. 115. [REPEALER.]

*Minnesota Statutes 1982, sections 21.47; 21.48; 21.49; 21.50; 21.502; 21.503; 21.51; 21.52; 21.53; 21.54; 21.55; 21.56; 21.57; 21.58; 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174A.07; 299C.37, subdivision 4; 326.54; 326.541; 326.542; 326.543; 326.544; 326.545; 326.546; and 326.547, are repealed.*

Sec. 116. [EFFECTIVE DATE.]

*Sections 104 to 106 are effective the day following final enactment in the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington.*

*Sections 29, and 111 to 114 are effective the day following final enactment. Section 61 is effective January 1, 1984. Sections 85 and 86 are effective July 1, 1985."*

Delete the title and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for the promotion of Minnesota agricultural products; regulating commerce in seeds; establishing a seed laboratory; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; establishing the position of executive director of the Minnesota humane society; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge con-

struction account in the trunk highway fund to the department of transportation; establishing a temporary legislative study commission on metropolitan transit; providing for a capital improvement account in the trunk highway fund as the deposit account for proceeds from certain trunk highway bonds to be further transferred to the department of transportation for certain purposes; imposing penalties; amending Minnesota Statutes 1982, sections 12.14; 15.059, subdivision 5; 17.101; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 41.61, subdivision 1, as amended; 43A.04, by adding a subdivision; 70A.06, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision 1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.37, subdivision 3; 299C.46, subdivision 3; 343.01, subdivision 3; 352.86, subdivision 1; and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3, and by adding a subdivision; 473.436, by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.553, subdivision 2; 626.88, subdivisions 2 and 3; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 21; 221; and 360; repealing Minnesota Statutes 1982, sections 21.47; 21.48; 21.49; 21.50; 21.502; 21.503; 21.51; 21.52; 21.53; 21.54; 21.55; 21.56; 21.57; 21.58; 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174A.07; 299C.37, subdivision 4; 326.54; 326.541; 326.542; 326.543; 326.544; 326.545; 326.546; and 326.547.''

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

Senate Conferees: (Signed) Keith Langseth, Marilyn M. Lantry, Clarence M. Purfeerst, Robert J. Schmitz, Lyle G. Mehrkens

House Conferees: (Signed) Henry J. Kalis, James Metzzen, Kathleen Vellenga, Merlyn O. Valan, Arthur W. Seaberg

Mr. Langseth moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1233 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1233 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 46 and nays 7, as follows:

Those who voted in the affirmative were:

|             |               |            |                |         |
|-------------|---------------|------------|----------------|---------|
| Adkins      | Dicklich      | Kroening   | Peterson, C.C. | Stumpf  |
| Anderson    | Diessner      | Laidig     | Petty          | Taylor  |
| Belanger    | Frederick     | Langseth   | Pogemiller     | Ulland  |
| Berg        | Frederickson  | Lantry     | Purfeerst      | Vega    |
| Berglin     | Freeman       | Lessard    | Ramstad        | Waldorf |
| Bernhagen   | Hughes        | Luther     | Reichgott      | Willet  |
| Chmielewski | Isackson      | McQuaid    | Samuelson      |         |
| Dahl        | Johnson, D.E. | Mehrkens   | Schmitz        |         |
| Davis       | Johnson, D.J. | Moe, R. D. | Solon          |         |
| DeCramer    | Jude          | Novak      | Spear          |         |

Those who voted in the negative were:

|         |         |         |            |       |
|---------|---------|---------|------------|-------|
| Benson  | Brataas | Kamrath | Kronebusch | Olson |
| Bertram | Frank   |         |            |       |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Willet moved that S.F. No. 596 be withdrawn from the Committee on Finance and given its second reading. The motion prevailed.

S.F. No. 596: A bill for an act establishing an agricultural resource loan guaranty program, board, and fund, and the terms of guaranties by the state of project loans in the program; appropriating money, taxes, tax increments, and other governmental charges; authorizing the issuance of state bonds; amending Minnesota Statutes 1982, sections 116B.03, subdivision 1; 290.01, by adding a subdivision; 297A.44, subdivision 1; and 362A.01, subdivision 1; and 362A.05; proposing new law coded as Minnesota Statutes, chapter 41A; proposing new law coded in Minnesota Statutes, chapter 362A.

S.F. No. 596 was read the second time.

### SUSPENSION OF RULES

Mr. Willet moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to S.F. No. 596 and that the rules of the Senate be so far suspended as to give S.F. No. 596, now on Special Orders, its third reading and place it on its final passage.

### CALL OF THE SENATE

Mr. Willet imposed a call of the Senate for the balance of the proceedings on S.F. No. 596. The Sergeant at Arms was instructed to bring in the absent members.

The question recurred on the motion of Mr. Willet.

The roll was called, and there were yeas 49 and nays 7, as follows:

Those who voted in the affirmative were:

|             |                |          |                 |           |
|-------------|----------------|----------|-----------------|-----------|
| Adkins      | DeCramer       | Jude     | Moe, R. D.      | Reichgott |
| Anderson    | Dicklich       | Kamrath  | Nelson          | Samuelson |
| Belanger    | Diessner       | Kroening | Novak           | Schmitz   |
| Berg        | Frank          | Laidig   | Pehler          | Solon     |
| Berglin     | Frederickson   | Langseth | Peterson, C. C. | Spear     |
| Bernhagen   | Freeman        | Lantry   | Peterson, D. L. | Stumpf    |
| Bertram     | Hughes         | Lessard  | Peterson, R. W. | Vega      |
| Chmielewski | Isackson       | Luther   | Petty           | Waldorf   |
| Dahl        | Johnson, D. E. | Mehrkens | Pogemiller      | Willet    |
| Davis       | Johnson, D. J. | Merriam  | Purfeerst       |           |

Those who voted in the negative were:

|         |            |         |         |        |
|---------|------------|---------|---------|--------|
| Benson  | Frederick  | McQuaid | Ramstad | Ulland |
| Brataas | Kronebusch |         |         |        |

The motion prevailed.

Mr. Willet moved that S.F. No. 596 be laid on the table. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Spear moved that S.F. No. 83, No. 7 on Special Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Willet moved that S.F. No. 489 be withdrawn from the Committee on Finance, given its second reading and placed on Special Orders. The motion prevailed.

S.F. No. 489: A bill for an act relating to insurance; extending the insurance division revolving fund; providing for a program of continuing education; establishing a continuing insurance education advisory committee; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; providing for the payment of examination fees and expenses of the insurance division; providing license and renewal fees for agents; regulating self-insurance plans and pools; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivision 5; 60A.14, subdivision 1; 60A.17, subdivisions 1 and 6c, and by adding a subdivision; 60A.198, subdivision 3; 60A.23, subdivision 8; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A.

S.F. No. 489 was read the second time.

Remaining on the Order of Business of Motions and Resolutions, Mr. Luther moved that the Senate revert to the Order of Business of Messages From the House. The motion prevailed.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 30, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 30 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 30

A bill for an act relating to veterans affairs; providing residents of the Minnesota veterans home with a right to complain about home accommodations and services; prohibiting retaliatory eviction of residents who exercise their right to complain; proposing new law coded in Minnesota Statutes, chapter 198.

May 18, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 30, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendment and that H.F. No. 30 be further amended as follows:

Page 2, line 9, delete "90" and insert "45"

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

House Conferees: (Signed) Wes Skoglund, Richard Kostohryz, John Burger

Senate Conferees: (Signed) Donna C. Peterson, Joe Bertram, Doran L. Isackson

Ms. Peterson, D.C. moved that the foregoing recommendations and Conference Committee Report on H.F. No. 30 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

H.F. No. 30 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

|           |              |               |                |           |
|-----------|--------------|---------------|----------------|-----------|
| Adkins    | Davis        | Isackson      | Luther         | Reichgott |
| Anderson  | DeCramer     | Johnson, D.E. | McQuaid        | Renneke   |
| Belanger  | Dicklich     | Johnson, D.J. | Mehrkens       | Schmitz   |
| Benson    | Diessner     | Jude          | Novak          | Sieloff   |
| Berg      | Dieterich    | Kamrath       | Olson          | Storm     |
| Berglin   | Frank        | Kroening      | Peterson, D.C. | Stumpf    |
| Bernhagen | Frederick    | Kronebusch    | Petty          | Taylor    |
| Bertram   | Frederickson | Laidig        | Pogemiller     | Ulland    |
| Brataas   | Freeman      | Lantry        | Purfeerst      | Willet    |
| Dahl      | Hughes       | Lessard       | Ramstad        |           |

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

### SPECIAL ORDER

H.F. No. 257: A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

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 47 and nays 2, as follows:

Those who voted in the affirmative were:

|           |               |               |                |         |
|-----------|---------------|---------------|----------------|---------|
| Adkins    | Dicklich      | Johnson, D.J. | Mehrkens       | Schmitz |
| Anderson  | Diessner      | Jude          | Novak          | Storm   |
| Belanger  | Dieterich     | Kamrath       | Olson          | Stumpf  |
| Benson    | Frank         | Kroening      | Peterson, D.C. | Taylor  |
| Berg      | Frederick     | Kronebusch    | Petty          | Ulland  |
| Bernhagen | Frederickson  | Langseth      | Pogemiller     | Waldorf |
| Bertram   | Freeman       | Lantry        | Purfeerst      | Willet  |
| Dahl      | Hughes        | Lessard       | Ramstad        |         |
| Davis     | Isackson      | Luther        | Reichgott      |         |
| DeCramer  | Johnson, D.E. | McQuaid       | Renneke        |         |

Ms. Berglin and Mr. Spear voted in the negative.

So the bill passed and its title was agreed to.

### SPECIAL ORDER

H.F. No. 1188: A resolution memorializing the United States Congress to conduct an in-depth investigation of the steel industry.

Mr. Dicklich moved that the amendment made to H.F. No. 1188 by the Committee on Rules and Administration in the report adopted May 19, 1983, pursuant to Rule 49, be stricken. The motion prevailed. So the amendment was stricken.

H.F. No. 1188 was read the third time and placed on its final passage.

The question was taken on the passage of the resolution.

The roll was called, and there were yeas 41 and nays 3, as follows:

Those who voted in the affirmative were:

|           |              |               |                |         |
|-----------|--------------|---------------|----------------|---------|
| Adkins    | Davis        | Johnson, D.E. | Luther         | Storm   |
| Anderson  | DeCramer     | Johnson, D.J. | McQuaid        | Stumpf  |
| Belanger  | Dicklich     | Jude          | Novak          | Vega    |
| Benson    | Diessner     | Kamrath       | Olson          | Waldorf |
| Berg      | Dieterich    | Kroening      | Peterson, D.C. | Willet  |
| Berglin   | Frank        | Kronebusch    | Pogemiller     |         |
| Bernhagen | Frederickson | Langseth      | Purfeerst      |         |
| Bertram   | Hughes       | Lantry        | Reichgott      |         |
| Dahl      | Isackson     | Lessard       | Schmitz        |         |

Mrs. Brataas, Messrs. Frederick and Knaak voted in the negative.

So the resolution passed and its title was agreed to.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Petty moved that the following members be excused for a Conference Committee on S.F. No. 87 from 3:00 to 4:00 p.m.:

Messrs. Petty, Sieloff and Spear. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

Ms. Reichgott moved that S.F. No. 924, No. 18 on Special Orders, be stricken and re-referred to the Committee on Judiciary. The motion prevailed.

### SPECIAL ORDER

H.F. No. 1067: A bill for an act relating to state government; authorizing the commissioner of the department of economic security to accept gifts; designating the commissioner as administrator of weatherization programs; providing for weatherization grants; regulating summer youth programs; providing financial assistance allocations for community action agencies; amending Minnesota Statutes 1982, sections 268.011, subdivision 2; 268.34; 268.37, subdivisions 2, 4, and 5; and 268.52, subdivision 2.

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 49 and nays 1, as follows:

Those who voted in the affirmative were:

|           |              |               |                |           |
|-----------|--------------|---------------|----------------|-----------|
| Adkins    | Davis        | Johnson, D.E. | Luther         | Renneke   |
| Anderson  | DeCramer     | Johnson, D.J. | McQuaid        | Schmitz   |
| Belanger  | Dicklich     | Jude          | Mehrkens       | Storm     |
| Benson    | Diessner     | Knaak         | Novak          | Stumpf    |
| Berg      | Dieterich    | Kroening      | Olson          | Taylor    |
| Berglin   | Frank        | Kronebusch    | Peterson, D.C. | Ulland    |
| Bernhagen | Frederick    | Laidig        | Pogemiller     | Vega      |
| Bertram   | Frederickson | Langseth      | Purfeerst      | Wegscheid |
| Brataas   | Hughes       | Lantry        | Ramstad        | Willet    |
| Dahl      | Isackson     | Lessard       | Reichgott      |           |

Mr. Kamrath voted in the negative.

So the bill passed and its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

Mr. Knaak moved that S.F. No. 244, No. 16 on Special Orders, be stricken and re-referred to the Committee on Agriculture and Natural Resources. The motion prevailed.

Mr. Novak moved that H.F. No. 561, No. 3 on Special Orders, be stricken and re-referred to the Committee on Transportation. The motion prevailed.

### SPECIAL ORDER

S.F. No. 620: A bill for an act relating to public welfare; authorizing grants to county boards to provide semi-independent living services for mentally retarded persons; appropriating money; proposing new law coded in Min-

nesota Statutes, chapter 252.

Mr. Wegscheid moved to amend S.F. No. 620 as follows:

Page 2, delete section 2

Amend the title as follows:

Page 1, lines 4 and 5, delete "appropriating money;"

The motion prevailed. So the amendment was adopted.

S.F. No. 620: A bill for an act relating to public welfare; authorizing grants to county boards to provide semi-independent living services for mentally retarded persons; proposing new law coded in Minnesota Statutes, chapter 252.

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

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

The roll was called, and there were yeas 48 and nays 0, as follows:

Those who voted in the affirmative were:

|           |              |               |                |           |
|-----------|--------------|---------------|----------------|-----------|
| Adkins    | Davis        | Johnson, D.E. | Mehrkens       | Storm     |
| Anderson  | DeCramer     | Jude          | Merriam        | Stumpf    |
| Belanger  | Dicklich     | Kamrath       | Novak          | Taylor    |
| Benson    | Dieterich    | Knaak         | Olson          | Ulland    |
| Berg      | Frank        | Kronebusch    | Peterson, D.C. | Vega      |
| Berglin   | Frederick    | Laidig        | Pogemiller     | Waldorf   |
| Bernhagen | Frederickson | Lantry        | Purfeerst      | Wegscheid |
| Bertram   | Freeman      | Lessard       | Ramstad        | Willet    |
| Brataas   | Hughes       | Luther        | Renneke        |           |
| Dahl      | Isackson     | McQuaid       | Schmitz        |           |

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

### SPECIAL ORDER

S.F. No. 320: A bill for an act relating to agriculture; making certain changes in the law relating to establishing a fertilizer inspection fund; prescribing penalties; appropriating money; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, 5, and 6.

Mr. Wegscheid moved to amend S.F. No. 320 as follows:

Page 2, line 34, delete "fertilizer inspection"

Page 3, delete lines 4 to 11

Page 5, delete section 10

Page 5, line 9, after "4," insert "and"

Page 5, line 10, delete ", and 6"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 3, delete "establishing"

Page 1, line 4, delete "appropriating money;"



Page 1, line 10, after "4," insert "and" and delete ", and 6"

The motion prevailed. So the amendment was adopted.

S.F. No. 320: A bill for an act relating to agriculture; making certain changes in the law relating to a fertilizer inspection fund; prescribing penalties; amending Minnesota Statutes 1982, sections 17.713, subdivision 7; 17.714, subdivision 1; 17.715, subdivision 1; 17.717, subdivision 1; 17.718, subdivision 1; 17.725, subdivisions 1 and 2; and 17.728, subdivision 4; repealing Minnesota Statutes 1982, section 17.717, subdivisions 3, 4, and 5.

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

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

Mr. Wegscheid moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 42 and nays 0, as follows:

Those who voted in the affirmative were:

|          |               |            |                |           |
|----------|---------------|------------|----------------|-----------|
| Adkins   | Diessner      | Kamrath    | Novak          | Stumpf    |
| Anderson | Dieterich     | Knaak      | Olson          | Ulland    |
| Berg     | Frank         | Kronebusch | Pehler         | Vega      |
| Berglin  | Frederick     | Laidig     | Peterson, D.C. | Waldorf   |
| Bertram  | Frederickson  | Lantry     | Purfeerst      | Wegscheid |
| Brataas  | Freeman       | Luther     | Ramstad        | Willet    |
| Dahl     | Isackson      | McQuaid    | Renneke        |           |
| Davis    | Johnson, D.E. | Mehrkens   | Schmitz        |           |
| DeCramer | Jude          | Merriam    | Storm          |           |

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

### SPECIAL ORDER

H.F. No. 537: A bill for an act relating to education; providing for the inclusion of certain community college and state university faculty members in the definition of an employee under the public employment labor relations act; amending Minnesota Statutes 1982, section 179.63, subdivision 7.

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 13, as follows:

Those who voted in the affirmative were:

|          |               |            |                |         |
|----------|---------------|------------|----------------|---------|
| Adkins   | Dieterich     | Knaak      | Novak          | Schmitz |
| Berglin  | Frank         | Laidig     | Pehler         | Solon   |
| Bertram  | Frederickson  | Lantry     | Peterson, D.C. | Stumpf  |
| Dahl     | Freeman       | Lessard    | Pogemiller     | Vega    |
| Davis    | Hughes        | Luther     | Purfeerst      | Waldorf |
| DeCramer | Johnson, D.E. | Merriam    | Ramstad        | Willet  |
| Diessner | Jude          | Moe, D. M. | Renneke        |         |

Those who voted in the negative were:

|          |           |            |          |        |
|----------|-----------|------------|----------|--------|
| Anderson | Berg      | Kamrath    | Mehrkens | Ulland |
| Belanger | Frederick | Kronebusch | Olson    |        |
| Benson   | Isackson  | McQuaid    | Storm    |        |

So the bill passed and its title was agreed to.

**SPECIAL ORDER**

S.F. No. 950: A bill for an act relating to agriculture; requiring pseudorabies testing and imposing quarantine and restricted movement requirements for swine; appropriating money; proposing new law coded in Minnesota Statutes 1982, chapter 35.

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 49 and nays 0, as follows:

Those who voted in the affirmative were:

|          |               |            |                 |           |
|----------|---------------|------------|-----------------|-----------|
| Adkins   | Dicklich      | Knaak      | Novak           | Samuelson |
| Anderson | Diessner      | Kronebusch | Olson           | Schmitz   |
| Belanger | Dieterich     | Laidig     | Pehler          | Solon     |
| Benson   | Frank         | Langseth   | Peterson, D. C. | Storm     |
| Berg     | Frederick     | Lantry     | Peterson, D. L. | Stumpf    |
| Berglin  | Frederickson  | Lessard    | Peterson, R. W. | Ulland    |
| Bertram  | Isackson      | Luther     | Pogemiller      | Vega      |
| Dahl     | Johnson, D.E. | McQuaid    | Purfeerst       | Waldorf   |
| Davis    | Jude          | Mehrkens   | Ramstad         | Willet    |
| DeCramer | Kamrath       | Nelson     | Renneke         |           |

So the bill passed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House and First Reading of House Bills.

**MESSAGES FROM THE HOUSE**

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 858, 1017 and 674.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

**FIRST READING OF HOUSE BILLS**

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

H.F. No. 858: A bill for an act relating to veterans; clarifying eligibility for certain educational programs; standardize the definition of "veteran"; improve management of grant program; coordinate program with federal law; providing funds for the agent orange program; amending Minnesota Statutes 1982, section 197.75; proposing new law coded in Minnesota Statutes, chapter 197; repealing Minnesota Statutes 1982, sections 197.09; 197.10; and 197.11.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 839, now on Special Orders.

H.F. No. 1017: A bill for an act relating to marriage license and marriage dissolution fees; increasing the marriage license fee; increasing the marriage dissolution filing fees; providing moneys for battered women's pro-

grams and for new displaced homemaker programs; amending Minnesota Statutes 1982, sections 357.021, subdivisions 2 and 2a; 517.08, subdivisions 1b and 1c.

Referred to the Committee on Finance.

H.F. No. 674: A bill for an act relating to insurance; providing for a program of continuing education; authorizing a continuing insurance education advisory task force; authorizing the commissioner of insurance to promulgate rules to implement the program; requiring certain disclosures on credit insurance policies and application; providing license and renewal fees for agents; increasing fees for insurance companies; regulating self-insurance plans and pools; appropriating money; amending Minnesota Statutes 1982, sections 60A.02, subdivision 7; 60A.03, subdivision 5; 60A.17, subdivision 1 and by adding a subdivision; 60A.14, subdivision 1; 60A.198, subdivision 3; 60A.23, subdivision 8; 471.982, subdivision 2; and proposing new law coded in Minnesota Statutes, chapter 60A.

Mr. Willet moved that H.F. No. 674 be laid on the table. The motion prevailed.

Remaining on the Order of Business of Motions and Resolutions, the Senate proceeded to the Order of Business of Introduction and First Reading of Senate Bills.

### INTRODUCTION AND FIRST READING OF SENATE BILLS

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

Mr. Dicklich; Ms. Peterson, D.C.; Messrs. Knutson; Novak and Peterson, R.W. introduced—

S.F. No. 1272: A resolution memorializing the United States Congress to oppose the passage of a federal tuition tax credit bill.

Referred to the Committee on Rules and Administration.

Mr. Petty, Mrs. Brataas and Ms. Berglin introduced—

S.F. No. 1273: A bill for an act relating to public welfare; providing for nutrition and counseling services to certain pregnant women and mothers; appropriating money; amending Minnesota Statutes 1982, section 256.73, subdivision 5; proposing new law coded in Minnesota Statutes, chapter 256.

Referred to the Committee on Health and Human Services.

Messrs. Davis; Moe, R.D.; Stumpf; Dahl and DeCramer introduced—

S.F. No. 1274: A bill for an act relating to commerce; requiring the repair, refund, or replacement of new motor vehicles used for agricultural purposes under certain circumstances; amending Laws 1983, chapter 108, section 1, subdivision 1.

Referred to the Committee on Economic Development and Commerce.

Mr. Benson introduced—

S.F. No. 1275: A bill for an act relating to health; requiring access to health information for seven years; amending Minnesota Statutes 1982, section 144.335, by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mr. Belanger introduced—

S.F. No. 1276: A bill for an act relating to cities; changing the definition of cities of the first class; amending Minnesota Statutes 1982, section 410.01.

Referred to the Committee on Local and Urban Government.

Messrs. Kamrath; Benson; Belanger; Peterson, D.L. and Anderson introduced—

S.F. No. 1277: A bill for an act relating to crimes; regulating the possession and use of handguns; specifying property rights of certain persons in handguns; prohibiting possession of firearms by certain felons; abolishing transferee permits; providing for licenses to purchase handguns; prohibiting transfer of handguns to unknown persons; requiring licenses to carry handguns; limiting legislation in subordinate jurisdictions; providing for disposition of stolen and confiscated firearms; prohibiting discrimination on the issuance of licenses to purchase a handgun or licenses to carry a handgun or weapon; prescribing penalties; amending Minnesota Statutes 1982, sections 609.66; 624.712; 624.713; 624.7131; 624.714; 624.715; 624.717; and 629.361; proposing new law coded in Minnesota Statutes, chapter 624; repealing Minnesota Statutes 1982, sections 624.7132; 624.716; and 624.718.

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

Mr. Benson introduced—

S.F. No. 1278: A bill for an act proposing an amendment to the Minnesota Constitution, adding a section to article VIII; providing for the recall of elected officials.

Referred to the Committee on Elections and Ethics.

Messrs. Merriam; Peterson, C.C.; Johnson, D.J.; Dieterich and Sieloff introduced—

S.F. No. 1279: A bill for an act proposing an amendment to the Minnesota Constitution, article X, adding a section; permitting state tax laws to adopt future federal tax law amendments by reference.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Novak, Solon and Knaak introduced—

S.F. No. 1280: A bill for an act relating to taxation; providing an income tax deduction or credit to corporations having increased export sales; providing that certain persons residing and working in a foreign country are not

Minnesota residents for income tax purposes; amending Minnesota Statutes 1982, sections 290.01, subdivisions 7 and 22; 290.06, subdivision 1, as amended; 290.095, subdivision 2; and 290.32; proposing new law coded in Minnesota Statutes, chapter 290.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Merriam, Sieloff, Dahl and Frank introduced—

S.F. No. 1281: A bill for an act relating to taxation; providing a credit against the income tax for contributions to candidates for local elective office and removing restriction concerning campaign expenditure limitation agreements; amending Minnesota Statutes 1982, section 290.06, subdivision 11; repealing Minnesota Statutes 1982, section 10A.32, subdivision 3b.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hughes, Luther, Dahl, Vega and Pogemiller introduced—

S.F. No. 1282: A bill for an act relating to elections; providing for separate party ballots at partisan primary elections; amending Minnesota Statutes 1982, sections 203B.04, subdivision 1; 203B.07, subdivision 2; 203B.12, subdivision 2; 203B.17, subdivision 2; 204C.10, subdivision 1; 204C.11, subdivision 2; 204C.12, subdivision 3; 204C.13, subdivisions 1 and 3; 204C.20, subdivisions 1 and 2; 204C.22, subdivision 3; 204C.24, subdivision 1; 204C.26, subdivision 3; 204C.32, subdivision 1; 204D.05, subdivision 1; 204D.08, subdivision 4; 204D.09; 205.17, subdivision 4; 206.07, subdivisions 4 and 5; 206.09; 206.11; 206.20, subdivision 2; repealing Minnesota Statutes 1982, section 204D.08, subdivision 5.

Referred to the Committee on Elections and Ethics.

Mr. Frank introduced—

S.F. No. 1283: A bill for an act relating to cable communications; establishing the metropolitan channel 6 board; appropriating money; amending Minnesota Statutes 1982, sections 238.05, subdivision 2; and 473.121, by adding a subdivision.

Referred to the Committee on Public Utilities and State Regulated Industries.

Remaining on the Order of Business of Motions and Resolutions, the Senate reverted to the Order of Business of Messages From the House.

## MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on House File No. 1283, and repassed said bill in accordance with the report of the Committee, so adopted.

House File No. 1283 is herewith transmitted to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

### CONFERENCE COMMITTEE REPORT ON H.F. NO. 1283

A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state board of vocational technical education; providing it and certain independent and intermediate school districts operating vocational technical schools with certain powers and duties; changing the authority and duties of the above named agencies, or one or more of them, or certain of their advisory councils with respect to governance, duration of existence, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, appropriations, parking fees, scholarships, grants-in-aid, planning, hospital charges, and related educational matters; amending Minnesota Statutes 1982, sections 43A.18, subdivision 4; 120.17, subdivision 7a; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 125.05, by adding a subdivision; 136.03; 136.034; 136.11, subdivision 1; 136.144; 136.62, by adding a subdivision; 136.63, subdivision 1a; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; and 158.05; proposing new law coded in Minnesota Statutes, chapters 136 and 136A; proposing new law coded as Minnesota Statutes, chapter 135A; and 136C; repealing Minnesota Statutes 1982, sections 121.11, subdivision 1; 121.217; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136A.144; 136A.145; 136A.146; 136A.161; 136A.18; 136A.19; 136A.20; 136A.21; and 136A.22.

May 19, 1983

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

The Honorable Jerome M. Hughes  
President of the Senate

We, the undersigned conferees for H.F. No. 1283, report that we have agreed upon the items in dispute and recommend as follows:

That the Senate recede from its amendments and that H.F. No. 1283 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. [EDUCATION; APPROPRIATIONS.]

The sums set forth in the columns designated “APPROPRIATIONS” are appropriated from the general fund, or any other fund designated, to the agencies and for the purposes specified in the following sections of this act, to be available for the fiscal year indicated for each purpose. The figures “1983”, “1984”, and “1985”, wherever used in this act, mean that the appropriation or appropriations listed thereunder or therefor shall be avail-



(a) Of this appropriation, \$1,500,000 in the first year, and \$1,500,000 in the second year is for Indian scholarships. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

(b) Of this appropriation, \$300,000 in the first year and \$300,000 in the second year is for Indian postsecondary preparation grants to school districts to be used to support programs for secondary students who are of one-fourth or more Indian ancestry and who, in the opinion of the district superintendent, have the capabilities to benefit from higher education. This appropriation shall be expended with the approval of the governor after consultation with the legislative advisory commission as provided in Minnesota Statutes, section 3.30. Release of these funds shall also be contingent upon submission of a plan prepared by the state board, with the advice and counsel of the Minnesota Indian scholarship committee. The plan shall describe the objectives and the methods for implementing the program, including the manner in which grants will be distributed in proportion to the geographical distribution of the Indian population of the state. This plan shall be submitted to the chairmen of the house and senate education committees and the house appropriations and senate finance committees prior to the submission to the legislative advisory commission.

(c) Of this appropriation, \$61,100 in the first year and \$36,100 in the second year is for the Indian education unit for one position and for procurement of equipment and services necessary for the computerization of the accounting and data management operations of the Indian scholarship program.

The department of education shall maintain the existing Minnesota Indian education scholarship office at Bemidji during the biennium ending June 30, 1985, with no reduction in general fund appropriations.

Subd. 3. Braille and Sight-Saving School and School for the Deaf

| 1984         | 1985         |
|--------------|--------------|
| \$ 5,622,300 | \$ 5,531,600 |



(a) \$113,600 the first year and \$86,200 the second year is for repairs, replacements and betterments at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

\$98,900 the first year is for repair and purchase of equipment at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

(b) \$148,000 in the first year and \$148,000 in the second year is for summer school at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School.

(c) \$9,500 in the first year and \$9,500 in the second year is for the Parent-Child Institute at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School.

(d) \$74,500 in the first year and \$75,000 in the second year is for the purchase of mainstreaming services at the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School.

(e) If the amounts appropriated in (b), (c), and (d) are insufficient, the commissioner may transfer other operating funds appropriated to the residential schools, with the exception of the funds in (a), for these purposes.

(f) It is the intent of the legislature that during the biennium in the event that federal EHA-Title VI-C funds for the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School are diminished or no longer available, the commissioner of education may make application to the legislative advisory commission at one of its regularly scheduled meetings to obtain state funds to replace diminished federal funds.

(g) In the event that the Legislative Audit Commission does not approve a program evaluation of the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School during the first year, the commissioner of finance, in consultation with the

commissioners of education and administration, shall carry out such an evaluation. The evaluation shall consider the cost-effectiveness of the academic, residential, support, and administrative services in comparison to similar programs and the feasibility of alternative methods of service delivery. The study shall be submitted to the chairmen of the house appropriations and senate finance committees by January 15, 1984.

Subd. 4. Vocational Technical Instruction

\$5,590,300            \$4,892,200

Of this appropriation \$1,999,100 in the first year and \$1,440,100 for the second year is for post-secondary vocational repair and betterment aid. The appropriation for post-secondary repair and betterment aid for 1984 includes \$191,000 for aid for fiscal year 1983 payable in fiscal year 1984, and \$1,808,100 for aid for fiscal year 1984 payable in fiscal year 1984.

The appropriation for post-secondary repair and betterment aid for 1985 includes \$319,000 for aid for fiscal year 1984 payable in fiscal year 1985, and \$1,121,100 for aid for fiscal year 1985 payable in fiscal year 1985.

\$525,000 the first year and \$500,000 the second year is for the Minnesota curriculum services center, the vocational student organization center, and vocational area agricultural coordinators. If the appropriation for either year is insufficient, the appropriation for the other year is available for it. This appropriation shall be spent pursuant to agreements between the state board of education and the recipients. The agreements are not subject to the contract approval procedures of the commissioner of administration.

Until June 30, 1985, the Minnesota curriculum services center may sell to school districts and agencies in other states and to the general public its instructional material and media at commercial or market prices. The profit derived from the sale of materials and media will be used to offset the operating costs of the center. An accounting of costs, sales and receipts shall be provided to the commissioner of education on July 1, 1984 and July 1, 1985.

Funding for the Minnesota Curriculum Ser-

vices Center during the biennium shall be allocated under the average cost funding methodology.

The state board for vocational education shall develop and implement a plan for the transfer of the area agricultural coordinator functions and positions into the area vocational-technical institute system effective July 1, 1984, for the biennium. During the biennium support for the positions shall be provided all or in part from the instructional funds under the average cost funding methodology.

\$300,000 in the first year and \$300,000 in the second year is for the acquisition of equipment for technology-related programs in the area vocational-technical institutes.

\$150,000 in the first year is appropriated for the purpose of implementing sections 56, 57, 58, 59, 60, 61, 63, and 64.

Federal money received for state vocational education programs pursuant to the Vocational Education Act of 1963, Section 120, United States Code, title 20, section 2330 and required to be used for vocational education of the disadvantaged and handicapped shall be used during the biennium only for grants and not for state administrative costs. During the biennium the grant money may be used by a school district for its own administrative costs if otherwise permitted by federal law. The remainder of section 120 money not required to be used for eliminating sex bias, for displaced homemakers programs, and for matching requirements in vocational education shall be used during the biennium for grants for post-secondary vocational instructional aid allocations for support services.

#### Subd. 5. General Instructional Services

|             |             |
|-------------|-------------|
| \$2,429,800 | \$2,466,000 |
|-------------|-------------|

During the biennium fees may be collected from school districts and educational systems pursuant to section 26 for subscriptions to the Minnesota Career Information Service and appropriated pursuant to section 27.

Of the amounts provided by this subdivision, \$19,500 in 1984 and \$20,500 in 1985 are from the trunk highway fund.

#### Subd. 6. Special Services

\$2,103,200

\$2,037,800

(a) During the biennium the state board of education and the state board of teaching, after joint consultation, shall individually set consistent license fees for which they are responsible at a level sufficient to recover all department of education and board of teaching costs associated with the licensure, relicensure, and placement of teachers, administrators, and other education professionals. In calculating these costs, the value of the services of the attorney general shall be considered. During the biennium in setting these fees, the state board of education and the board of teaching are exempt from the public hearing process in Minnesota Statutes, chapter 14. Notice of the revised fees shall be published in the state register, followed by 30-day public comment period before the revisions are effective. In assigning fees, the board of teaching shall consider differences between full-time and part-time employment in teaching and implementation of a differential fee structure for vocational education adult supplemental licenses.

(b) Fees for private trade school licenses and for solicitors' permits are increased to (1) private trade school license - initial fee \$440; (2) private trade school license - renewal \$330; (3) solicitor permits - \$165. Notice of the revised fees shall be published in the state register as soon as practicable. During the biennium ending June 30, 1985, these fees shall not be decreased and may be increased pursuant to Minnesota Statutes, sections 14.14, 16A.128, and 214.06.

#### Subd. 7. School Management Services

\$6,991,900

\$3,995,000

(a) \$880,000 in the first year is for the Minnesota Educational Computing Consortium (MECC) for the operation of the management information services unit. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

The executive director of MECC shall submit a plan annually during the biennium to the Elementary-Secondary-Vocational (ESV) Computer Council and to the commissioner of edu-

cation detailing its plan for the management information system unit.

(b) \$3,634,000 in the first year and \$1,500,000 in the second year is for regional computing support for regional management information centers. The appropriation for the second year shall be placed in a contingent account. The funds in the contingent account shall be released when the study described in the next sentence is completed, and upon compliance with Minnesota Statutes, section 3.30. The ESV computer council with the assistance of the commissioner of education shall conduct a study on how best to meet state information needs in the most cost effective manner. The study shall be completed and delivered to the chairmen of the house appropriations committee and senate finance committee by December 1, 1983. The study shall include but not be limited to an analysis of:

(1) the state and local benefits derived from Elementary-Secondary-Vocational Information System (ESV-IS) data processing and the current costs associated with providing the benefits;

(2) an alternative number of regional and state data processing sites and the costs of each alternative;

(3) the ESV-IS applications software necessary to support state mandated data acquisition;

(4) alternatives for supporting the development and maintenance of ESV-IS and the State Department of Education Information System (SDE-IS) application software and the cost of each alternative;

(5) the costs and benefits of releasing large districts from the mandate to affiliate with ESV regional management information centers.

(c) \$1,068,100 in 1984 and \$1,095,600 in 1985 is for support of the education data systems section. Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

The commissioner of education shall annually during the biennium submit to the ESV computer council a detailed budget and workplan for the education data systems section for re-

view and comment. A change in the workplan shall be featured in the succeeding year's submission.

Subd. 8. Auxiliary and General Support Services

\$2,050,100          \$2,080,200

\$129,400 in the first year and \$129,600 in the second year is for the Elementary-Secondary-Vocational Computer Council.

Subd. 9. General Authority

The commissioner of education with the approval of the commissioner of finance may transfer unencumbered balances among the above programs during the biennium. Transfers shall be reported forthwith to the house appropriations and senate finance committees.

It is the intent of the legislature, that, during the biennium except in the case of executive order to the contrary, the department of education be allowed to transfer money among the various object of expenditure categories and activities within each program.

The department of education may during the biennium spend federal block grant funds received under the education consolidation and improvement act of 1981, as amended, as shown in the biennial budget allocation plan. Changes may be made to accommodate adjustments in salary or other costs. However, material changes shall be reported to the senate finance committee and the house appropriations committee.

Subd. 10. Board of Teaching

\$ 187,000          \$ 191,100

### Sec. 3. HIGHER EDUCATION COORDINATING BOARD

Subdivision 1. General Operations and Management

56,205,700          59,045,000

The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Salaries and Expenses

\$2,027,600          \$1,890,900

This appropriation includes money for the administration of the state student assistance programs, program planning and coordination, policy planning and research, and agency management services.

This appropriation includes money for a study of the need for engineering support programs in two-year institutions. The study shall be presented to the house appropriations and senate finance committees by December 1, 1984.

Subd. 3. State Scholarship, Nurses Scholarship and State Grant-In-Aid

\$42,374,000      \$47,266,000

If the appropriation for either year is insufficient, the appropriation for the other year is available to meet scholarship and grant obligations.

This appropriation includes money for grants to part-time students. If administrative problems preclude full consolidation of part-time student grants with the state grant and scholarship program, an amount not to exceed \$300,000 of the above appropriation shall be available in each year of the biennium for allocation to eligible post-secondary institutions to accommodate the needs of part-time students, pursuant to Minnesota Statutes, section 136A.132.

Of the above appropriation, an amount not to exceed \$100,000 is available in 1984 to cover short-term living and transportation expenses of AVTI students. The funds shall be advanced to the AVTI's at the beginning of the biennium and shall be used only to meet emergency needs of students who will receive awards from the state scholarship and grant program. The advances shall be repaid by students upon receipt of their state grant or scholarship award and all advances shall be returned to the higher education coordinating board before the end of the biennium. The higher education coordinating board shall develop administrative rules or procedures as necessary to implement this provision of law.

Notwithstanding any law to the contrary, the allowance for tuition and fees in the cost of attendance for four-year private institutions shall not exceed \$3,598 in the 1983-1984

school year and \$4,063 in the 1984-1985 school year. The allowance for tuition and fees in the cost of attendance for two-year private collegiate and vocational institutions shall not exceed \$3,573 in the 1983-1984 school year and \$3,752 in the 1984-1985 school year.

Subd. 4. Interstate Tuition Reciprocity

\$6,850,000      \$4,800,000

If the appropriation for either year is insufficient, the appropriation for the other year is available to meet reciprocity contract obligations.

Subd. 5. State Work Study

\$4,209,000      \$4,428,600

Any unexpended balance of not more than \$160,000 remaining at the end of the first year shall not cancel but is available for the purposes of the appropriation in subdivision 3 for the second year.

Subd. 6. Medical Student Loans

\$ 115,000

Subd. 7. Minitex Library Program

\$ 630,100      \$ 659,500

Subd. 8. Notwithstanding any other provision to the contrary, none of the personnel, powers, or duties of the higher education coordinating board shall be transferred to any other department, higher education system, or other part of state government.

Subd. 9. Any unexpended balances in this section remaining in the first year do not cancel but are available for the second year of the biennium.

Sec. 4. STATE UNIVERSITY BOARD

Subdivision 1. General Operations and Management

105,201,700      106,166,000

The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

Subd. 2. Engineering Programs

This appropriation includes funds for the first two years of a three-year, phased development



of engineering programs at Mankato State University and St. Cloud State University.

Of the total authorized expenditures, \$50,000 each year of the biennium for the engineering program at St. Cloud State University and \$50,000 each year of the biennium for the engineering program at Mankato State University is available upon submission of required documentation that the state money has been matched by contributions from non-state sources. This matching requirement may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and the house appropriations committee.

#### Subd. 3. Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$142,076,300 for the first year, and \$148,285,200 for the second year.

If the actual amount is different, the chancellor shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and provide an explanation thereof.

#### Subd. 4. Non-Instructional Expenditures

It is estimated that the amount for non-instructional expenditures will be \$14,213,700 for the first year, and \$13,899,900 for the second year.

If the actual amount is different, the chancellor shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and providing an explanation thereof.

(a) Of this amount, \$624,100 the first year and \$607,100 the second year is for state matching of federal student loan funds and federal work study funds.

(b) Of this amount, \$1,382,800 the first year and \$1,382,800 the second year is for repairs and betterments.

Subd. 5. The state university board shall submit a report to the chairmen of the house appropriations and senate finance committees by January 15, 1985, on the use of all money

exempt from budgetary control by the commissioner of finance pursuant to Minnesota Statutes, sections 136.11, subdivision 5; 136.144; and 136.37.

The state university system is authorized to charge summer session expenditures to the fiscal year in which most of the summer session activity takes place.

#### Sec. 5. STATE COMMUNITY COLLEGE BOARD

Subdivision 1. General Operations and Management

51,843,400      53,452,900

The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

##### Subd. 2. Instructional Expenditures

It is estimated that the amount for instructional expenditures will be \$71,372,700 for the first year, and \$74,494,700 for the second year.

If the actual amount is different, the chancellor shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and providing an explanation thereof.

##### Subd. 3. Non-Instructional Expenditures

It is estimated that the amount for non-instructional expenditures will be \$7,645,800 for the first year, and \$8,001,900 for the second year.

If the actual amount is different, the chancellor shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and providing an explanation thereof.

(a) Of this amount, \$440,600 the first year and \$440,600 the second year is for state matching of federal student loan funds and federal work study funds.

(b) Of this amount, \$673,600 the first year and \$673,600 the second year is for repairs and betterments.

Subd. 4. The community college system is authorized to charge summer session ex-

penditures to the fiscal year in which most of the summer session activity takes place.

Sec. 6. UNIVERSITY OF MINNESOTA

|                                    |             |             |
|------------------------------------|-------------|-------------|
| Subdivision 1. Total Appropriation | 296,545,000 | 305,371,700 |
|------------------------------------|-------------|-------------|

The amounts that may be expended from this appropriation for each purpose are more specifically described in the following subdivisions of this section.

|                                     |             |             |
|-------------------------------------|-------------|-------------|
| Subd. 2. Operations and Maintenance | 247,291,600 | 253,232,700 |
|-------------------------------------|-------------|-------------|

These appropriations are made from:

(a) income derived from investment of the permanent university fund, which is appropriated to the university as provided in Minnesota Statutes, section 137.022. It is estimated that this income will not exceed \$2,500,000 for the first year and \$2,500,000 for the second year; and

(b) the general fund. It is estimated that the amount required from the general fund will be at least \$244,791,600 for the first year and \$250,732,700 for the second year.

On December 1, 1984, and December 1, 1985, the president of the University of Minnesota shall furnish the house appropriations and senate finance committees and the commissioner of finance the following information:

(1) The total amount of receipts during the fiscal year 1984 from all sources in excess of \$117,729,100 and during the fiscal year 1985 from all sources in excess of \$125,356,600;

(2) The sources of these receipts; and

(3) The purposes for which any excess receipts were expended and accounts to which transferred.

The board of regents shall certify to the commissioner of finance at the end of each quarter the amount of earnings derived from the investment of the permanent university fund.

If this income during any fiscal year exceeds the amounts stated in (a), the amount payable from the general fund is reduced accordingly.

In preparing the university's legislative budget request for the 1985-1987 biennium, all projected income from student tuition shall be based on a charge per credit hour schedule.

This appropriation includes funds for faculty salary equalization at the coordinate campuses.

The legislature recommends that the university assure that the class of its female, non-student employees is not subject to sex discrimination and that this objective be accomplished to the extent possible by a university-wide program of review and if necessary by adjustments in policy and practices rather than by case-by-case litigation.

The legislature recommends that the university assure that the class of its administrative employees is not subject to special protection in times of budget reduction, retrenchment, and/or layoffs.

(c) Instructional expenditures:

It is estimated that the amount for instructional expenditures will be \$245,218,000 for the first year, and \$258,042,500 for the second year.

During the fiscal biennium ending June 30, 1985, if the actual amount is different, the University of Minnesota shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and provide an explanation thereof.

Of the above amount, \$135,000 the first year, and \$180,000 the second year is for law library acquisitions.

To the extent feasible, funds shall be allocated for positions in the college of veterinary medicine and the veterinary teaching hospital.

\$500,000 of the money for the second year is to constitute the medical education contingency fund. It is the intent of the legislature that steps be taken to reduce the projected oversupply of physicians in Minnesota. The university's study on medical school enrollment, including recommendations for reductions in entering class size for the 1984-1985 academic year and subsequent implications for funding, shall be presented to the chairmen of the senate finance committee and the house appropriations committee by October 1, 1983. The medical education contingent fund is available upon submission of required docu-

mentation that the university is moving to address the physician oversupply problem. The request for release of this money shall be reviewed by the education division of the house appropriations committee and the education subcommittee of the senate finance committee. A recommendation on the release of the money shall be made by the chairmen of the house appropriations and senate finance committees, whose recommendations are advisory only.

\$800,000 the first year and \$1,400,000 the second year is for the Duluth campus of the University of Minnesota for the establishment of a four-year engineering school. The money shall be used for programs in computer, electronics, and mineral engineering. \$100,000 each year of this money is available for the Duluth engineering program upon submission of required documentation that the state money has been matched by contributions from non-state sources. This matching requirement may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and the house appropriations committee.

It is the intent of the legislature that the university address the problem of teaching assistants for whom English is a second language. The university shall develop a plan for insuring that teaching assistants are proficient in speaking, reading, and writing the English language as it is spoken in the United States. The plan shall be presented to the legislature by December 1, 1983.

(d) Non-instructional expenditures:

It is estimated that the amount for non-instructional expenditures will be \$119,802,700 for the first year and \$120,546,800 for the second year.

During the fiscal biennium ending June 30, 1985, if the actual amount is different, the University of Minnesota shall furnish the house appropriations and senate finance committees and the commissioner of finance with a report on December 1 of each year detailing the amount of the difference and providing an explanation thereof.

## (a) Agricultural Extension Service

\$10,637,700      \$11,164,600

This appropriation includes money for agriculture extension work, county agricultural agents, home demonstration and 4-H club work, and soil conservation. Any salary increases granted by the university to personnel paid from this appropriation shall not result in a reduction of the county portion of the salary payments.

## (b) Agricultural Research

\$10,517,200      \$11,033,000

Of the above amount, \$10,417,200 the first year and \$10,933,000 the second year is for agricultural research.

Of the above amount, \$100,000 each year is for either of the following options: (a) an additional amount for agricultural research; or (b) the fire information, research and education center. This money is not to be divided between agricultural research and the FIRE center; it is to be used for one option or the other.

This appropriation includes money for research on aquatic plants (including wild rice), soybeans, avian disease, swine disease, corn improvement, and irrigation.

The university shall maintain an advisory council system for each experiment station. The advisory councils shall be broadly representative of range of size and income distributions for farms and agribusiness, and shall not be disproportionately represented by those from the upper half of the size and income distributions of farms and agribusiness.

## (c) Coleman Leukemia Research Center

\$ 210,000      \$ 220,500

## (d) County Papers

\$ 2,000,000      \$ 2,000,000

## (e) Medical Research

\$ 1,902,200      \$ 1,997,300

## (f) Rural Physicians Associates Program

\$ 418,200      \$ 514,100

## (g) Special Hospitals, Service and Educational Offset

|              |              |
|--------------|--------------|
| \$12,420,700 | \$13,041,700 |
|--------------|--------------|

This amount includes \$9,318,900 each year which is counted as instructional cost.

Fees for service furnished to counties and individuals under this program shall be sought to augment the money appropriated; the fees are appropriated to the university hospitals, to be available until June 30, 1985.

## (h) Faculty Travel

|           |           |
|-----------|-----------|
| \$ 85,000 | \$ 89,300 |
|-----------|-----------|

## (i) Fellowships for Minority and Disadvantaged Students or Environmental Pathology Laboratory

|           |           |
|-----------|-----------|
| \$ 50,000 | \$ 50,000 |
|-----------|-----------|

This appropriation is to be used for either of the following options: (a) fellowships for minority and disadvantaged students; or (b) support for the environmental pathology laboratory. This appropriation is not to be divided between the fellowships and the laboratory; it is to be used for one option or the other.

Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

## (j) General Research

|              |              |
|--------------|--------------|
| \$ 1,815,700 | \$ 1,906,400 |
|--------------|--------------|

This appropriation is, as the board of regents may direct, for general research, business and economic research including Duluth, center for urban and regional affairs, museum of natural history, and juvenile justice seminar.

## (k) Geological Survey

|            |            |
|------------|------------|
| \$ 649,200 | \$ 681,700 |
|------------|------------|

## (l) Hormel Institute

|            |            |
|------------|------------|
| \$ 155,200 | \$ 163,000 |
|------------|------------|

To support the operation of the institute and to promote research by the institute.

## (m) Immigration History Research Center

The appropriation in Laws 1981, chapter 359, section 9, subdivision 12, for the immigration

history research center is available until June 30, 1985. One of every two dollars contributed from non-state and non-federal sources may be donated services or donated or loaned personal or real property. These services and property shall be valued according to the Code of Federal Regulations, title 34, sections 74.54 to 74.57 (1980).

(n) Industrial Relations Education

\$ 591,600      \$ 621,200

(o) Intercollegiate Athletics

\$ 1,688,400      \$ 1,772,800

This appropriation shall be used as a general offset to the expenses of intercollegiate athletics.

(p) Lake Superior Basin Studies

\$ 127,900      \$ 134,300

(q) Micro-Electronics and Information Science Center

\$ 600,000      \$ 600,000

The above appropriation is available upon submission of required documentation that the state money has been matched by contributions from non-state sources. Matching requirements may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and house appropriations committee.

(r) Mineral Resources Research Center

\$ 363,200      \$ 481,400

(s) Plant Bio-Mass Energy Research

\$ 126,600      \$ 132,900

(t) Sea Grant Institute

\$ 115,900      \$ 121,700

(u) Student Loans Matching Funds

\$ 92,800      \$ 92,800

(v) Summer Session and Continuing Education Supplement

\$ 1,290,700      \$ 1,355,300

This appropriation includes money for the administration of the elderhostel program.



(w) Veterinary Diagnostic Laboratory

\$ 1,045,200      \$ 1,195,000

This appropriation includes \$25,000 each year from the nongame wildlife account in the special revenue fund for the Raptor Rehabilitation and Research Clinic.

(x) Productivity Center

\$ 200,000      \$ 300,000

The above appropriation is available upon submission of required documentation that the state money has been matched by contributions from non-state sources. Matching requirements may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and house appropriations committee.

(y) Natural Resources Research Institute

\$ 1,650,000      \$ 2,250,000

(z) Bio-Technology Center

\$ 500,000      \$ 220,000

The above appropriation for the second year is available upon submission of required documentation that the state money has been matched by contributions from non-state sources. Matching requirements may be satisfied with donated equipment or supplies with the approval of the chairmen of the senate finance committee and house appropriations committee.

Any unexpended balance remaining in the first year does not cancel but is available for the second year of the biennium.

Sec. 7. MAYO MEDICAL FOUNDATION      1,343,900      1,204,700

Subdivision 1. Medical School

\$ 1,191,100      \$ 1,041,300

The state of Minnesota shall pay a capitation of \$8,330 in fiscal years 1984 and 1985 for each student who is a resident of Minnesota for a maximum of 40 such students in each class.

Capitation funds shall be paid for a maximum of 20 students in each class for students who enter Mayo Medical School during the 1984-1985 academic year or thereafter.

It is the intent of the legislature that the Mayo

foundation use the capitation funds towards the objective of increasing the number of doctors practicing in rural areas in need of doctors as identified by the higher education coordinating board. The Mayo foundation shall submit a plan to the legislature by December 1, 1983, on how it plans to meet these objectives.

Subd. 2. Family Practice and Graduate Residency Program

\$ 152,800      \$ 163,400

The state of Minnesota shall pay capitation of \$12,730 in fiscal year 1984 and \$13,620 in fiscal year 1985 for a maximum of 12 students each year.

Sec. 8. [AFFIRMATIVE ACTION FOR TECHNOLOGY-RELATED EDUCATION.]

It is the intent of the legislature that during the biennium, technology-related education be made available to all qualified registrants at public institutions of post-secondary education in Minnesota. The University of Minnesota, the State University Board, the Community College Board, and the Board for Vocational-Technical Education shall each develop a plan on how affirmative action with regard to women, minorities, and the handicapped will be promoted in the spending of technology-related funds for educational programs. The plans shall be presented to the legislature by December 1, 1983.

Sec. 9. Minnesota Statutes 1982, section 3.732, subdivision 1, is amended to read:

Subdivision 1. As used in this section and section 3.736 the terms defined in this section have the meanings given them.

(1) "State" includes each of the departments, boards, agencies, commissions and officers in the executive branch of the state of Minnesota and includes but is not limited to the *Minnesota Educational Computing Consortium*, Minnesota Housing Finance Agency, the Minnesota Higher Education Coordinating Board, the Minnesota Higher Education Facilities Authority, the Armory Building Commission, the State Zoological Board, the University of Minnesota, state universities, community colleges, state hospitals, and state penal institutions. It does not include a city, town, county, school district, or other local governmental body corporate and politic.

(2) "Employee of the state" means all present or former officers, members, directors or employees of the state, members of the national guard, or persons acting on behalf of the state in an official capacity, temporarily or permanently, with or without compensation, but does not include an inde-

pendent contractor.

(3) "Scope of his office or employment" means that the employee was acting on behalf of the state in the performance of duties or tasks lawfully assigned to him by competent authority.

Sec. 10. Minnesota Statutes 1982, section 10A.01, subdivision 18, is amended to read:

Subd. 18. "Public official" means any:

- (a) Member of the legislature;
- (b) Constitutional officer in the executive branch and his chief administrative deputy;
- (c) Member, chief administrative officer or deputy chief administrative officer of a state board or commission which has at least one of the following powers: (i) the power to adopt, amend or repeal rules, or (ii) the power to adjudicate contested cases or appeals;
- (d) Commissioner, deputy commissioner or assistant commissioner of any state department as designated pursuant to section 15.01;
- (e) Individual employed in the executive branch who is authorized to adopt, amend or repeal rules or adjudicate contested cases;
- (f) Executive director of the state board of investment;
- (g) Executive director of the Indian affairs intertribal board;
- (h) Commissioner of the iron range resources and rehabilitation board;
- (i) Director of mediation services;
- (j) Deputy of any official listed in clauses (e) to (i);
- (k) Judge of the workers' compensation court of appeals;
- (l) Hearing examiner or compensation judge in the state office of administrative hearings or hearing examiner in the department of economic security;
- (m) Solicitor general or deputy, assistant or special assistant attorney general;
- (n) Individual employed by the legislature as secretary of the senate, legislative auditor, chief clerk of the house, revisor of statutes, or researcher or attorney in the office of senate research, senate counsel, or house research; or
- (o) Member or chief administrative officer of the metropolitan council, metropolitan transit commission, metropolitan waste control commission, metropolitan parks and open spaces commission, metropolitan airports commission or metropolitan sports facilities commission; or
- (p) *Executive director of the Minnesota educational computing consortium.*

Sec. 11. Minnesota Statutes 1982, section 43A.08, subdivision 1a, is amended to read:

Subd. 1a. [ADDITIONAL UNCLASSIFIED POSITIONS.] Appointing

authorities for the following agencies may designate additional unclassified positions pursuant to this subdivision: the departments of administration; agriculture; corrections; economic security; education; employee relations; energy, planning and development; finance; health; human rights; labor and industry; natural resources; public safety; public service; public welfare; revenue; transportation; and veterans affairs; the banking, securities and real estate, insurance and consumer services divisions of the department of commerce; the housing finance and pollution control agencies; the state board of investment; and the offices of the secretary of state, state auditor and state treasurer; and the state board of vocational technical education.

A position designated by an appointing authority pursuant to this subdivision must meet the following standards and criteria:

(a) The designation of the position would not be contrary to the provisions of other law relating specifically to that agency;

(b) The person occupying the position would report directly to the agency head or deputy agency head and would be designated as part of the agency head's management team;

(c) The duties of the position would involve significant discretion and substantial involvement in the development, interpretation and implementation of agency policy;

(d) The duties of the position would not require primarily personnel, accounting, or other technical expertise where continuity in the position would be important;

(e) There would be a need for the person occupying the position to be accountable to, loyal to, and compatible with the governor and the agency head, or the employing constitutional officer;

(f) The position would be at the level of division or bureau director or assistant to the agency head; and

(g) The commissioner has approved the designation as being consistent with the standards and criteria in this subdivision.

Sec. 12. Minnesota Statutes 1982, section 43A.18, subdivision 4, is amended to read:

Subd. 4. [PLANS NOT ESTABLISHED BUT APPROVED BY COMMISSIONER.] Notwithstanding any other law to the contrary, total compensation for employees listed in this subdivision shall be set by appointing authorities subject to the following limitations:

(a) Total compensation paid pursuant to this subdivision shall be within the limits of compensation plans which shall have been approved by the commissioner before becoming effective;

(b) Total compensation for employees who are not covered by a collective bargaining agreement in the offices of the governor, attorney general, secretary of state, state auditor and state treasurer shall be determined by the governor, attorney general, secretary of state, state auditor and state treasurer, respectively;

(c) Total compensation for unclassified employees of the state board of

investment shall be determined by the state board of investment;

(d) Total compensation for unclassified positions pursuant to section 43A.08, subdivision 1, clause (h) ~~and, in the higher education coordinating board, and in the state board of vocational technical education shall be determined by the state university board and the state board for community colleges, and the higher education coordinating board, and the state board of vocational technical education, respectively; and~~

(e) Total compensation for classified hearing examiners in the office of administrative hearings shall be determined by the chief hearing examiner.

Sec. 13. Minnesota Statutes 1982, section 120.17, subdivision 7a, is amended to read:

Subd. 7a. [ATTENDANCE AT SCHOOL FOR THE HANDICAPPED.] Responsibility for special instruction and services for a visually disabled or hearing impaired child attending the Minnesota school for the deaf or the Minnesota braille and sight-saving school shall be determined in the following manner:

(a) The legal residence of the child shall be the school district in which his parent or guardian resides.

(b) When it is determined pursuant to section 128A.05, subdivisions 1 or 2 that the child is entitled to attend either school, the state board shall provide the appropriate educational program for the child. The state board shall make a tuition charge to the child's district of residence for the actual cost of providing the program; provided, however, that effective for the ~~1979-1980~~ 1983-1984 school year and thereafter, the amount of tuition charged shall not exceed the sum of ~~\$500~~ \$1,000 plus the foundation aid formula allowance of the district for that child, for an entire school year, or a prorated amount based on the portion of the school year for which the child is a resident of the district or is actually in membership in the program. For purposes of this subdivision, "foundation aid formula allowance" shall have the meaning attributed to it in section 124.32, subdivision 1a. The district of the child's residence shall pay the tuition and may claim foundation aid for the child. The district of the child's residence shall not receive aid pursuant to section 124.32, subdivision 5, for tuition paid pursuant to this subdivision. All tuition received by the state board shall be deposited in the state treasury.

(c) When it is determined that the child can benefit from public school enrollment but that the child should also remain in attendance at the applicable school, the school district where the institution is located shall provide an appropriate educational program for the child and shall make a tuition charge to the state board for the actual cost of providing the program, less any amount of aid received pursuant to section 124.32. The state board shall pay the tuition and other program costs including the unreimbursed transportation costs. Aids for handicapped children shall be paid to the district providing the special instruction and services. Special transportation shall be provided by the district providing the educational program and the state shall reimburse such district within the limits provided by law.

(d) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to make a tuition charge for less than the amount specified in

clause (b) for pupils attending the applicable school who are residents of the district where the institution is located and who do not board at the institution, if that district agrees to make a tuition charge to the state board for less than the amount specified in clause (c) for providing appropriate educational programs to pupils attending the applicable school.

(e) Notwithstanding the provisions of clauses (b) and (c), the state board may agree to supply staff from the Minnesota School for the Deaf and the Minnesota Braille and Sight-Saving School to participate in the programs provided by the district where the institutions are located when the programs are provided to students in attendance at the state schools.

Sec. 14. [120.801] [MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM, PURPOSE.]

*The legislature recognizes that computers are becoming a major factor in the operation of educational institutions, both in cost and in importance as an instructional tool. Furthermore, the legislature has continually supported the development of curricula for Minnesota educational institutions that include educational computing materials. While it is important that educational institutions be able to join together to gain economies in purchasing power, it is equally important that computer software and documentation be created, and instructional and administrative computing services be provided to meet the educational needs of Minnesota educational institutions. The purpose of the Minnesota educational computing consortium is to meet these needs.*

Sec. 15. [120.802] [DEFINITIONS.]

*Subdivision 1. For the purpose of sections 14 to 19 the words defined in this section have the meanings given them.*

*Subd. 2. "Consortium" means the Minnesota educational computing consortium originally created pursuant to Minnesota Statutes, section 471.59.*

*Subd. 3. "Minnesota educational institutions" means Minnesota school districts or combination of school districts, area vocational technical institutions, the state department of education, community colleges, state universities, and the University of Minnesota.*

Sec. 16. [120.803] [STAFF.]

*Subdivision 1. The consortium board shall appoint and set the salary of an executive director of the consortium. The executive director may employ other staff.*

*Subd. 2. [PERSONNEL MANAGEMENT.] The executive director shall establish personnel policies and procedures, including the compensation of other staff.*

*Subd. 3. [APPLICATION OF OTHER LAW.] The consortium is exempt from the application of chapters 14, 16, 16A, except 16A.095 and 16A.10, 43A, and 179. Notwithstanding chapter 13, the consortium shall not be required to disclose any copyrighted material. Consortium employees may participate in the Minnesota state retirement system and the teachers' retirement system. The commissioner of administration shall provide administrative services if requested by the consortium, and the consortium shall*

*reimburse the commissioner for services provided. The consortium is empowered to purchase or lease real estate necessary for the consortium's operations but in no event shall the consortium rely upon the full faith and credit of the state of Minnesota.*

Sec. 17. [120.804] [DUTIES OF CONSORTIUM.]

*Subdivision 1. [PRODUCTS.] Notwithstanding any law to the contrary, the consortium shall provide its services and products at cost, including overhead, to Minnesota educational institutions.*

*Subd. 2. [SERVICES TO OTHERS.] The consortium may provide its products and services for educational purposes to other than Minnesota educational institutions. To further the public purpose expressed in section 14, the consortium shall establish a differential pricing policy between sales to Minnesota educational institutions and sales to others.*

Sec. 18. [120.805] [POWERS.]

*The consortium may:*

*(a) develop computer software and documentation for use by educational institutions;*

*(b) train educators in the use of computing;*

*(c) research and develop innovative uses of instructional and management computing for education; and*

*(d) contract with educational institutions for the development of software, documentation, and instructional and management computing services and charge for the cost of the development or services.*

Sec. 19. [120.806] [MINNESOTA EDUCATIONAL INSTITUTIONS; POWERS.]

*All Minnesota educational institutions are authorized to designate the consortium as their purchasing agent for computer hardware, software, and development of software. Minnesota educational institutions are authorized, notwithstanding the requirements of sections 16.07, 471.345, or 123.37, to contract directly with the consortium for the development of computer programs and documentation and for instructional and management computing services for educational institutions.*

Sec. 20. [REPORT.]

*The Minnesota Educational Computing consortium board shall study and report to the chairmen of the house appropriations and senate finance committees and of the house and senate education committees by January 15, 1984, on the feasibility and desirability of transferring all or part of the powers and duties of the consortium to a nonprofit corporation, state agency, or other appropriate organizational structure. The report shall include recommendations for legislation needed to accomplish any recommendations.*

Sec. 21. Minnesota Statutes 1982, section 120.81, is amended to read:

120.81 [MINNESOTA EDUCATIONAL COMPUTING CONSORTIUM, RECEIPTS.]

*Subdivision 1. Effective October 1, 1977, no funds appropriated by the state*

shall be transferred to or expended with or by the Minnesota educational computing consortium unless the consortium adheres to the provisions of chapters 15, 16, excepting sections 16.90 and 16.94 thereof, 16A and 43.

~~Subd. 2. Notwithstanding the provisions of subdivision 1, The consortium is authorized to maintain a revolving fund for all receipts derived from computer services provided by the consortium. The Minnesota educational computing consortium shall charge users of consortium facilities for on-line computer time actually used services and products. Receipts shall be deposited in the Minnesota educational computing consortium revolving fund and are appropriated to the consortium. The consortium board shall appoint an executive director who shall be its chief administrative officer. The executive director may be in the unclassified service. All other employees are in the classified service of the state.~~

Sec. 22. Minnesota Statutes 1982, section 121.11, is amended by adding a subdivision to read:

*Subd. 15. [CERTAIN LICENSURE RULES.] The state board of education shall adopt and maintain as its rules for licensure of adult vocational education teachers, supervisory, and support personnel the rules of the state board of vocational technical education.*

Sec. 23. Minnesota Statutes 1982, section 121.212, subdivision 2, is amended to read:

Subd. 2. Any fee established by the board pursuant to the authority granted in subdivision 1 shall not exceed \$1 per day per vehicle. Parking fees collected shall be deposited in the general or capital expenditure fund of the school district or joint school district.

Sec. 24. Minnesota Statutes 1982, section 121.931, subdivision 7, is amended to read:

Subd. 7. [APPROVAL POWERS.] The state board, with the advice and assistance of the ESV computer council, shall approve or disapprove the following, according to the criteria in section 121.937 and after promulgation, the rules adopted pursuant to subdivision 8:

(a) The creation of regional management information centers pursuant to section 121.935;

(b) The transfer by a district of its affiliation from one regional management information center to another;

(c) The use by a district of an alternative management information system to ESV-IS pursuant to section 121.936, subdivisions 2 to 4; and

(d) Annual and biennial plans and budgets submitted by regional management information centers pursuant to section 121.935, subdivisions 3 and 4; and

~~(e) Expenditures by districts for computer activities other than fees paid to regional management information centers.~~

Sec. 25. Minnesota Statutes 1982, section 121.934, subdivision 2, is amended to read:

Subd. 2. [MEMBERSHIP.] The council shall be composed of:



(a) Four representatives of school districts, including one school district administrator from a rural school district, one school district administrator from an urban school district, one school board member from a rural school district, and one school board member from an urban school district;

(b) ~~Two representatives of regional management information center governing boards, including one member of a regional management information center board from a region which is predominantly rural and one member of a regional management information center board from a region which is predominantly urban;~~

(c) ~~Two~~ Three persons employed in management positions in the private sector, at least ~~one~~ two of whom ~~is a~~ are data processing ~~manager~~ managers or ~~holds~~ hold an equivalent position in the private sector;

(d) ~~Two~~ (c) Three persons employed in management positions in the public sector other than elementary, secondary, or vocational education, at least ~~one~~ two of whom ~~is a~~ are data processing ~~manager~~ managers or ~~holds~~ hold an equivalent position in the public sector; and

(e) (d) One person from the general public.

All the members appointed pursuant to clauses (a), (b) and (c) shall represent different regional management information centers. Members selected pursuant to clauses (b) and (c) and (d) shall not be employees or board members of local school districts or the department of education. *The council shall include at least one resident of each congressional district.*

Sec. 26. Minnesota Statutes 1982, section 123.742, is amended by adding a subdivision to read:

*Subd. 4. The department of education may provide career information to school districts and educational systems. The department may collect reasonable fees for subscriptions to the Minnesota career information service.*

Sec. 27. Minnesota Statutes 1982, section 123.743, is amended to read:

123.743 [APPROPRIATION.]

There is annually appropriated from the general fund to the department of education any and all amounts received by the department pursuant to section 123.742, subdivisions 2 and 3 and section 26.

Sec. 28. Minnesota Statutes 1982, section 124.48, is amended to read:

124.48 [INDIAN SCHOLARSHIPS.]

*Subdivision 1. [AWARDS.] The state board, with the advice and counsel of the Minnesota Indian scholarship committee, may award scholarships to any Minnesota resident student who is of one-fourth or more Indian ancestry, who has applied for other existing state and federal scholarship and grant programs, and who, in the opinion of the board, has the capabilities to benefit from further education. Scholarships shall be for advanced or specialized education in accredited or approved colleges or in business, technical or vocational schools. Scholarships shall be used to defray the total cost of education including tuition, incidental fees, books, supplies, transportation, other related school costs and the cost of board and room and shall be paid directly to the college or school concerned. The total cost of*

*education includes all tuition and fees for each student enrolling in a public institution and the portion of tuition and fees for each student enrolling in a private institution that does not exceed the tuition and fees at a comparable public institution. Each student shall be awarded a scholarship based on the total cost of the student's education and a standardized need analysis. The amount and type of each such scholarship shall be determined through the advice and counsel of the Minnesota Indian scholarship committee.*

When an Indian student satisfactorily completes the work required by a certain college or school in a school year ~~he~~ *the student* is eligible for additional scholarships, if additional training is necessary to reach ~~his~~ *the student's* educational and vocational objective. Scholarships may not be given to any Indian student for more than ~~four~~ *five* years of study without special approval of the Minnesota Indian scholarship committee.

*Subd. 2. [REPORT TO LEGISLATURE.] By December 1 of each even-numbered year, the state board of education shall report to the education committees of the legislature about the status of Indian scholarships and the recipients.*

Sec. 29. [135A.01] [FUNDING POLICY.]

*It is the policy of the legislature that state appropriations for the instructional services at public post secondary institutions reflect the cost of providing the instructional services.*

Sec. 30. [135A.02] [APPLICABILITY.]

*The total cost of providing instructional services shall be used to appropriate money to the board of regents of the University of Minnesota, state university board, state board for community colleges, and the state board for vocational education to the extent the money is for instructional services.*

Sec. 31. [135A.03] [APPROPRIATIONS FOR INSTRUCTIONAL SERVICES.]

*Subdivision 1. [DETERMINATION OF APPROPRIATION.] The appropriation to each board for instructional services shall equal the total cost of instruction minus the estimated tuition revenue.*

*Subd. 2. [DETERMINATION OF TOTAL COST OF INSTRUCTION.] The total cost of instruction shall be calculated in the following manner.*

*(a) Determine the student enrollment, for each instructional category, for the fiscal year two years before the fiscal year for which the appropriation is to be made.*

*(b) Multiply the student enrollment by the average cost of instruction per student in each instructional category.*

*(c) Add the resulting products.*

*Subd. 3. [DETERMINATION OF STUDENT ENROLLMENT.] Student enrollment shall be the full-year equivalent or average daily membership enrollment in each instructional category in the fiscal year two years before the fiscal year for which the appropriations are being made. Student enrollment may be estimated on the basis of the fall enrollment. Student enrollment shall exclude students enrolled during a summer session, except when the*

*instructional program is provided during the entire calendar year. Each board shall submit by December 1 of each year the student enrollment data necessary to determine appropriations. The data shall be submitted to the commissioner of finance.*

*Subd. 4. [DETERMINATION OF AVERAGE COST OF INSTRUCTION.] (a) The average cost of instruction shall include direct instructional costs and other costs necessary to provide instruction, such as fees, facilities, administration, and support. The average cost of instruction shall not include summer session costs, except when the instructional program is provided during the entire calendar year.*

*(b) Each board shall submit by December 1, 1983, its average cost of instruction for each instructional category for the 1984 fiscal year. Annually thereafter by December 1, each board shall submit the average cost of instruction for each instructional category as necessary to determine appropriations. The information shall be submitted to the commissioner of finance.*

*Subd. 5. [INSTRUCTIONAL CATEGORIES.] Average cost of instruction shall be determined by categories of cost of program and level of instruction and student enrollment in each category.*

**Sec. 32. [135A.04] [VARIABLE TUITION.]**

*The board of regents of the University of Minnesota, state university board, state board for community colleges, and state board for vocational education shall establish tuition. Tuition may vary by program, level of instruction, cost of instruction, or other classifications determined by each board.*

**Sec. 33. [135A.05] [TASK FORCE.]**

*The commissioner of finance shall establish a task force on average cost funding. The task force shall include representation from each of the public systems of postsecondary education, post-secondary students, the higher education coordinating board, the education division of the house appropriations committee, and education subcommittee of the senate finance committee, the office of state auditor, and the uniform financial accounting and reporting advisory council. The task force shall be convened and chaired by the commissioner of finance or his designee and staffed by the department of finance. The task force shall review and make recommendations on the definition of instructional cost in all four systems, the method of calculating average cost for funding purposes, the method used to assign programs to the proper level of cost at each level of instruction, the adequacy of the accounting data for defining instructional cost in a uniform manner, and the biennial budget format to be used by the four systems in submitting their 1985-1987 biennial budget requests. The task force shall submit a report on these matters to the legislature by December 1 of each year.*

**Sec. 34. [135A.06] [SYSTEM PLANS: UNIVERSITY OF MINNESOTA; STATE UNIVERSITY BOARD; STATE BOARD FOR COMMUNITY COLLEGES; STATE BOARD FOR VOCATIONAL EDUCATION.]**

*Subdivision 1. It is the intent of the legislature that the planning efforts of the public postsecondary education systems be summarized and reported to the legislature. These planning efforts include, but are not limited to, the*

*on-going intra-system and inter-system planning processes and the information provided by the systems to the governor's commission on the future of postsecondary education. In order to accomplish this goal, the University of Minnesota board of regents, the state university board, the state board for community colleges, and the state board for vocational education shall each submit to the governor and the legislature on December 1 of each even-numbered year a planning report for its system. The planning report shall contain the mission of the system and short- and long-range plans for programs, staff, and facilities. The report shall specify the mission and plans for two, five, and ten years. The assumptions used in developing the plans shall be included.*

*Subd. 2. [MISSION.] Each system shall review its mission as it relates to instruction, research, and public service.*

*Subd. 3. [SYSTEM PLANS.] (a) Each system shall review its program plan for instruction, research, and public service. Program plans shall include a statement of program priorities for undergraduate, graduate, and professional education. Program plans shall also include data about program cost and average class size within each institution.*

*(b) Each system shall review its plan for adjusting the number of facilities, staff, and programs to projected level of demand. Plans for adjustments shall consider campus and program mergers, campus and program closings, new governance structures, and other methods including consolidation of institutions, services, and programs with institutions serving the same geographic area which are operated by different governing boards.*

*(c) Each system shall consult with the higher education coordinating board throughout the planning process.*

*Subd. 4. [PLANNING FACTORS.] Each planning report shall consider the following factors at a minimum.*

*(a) Enrollment projections for two, five, and ten years. If a system uses projections which are different from the most recent available projections produced by the higher education coordinating board, the system shall compare its projections with enrollment projections prepared by the higher education coordinating board, and the system shall identify the method and assumptions used to prepare its projections;*

*(b) Estimated financial costs and savings of alternative plans for adjusting facilities, staff, and programs to declining enrollments and fiscal resources;*

*(c) Opportunities for providing services cooperatively with other public and private institutions in the same geographic area.*

*Subd. 5. [HECB REVIEW AND COMMENT.] The higher education coordinating board shall review and comment on the reports prepared by the systems. In order to provide sufficient time for this review, systems shall submit the reports to the coordinating board on September 1 prior to the December 1 submission to the governor and legislature. Before the higher education coordinating board forwards its review and comment to the legislature, each system shall be given the opportunity by the higher education coordinating board to respond to the higher education coordinating board review. In order to provide sufficient time for the systems to respond, the*

*HECB shall provide copies of its review and comment to the systems by October 15 and the systems shall submit any responses to the higher education coordinating board by November 15, prior to the January 2 submission to the governor and the legislature. The system responses shall accompany the higher education coordinating board review and comment when it is submitted to the governor and the legislature. As part of its review and comment, the higher education coordinating board shall present information on the costs, enrollment, and participation in public post secondary institutions.*

Sec. 35. [135A.07] [EXECUTIVE SALARIES.]

*Notwithstanding the provisions of chapters 15A and 43A and any other law passed during the 1983 legislative session, the state university board, the community college board, the higher education coordinating board, the state board of education, and the state board of vocational technical education may establish salaries for the chancellor, executive director, commissioner, and the state director, respectively, based on the level of responsibility and authority of the positions. The boards may also consider appropriate market comparisons with comparable positions in the midwest.*

Sec. 36. Minnesota Statutes 1982, section 136.03, is amended to read:

136.03 [MANAGEMENT OF STATE UNIVERSITIES.]

*The state universities shall be under the management, jurisdiction, and control of the state university board; and it shall have and possess all of the powers, jurisdiction, and authority, and shall perform all of the duties by them possessed and performed on and prior to April 1, 1901, except as hereinafter stated. Notwithstanding the provisions of sections 136.01, 136.015, and 136.017, the state university board, as it deems necessary, may close state universities under its jurisdiction. Prior to closing a state university the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The hearing shall be conducted by the office of administrative hearings. The hearing examiner shall prepare a summary of testimony received at the hearing for the board. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.*

Sec. 37. [136.031] [CARRY OVER AUTHORITY.]

*The state university board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over an unexpended balance up to a maximum of two percent of its biennial appropriation into the following biennium. These moneys shall not be taken into account in determining state appropriations.*

Sec. 38. Minnesota Statutes 1982, section 136.144, is amended to read:

136.144 [PROMOTION OF UNIVERSITY; ACCEPTANCE OF GIFTS.]

*The board may receive and accept on behalf of the state and for the state universities any gift, bequest, devise, endowment, or grant in the form of cash which any person, firm, corporation, association, or governmental agency may make to the board by will, deed, gift, or otherwise to carry out*

the purposes of section 136.143. Unless otherwise so expressed in the terms of the gift, bequest, devise, endowment, or grant, moneys so received are not subject to the laws requiring budgeting, allotment, and encumbrance as provided in chapter 16A, or otherwise. ~~Such Moneys~~ These moneys shall be deposited in the state treasury and are hereby appropriated to the board for use in accordance with according to this section. These moneys shall not be taken into account in determining appropriations or allocations.

Sec. 39. Minnesota Statutes 1982, section 136.62, is amended by adding a subdivision to read:

*Subd. 7. [CLOSING AUTHORITY.] Notwithstanding the provisions of sections 136.60 and 136.602, the board, as it deems necessary, may close community colleges under its jurisdiction. Prior to closing a community college the board shall hold a public hearing on the issue in the area which would be affected by the closing. At the hearing affected persons shall have an opportunity to present testimony. The hearing shall be conducted by the office of administrative hearings. The hearing examiner shall prepare a summary of testimony received at the hearing for the board. The board shall give notice of this hearing by publishing notice in the State Register and in a newspaper of general circulation in the affected area at least 30 days before the scheduled hearing.*

Sec. 40. Minnesota Statutes 1982, section 136.67, is amended by adding a subdivision to read:

*Subd. 5. [CARRY OVER AUTHORITY.] The community college board may carry over any unexpended balance from its appropriation from the first year of a biennium into the second year of the biennium. The board may carry over an unexpended balance up to a maximum of two percent of its biennial appropriation into the following biennium. These moneys shall not be taken into account in determining state appropriations.*

Sec. 41. [LEGISLATIVE INTENT.]

*(1) The state scholarship and grant-in-aid programs amended in this act are intended to help men and women of the state with financial need pay the costs of their education.*

*(2) It is the intention of the legislature that the responsibility for the costs of attendance at the institutions of students' choosing be shared by students, parents, and government and that the responsibilities be set forth.*

*(3) Aid is to be made available to eligible students only after taking into account contributions from the students, parents, and federal Pell Grants for which the applicants are eligible.*

*(4) All students, as the main beneficiaries of the education, will be expected to make substantial contributions of the same proportion equal to at least half of the cost of attendance from savings, earnings, loans, and other resources.*

*(5) Further, the students' parents, if financially able, are expected to make a contribution to the cost of attendance.*

Sec. 42. Minnesota Statutes 1982, section 136A.121, is amended to read:

136A.121 [SCHOLARSHIPS AND GRANTS-IN-AID.]

Subdivision 1. [ELIGIBILITY FOR SCHOLARSHIPS.] An applicant shall be eligible to ~~compete~~ *be considered* for a scholarship under the provisions of sections 136A.09 to 136A.131 if the board finds that applicant:

- (1) is a resident of the state of Minnesota;
- (2) has met all the requirements for admission as a full time student to an eligible institution of his choice as defined in sections 136A.09 to 136A.131;
- (3) has demonstrated capacity for superior achievement at the institutional level as measured by standards prescribed by the board;
- (4) is a qualified applicant as defined herein.

Subd. 2. [ELIGIBILITY FOR GRANTS-IN-AID.] An applicant shall be eligible to ~~compete~~ *be considered* for a grant-in-aid, regardless of the applicant's sex, creed, race, color, national origin, or ancestry, under the provisions of sections 136A.09 to 136A.131 if the board finds that applicant:

- (1) is a resident of the state of Minnesota;
- (2) is a graduate of a secondary school or its equivalent, *or is 17 years of age or over*, and has met all requirements for admission as a full time student to an eligible college or vocational school of his choice as defined in sections 136A.09 to 136A.131 or has completed at least one academic year of study at a two year institution and seeks transfer to a four year eligible institution;
- (3) has met such criteria pertaining to financial need as the board shall make by regulation.

Subd. 3. [ALLOCATION AND AMOUNT.] Scholarships and grants-in-aid shall be awarded annually on a funds available basis to those applicants for initial awards and applicants for renewal awards who meet the board's requirements.

Subd. 4. [SCHOLARSHIP STIPENDS.] *An eligible scholarship applicant shall be considered for a financial stipend* ~~shall accompany scholarship awards~~ if the ~~scholarship winner applicant~~ *applicant* demonstrates financial need and ~~will attend an eligible institution. Financial stipends shall range from a maximum of \$1,100 in the 1979-1980 school year, \$1,250 in the 1980-1981 school year and up to \$1,400 in the 1981-1982 school year and subsequent school years to a minimum of \$100 but in no event shall exceed one-half of the applicant's financial need or an amount which if combined with the amount of a federal basic educational opportunity grant for which the applicant is eligible equals 75 percent of the applicants need, whichever is the lesser. An eligible scholarship winners applicant who~~ *does not demonstrate financial need under criteria prescribed by the board shall be awarded an honorary scholarships scholarship. The amount of a financial stipend shall not exceed a scholarship applicant's cost of attendance, as defined in subdivision 6, after deducting the following:*

(a) *a contribution by the scholarship applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;*

(b) *a contribution by the scholarship applicant's parents, as determined by a standardized need analysis; and*

(c) the amount of a federal Pell grant award for which the scholarship applicant is eligible.

*The minimum financial stipend shall be \$100.*

Subd. 5. [GRANTS-IN-AID STIPENDS.] A financial stipend based on financial need shall accompany grants-in-aid. ~~Financial stipends shall range from a maximum of \$1,100 in the 1979-1980 school year, \$1,250 in the 1980-1981 school year and up to \$1,400 in the 1981-1982 school year and subsequent school years to a minimum of \$100, but in no event shall exceed one-half of the applicant's financial need, or an amount which if combined with the amount of a federal basic educational opportunity grant for which the applicant is eligible equals 75 percent of the applicants need, whichever is the lesser. The amount of a financial stipend shall not exceed a grant applicant's cost of attendance, as defined in subdivision 6, after deducting the following:~~

(a) a contribution by the grant applicant of at least 50 percent of the cost of attending the institution of the applicant's choosing;

(b) a contribution by the grant applicant's parents, as determined by a standardized need analysis; and

(c) the amount of a federal Pell grant award for which the grant applicant is eligible.

*The minimum financial stipend shall be \$100.*

Subd. 6. [COST OF ATTENDANCE.] ~~The cost of attendance shall consist of allowances specified by the board for room and board and miscellaneous expenses, and~~

(a) for public institutions, tuition and fees charged by the institution; or

(b) for private institutions, beginning July 1, 1985, an allowance for tuition and fees equal to the lesser of (1) the actual tuition and fees charged by the institution, or (2) the instructional costs per full year equivalent student in comparable public institutions. Prior to July 1, 1985, the tuition and fees allowance shall not exceed the instructional costs per full year equivalent student in comparable public institutions.

Subd. 7. [INSUFFICIENT APPROPRIATION.] ~~If the amount appropriated is insufficient to make full awards to applicants pursuant to subdivision 4, then awards shall be reduced by~~

(a) adding a surcharge to the contribution of the applicant's parents, and

(b) a percentage increase in the applicant's contribution.

Subd. 8. [PRIORITY.] In dispensing available funds in a given year, priority shall be given ~~on the following basis: first to renewal scholarships and grants-in-aid. Thereafter, until the funds are exhausted, and second to applicants for initial awards, on the basis of their rank in the case of scholarships, and on the basis of need with all applicants treated as a single pool of applicants in the case of grants-in-aid, as determined by standards prescribed by the board.~~

Subd. 7 9. [INITIAL AWARDS.] Only first year students shall be eligible to apply for and receive initial scholarship awards. ~~Only first year and transfer students who meet the board's requirements shall be eligible to apply~~



for and receive initial grants-in-aid for the 1977-1978 school year. First year students, transfer students who meet the board's requirements and second year students who did not receive a grant-in-aid award upon entrance to post-secondary education shall be eligible to apply for and receive initial grants-in-aid for the 1978-1979 and 1979-1980 school years. Any undergraduate student who has not previously received a scholarship or grant-in-aid and who meets the board's requirements shall be eligible to apply for and receive a *an initial* grant-in-aid in any year of undergraduate study for the 1980-1981 school year and subsequent school years.

Subd. 8 10. Each scholarship or grant-in-aid shall be awarded for one academic year but shall be renewable for a maximum of six semesters or nine quarters or their equivalent but may not continue after the recipient has obtained a baccalaureate degree or been enrolled full-time or the equivalent for the number of semesters or quarters normally required to complete a baccalaureate degree, whichever occurs first.

Subd. 9 11. Each scholarship or grant-in-aid shall be renewable, contingent on continued residency in Minnesota, satisfactory academic standing and recommendation of the college or vocational school and, in the case of financial assistance, evidence of continued need.

Subd. 10 12. The student must apply for renewal of his scholarship or grant-in-aid each year.

Subd. 11 13. ~~The deadline for~~ The board *to must* accept applications for state scholarships and grants-in-aid ~~shall be not earlier than~~ *until* February 15 *and may establish a deadline for the acceptance of applications which is later than February 15.*

Subd. 12 14. The student must continue to attend an eligible institution.

Subd. 13 15. All scholarship ~~winner~~ *winners and grant-in-aid recipients* shall be notified of their ~~award~~ *awards* by the board and shall be given appropriate evidence of the award.

Subd. 14. All ~~grant-in-aid recipients~~ shall be ~~duly notified thereof by the board.~~

Subd. 15 16. Financial scholarships and grants-in-aid awarded under the terms of sections 136A.09 to 136A.131 shall be applied to educational costs in the following order: tuition, fees, books, supplies and other expenses. Unpaid portions of such awards shall revert to the board scholarship or grant-in-aid account.

Sec. 43. Minnesota Statutes 1982, section 136A.14, is amended to read:

136A.14 [STUDENT LOANS, PURPOSE.]

The legislature has found and hereby declares that the encouragement of the maximum educational development of the ~~young~~ men and women of Minnesota is in the best interest of the state. The state loan ~~program~~ *programs* would encourage students to continue their education and provide financial assistance for those who would not otherwise be able to do so. The state loan ~~program~~ *programs* provided for herein is ~~designated~~ *except the loan programs authorized under section 49 are designed to be compatible with the provisions of the Higher Education Act of 1965. In furtherance of*

*the loan programs provided for in sections 136A.14 to 136A.17 and section 49, the board may enter into such contracts, agreements, and guarantees with reference to the loans or the issuance of revenue bonds as may be necessary to carry out the programs.*

Sec. 44. Minnesota Statutes 1982, section 136A.141, is amended to read:

136A.141 [STUDENT LOAN PROGRAM.]

The higher education coordinating board shall establish and supervise one or more student loan programs in accordance with the provisions of sections 136A.14 to 136A.17 and section 49.

Sec. 45. Minnesota Statutes 1982, section 136A.143, is amended to read:

136A.143 [FOREIGN STUDENTS; RESIDENT TUITION.]

Institutions of higher education in Minnesota shall be authorized to grant resident status for the purpose of paying tuition fees in each institution to bona fide foreign students after their first year in Minnesota, provided that the total number of these residencies shall not exceed one-half of one percent of total full-time equivalent fall term enrollment of these institutions; ~~provided further that these residencies shall be granted on the basis of demonstrated financial need as determined by the higher education coordinating board.~~

Sec. 46. Minnesota Statutes 1982, section 136A.15, is amended to read:

136A.15 [DEFINITIONS.]

Subdivision 1. For purposes of sections 136A.14 to 136A.17 and section 49, the terms defined in this section have the meanings ascribed to them:

Subd. 2. "Academic year or its equivalent" shall be as defined in the federal regulations which govern the administration of the National Vocational Student Loan Insurance Act of 1965 and Title IV of the Higher Education Act of 1965.

Subd. 3. "Board" means the Minnesota higher education coordinating board.

Subd. 4. "Director" means the executive director of the Minnesota higher education coordinating board.

Subd. 5. "Eligible institution" means any public educational institution and any private educational institution, in any state which is approved by the U.S. commissioner of education in accordance with requirements set forth in the Higher Education Act of 1965, as amended.

Subd. 6. "Eligible lender" means an eligible institution, an agency or instrumentality of a state, or a financial or credit institution (including an insurance company) which is subject to examination and supervision by an agency of the state of Minnesota or of the United States.

Subd. 7. "Eligible student" means a student who is officially registered or accepted for enrollment at an eligible institution in Minnesota or a Minnesota resident who is officially registered as a student or accepted for enrollment at an eligible institution in another state. Eligible student, except for purposes of section ~~136A.161~~ 49, includes parents of an eligible student

as the term "parent" is defined in the higher education act of 1965, as amended, and the regulations promulgated thereunder. *Except for the purposes of section 49, eligible student also includes students eligible for auxiliary loans as the term auxiliary is defined in the Higher Education Act of 1965, as amended, and the regulations promulgated thereunder.*

Sec. 47. Minnesota Statutes 1982, section 136A.16, is amended to read:

136A.16 [POWERS AND DUTIES OF BOARD.]

Subdivision 1. The Minnesota higher education coordinating board is hereby designated as the administrative agency for carrying out the purposes and terms of sections 136A.14 to 136A.17 *and section 49.*

Subd. 2. The board shall adopt policies and prescribe appropriate rules and regulations to carry out the purposes of sections 136A.14 to 136A.17 *and section 49.* ~~Such~~ *The policies, rules, and regulations except as they relate to loans under section 49 shall be compatible with the provisions of the National Vocational Student Loan Insurance Act of 1965 and the provisions of Title IV of the Higher Education Act of 1965, and any amendments thereof.*

Subd. 3. The board may make loans in amounts not to exceed the maximum amount provided in the higher education act of 1965 and any amendments thereof *except that the limitation shall not apply to loans under section 49.* The board may establish procedures determining the loan amounts for which students are eligible.

Subd. 4. The board may contract with or enter into agreements with eligible lenders for the purpose of making loans to eligible students in accordance with the policies and rules of the board.

Subd. 5. The board shall have the right to contract with guarantee agencies, *insurance agencies,* and/or collection agencies, *or any other person,* to carry out the purposes of sections 136A.14 to 136A.17 *and section 49.*

Subd. 6. The board shall be empowered to charge for insurance on each loan a premium, payable each year in advance. *The premiums shall not be in an amount not to exceed in excess of the premium in the federal regulations which govern the vocational and higher education loan program except that the limitation shall not apply to loans under section 49.* Premium fees shall be available to the board without fiscal year limitation for the purposes of making loans and meeting expenses ~~incurred in~~ *of administering the program loan programs.*

Subd. 7. The board may apply for, receive, accept, and disburse federal funds, as well as funds from other public and private sources, made available to the state for loans or as administrative moneys to operate student loan programs. In making application for ~~federal~~ funds, it may comply with all requirements of ~~such~~ *state and* federal law and ~~such~~ rules and regulations, *and enter into the contracts necessary* to enable it to receive, accept, and administer such funds.

Subd. 8. Moneys made available to the board which are not immediately needed for the purposes of sections 136A.14 to 136A.17 *and section 49* may be invested by the board. Such moneys shall be invested in bonds, certificates of indebtedness, and other fixed income securities, except preferred

stocks, which are legal investments for the permanent school fund. Such moneys may also be invested in such prime quality commercial paper as is eligible for investment in the state employees retirement fund. All interest and profits from such investments shall inure to the benefit of the board.

Subd. 9. The board shall be empowered to employ such professional and clerical staff as the director deems necessary for the proper administration of the loan ~~program~~ *programs* established and defined by sections 136A.14 to 136A.17 *and section 49*.

Subd. 10. Subject to its directives and review, the board may delegate to the director the responsibility for issuance of public information concerning provisions of sections 136A.14 to 136A.17 *and section 49*, for design of loan application forms, and for prescribing procedures for submission of applications for loans.

Subd. 11. The board shall periodically review and evaluate its programs and activities and shall report to the governor on or before the beginning of each session of the state legislature.

Subd. 12. The board shall establish and maintain appropriate accounting and related records.

~~Subd. 13. Before implementing a loan program for parents as defined in section 136A.15, subdivision 7, the board shall obtain approval from the legislative advisory commission.~~

Sec. 48. Minnesota Statutes 1982, section 136A.17, is amended to read:

**136A.17 [PROGRAM REQUIREMENTS PROVISIONS FOR FEDERAL PROGRAMS.]**

Subdivision 1. A student shall be eligible to apply for a loan under the provisions of sections 136A.14 to 136A.17 if the board finds that the student is an eligible student as defined in those sections and is eligible for a loan under federal laws and regulations governing the federal guaranteed student loan ~~program~~ *programs*.

Subd. 2. The student loan ~~program~~ *programs* shall be administered in compliance with Title VI of the Civil Rights Act of 1964.

Subd. 3. The board may loan money upon such terms and conditions as the board may prescribe *and it may acquire student loans from other lenders to facilitate the student loan programs provided for in this section.*

Subd. 4. No loan shall be made in excess of the maximum provided by pertinent federal laws and regulations. The aggregate unpaid principal amount of loans to any individual student shall not exceed the maximum provided in pertinent federal laws and regulations.

Subd. 5. The board may make loans for vocational study to an individual student for a maximum of three academic years or their equivalent and loans for higher education to an individual student for a maximum of eight academic years of study or their equivalent.

Subd. 6. No loans made by the board shall be made at an annual rate of interest in excess of the maximum prescribed in the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965,

and any amendments thereof.

Subd. 7. The benefits of the loan ~~program~~ *programs* will not be denied any student because of his family income or lack of need if his adjusted annual family income at the time the note is executed is less than the maximum prescribed in the applicable federal regulations.

Subd. 8. The repayment procedures applicable for loans made by the board shall be consistent with federal regulations governing interest payments under the National Vocational Student Loan Insurance Act of 1965 and the Higher Education Act of 1965.

Subd. 9. The board may take, hold, and administer, ~~on behalf of the board~~ *and* for any of its purposes, real property, personal property and moneys, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the board. The board may acquire property or moneys for such purposes by purchase or lease and by the acceptance of gifts, grants, bequests, devises or loans; and may enter into contracts with other nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the board *and its loan programs*.

Subd. 10. The board may establish variable repayment schedules consistent with the need and anticipated income streams of borrowers. The repayment schedules shall not violate the federal laws and regulations governing federal guaranteed student loan programs.

Subd. 11. No moneys originating from state sources in the state treasury shall be made available for student loans and all student loans shall be made from moneys originating from non-state sources.

Sec. 49. [136A.1701] [SUPPLEMENTAL AND ADDITIONAL LOANS.]

*Subdivision 1. [ESTABLISHMENT OF PROGRAM.] The higher education coordinating board may provide for programs of loans which may be made in lieu of or in addition to loans authorized under sections 136A.14 to 136A.17 and applicable provisions of federal law as provided in this section.*

*Subd. 2. [PURPOSE OF PROGRAM.] The purpose of the loan programs under this section is to provide financial assistance for the postsecondary education of students who are eligible students whether or not such students qualify for a loan or loans under other provisions of sections 136A.14 to 136A.17. Loans granted to students shall be used solely for educational purposes.*

*Subd. 3. [COMPLIANCE WITH CIVIL RIGHTS ACT.] The student loan programs shall be administered in compliance with Title VI of the Civil Rights Act of 1964.*

*Subd. 4. [TERMS AND CONDITIONS OF LOANS.] The board may loan money upon such terms and conditions as the board may prescribe. The principal amount of a loan to an undergraduate student for a single academic year may not exceed \$4,000. The aggregate principal amount of all loans made under this section to an undergraduate student may not exceed \$16,000. The principal amount of a loan to a graduate student for a single academic year shall not exceed \$6,000. The aggregate principal amount of all loans made under this section to a student as a graduate student shall not*

exceed \$25,000.

*Subd. 5. [MAXIMUM LOANS FOR STUDENTS.] Loans made under this section or sections 136A.14 to 136A.17 to an individual eligible student for vocational study may be made for a maximum of three academic years or their equivalent and loans made to any other individual eligible student may be made for a maximum of eight academic years or their equivalent.*

*Subd. 6. [RATE OF INTEREST.] The board shall determine the rate of interest to be charged on loans. The rate of interest on student loans however computed, shall not be subject to any provision of state law limiting the rate of interest to be charged for a loan of money.*

*Subd. 7. [REPAYMENT OF LOANS.] The board shall establish repayment procedures for loans made under this section, but in no event shall the period of permitted repayment exceed ten years from the eligible student's termination of his postsecondary academic or vocational program, or 15 years from the date of his first loan under this section, whichever is less.*

*Subd. 8. [BOARD POWERS.] The board may take, hold, and administer for any of its purposes, real or personal property and money, or any interest therein, and the income therefrom, either absolutely or in trust, for any purposes of the board. The board may acquire real or personal property or money for its purposes by purchase or lease and by gift, grant, bequest, devise, or loan, and may enter into contracts with profit or nonprofit corporations or institutions with the same or similar purposes as will benefit and improve the operation of the board and its loan programs.*

*Subd. 9. [VARIABLE REPAYMENT SCHEDULES.] The board may establish variable loan repayment schedules consistent with the need and anticipated income streams of borrowers.*

*Subd. 10. [PROHIBITION ON USE OF STATE MONEY.] No money originating from state sources in the state treasury shall be made available for student loans under this section and all student loans shall be made from money originating from nonstate sources.*

Sec. 50. [136A.1702]

*The board shall obtain approval from the legislative advisory commission prior to taking the following actions with regard to student loan programs described in this act:*

*(1) implementing a loan program for parents and students eligible for auxiliary loans as defined in section 136A.15, subdivision 7;*

*(2) acquiring student loans from other lenders to facilitate student loan programs provided for in section 136A.17; and*

*(3) providing for programs of supplemental and additional loans as defined in section 49.*

Sec. 51. Minnesota Statutes 1982, section 136A.18, is amended to read:

136A.18 [~~CONTRACTUAL ARRANGEMENTS WITH PRIVATE COLLEGES; PURPOSE.~~]

The legislature has found and hereby declares that private colleges in Minnesota have the ~~potential~~ capacity for educating ~~larger~~ significant

numbers of Minnesota residents and that providing for the education of ~~additional~~ Minnesota residents in private colleges, rather than in state institutions of higher education, ~~would result~~ *results* in a savings of tax moneys. The ~~contractual arrangements with~~ Minnesota private colleges ~~authorized herein are designed to encourage and~~ *encouraged* to facilitate the education of ~~larger~~ *significant* numbers of Minnesota residents in private colleges located in Minnesota.

Sec. 52. Minnesota Statutes 1982, section 136A.26, is amended to read:

136A.26 [MEMBERSHIPS; OFFICERS; COMPENSATION; REMOVAL.]

Subdivision 1. The Minnesota higher education facilities authority shall consist of six members appointed by the governor with the advice and consent of the senate, and the executive director of the Minnesota higher education coordinating board. *The executive director of the coordinating board may designate a member of the director's staff to sit in the director's place as a member of the authority.*

All members to be appointed by the governor shall be residents of the state. At least one of the members shall be a person having a favorable reputation for skill, knowledge, and experience in the field of state and municipal finance; and at least one shall be a person having a favorable reputation for skill, knowledge, and experience in the building construction field; and at least one of the members shall be a trustee, director, officer, or employee of an institution of higher education.

Subd. 2. The membership terms, compensation, removal of members, and filling of vacancies for authority members other than the executive director of the higher education coordinating board *or the director's designee* shall be as provided in section 15.0575.

Sec. 53. Minnesota Statutes 1982, section 136A.29, subdivision 2, is amended to read:

Subd. 2. The authority shall annually elect one of its members as chairman, ~~and one as vice-chairman, and one as secretary,~~ as well as to elect additional officers deemed necessary by the authority. ~~The executive director of the higher education coordinating board shall be secretary of the authority.~~

Sec. 54. Minnesota Statutes 1982, section 136A.29, subdivision 9, is amended to read:

Subd. 9. The authority is authorized and empowered to issue revenue bonds whose aggregate principal amount at any time shall not exceed ~~\$100,000,000~~ *\$150,000,000* and to issue notes, bond anticipation notes, and revenue refunding bonds of the authority under the provisions of sections 136A.25 to 136A.42, to provide funds for acquiring, constructing, reconstructing, enlarging, remodeling, renovating, improving, furnishing, or equipping one or more projects or parts thereof.

Sec. 55. Minnesota Statutes 1982, section 136A.42, is amended to read:

136A.42 [ANNUAL REPORT.]

The authority shall keep an accurate account of all of its activities and all

of its receipts and expenditures and shall annually make a report thereof to the higher education coordinating board. ~~The authority's report shall be included in~~ The higher education coordinating board's biennial report board shall review and comment upon the report and make such recommendations as it deems necessary to the governor and the legislature.

Sec. 56. [INTENTION OF THE LEGISLATURE.]

*It is the intention of the legislature to create a state board of vocational technical education to govern post-secondary and adult vocational education administered by an area vocational technical institute.*

*Further, it is the intention of the legislature that secondary vocational education be governed by the state board of education as an essential and integral part of the secondary instructional program.*

*Further, it is the intention of the legislature that adult vocational education not administered by an area vocational technical institute be governed by the state board of education.*

*Further, it is the intention of the legislature that the state board of education and the state board of vocational technical education conduct their affairs cooperatively to continue the coordination of secondary, post-secondary, and adult vocational education.*

*Further, it is the intention of the legislature, with respect to post-secondary and adult vocational education administered by an area vocational technical institute, that the present balance of powers, duties, and functions between school boards and the state be retained except as provided in this act.*

*Further, it is the intention of the legislature to allow for flexibility and the opportunity for participation by affected parties during the time preceding the assumption of governing responsibilities.*

*Finally, it is the intention of the legislature that the state board of vocational technical education commence its proceedings with due deliberation, demonstrating concern for existing successful programs, concern for present diverse programs, needs, and methods of delivery, and thoughtful consideration of the complexities of governing and coordinating the affected parties and programs.*

Sec. 57. [136C.01] [ESTABLISHMENT.]

*A state board of vocational technical education is established to govern post-secondary vocational education. It shall also govern adult vocational education administered by an area vocational technical institute.*

Sec. 58. [136C.02] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] For the purpose of this chapter, the following terms have the meanings given them.*

*Subd. 2. [AREA VOCATIONAL TECHNICAL INSTITUTE.] "AVTI" means an area vocational technical institute.*

*Subd. 3. [POST-SECONDARY VOCATIONAL EDUCATION.] "Post-secondary vocational education" means post-secondary and adult vocational education administered by an AVTI.*

*Subd. 4. [STATE BOARD.] "State board" means the state board of vo-*



*cational technical education.*

*Subd. 5. [STATE DIRECTOR.] "State director" means the state director of vocational technical education.*

*Subd. 6. [DISTRICT.] "District" means a school district providing post-secondary vocational education or an intermediate district.*

*Subd. 8. [INTERMEDIATE DISTRICT.] "Intermediate district" means a district with a cooperative program which has been established under Laws 1967, chapter 822, as amended; Laws 1969, chapter 775, as amended; and Laws 1969, chapter 1060, as amended, offering integrated services for secondary, post-secondary, and adult students in the areas of vocational education, special education, and other authorized services.*

*Subd. 8. [SCHOOL BOARD.] "School board" means the school board of a district and, in the case of an intermediate district, the board of the intermediate district.*

#### Sec. 59. [136C.03] [STATE BOARD MEMBERSHIP.]

*Subdivision 1. [COMPOSITION AND SELECTION.] The state board shall consist of 11 members. One shall be from each congressional district, two shall represent the state at large, and one shall be a student to represent the state at large. The members shall be appointed by the governor with the advice and consent of the senate. Ten members shall be selected for their interest in vocational technical education, and consideration shall be given to applicants based on their knowledge of agriculture, business, economic development, industry, labor, and service for the handicapped. The student member shall be a full-time student enrolled in an area vocational technical institute or so enrolled within one year before appointment to the state board. Except for the student member, no member while serving on the state board may be an employee of or receiving compensation from a public or private institution providing post-secondary vocational education.*

*Subd. 2. [TERMS.] The membership terms, compensation, removal of members, and filling of vacancies on the state board shall be as provided in section 15.0575, except that the term of the student member shall be two years.*

*Subd. 3. [ADMINISTRATION.] The state board shall elect a chair and other officers as it may desire. It shall determine its meeting dates and places. The commissioner of administration shall provide the state board with appropriate offices.*

#### Sec. 60. [FIRST STATE BOARD.]

*Subdivision 1. [APPOINTMENT AND TERMS.] By July 1, 1983, the state board of vocational technical education shall be appointed by the governor according to the provisions of section 59, subdivision 1. The state board shall assume full responsibility for governance on January 1, 1984. The terms of the members of the first state board shall be as follows: the terms of two members shall end on the first Monday in January, 1988; the terms of three members shall end on the first Monday in January, 1987; the terms of three members shall end on the first Monday in January, 1986; and the terms of three members shall end on the first Monday in January, 1985.*

*Subd. 2. [DEVELOPMENT OF PROCEDURES AND REPORT.] The*

*state board shall develop procedures to transfer governance with the advice and consultation of the state board for vocational education, state board of education, appropriate state agencies, school boards, and other affected parties. The state board of vocational technical education and the state board of education shall cooperatively determine:*

- (a) allocation of federal moneys;*
- (b) permanent designation of the sole state agency;*
- (c) provision of operational support services;*
- (d) assignment of operational support and adult vocational staff; and*
- (e) agreements involving the two boards.*

*The state board of vocational technical education and the state board of education shall report their findings and recommendations, including proposals for statutory changes, to the education committees of the legislature by December 1, 1983.*

*Subd. 3. [TEMPORARY SOLE STATE AGENCY.] From January 1, 1984, to June 30, 1984, the state board of education shall serve as the sole state agency for the purpose of receiving federal vocational money. All federal money for post-secondary vocational education, as defined in section 58, shall be reallocated to the state board of vocational technical education.*

*Subd. 4. [FIRST STATE DIRECTOR.] Notwithstanding the provisions of section 61, subdivision 2, the governor, with the advice and consent of the senate, shall appoint the first state director.*

*Subd. 5. [STAFF.] The state board may employ necessary staff to carry out its duties under this section. On request of the state board, the department of education may temporarily assign any of its staff to assist the state board.*

**Sec. 61. [136C.04] [POWERS AND DUTIES OF THE STATE BOARD.]**

*Subdivision 1. [GENERAL.] The state board shall possess all powers necessary and incident to the management, jurisdiction, and governance of post-secondary vocational education. These powers shall include, but are not limited to, those enumerated in this section.*

*Subd. 2. [APPOINTMENT OF STATE DIRECTOR.] The state board shall appoint a state director of vocational technical education who shall serve in the unclassified service. The state director shall be qualified by training and experience in the field of education, vocational education, or administration. The state director shall possess powers and perform duties as delegated by the state board. The state board shall set the salary of the state director. The state director may be paid an allowance not to exceed \$2,000 annually for miscellaneous expenses in connection with duties of the office. The provisions of chapter 16A shall not apply to these expenditures, but the state board shall prescribe the manner, amount, and purpose of the expenditures and report to the legislature on the expenditures by December 1 of each even-numbered year.*

*Subd. 3. [STAFF.] The state board shall employ all subordinate staff and prescribe their duties consistent with chapter 43A.*

*Subd. 4. [BUDGET REQUESTS.] The state board shall review and ap-*

*prove, disapprove, or modify the biennial budget requests for post-secondary vocational education operations and facilities submitted by the state director. The state board shall submit the approved biennial budget requests to the governor.*

*Subd. 5. [PLANNING.] The state board shall develop a long-range plan for post-secondary vocational education which shall include goals and objectives for instructional programs, facilities, and use of resources. The plan shall be developed with the advice of appropriate state agencies, school boards, and other affected parties. The state board shall review this plan biennially to evaluate its success in meeting these goals and objectives.*

*Subd. 6. [ACCOUNTING AND REPORTING STANDARDS.] The state board shall maintain the uniform financial accounting and reporting system according to the provisions of sections 121.90 to 121.917.*

*Subd. 7. [ATTENDANCE AND COMPLETION.] The state board shall prescribe conditions of admission, tuition, fees, and other related matters. The state board shall prescribe requirements for completion of programs and approve the awarding of appropriate certificates or associate degrees consistent with the provisions of section 121.218. Chapter 14 shall not apply to the matters in this subdivision.*

*Subd. 8. [CONTRACTS AND COOPERATIVE AGREEMENTS.] The state board may enter into contracts or cooperative agreements with the state board of education, higher education governing boards, educational institutions, or appropriate state agencies.*

*Subd. 9. [LICENSURE.] The state board may promulgate rules, according to the provisions of chapter 14, for licensure of teaching, support, and supervisory personnel in post-secondary and adult vocational education.*

*Subd. 10. [ALLOCATION.] The state board shall allocate state and federal money for post-secondary vocational education. Money received from federal sources other than as provided in chapter 124, and money received from other sources, not including the state, shall not be taken into account in determining appropriations or allocations.*

*Subd. 11. [SHORT TERM PROGRAMS.] The state board may approve a short term program of two years or less, as an economic development initiative, which will not become a permanent part of the curriculum. The short term program shall have an approved program length of not more than two years and be operated for a specified duration.*

*Subd. 12. [PROGRAMS.] The state board shall approve, disapprove, and coordinate programs. After consultation with affected school boards, the state board may add, eliminate, transfer, or change programs as it determines advisable. The state board shall consider the integrated services of secondary, post-secondary, and adult vocational education when it reviews intermediate district programs.*

*In the case of intermediate districts, the state board may apply the following criteria when adding, eliminating, transferring, or changing programs: (a) the school board may be allowed to continue offering integrated secondary, post-secondary, and adult programs; and (b) the school board may determine the use of facilities and equipment for secondary, post-secondary,*

*adult, and special education programs and educational services for low incidence populations.*

*Subd. 13. [CLOSING AUTHORITY.] The state board, after consultation with the affected school board, may require that school board to discontinue operation of its AVTI. The state board shall first hold a public hearing on the issue in that geographic area. Affected parties shall have an opportunity to present testimony. At the request of the school board, the hearing shall be conducted by a hearing examiner of the office of administrative hearings. The hearing examiner shall prepare a summary of testimony for the state board. The state board shall publish notice in the State Register and in a newspaper of general circulation in the geographic area at least 30 days before the scheduled hearing.*

*Subd. 14. [REORGANIZATION.] The state board, after consulting with the affected school boards, may merge or reorganize institutes or establish regional service areas for the purpose of increased efficiency, use of personnel, placement of programs, student access, and other needs as determined by the state board.*

*Subd. 15. [PUBLIC HEARINGS.] The state board shall conduct public hearings when merging or reorganizing institutions and when allocating money. Notice shall be given to affected persons in the manner determined by the state board. All affected persons shall be given the opportunity to be heard, but the state board may impose reasonable restrictions on time. The state board shall take final action at a meeting held at least seven days after the public hearing.*

*Subd. 16. [TIMING OF ACTIONS.] The state board may consider the provisions of sections 125.12, subdivision 4, and 125.17, subdivision 3, when it takes actions under subdivisions 12, 13, and 14.*

*Subd. 17. [COOPERATION FOR VOCATIONAL EDUCATION.] The state board of education shall cooperate with the state board of vocational technical education to promote establishment of policies and methods to improve the quality and efficiency of secondary, post-secondary, and adult vocational education in the state.*

**Sec. 62. [136C.05] [POWERS AND DUTIES OF THE SCHOOL BOARD.]**

*Subdivision 1. [PERSONNEL.] The school board shall employ instructors, support personnel, and supervisory personnel for post-secondary vocational education. The school board may appoint the local director.*

*Subd. 2. [FINANCE.] The school board shall prepare and submit budgets as required by the state board. The school board shall approve all expenditures.*

*Subd. 3. [INSTRUCTIONAL PROGRAM.] The school board shall operate and maintain post-secondary vocational education, subject to the supervision of the state board as provided in section 61. The school board may determine area employment needs and make recommendations to the state board.*

*Subd. 4. [FACILITIES AND EQUIPMENT.] The school board shall operate and maintain all facilities and equipment and shall employ personnel*

to do so.

Sec. 63. [EFFECT OF TRANSFER.]

*Subdivision 1. [BOARD TRANSFER.] The state board for vocational education is abolished on December 31, 1983. Except as explicitly provided otherwise in this act, the powers, duties, and functions of the state board for vocational education relating to post-secondary and adult vocational education are transferred to the state board of vocational technical education. Rules of the state board for vocational education relating to adult vocational education, other than licensure rules, are not affected by this transfer with respect to adult vocational education not administered by area vocational technical institutes. Rules of the state board for vocational education relating to post-secondary vocational education, as defined in section 58, other than licensure rules, shall have no force and effect on January 1, 1984, and thereafter. Rules of the state board for vocational education for post-secondary and adult vocational education licensure are transferred to the state board of vocational technical education.*

*Subd. 2. [TRANSFER NOT TO AFFECT LEGAL ACTION.] The transfer of powers, duties, and functions shall not affect any action or proceeding, whether administrative, civil, or criminal, pending at the time of the transfer. The action shall be continued in the name of the state board of vocational technical education which, upon application to the appropriate court, shall be substituted as a party to the action or proceeding.*

*Subd. 3. [TRANSFER OF PROPERTY.] All books, maps, plans, papers, records, contracts, documents, and property of every description in the possession or control of the state board for vocational education or the state board of education, relating to post-secondary vocational education, as defined in section 58, shall be transferred to the state board of vocational technical education. The transfer shall be made in accordance with the directions of the state board of vocational technical education.*

*Subd. 4. [TRANSFER OF FUNDS.] The unencumbered and unexpended balance of all funds appropriated to the state board for vocational education for post-secondary vocational education, as defined in section 58, shall be transferred and reappropriated to the state board of vocational technical education. All federal money for post-secondary vocational education, as defined in section 58, shall be transferred to the state board of vocational technical education.*

*Subd. 5. [CONSTRUCTION OF STATUTES, CONTRACTS, AND DOCUMENTS.] Whenever the state board for vocational education or its officer is referred to or designated in a statute, contract, or document, in the context of post-secondary vocational education, as defined in section 58, the reference or designation shall be construed to mean the state board of vocational technical education or its officer.*

*Subd. 6. [TRANSFER OF POSITIONS.] Notwithstanding any law to the contrary, the positions of the managers of vocational relations, adult vocational extension, post-secondary vocational section, and operational services of the vocational technical education division of the department of education shall be declassified effective July 1, 1983. Incumbent employees may exercise layoff rights within the department of education provided by the*

*applicable plan pursuant to Minnesota Statutes, section 43A.18. The layoff rights shall be exercised no later than December 31, 1983. The provisions of Minnesota Statutes, sections 43A.08, subdivision 6 and 43A.081 shall not apply to the declassification of these positions.*

*All classified positions and incumbent employees in the adult vocational technical education, post-secondary vocational technical education, and operational services sections of the vocational technical education division of the department of education, including the confidential secretary to the assistant commissioner of vocational technical education, are transferred to the state board of vocational technical education on January 1, 1984. The position of assistant commissioner of vocational technical education and the positions declassified in this subdivision are transferred to the state board of vocational technical education on January 1, 1984. The board of vocational technical education and the commissioner of education in consultation with the commissioner of employee relations and the commissioner of finance shall determine which additional positions shall be transferred. The positions transferred to the board of vocational technical education are abolished in the department of education. The approved staff complement for that agency is decreased accordingly.*

*Except as specifically provided, nothing in this subdivision shall be construed as abrogating or modifying any rights now enjoyed by affected employees under the managerial or commissioner's plans or the terms of an agreement between the exclusive representatives of public employees and the state or one of its appointing authorities.*

#### Sec. 64. [PLAN FOR COOPERATION.]

*Subdivision 1. [PLAN.] For increased financial efficiency and effectiveness in serving its community and in responding to changing enrollment needs, each AVTI and community college located in the same community or in nearby communities shall jointly develop a plan for cooperation. The institutions included are those located in Thief River Falls, Hibbing, Virginia-Eveleth, Brainerd, Willmar, Rochester, Austin, White Bear Lake, Minneapolis, Brooklyn Park, Anoka-Coon Rapids, Rosemount-Inver Grove Heights, and Bloomington-Eden Prairie.*

*Subd. 2. [CONTENTS OF PLAN.] Each plan shall propose a strategy for sharing of facilities, personnel, and resources. These strategies may include campus reorganizations, discontinuation of programs, changes in governance, and other such methods. Each plan shall identify estimated savings and the manner in which the savings will be achieved.*

*Subd. 3. [SUBMISSION OF PLANS.] Each plan shall be submitted to the chancellor for community colleges and the state director of vocational technical education by November 1, 1983. They shall review the plans and approve or disapprove them. A disapproved plan shall be returned to the institutions where it shall be modified and resubmitted to the chancellor and state director. The chancellor and state director shall submit all approved plans to their governing boards for review.*

*Subd. 4. [REVIEW AND COMMENT.] By January 1, 1984, the governing boards shall submit all approved plans to the higher education coordinating board for review and comment. The higher education coordinating*

*board, the state board for community colleges, and the state board of vocational technical education shall report the plans to the legislature by February 1, 1984.*

Sec. 65. Minnesota Statutes 1982, section 158.05, is amended to read:

158.05 [ACTUAL COST TO BE CHARGED PATIENTS.]

The University of Minnesota hospitals shall treat patients admitted on certificate of the board of county commissioners of any county at rates based on actual cost, as determined by the board of regents of the University of Minnesota. ~~Seventy Sixty~~ percent of the first ~~\$5,000~~ \$11,000 in charges against a patient, and all of the charges against a patient in excess of ~~\$5,000~~ \$11,000, will be paid by the state from appropriations made to the university for this purpose. *Before charges are billed to this program, the University of Minnesota hospitals and clinics shall seek payment from any third-party insurance that is liable for coverage of the patients care. This program shall be billed for the balance after the third-party payment according to the formula noted above.* Any resident of the state, upon a proper showing to the board of regents of the University of Minnesota that he is unable to pay ordinary physician's fees and hospital charges, may be received upon paying the same rate as charged for county patients. It shall be the duty of the board of regents to investigate applications made for such treatment under this section; and, if satisfied of the truth of the allegations made and of the necessity for treatment, the board of regents shall admit such patients when there is room in the hospitals.

Students of the University of Minnesota and such other patients as the board of regents, to an extent that will not interfere with the primary purpose of the hospitals, as set forth in section 158.02, may direct, may be received in the hospitals when there is room and any fees received from such patients shall be used for the purposes of the hospitals.

Sec. 66. [STUDY OF STUDENT PROGRESS.]

*Subdivision 1. [HIGHER EDUCATION COORDINATING BOARD.] The higher education coordinating board shall conduct a study of policies and standards relating to student progress toward completion of programs in Minnesota higher education systems and institutions. This study shall result in a report and recommendations for improving policies on student progress. The report shall be submitted to the legislature by December 1, 1983.*

*Subd. 2. [FACTORS.] The study shall consider such factors as trends toward longer academic residency of students, the relationship between the retention of students and sources of institutional revenue, the retention of students whose grades are below average, counseling and advising of students regarding completion of programs, changes in standards which measure performance and progress, and other factors relevant to student progress.*

Sec. 67. [ADOPT TEMPORARY RULES.]

*The higher education coordinating board shall adopt temporary rules pursuant to Minnesota Statutes, sections 14.29 to 14.36 to implement the provisions of section 49, for the 1983-1984 academic year. Notwithstanding Minnesota Statutes, section 14.35, the temporary rules may be effective until*

*permanent rules are adopted or June 30, 1984, whichever is earlier.*

Sec. 68. [CONGRESSIONAL DISTRICTS FOR REGENTS.]

*The provisions of Minnesota Statutes, section 137.024, requiring at least one member of the board of regents of the University of Minnesota to be a resident of each congressional district, shall not apply from the effective date of this act until the first Monday in February of 1985.*

Sec. 69. [UNIFORM FINANCIAL ACCOUNTING AND REPORTING STANDARDS ADVISORY COUNCIL.]

*Notwithstanding the provisions of any other law to the contrary, the uniform financial accounting and reporting advisory council shall not terminate before June 30, 1985.*

Sec. 70. [ESV COMPUTER COUNCIL.]

*Notwithstanding the provisions of any other law to the contrary, the elementary-secondary-vocational computer council shall not terminate before June 30, 1985.*

Sec. 71. [HIGHER EDUCATION ADVISORY COUNCIL.]

*Notwithstanding the provisions of any other law to the contrary, the higher education advisory council shall not terminate before June 30, 1985.*

Sec. 72. [REPEALER.]

*Subdivision 1. Minnesota Statutes 1982, sections 120.82 and 136.034 are repealed.*

*Subd. 2. Minnesota Statutes 1982, sections 121.902, subdivision 1a; 121.936, subdivision 6; 136A.144; 136A.145; 136A.146; 136A.161; 136A.19; 136A.20; 136A.21; 136A.22; 136A.236; and 136A.237, are repealed.*

*Subd. 3. Minnesota Statutes 1982, sections 121.11, subdivision 1, and 124.53, are repealed.*

Sec. 73. [EFFECTIVE DATE.]

*Subdivision 1. Except where the language of this act explicitly provides otherwise, the sections of this act are effective as provided in this section.*

*Subd. 2. Sections 9, 10, 14 to 21, 35, 56, 60, 65, and 72, subdivision 1, are effective the day after final enactment.*

*Subd. 3. Sections 1 to 8, 11, 12, 13, 22 to 34, 36 to 55, 57, 58, 64, 66 to 71, and 72, subdivision 2, are effective July 1, 1983.*

*Subd. 4. Sections 59, 61, 62, 63, and 72, subdivision 3, are effective January 1, 1984."*

Delete the title in its entirety and insert:

"A bill for an act relating to the organization and operation of state government; appropriating money for education and related purposes to the department of education, higher education coordinating board, state university board, state community college board, University of Minnesota, and the Mayo medical foundation, with certain conditions; establishing a state



board of vocational-technical education; providing certain powers and duties relating to vocational technical education to the state board and school districts; changing the authority and duties of agencies and their advisory councils with respect to governance, membership, duration of existence, funding policy, disposition of property, employment and compensation of personnel, tuition, institutional closings, gifts, expenditure approval, regent residency, appropriations, parking fees, subscription fees, scholarships, grants-in-aid, planning, hospital charges, relations with private colleges, augmented bonding authority, and related educational matters; requiring certain reports and studies with respect thereto; amending Minnesota Statutes 1982, sections 3.732, subdivision 1; 10A.01, subdivision 18; 43A.08, subdivision 1a; 43A.18, subdivision 4; 120.17, subdivision 7a; 120.81; 121.11, by adding a subdivision; 121.212, subdivision 2; 121.931, subdivision 7; 121.934, subdivision 2; 123.742, by adding a subdivision; 123.743; 124.48; 136.03; 136.144; 136.62, by adding a subdivision; 136.67, by adding a subdivision; 136A.121; 136A.14; 136A.141; 136A.143; 136A.15; 136A.16; 136A.17; 136A.18; 136A.26; 136A.29, subdivisions 2 and 9; 136A.42; 158.05; proposing new law coded in Minnesota Statutes, chapters 120, 136, and 136A; proposing new law coded as Minnesota Statutes, chapters 135A and 136C; repealing Minnesota Statutes 1982, sections 120.82; 121.11, subdivision 1; 121.902, subdivision 1a; 121.936, subdivision 6; 124.53; 136.034; 136A.144; 136A.145; 136A.146; 136A.161; 136A.19; 136A.20; 136A.21; 136A.22; 136A.236; and 136A.237."

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

House Conferees: (Signed) Lyndon R. Carlson, James I. Rice, Dick Welch, James C. Swanson, Wendell O. Erickson

Senate Conferees: (Signed) Gene Waldorf, Tom A. Nelson, Ronald R. Dicklich, Jerome M. Hughes, Glen Taylor

Mr. Waldorf moved that the foregoing recommendations and Conference Committee Report on H.F. No. 1283 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

### CALL OF THE SENATE

Mr. Waldorf imposed a call of the Senate for the balance of the proceedings on H.F. No. 1283. The Sergeant at Arms was instructed to bring in the absent members.

H.F. No. 1283 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 50 and nays 10, as follows:

Those who voted in the affirmative were:

|           |                |            |                 |           |
|-----------|----------------|------------|-----------------|-----------|
| Adkins    | Dieterich      | Laidig     | Novak           | Samuelson |
| Anderson  | Frederickson   | Langseth   | Olson           | Schmitz   |
| Berg      | Freeman        | Lantry     | Pehler          | Sieloff   |
| Berglin   | Hughes         | Lessard    | Peterson, D. C. | Solon     |
| Bernhagen | Isackson       | Luther     | Peterson, D. L. | Spear     |
| Bertram   | Johnson, D. E. | McQuaid    | Peterson, R. W. | Stumpf    |
| Brataas   | Johnson, D. J. | Mehrkens   | Petty           | Taylor    |
| Dahl      | Knaak          | Moe, D. M. | Pogemiller      | Ulfand    |
| Dicklich  | Kroening       | Moe, R. D. | Ramstad         | Waldorf   |
| Diessner  | Kronbusch      | Nelson     | Reichgott       | Willet    |

Those who voted in the negative were:

|          |          |       |         |           |
|----------|----------|-------|---------|-----------|
| Belanger | Davis    | Frank | Kamrath | Purfeerst |
| Benson   | DeCramer | Jude  | Merriam | Storm     |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### APPOINTMENTS

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

H.F. No. 1310: Messrs. Waldorf, Langseth, Kroening, Samuelson and Bernhagen.

S.F. No. 911: Messrs. Frank, Dicklich and Mrs. McQuaid.

S.F. No. 87: Substitute the name of Mr. Sieloff for Mr. Laidig.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### SPECIAL ORDER

S.F. No. 709: A bill for an act relating to liens on personal property; adopting the Council of State Government Model Act; proposing new law coded in Minnesota Statutes, chapter 514.

Mr. Peterson, R.W. moved to amend S. F. No. 709 as follows:

Page 1, line 24, delete *"bank or building and loan association"* and insert *"financial institution"*

Page 2, line 1, delete *"bank's or building and"*

Page 2, line 2, delete *"loan association's"* and insert *"financial institution's"*

Page 2, line 15, delete *"animate or"*

Page 3, delete lines 5 to 36

Delete pages 4 to 6

Page 7, delete lines 1 to 5 and insert:

*“Subdivision 1. [PROCEDURE.] An owner’s lien created by this act for a claim that has become due may be enforced in the same manner as a warehouseman’s lien pursuant to section 336.7-210, subsections (1) to (9).”*

Page 7, line 6, delete “(r)” and insert:

*“Subd. 2. [DISPOSAL OF PROPERTY NOT SOLD AT AUCTION.]”*

Amend the title as follows:

Page 1, line 3, after “Act” insert “on self-storage of personal property”

The motion prevailed. So the amendment was adopted.

Mr. Isackson moved to amend S.F. No. 709, as follows:

Page 2, line 20, after “facility” insert “located in territory included in the counties of Anoka, Hennepin, Ramsey, Washington, Scott, Carver, or Dakota”

Delete the title and insert:

*“A bill for an act relating to liens on personal property; establishing a lien on personal property in certain self-service storage facilities; providing for the enforcement of this lien; proposing new law coded in Minnesota Statutes, chapter 514.”*

The motion prevailed. So the amendment was adopted.

### CALL OF THE SENATE

Mr. Wegscheid imposed a call of the Senate for the balance of the proceedings on S.F. No. 709. The Sergeant at Arms was instructed to bring in the absent members.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Peterson, C.C. moved that the following members be excused for a Conference Committee on S.F. No. 634 from 3:00 to 4:15 p.m.:

Messrs. Peterson, C.C.; Johnson, D.J.; Bernhagen; Merriam and Kroening. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Vega moved that the following members be excused for a Conference Committee on H.F. No. 300 at 4:00 p.m.:

Messrs. Vega; Freeman; Moe, D.M.; Pogemiller and Renneke. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on S.F. No. 473 at 4:00 p.m.:

Messrs. Luther, Freeman, Ms. Reichgott, Messrs. Knaak and Ramstad. The motion prevailed.

Mr. Wegscheid moved to amend S.F. No. 709, as follows:

Page 1, lines 8 and 11, delete "4" and insert "6"

Page 7, after line 19, insert:

"Sec. 6. [REGISTRATION AND BOND REQUIREMENTS.]

*All owners shall file a surety bond with the commissioner of the securities and real estate division. The bond must be in the amount of \$50,000 and must be conditioned on the faithful performance of all duties imposed on owners by this act.*

*The commissioner may impose a reasonable annual filing fee to cover the costs of administering this section.*

*Failure to file or maintain the bond required by this section is a misdemeanor."*

Delete the title and insert:

"A bill for an act relating to liens on personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; establishing registration and bonding requirements; proposing new law coded in Minnesota Statutes, chapter 514."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 17 and nays 36, as follows:

Those who voted in the affirmative were:

|          |         |         |         |           |
|----------|---------|---------|---------|-----------|
| Adkins   | Frank   | Lessard | Sieloff | Wegscheid |
| Bertram  | Freeman | Merriam | Solon   |           |
| Davis    | Jude    | Novak   | Stumpf  |           |
| DeCramer | Kamrath | Renneke | Vega    |           |

Those who voted in the negative were:

|             |               |            |               |         |
|-------------|---------------|------------|---------------|---------|
| Anderson    | Dieterich     | Kronebusch | Pehler        | Schmitz |
| Benson      | Frederick     | Laidig     | Peterson,C.C. | Spear   |
| Berglin     | Frederickson  | Langseth   | Peterson,D.L. | Storm   |
| Bernhagen   | Hughes        | Lantry     | Peterson,R.W. | Ulland  |
| Chmielewski | Isackson      | Luther     | Petty         |         |
| Dahl        | Johnson, D.E. | McQuaid    | Pogemiller    |         |
| Dicklich    | Johnson, D.J. | Mehrkens   | Purfeerst     |         |
| Diessner    | Knaak         | Olson      | Ramstad       |         |

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

Mr. Freeman moved to amend S. F. No. 709 as follows:

Delete everything after the enacting clause and insert:

"Section 1. [504.29] [APPLICABILITY; SELF-SERVICE STORAGE FACILITY.]

*To the extent that they are applicable, the provisions of this chapter apply to self-service storage facilities. "Self-service storage facility" means any real property that is designed and used only for the purpose of renting or leasing individual storage space in the facility under the following condi-*

tions:

(1) *The occupants have access to the storage space only for the purpose of storing and removing personal property.*

(2) *The owner does not issue a warehouse receipt, bill of lading, or other document of title for the personal property stored in the storage space.*

(3) *The property has 50 or more individual storage spaces.*

*“Self-service storage facility” does not include any garage used principally for parking motor vehicles or any property of a bank or financial institution that contains vaults, safe deposit boxes, or other receptacles for the uses, purposes, and benefits of the bank’s or financial institution’s customers.*

Sec. 2. [566.40] [APPLICABILITY; SELF-SERVICE STORAGE FACILITY.]

*To the extent they are applicable, the provisions of this chapter apply to self-service storage facilities as defined in section 1.”*

Delete the title and insert:

*“A bill for an act relating to landlords and tenants; providing that self service storage facilities are subject to certain laws; proposing new law coded in Minnesota Statutes, chapters 504 and 566.”*

The question was taken on the adoption of the amendment.

Mr. Peterson, R.W. moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 20 and nays 30, as follows:

Those who voted in the affirmative were:

|          |          |               |          |           |
|----------|----------|---------------|----------|-----------|
| Adkins   | Davis    | Freeman       | Kroening | Sieloff   |
| Anderson | DeCramer | Isackson      | Novak    | Storm     |
| Belanger | Diessner | Johnson, D.J. | Pehler   | Stumpf    |
| Bertram  | Frank    | Kamrath       | Renneke  | Wegscheid |

Those who voted in the negative were:

|           |               |          |                |            |
|-----------|---------------|----------|----------------|------------|
| Benson    | Dieterich     | Laidig   | Merriam        | Petty      |
| Berg      | Frederick     | Lantry   | Olson          | Pogemiller |
| Berglin   | Frederickson  | Lessard  | Peterson, C.C. | Ramstad    |
| Bernhagen | Hughes        | Luther   | Peterson, D.C. | Schmitz    |
| Dahl      | Johnson, D.E. | McQuaid  | Peterson, D.L. | Spear      |
| Dicklich  | Knaak         | Mehrkens | Peterson, R.W. | Ulland     |

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

Mr. Stumpf moved to amend S.F. No. 709 as follows:

Page 7, after line 13, insert:

“Sec. 5. [514.99] [DEFENSES TO LIEN.]

*The lien established by this act may not be enforced if:*

(1) *the storage facility becomes untenable or unfit through no fault of the occupant;*

(2) *the rent has been increased without the execution of a new rental*

agreement or the written modification of an existing rental agreement;

(3) the owner has reduced the size, suitability, or accessibility of the storage facility or has reduced services connected with the use of it without the written approval of the occupant;

(4) the personal property of the occupant is damaged due to the negligence or intentional misconduct of the owner or the owner's agents;

(5) the rental agreement contains an automatic renewal provision; or

(6) the owner violates, or permits the violation of, any applicable health, safety, or fire code.

Sec. 6. [514.995] [WAIVERS PROHIBITED.]

*A waiver of a duty or obligation imposed by this act on an owner is void and unenforceable.*"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to liens on personal property; establishing a lien on personal property in self-service storage facilities; providing for enforcement of this lien; providing defenses; prohibiting certain waivers; proposing new law coded in Minnesota Statutes, chapter 514."

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 18 and nays 32, as follows:

Those who voted in the affirmative were:

|          |          |          |         |           |
|----------|----------|----------|---------|-----------|
| Adkins   | Dahl     | Jude     | Novak   | Stumpf    |
| Anderson | Frank    | Kamrath  | Pehler  | Wegscheid |
| Belanger | Freeman  | Kroening | Sieloff |           |
| Bertram  | Isackson | Lessard  | Storm   |           |

Those who voted in the negative were:

|           |               |          |                |           |
|-----------|---------------|----------|----------------|-----------|
| Benson    | Dieterich     | Laidig   | Nelson         | Ramstad   |
| Berg      | Frederick     | Langseth | Olson          | Samuelson |
| Berglin   | Hughes        | Lantry   | Peterson, D.C. | Schmitz   |
| Bernhagen | Johnson, D.E. | Luther   | Peterson, R.W. | Ulland    |
| Davis     | Johnson, D.J. | McQuaid  | Petty          |           |
| DeCramer  | Knaak         | Mehrkens | Pogemiller     |           |
| Dicklich  | Kronebusch    | Merriam  | Purfeerst      |           |

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

Mr. Wegscheid moved to amend S.F. No. 709, as follows:

Page 1, lines 8 and 11, delete "4" and insert "6"

Page 7, after line 19, insert:

"Sec. 6. [514.99] [ADVERTISING.]

*No owner shall advertise or represent its services, or permit its services to be advertised or represented, in a manner which uses the words "warehouse" or "storage," unless the owner is licensed and bonded as provided in Minnesota Statutes, chapter 231.*

*Nothing in this section prohibits the use of the term "self-service storage*

facility" in any advertisement or representation."

Delete the title and insert:

"A bill for an act relating to liens on personal property; establishing a lien on personal property held in self-service storage facilities; providing for the enforcement of these liens; providing for the regulation of advertising of self-storage facilities; proposing new law coded in Minnesota Statutes, chapter 514."

Mr. Peterson, R.W. moved to amend the Wegscheid amendment to S.F. No. 709 as follows:

Page 1, line 7, delete "words" and insert "word" and delete "or storage,""

The motion prevailed. So the amendment to the Wegscheid amendment was adopted.

The question recurred on the Wegscheid amendment, as amended.

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

S.F. No. 709 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 38 and nays 16, as follows:

Those who voted in the affirmative were:

|             |               |          |                |           |
|-------------|---------------|----------|----------------|-----------|
| Anderson    | Dieterich     | Kroening | Nelson         | Ramstad   |
| Berg        | Frederick     | Laidig   | Olson          | Samuelson |
| Berglin     | Hughes        | Langseth | Peterson, D.C. | Schmitz   |
| Bernhagen   | Isackson      | Lantry   | Peterson, D.L. | Taylor    |
| Bertram     | Johnson, D.E. | Lessard  | Peterson, R.W. | Ulland    |
| Chmielewski | Johnson, D.J. | Luther   | Petty          | Vega      |
| Dahl        | Jude          | McQuaid  | Pogemiller     |           |
| Dicklich    | Knaak         | Mehrkens | Purfeerst      |           |

Those who voted in the negative were:

|          |         |            |         |           |
|----------|---------|------------|---------|-----------|
| Adkins   | Frank   | Kronebusch | Pehler  | Stumpf    |
| Belanger | Freeman | Merriam    | Sieloff | Wegscheid |
| Davis    | Kamrath | Novak      | Storm   | Willet    |
| DeCramer |         |            |         |           |

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

Without objection, the Senate reverted to the Order of Business of Messages From the House.

## MESSAGES FROM THE HOUSE

Mr. President:

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

S.F. No. 1097: A bill for an act relating to agriculture; making certain changes in the grain buyers act; changing the place of filing of farm product

liens; imposing a penalty; amending Minnesota Statutes 1982, sections 223.16, subdivisions 1, 7, 8, 11, and by adding subdivisions; 223.17; 223.18; 223.19; and 336.9-401; Laws 1982, chapter 635, section 9; proposing new law coded in Minnesota Statutes, chapter 223.

Senate File No. 1097 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Stumpf moved that the Senate do not concur in the amendments by the House to S.F. No. 1097, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:

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

S.F. No. 428: A bill for an act relating to state government; extending the expiration date of certain advisory committees and councils; repealing certain inactive advisory councils, committees, and task forces; amending Minnesota Statutes 1982, sections 3.9223, subdivision 1; 4.31, subdivision 5; 11A.08, subdivision 4; 15.059, subdivision 5; 16.02, subdivision 28; 16.872, subdivision 3; 21.112, subdivision 2; 41.54, subdivision 2; 52.062, subdivisions 1 and 2; 115A.12, subdivision 1; 121.938; 123.581, subdivision 1; 126.531; 145.919; 145.93, subdivision 3; 145.98, subdivision 1; 148.191, subdivision 2; 152.02, subdivision 13; 155A.06, subdivision 5; 156A.06, subdivision 1; 161.1419, by adding a subdivision; 198.055, by adding a subdivision; 241.64; 241.71; 246.017, subdivision 2; 256B.58; 268.12, subdivision 6; and 507.09; Laws 1975, chapter 235, section 2; Laws 1976, chapter 314, section 3; and Laws 1980, chapter 614, section 192; repealing Minnesota Statutes 1982, sections 16.91; 16.853; 31.60, subdivisions 2 and 3; 43A.31, subdivision 4; 52.061; 52.062, subdivision 3; 82.30; 84.524; 86A.10; 115A.12, subdivision 2; 116J.04; 121.934; 123.581, subdivisions 2, 3, 4, 5, and 7; 124.215; 128A.03; 129B.09, subdivision 8; 136A.02, subdivision 6; 141.24; 144.011, subdivision 2; 144.571; 144A.17; 144A.55; 145.93, subdivision 2; 151.13, subdivision 2; 152.02, subdivision 11; 184.23; 214.14; 222.65; 245.84, subdivision 4; and 363.04, subdivisions 4, 4a, and 5.

Senate File No. 428 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Pogemiller moved that the Senate do not concur in the amendments by the House to S.F. No. 428, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

Mr. President:



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

S.F. No. 132: A bill for an act relating to state government; providing for chiropractic positions in state government civil service; providing for the provision of chiropractic services; proposing new law coded in Minnesota Statutes, chapters 43A and 148.

Senate File No. 132 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Luther, for Mr. Kroening, moved that the Senate do not concur in the amendments by the House to S.F. No. 132, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee to be appointed on the part of the House. The motion prevailed.

#### MEMBERS EXCUSED

Mr. Kroening was excused from the Session of today from 1:30 to 4:00 p.m. Mr. Johnson, D.J. was excused from the Session of today at 3:00 p.m. Ms. Reichgott was excused from the Session of today from 4:00 to 5:15 p.m.

#### RECESS

Mr. Luther moved that the Senate do now recess until 9:00 p.m. The motion prevailed.

The hour of 9:00 p.m. having arrived, the President called the Senate to order.

#### CALL OF THE SENATE

Mr. Moe, R.D. imposed a call of the Senate. The Sergeant at Arms was instructed to bring in the absent members.

#### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 463 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S.F. NO. 463

A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, by adding a subdivision.

May 11, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 463, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendment and that S.F. No. 463 be further amended as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 458.192, subdivision 1, is amended to read:

Subdivision 1. In addition to all powers conferred on ~~such~~ the port authority under sections 458.09 to 458.19, ~~such~~ the port authority, or ~~any~~ a city authorized by ~~any general or special~~ law to exercise the powers of a port authority, to accomplish the purposes set forth in section 458.191, subdivision 1, shall have ~~such additional~~ the powers as provided in ~~subdivisions 2 to 15~~ this section.

Sec. 2. Minnesota Statutes 1982, section 458.192, subdivision 4, is amended to read:

Subd. 4. It may contract and be contracted with in any matter connected with the purpose of industrial development within the powers of the port authority herein given. *It may enter into a partnership agreement with one or more other persons under which the port authority serves as a limited partner only.*

Sec. 3. Minnesota Statutes 1982, section 458.192, is amended by adding a subdivision to read:

*Subd. 16. It may operate and maintain a public parking or other public facility to promote development in a development district.*

Sec. 4. Minnesota Statutes 1982, section 458.194, subdivision 2, is amended to read:

Subd. 2. The bonds of each series issued by the port authority under the provisions of this section shall bear interest at a rate or rates ~~not exceeding eight percent per annum payable semiannually~~ and, shall mature at such time or times within 30 years from the date of issuance; and shall be in such form, whether payable to bearer, registrable as to principal, or fully registrable, as may be determined by the port authority. The provisions of section 458.193, subdivision 6 shall apply to all bonds issued ~~hereunder~~ under this section, and ~~such~~ the bonds and ~~any~~ their coupons ~~appurtenant thereto~~, when payable to bearer, shall be negotiable instruments.

Sec. 5. Minnesota Statutes 1982, section 458.194, subdivision 3, is amended to read:

Subd. 3. The sale of ~~such~~ revenue bonds issued by the port authority shall be at public *or private* sale ~~pursuant to section 475.60, or in accordance with the procedures set forth in sections 474.01 to 474.13.~~ *Such* The bonds may be sold in the manner and for the price that the port authority determines to be

for the best interest of the port authority; but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than eight percent per annum, computed with relation to the absolute maturity of the bonds in accordance with standard tables of bond values, excluding from such computation the amount of any premium to be paid on redemption of any bonds prior to maturity. Such *The* bonds may be made callable, and if so issued may be refunded.

Sec. 6. Minnesota Statutes 1982, section 458.194, is amended by adding a subdivision to read:

*Subd. 7. If revenue bonds are to be issued under the provisions of this section and chapter 474, the provisions of section 474.01, subdivisions 7a, 7b and 8 and section 474.02, subdivision 1d, shall not apply if the interest on the revenue bonds is subject to both state and federal income taxation or if the revenue bond proceeds are not loaned by the port authority to a private person through a financing lease, loan agreement or otherwise.*

Sec. 7. Minnesota Statutes 1982, section 458.195, is amended by adding a subdivision to read:

*Subd. 8. The proceeds of obligations issued by a port authority under section 458.194 and temporary loans obtained under this section in connection with them may be used to make or purchase loans for port, industrial or economic facilities which the authority estimates will require financing. For the purpose of making or purchasing the loans, the port authority may enter into loan agreements and other related agreements, both before and after the issuance of the obligations, with persons, firms, public or private corporations, federal or state agencies, and governmental units and under terms and conditions as the port authority deems appropriate. Any governmental unit in the state may apply, contract for and receive the loans, and the provisions of chapter 475 shall not apply to the loans.*

Sec. 8. [EFFECTIVE DATE.]

*This act shall take effect the day following final enactment."*

Delete the title and insert:

"A bill for an act relating to port authorities; authorizing revenue bond financing of certain facilities; eliminating the interest rate limit on revenue bonds and authorizing private sale; clarifying contractual and operational authority of port authorities; amending Minnesota Statutes 1982, sections 458.192, subdivisions 1, 4, and by adding a subdivision; 458.194, subdivisions 2, 3, and by adding a subdivision; and 458.195, by adding a subdivision."

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

Senate Conferees: (Signed) Marilyn M. Lantry, Robert J. Schmitz, William V. Belanger, Jr.

House Conferees: (Signed) Richard J. Cohen, Phillip J. Riveness, Sidney Pauly

Mrs. Lantry moved that the foregoing recommendations and Conference Committee Report on S.F. No. 463 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed.

So the recommendations and Conference Committee Report were adopted.

S.F. No. 463 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

Mr. Belanger moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 41 and nays 8, as follows:

Those who voted in the affirmative were:

|             |               |            |                |           |
|-------------|---------------|------------|----------------|-----------|
| Adkins      | DeCramer      | Kronebusch | Olson          | Solon     |
| Anderson    | Dicklich      | Laidig     | Pehler         | Storm     |
| Belanger    | Diessner      | Langseth   | Peterson, D.C. | Stumpf    |
| Berg        | Frank         | Lantry     | Petty          | Ulland    |
| Bernhagen   | Frederick     | Lessard    | Pogemiller     | Wegscheid |
| Bertram     | Frederickson  | Luther     | Purfeerst      |           |
| Brataas     | Hughes        | Mehrrens   | Ramstad        |           |
| Chmielewski | Johnson, D.E. | Moe, R. D. | Reichgott      |           |
| Davis       | Jude          | Nelson     | Schmitz        |           |

Those who voted in the negative were:

|          |         |         |                |         |
|----------|---------|---------|----------------|---------|
| Benson   | Kamrath | McQuaid | Peterson, R.W. | Waldorf |
| Isackson | Knaak   | Merriam |                |         |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Luther moved that the following members be excused for a Conference Committee on H.F. No. 1290 at 9:00 p.m.:

Messrs. Luther, Kroening, Dahl, Solon and Willet. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Nelson moved that the following members be excused for a Conference Committee on H.F. No. 92 at 9:00 p.m.:

Messrs. Nelson; Merriam; Peterson, R.W.; Pehler and Peterson, D.L. The motion prevailed.

### CONFERENCE COMMITTEE EXCUSED

Pursuant to Rule 21, Mr. Merriam moved that the following members be excused for a Conference Committee on S.F. No. 634 at 9:30 p.m.:

Messrs. Merriam; Peterson, C.C.; Johnson, D.J. and Bernhagen. The motion prevailed.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 159 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 159

A bill for an act relating to occupations and professions; regulating chiro-

practic practice; providing rulemaking authority for the board of chiropractic examiners; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; and 148.08, and by adding a subdivision.

May 19, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 159, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 159 be further amended as follows:

Page 3, after line 24, insert:

“Sec. 3. Minnesota Statutes 1982, section 148.07, subdivision 2, is amended to read:

Subd. 2. [EXPENSES.] The expenses of administering sections 148.01 to 148.101 shall be paid from the appropriation made to the state board of chiropractic examiners. *Expenditures and revenues must be managed in accordance with the statewide accounting principles and requirements of the commissioner of finance.*”

Page 3, after line 33, insert:

“Sec. 5. Minnesota Statutes 1982, section 148.10, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] The state board of chiropractic examiners may refuse to grant, or may revoke, suspend, condition, limit, restrict or qualify a license to practice chiropractic, or may cause the name of a person licensed to be removed from the records in the office of the clerk of the district court for:

(1) the publishing or distributing, or causing to be published or distributed, in newspapers, magazines, directories, pamphlets, posters, cards, or in any other manner by advertisement, wherein the term “cure” or “guarantee to cure” or similar terms are used; which is hereby declared to be fraudulent and misleading to the general public;

(2) the employment of fraud or deception in applying for a license or in passing the examination provided for in section 148.06;

(3) the practice of chiropractic under a false or assumed name or the impersonation of another practitioner of like or different name;

(4) the conviction of a crime involving moral turpitude;

(5) habitual intemperance in the use of alcohol or drugs;

(6) failure to pay the annual renewal license fee;

(7) Advanced physical or mental disability;

(8) The revocation or suspension of a license to practice chiropractic; or

other disciplinary action against the licensee; or the denial of an application for a license by the proper licensing authority of another state, territory or country;

(9) The violation of, or failure to comply with, the provisions of sections 148.01 to 148.101, the rules of the state board of chiropractic examiners, or a lawful order of the board; or

(10) Unprofessional conduct; or

*(11) Being unable to practice chiropractic with reasonable skill and safety to patients by reason of illness, professional incompetence, senility, drunkenness, use of drugs, narcotics, chemicals or any other type of material, or as a result of any mental or physical condition. If the board has probable cause to believe that a person comes within this clause, it shall direct the person to submit to a mental or physical examination. For the purpose of this clause, every person licensed under this chapter shall be deemed to have given his consent to submit to a mental or physical examination when directed in writing by the board and further to have waived all objections to the admissibility of the examining physicians' testimony or examination reports on the ground that the same constitute a privileged communication. Failure of a person to submit to such examination when directed shall constitute an admission of the allegations against him, unless the failure was due to circumstances beyond his control, in which case a default and final order may be entered without the taking of testimony or presentation of evidence. A person affected under this clause shall at reasonable intervals be afforded an opportunity to demonstrate that he can resume the competent practice of chiropractic with reasonable skill and safety to patients.*

*In any proceeding under this clause, neither the record of proceedings nor the orders entered by the board shall be used against a person in any other proceeding.*

For the purposes of clause (4), conviction shall be deemed to include a criminal proceeding in which a finding or verdict of guilt is made or returned but the adjudication of guilt is either withheld or not entered.

For the purposes of clauses (4) and (5), a copy of the judgment or proceeding under seal of the clerk of the court or of the administrative agency which entered the same shall be admissible into evidence without further authentication and shall constitute prima facie evidence of its contents.

For the purposes of clause (10), unprofessional conduct means any unethical, deceptive or deleterious conduct or practice harmful to the public, any departure from or the failure to conform to the minimal standards of acceptable chiropractic practice, or a willful or careless disregard for the health, welfare or safety of patients, in any of which cases proof of actual injury need not be established. Unprofessional conduct shall include, but not be limited to, the following acts of a chiropractor:

- (a) Gross ignorance of, or incompetence in, the practice of chiropractic;
- (b) Making suggestive, lewd, lascivious or improper advances to a patient;
- (c) Performing unnecessary services;
- (d) Charging a patient an unconscionable fee or charging for services not

rendered;

(e) Directly or indirectly engaging in threatening, dishonest, or misleading fee collection techniques;

(f) Perpetrating fraud upon patients, third party payers, or others, relating to the practice of chiropractic; and

(g) Any other act that the board by rule may define.

Sec. 6. Minnesota Statutes 1982, section 148.10, subdivision 3, is amended to read:

Subd. 3. [REPRIMAND; PENALTIES; PROBATION.] In addition to the other powers granted to the board under this chapter, the board may, in connection with any person whom the board, after a hearing, adjudges unqualified or whom the board, after a hearing, finds to have performed one or more of the acts described in subdivision 1:

(a) Publicly reprimand or censure the person; ~~and~~

(b) Place the person on probation for the period and upon the terms and conditions that the board may prescribe; *and*

(c) *Require payment of all costs of proceedings resulting in the disciplinary action.*

Sec. 7. Minnesota Statutes 1982, section 148.10, is amended by adding a subdivision to read:

*Subd. 4. [TEMPORARY SUSPENSION.] In addition to any other remedy provided by law, the board may, without a hearing, temporarily suspend a license for not more than 60 days if the board finds that a person has violated a statute or rule which the board is empowered to enforce and continued practice by the person would create an imminent risk of harm to others. The suspension shall take effect upon written notice to the person, specifying the statute or rule violated. At the time it issues the suspension notice, the board shall schedule a disciplinary hearing to be held pursuant to the administrative procedure act. The person shall be provided with at least 20 days notice of any hearing held pursuant to this subdivision."*

Page 4, line 3, delete "December" and insert "October"

Page 4, line 10, delete "4" and insert "8"

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to occupations and professions; regulating chiropractic practice; providing for the management of expenditures and revenues of the board; providing grounds for revocation, suspension, or refusal to renew licenses; providing for the payment of costs of disciplinary proceedings; authorizing temporary license suspensions; providing rulemaking authority to the board; creating a legislative study commission; amending Minnesota Statutes 1982, sections 148.01; 148.06; 148.07, subdivision 2; 148.08, by adding a subdivision; and 148.10, subdivisions 1, 3, and by adding a subdivision."

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

Senate Conferees: (Signed) Don B. Samuelson, Gregory L. Dahl, Don A. Anderson

House Conferees: (Signed) Paul Anders Ogren, Merlyn O. Valan, Bob McEachern

Mr. Samuelson moved that the foregoing recommendations and Conference Committee Report on S.F. No. 159 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 159 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

Mr. Belanger moved that those not voting be excused from voting. The motion prevailed.

The roll was called, and there were yeas 47 and nays 0, as follows:

Those who voted in the affirmative were:

|             |               |            |                |         |
|-------------|---------------|------------|----------------|---------|
| Adkins      | Diessner      | Kamrath    | Merriam        | Schmitz |
| Anderson    | Dieterich     | Knutson    | Moe, R. D.     | Sieloff |
| Belanger    | Frank         | Kronebusch | Novak          | Spear   |
| Benson      | Frederick     | Laidig     | Olson          | Storm   |
| Berg        | Frederickson  | Langseth   | Peterson, D.C. | Taylor  |
| Bertram     | Hughes        | Lantry     | Petty          | Ulland  |
| Chmielewski | Isackson      | Lessard    | Purfeerst      | Waldorf |
| Davis       | Johnson, D.E. | Luther     | Ramstad        |         |
| DeCramer    | Johnson, D.J. | McQuaid    | Reichgott      |         |
| Dicklich    | Jude          | Mehrrens   | Samuelson      |         |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

### SPECIAL ORDER

H.F. No. 274: A bill for an act relating to the legislature; providing for the majority leader of the senate rather than the president of the senate to serve as chairman of the legislative coordinating commission; changing the term of the chairman of the commission from one year to two years; amending Minnesota Statutes 1982, section 3.303, subdivision 3.

### CALL OF THE SENATE

Mr. Belanger imposed a call of the Senate for the balance of the proceedings on H.F. No. 274. The Sergeant at Arms was instructed to bring in the absent members.

Mr. Chmielewski moved to amend H. F. No. 274, the unofficial engrossment, as follows:

Delete everything after the enacting clause and insert:

“Section 1. Minnesota Statutes 1982, section 43A.23, is amended by adding a subdivision to read:

*Subd. 3. [CONTRACT WITH INSURANCE CARRIERS.] The commis-*



*sioner of labor and industry may contract with carriers authorized to provide coverage under the state employees group insurance plan to extend coverage to eligible employees who incur medical expenses due to a personal injury which results from their state employment which is compensable under chapter 176.*

Sec. 2. Minnesota Statutes 1982, section 79.071, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall adopt a schedule of workers' compensation insurance rates for use in this state for each classification under which business is written until January 1, ~~1986~~ 1984. The schedule of rates shall not be excessive, inadequate, or unfairly discriminatory. In adopting a schedule of rates, the commissioner may act on the written petition of the association or any other interested party requesting that a hearing be held for modification of the schedule of rates. The commissioner may include the expense of a reasonable charge for the services of an agent of record, for the service of rejected risks as set forth in sections 79.24 to 79.27.

Sec. 3. Minnesota Statutes 1982, section 79.071, subdivision 1a, is amended to read:

Subd. 1a. If the legislature enacts amendments to the workers' compensation laws of this state which indicate a reduction in the schedule of rates, or the commissioner determines that the loss experience of Minnesota workers' compensation insurers indicates a change in the existing schedule of rates, the commissioner may, in his discretion, order a change in the schedule of rates or order a hearing to determine whether and by what percentage the schedule of rates should be changed. A hearing held pursuant to this subdivision is not subject to the contested case proceeding requirements of sections 79.071 and 79.072, notwithstanding section 79.076. *The commissioner is prohibited from granting approval of any proposed increase in rates after May 1, 1983.*

Sec. 4. Minnesota Statutes 1982, section 79.211, subdivision 2, is amended to read:

Subd. 2. [DIVISION OF PAYROLL.] An insurer shall permit an employer to divide his payroll among the rating classifications most closely fitting the work actually performed *by each employee in a four-hour block or more* for purposes of premium calculation when the employer's records provide adequate support for a division.

Sec. 5. Minnesota Statutes 1982, section 79.251, is amended to read:

79.251 [ADMINISTRATION OF ASSIGNED RISK PLAN.]

Subdivision 1. [ASSIGNED RISK PLAN REVIEW BOARD.] (1) An assigned risk plan review board is created for the purposes of review of the operation of sections ~~79.24 to 79.27~~ 6 and 79.251. The board shall have all the usual powers and authorities necessary for the discharge of its duties under this section and may contract with individuals in discharge of those duties.

(2) The board shall consist of ~~five~~ six members to be appointed by the commissioner of insurance. ~~Two~~ Three members shall be insureds holding

policies or contracts of coverage issued pursuant to ~~section 79.25 subdivision 4~~. Two members shall be ~~members of the association insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b)~~. The commissioner shall be the ~~fifth sixth~~ member and shall vote.

Initial appointments shall be made by September 1, 1981, and terms shall be for three years duration. Removal, the filling of vacancies and compensation of the members other than the commissioner shall be as provided in section 15.059.

(3) The assigned risk *plan* review board shall audit the reserves established ~~by insurers~~ (a) for individual cases arising under policies and contracts of coverage issued under ~~section 79.25 subdivision 4~~ and (b) for the total book of business issued under ~~section 79.25 subdivision 4~~.

(4) The assigned risk *plan* review board shall monitor the operations of sections ~~79.24 to 79.27 6 and 79.251~~ and shall periodically make recommendations to the commissioner, and to the governor and legislature when appropriate, for improvement in the operation of those sections.

(5) All ~~members of the association~~ insurers and self-insurance administrators issuing policies or contracts under ~~section 79.25 subdivision 4~~ shall pay and the commissioner shall receive and disburse, on behalf of the board, a .25 percent assessment on premiums for policies and contracts of coverage issued under ~~section 79.25 subdivision 4~~ for the purpose of defraying the costs of the assigned risk *plan* review board.

(6) *The assigned risk plan and the assigned risk plan review board shall not be deemed a state agency.*

Subd. 2. [APPROPRIATE MERIT RATING PLAN.] The commissioner shall develop an appropriate merit rating plan which shall be applicable to all insureds holding policies or contracts of coverage issued pursuant to ~~section 79.25 whose premium is less than the amount necessary to qualify for experience rating subdivision 4~~ and to the insurers or self-insurance administrators issuing those policies or contracts. The plan shall provide a maximum merit ~~payment adjustment~~ equal to ten percent of earned premium. The actual ~~payment adjustment~~ may vary with insured's loss experience.

Subd. 3. [RATES.] *Insureds served by the assigned risk plan shall be charged premiums based upon a rating plan, including a merit rating plan adopted by the commissioner by rule. The commissioner shall annually, not later than January 1 of each year, establish the schedule of rates applicable to assigned risk plan business. Assigned risk premiums shall not be lower than rates generally charged by insurers for the business. The commissioner shall fix the compensation received by the agent of record. The establishment of the assigned risk plan rates and agent fees are not subject to chapter 14.*

Subd. 4. [ADMINISTRATION.] *The commissioner shall enter into service contracts as necessary or beneficial for accomplishing the purposes of the assigned risk plan. Services related to the administration of policies or contracts of coverage shall be performed by one or more qualified insurance companies licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b), or self-insurance administrators licensed pursuant to section 176.181, subdivision 2, clause (2), paragraph (a). A qualified insurer or self-insurance administrator shall possess sufficient financial, professional,*

*administrative, and personnel resources to provide the services contemplated in the contract. Services related to assignments, data management, assessment collection, and other services shall be performed by a licensed data service organization. The cost of those services is an obligation of the assigned risk plan.*

*Subd. 5. [ASSESSMENTS.] The commissioner shall assess all insurers licensed pursuant to section 60A.06, subdivision 1, clause (5), paragraph (b) an amount sufficient to fully fund the obligations of the assigned risk plan, if the commissioner determines that the assets of the assigned risk plan are insufficient to meet its obligations. The assessment of each insurer shall be in a proportion equal to the proportion which the amount of compensation insurance written in this state during the preceding calendar year by that insurer bears to the total compensation insurance written in this state during the preceding calendar year by all licensed insurers.*

**Sec. 6. [79.252] [ASSIGNED RISK PLAN.]**

*Subdivision 1. [PURPOSE.] The purpose of the assigned risk plan is to provide workers' compensation coverage to employers rejected by a licensed insurance company, pursuant to subdivision 2.*

*Subd. 2. [REJECTED RISKS.] An insurer that refuses to write insurance for an employer shall furnish the employer a written notice of refusal. The employer shall file a copy of the notice of refusal with the data service organization under contract with the commissioner pursuant to section 79.251, subdivision 4.*

*Subd. 3. [COVERAGE.] Policies and contracts of coverage issued pursuant to section 79.251, subdivision 4, shall contain the usual and customary provisions of workers' compensation insurance policies, and shall be deemed to meet the mandatory workers' compensation insurance requirements of section 176.181, subdivision 2.*

*Subd. 4. [RESPONSIBILITIES.] Assigned risk policies and contracts of coverage shall be subject to premium tax pursuant to section 60A.15, and special compensation fund assessments pursuant to section 176.131, subdivision 10. The assigned risk plan shall be a member of the reinsurance association for the purposes of sections 79.34 to 79.40 and shall be deemed to have selected the higher retention limit provided in section 79.34, subdivision 2.*

*Subd. 5. [RULES.] The commissioner may adopt rules, including temporary rules, as may be necessary to implement sections 6 and 79.251.*

**Sec. 7. Minnesota Statutes 1982, section 79.34, subdivision 1, is amended to read:**

**Subdivision 1.** A nonprofit association known as the workers' compensation reinsurance association is created, which may be incorporated under chapter 317 with all the powers of a corporation formed under that chapter, except that if the provisions of that chapter are inconsistent with sections 79.34 to 79.40 or any amendments thereto, sections 79.34 to 79.40 shall govern. Each insurer as defined by section 79.01, subdivision 2, shall as a condition of its authority to transact workers' compensation insurance in this state, be a member of the reinsurance association and shall be bound by

the plan of operation of the reinsurance association; provided, that all affiliated insurers within a holding company system as defined in sections 60D.01 to 60D.13 shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association. Each self-insurer approved pursuant to section 176.181 and each political subdivision which self-insures shall, as a condition of its authority to self-insure workers' compensation liability in this state, be a member of the reinsurance association and shall be bound by its plan of operation; provided, that (a) all affiliated companies within a holding company system, as determined by the commissioner in a manner consistent with the standards and definitions in sections 60D.01 to 60D.13, shall be considered a single entity for purposes of the exercise of all rights and duties of membership in the reinsurance association, and (b) all group self-insurers granted authority to self-insure pursuant to section 176.181 shall be considered a single entity for purposes of the exercise of all the rights and duties of membership in the reinsurance association. *As a condition of its authority to self-insure workers' compensation liability, and for losses incurred on or after January 1, 1984, the state shall be a member of the reinsurance association and is bound by its plan of operation. The commissioner of labor and industry represents the state in the exercise of all the rights and duties of membership in the reinsurance association. The state treasurer shall pay the premium to the reinsurance association from the state compensation revolving fund upon warrants of the commissioner of labor and industry. For the purposes of this section "state" means the administrative branch of state government, the legislative branch, the judicial branch, the University of Minnesota, and any other entity whose workers' compensation liability is paid from the state revolving fund. The commissioner may calculate, prorate, and charge a department or agency the portion of premiums paid to the reinsurance association for employees who are paid wholly or in part by federal funds, dedicated funds, or special revenue funds.* The reinsurance association ~~shall~~ is not be deemed a state agency. Actions of the reinsurance association and its board of directors and actions of the commissioner of insurance with respect to the reinsurance association ~~shall~~ are not be subject to ~~chapter~~ chapters 13, 14, and 15. The reinsurance association ~~shall be~~ is exempt from taxation under the laws of this state and all property owned by the association ~~shall be~~ is exempt from taxation. The reinsurance association ~~shall~~ is not be obligated to make any payments or pay any assessments to any funds or pools established pursuant to this chapter or chapter 176 or any other law.

Sec. 8. Minnesota Statutes 1982, section 79.34, subdivision 2, is amended to read:

Subd. 2. The reinsurance association shall provide and each member shall accept indemnification for 100 percent of the amount of ultimate loss sustained in each loss occurrence relating to one or more claims arising out of a single compensable event, including aggregate losses related to a single event or occurrence which constitutes a single loss occurrence, under chapter 176 on and after October 1, 1979, in excess of \$300,000 or \$100,000 retention limit, at the option of the member. In case of occupational disease causing disablement on and after October 1, 1979, each person suffering ~~such~~ disablement ~~shall be due to occupational disease~~ is considered to be involved in a separate loss occurrence. The ~~lesser~~ lower retention limit shall be increased to the nearest \$10,000, on January 1, 1982 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, as determined in accordance with section 176.011, subdivision 20. On January 1, 1982 and on each January 1 thereafter, the

~~greater~~ higher retention limit shall be increased by the amount necessary to retain a \$200,000 difference between the two retention limits. Ultimate loss as used in this section means the actual loss amount which a member is obligated to pay and which is paid by the member for workers' compensation benefits payable under chapter 176 and shall not include claim expenses, assessments, damages or penalties. *For losses incurred on or after January 1, 1979, any amounts paid by a member pursuant to sections 176.183, 176.221, 176.225, and 176.82 shall not be included in ultimate loss and shall not be indemnified by the reinsurance association.* A loss is incurred by the reinsurance association on the date on which the accident or other compensable event giving rise to the loss occurs, and a member is liable for a loss up to its retention limit in effect at the time that the loss was incurred, except that members which are determined by the reinsurance association to be controlled by or under common control with another member, and which are liable for claims from one or more employees entitled to compensation for a single compensable event, including aggregate losses relating to a single loss occurrence, may aggregate their losses and obtain indemnification from the reinsurance association for the aggregate losses in excess of the higher retention limit in effect at the time the loss was incurred. Each member is liable for payment of its ultimate loss and shall be entitled to indemnification from the reinsurance association for the ultimate loss in excess of the member's retention limit in effect at the time of the loss occurrence.

A member that chooses the higher retention limit shall retain the liability for all losses below the higher retention limit itself and shall not transfer the liability to any other entity or reinsure or otherwise contract for reimbursement or indemnification for losses below its retention limit, except in the following cases: (a) when the reinsurance or contract is with another member which, directly or indirectly, through one or more intermediaries, control or are controlled by or are under common control with the member; (b) when the reinsurance or contract provides for reimbursement or indemnification of a member if and only if the total of all claims which the member pays or incurs, but which are not reimbursable or subject to indemnification by the reinsurance association for a given period of time, exceeds a dollar value or percentage of premium written or earned and stated in the reinsurance agreement or contract; (c) when the reinsurance or contract is a pooling arrangement with other insurers where liability of the member to pay claims pursuant to chapter 176 is incidental to participation in the pool and not as a result of providing workers' compensation insurance to employers on a direct basis under chapter 176; (d) when the reinsurance or contract is limited to all the claims of a specific insured of a member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the insured of the member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the insured of a member is not inconsistent with the bases of exception provided under clauses (a), (b) and (c) above; or (e) when the reinsurance or contract is limited to all claims of a specific self-insurer member which are reimbursed or indemnified by a reinsurer which, directly or indirectly, through one or more intermediaries, controls or is controlled by or is under common control with the self-insurer member so long as any subsequent contract or reinsurance of the reinsurer relating to the claims of the self-insurer member are not inconsistent with the bases for exception provided under clauses (a), (b) and (c) above.

Whenever it appears to the commissioner that any member that chooses

the higher retention limit has participated in the transfer of liability to any other entity or reinsured or otherwise contracted for reimbursement or indemnification of losses below its retention limit in a manner inconsistent with the bases for exception provided under clauses (a), (b), (c), (d), and (e), the commissioner may, after giving notice and an opportunity to be heard, order the member to pay to the state of Minnesota an amount not to exceed twice the difference between the reinsurance premium for the higher and lower retention limit applicable to the member for each year in which the prohibited reinsurance or contract was in effect. Any member subject to this penalty provision shall continue to be bound by its selection of the higher retention limit for purposes of membership in the reinsurance association.

Sec. 9. Minnesota Statutes 1982, section 79.34, is amended by adding a subdivision to read:

*Subd. 7. For losses incurred on or after January 1, 1984, the reinsurance association shall indemnify the member for the ultimate loss, in excess of the retention limit in effect at the time of the loss occurrence, sustained in each loss occurrence relating to one or more claims arising out of a single compensable event in another state provided that:*

*(a) the injured worker is eligible for benefits under section 176.041, subdivision 2 or 3, but elects to receive benefits under the workers' compensation statute of another state in lieu of benefits under chapter 176; and*

*(b) the ultimate loss indemnified by the reinsurance association shall be determined as provided in this chapter, except that the benefits shall be equal to those required to be paid under the workers' compensation statute of the state elected.*

Sec. 10. Minnesota Statutes 1982, section 79.35, is amended to read:

**79.35 [DUTIES; RESPONSIBILITIES; POWERS.]**

The reinsurance association shall do the following on behalf of its members:

(a) Assume 100 percent of the liability as provided in section 79.34;

(b) Establish procedures by which members shall promptly report to the reinsurance association each claim which, on the basis of the injury sustained, may reasonably be anticipated to involve liability to the reinsurance association if the member is held liable under chapter 176. Solely for the purpose of reporting claims, the member shall in all instances consider itself legally liable for the injury. The member shall advise the reinsurance association of subsequent developments likely to materially affect the interest of the reinsurance association in the claim;

(c) Maintain relevant loss and expense data relative to all liabilities of the reinsurance association and require each member to furnish statistics in connection with liabilities of the reinsurance association at the times and in the form and detail as may be required by the plan of operation;

(d) Calculate and charge to members a total premium sufficient to cover the expected liability which the reinsurance association will incur in excess of the higher retention limit but less than the prefunded limit, together with

incurred or estimated to be incurred operating and administrative expenses for the period to which this premium applies and actual claim payments to be made by members, during the period to which this premium applies, for claims in excess of the prefunded limit in effect at the time the loss was incurred. The prefunded limit shall be \$2,500,000 on and after October 1, 1979, provided that the prefunded limit shall be increased on January 1, 1983 and on each January 1 thereafter by the percentage increase in the statewide average weekly wage, to the nearest \$100,000, as determined in accordance with section 176.011, subdivision 20. Each member shall be charged a proportion of the total premium in an amount equal to its proportion of the ~~total standard earned premium exposure base~~ of all members during the period to which the reinsurance association premium will apply, ~~as determined by the commissioner.~~ *The exposure base shall be determined by the board and is subject to the approval of the commissioner. In determining the exposure base, the board shall consider, among other things, equity, administrative convenience, records maintained by members, amenability to audit, and degree of risk refinement.* Each member exercising the lower retention option shall also be charged a premium established by the board as sufficient to cover incurred or estimated to be incurred claims for the liability the reinsurance association is likely to incur between the lower and higher retention limits for the period to which the premium applies. Each member shall also be charged a premium determined by the board to equitably distribute excess or deficient premiums from previous periods including any excess or deficient premiums resulting from a retroactive change in the prefunded limit. ~~An equitable basis for determining standard earned premium for self-insurers shall be established by the commissioner.~~ The premiums charged to members shall not be unfairly discriminatory as defined in section 79.074. All premiums shall be approved by the commissioner;

(e) Require and accept the payment of premiums from members of the reinsurance association;

(f) Receive and distribute all sums required by the operation of the reinsurance association;

(g) Establish procedures for reviewing claims procedures and practices of members of the reinsurance association. If the claims procedures or practices of a member are considered inadequate to properly service the liabilities of the reinsurance association, the reinsurance association may undertake, or may contract with another person, including another member, to adjust or assist in the adjustment of claims which create a potential liability to the association ~~and.~~ *The reinsurance association may charge the cost of the adjustment under this paragraph to the member, except that any penalties or interest incurred under sections 176.183, 176.221, 176.225, and 176.82 as a result of actions by the reinsurance association after it has undertaken adjustment of the claim shall not be charged to the member but shall be included in the ultimate loss and listed as a separate item; and*

(h) Provide each member of the reinsurance association with an annual report of the operations of the reinsurance association in a form the board of directors may specify.

Sec. 11. Minnesota Statutes 1982, section 79.37, is amended to read:

79.37 [BOARD OF DIRECTORS.]

A board of directors of the reinsurance association is created and ~~shall be~~ is responsible for the operation of the reinsurance association consistent with the plan of operation and sections 79.34 to 79.42. The board ~~shall consist~~ consists of ~~nine~~ 13 directors and the ~~commissioner~~ commissioners of insurance and labor and industry who shall be ~~an~~ ex officio ~~member~~ members. Four members of the board shall represent insurers, ~~three~~ six members of the board shall represent employers, at least one, but not more than ~~two~~ three, of whom shall represent self-insurers, and ~~two~~ three members of the board shall represent employees. Members shall elect the insurer directors, and the commissioner of insurance shall appoint the employer and employee directors from a list presented to the commissioner by the workers' compensation advisory council established in chapter 175, for the terms authorized in the plan of operation. Each board member ~~shall be~~ is entitled to one vote. Terms of the directors shall be staggered so that the terms of all the directors do not expire at the same time and so that a director does not serve a term of more than four years. The board shall select a chairman and other officers it deems appropriate.

A majority of the board ~~shall constitute~~ constitutes a quorum, notwithstanding any vacancies. Action may be taken by a majority vote of the directors present.

Sec. 12. Minnesota Statutes 1982, section 79.51, subdivision 3, is amended to read:

Subd. 3. [RULES; SUBJECT MATTER.] (a) The commissioner in issuing rules shall consider:

(1) Data reporting requirements, including types of data reported, such as loss and expense data;

(2) Experience rating plans;

(3) Retrospective rating plans;

(4) General expenses and related expense provisions;

(5) Minimum premiums;

(6) Classification systems and assignment of risks to classifications;

(7) Loss development and trend factors;

(8) The workers' compensation reinsurance association;

~~(9) Restrictions, prohibitions, and requirements with respect to the activities of the workers' compensation insurers rating association of Minnesota during the period from July 1, 1983 to January 1, 1986;~~

~~(10) Requiring substantial compliance with the rules mandated by this section as a condition of workers' compensation carrier licensure;~~

~~(11) (10) Imposing limitations on the functions of workers' compensation data service organizations consistent with the introduction of competition;~~

~~(12) (11) The rules contained in the workers' compensation rating manual adopted by the workers' compensation insurers rating association; and~~

~~(13) (12) Any other factors that the commissioner deems relevant to achieve the purposes of chapter 79.~~



(b) The rules shall provide for the following:

(1) Competition in workers' compensation insurance rates in such a way that the advantages of competition are introduced with a minimum of employer hardship ~~during the transition period~~;

(2) Adequate safeguards against excessive or discriminatory rates in workers' compensation ~~during the transition period~~;

(3) Encouragement of workers' compensation insurance rates which are as low as reasonably necessary, but shall make provision against inadequate rates, insolvencies and unpaid benefits;

(4) Assurances that employers are not unfairly relegated to the assigned risk pool;

(5) Requiring all appropriate data and other information from insurers for the purpose of issuing rules ~~and~~, making legislative recommendations pursuant to this section ~~and monitoring the effectiveness of competition~~; and

(6) Preserving a framework for risk classification, data collection, and other appropriate joint insurer services where these will not impede the introduction of competition in premium rates.

~~(c) The rules shall expire on January 1, 1986.~~

Sec. 13. Minnesota Statutes 1982, section 79.52, is amended by adding a subdivision to read:

*Subd. 16. [ATTORNEY'S FEES.] No loss adjustment expense used to pay attorney fees or other costs in defense of a workers' compensation claim shall be charged to an insured in a merit rating plan or to a plan under section 79.251, subdivision 2.*

Sec. 14. Minnesota Statutes 1982, section 79.53, is amended to read:

79.53 [PREMIUM CALCULATION.]

*Subdivision 1. [METHOD OF CALCULATION.] Each insurer shall establish premiums to be paid by an employer according to its filed rates and rating plan as follows:*

Rates shall be applied to an exposure base to yield a base premium which may be further modified by merit rating, premium discounts, and other appropriate factors contained in the rating plan of an insurer to produce premium. Nothing in this chapter shall be deemed to prohibit the use of any premium, provided the premium is not excessive, inadequate or unfairly discriminatory.

*Subd. 2. [STUDY; REPORT.] The commissioner of insurance shall conduct a comparative actuarial study of the exposure bases of employers located within and outside of the seven county metropolitan area. In addition to the factors required to be considered by a data service organization under section 79.61, subdivision 1, the study shall include the activity permitted under section 79.61, subdivision 2, and specifically, shall include a comparative study of the incidence of litigation in relationship to first reports of injuries as between employers within and outside the metropolitan area.*

*For the purposes of this section, "metropolitan area" has the meaning as*

*defined in section 473.121, subdivision 2.*

*A report on the study shall be made by the commissioner to the legislature by January 15, 1984.*

Sec. 15. Laws 1981, chapter 346, section 145, is amended to read:

Sec. 145. [REPEALER.]

Minnesota Statutes 1980, Sections ~~79.071, Subdivision 1; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.24; 79.25; and 79.26; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33~~ are repealed effective July 1, 1983. Minnesota Statutes 1980, Sections ~~79.071, Subdivisions 2, 3, 4, 5, 6, and 7; 79.072; and 79.073; 79.074, Subdivision 1; 79.075; 79.076; 79.08; 79.09; 79.11; 79.12; 79.13; 79.14; 79.15; 79.16; 79.17; 79.171; 79.18; 79.19; 79.20; 79.21; 79.22, Subdivision 1; 79.221; 79.23; 79.27; 79.28; 79.29; 79.30; 79.31; 79.32; and 79.33~~ are repealed effective January 1, 1984. Minnesota Statutes 1980, Sections 175.006, Subdivisions 1a and 2; 175.0061; 175.09; 176.11, Subdivision 11; and 176.441, Subdivision 2, are repealed.

Sec. 16. Laws 1981, chapter 346, section 146, is amended to read:

Sec. 146. [EFFECTIVE DATE.]

Sections 11, 21, 22, 23, 35, 36, 37, 38, 53, 54, 141, and 142 are effective the day following enactment. Sections 1 to 8, 12, 39 to 52, 55 to 95, 99 to 138, 140, and 143 to 145 are effective July 1, 1981. Sections 96 to 98 are effective October 1, 1981. Sections 9, 10, and 13 to 20 are effective January 1, 1982. Sections 24 30 to 34 are effective July 1, 1983. *Sections 24 to 29 are effective January 1, 1984.* Section 139 is effective retroactively to April 12, 1980.

Sec. 17. Minnesota Statutes 1982, section 147.02, is amended by adding a subdivision to read:

*Subd. 3. [CONTINUING EDUCATION.] The board shall adopt rules requiring continuing education for physicians, surgeons, and osteopaths licensed under this chapter who regularly practice in the area of workers' compensation. These rules shall include rules relating to continuing education designed to assure the coordination of treatment, rehabilitation, and other medical services provided to injured employees under chapter 176. Rules relative to education regarding treatment under chapter 176 shall be adopted jointly with the commissioner of labor and industry. These rules shall be consistent with section 214.12.*

Sec. 18. [148.031] [CONTINUING EDUCATION.]

*The board shall adopt rules requiring continuing education for chiropractors licensed under this chapter who regularly practice in the area of workers' compensation. These rules shall include rules relating to continuing education designed to assure the coordination of treatment, rehabilitation, and other chiropractic services provided to injured employees under chapter 176. Rules relative to education under chapter 176 shall be adopted jointly with the commissioner of labor and industry. These rules shall be consistent with section 214.12.*

Sec. 19. Minnesota Statutes 1982, section 175.006, subdivision 1, is amended to read:

Subdivision 1. [CREATION AND ORGANIZATION.] The division of workers' compensation, generally administering the workers' compensation law, is created within the department of labor and industry. ~~There is created as a separate appellate tribunal for workers' compensation, the workers' compensation court of appeals.~~

~~The workers' compensation court of appeals shall be composed of five judges each serving in the unclassified service of the state civil service. Of the five judges, at least three shall be learned in the law. Each judge of the workers' compensation court of appeals shall be appointed by the governor, by and with the advice and consent of the senate, for a term of six years. The judges of the workers' compensation court of appeals as now created shall be the judges of the workers' compensation court of appeals until the expiration of the terms for which they have been appointed and qualified.~~

Sec. 20. Minnesota Statutes 1982, section 175.007, subdivision 1, is amended to read:

Subdivision 1. The commissioner shall appoint an advisory council on workers' compensation, which ~~shall consist~~ *consists* of five representatives of employers and five representatives of employees and ~~three~~ *five nonvoting* members representing the general public. The council may consult with the ~~judges of the workers' compensation court of appeals~~ *any party it desires*. The ~~council shall expire and the terms,~~ *compensation and removal of members shall be as provided in section 15.059. The council is not subject to section 15.059, subdivision 5.*

Sec. 21. Minnesota Statutes 1982, section 175.08, is amended to read:

#### 175.08 [OFFICE.]

~~The workers' compensation court of appeals and the department of labor and industry shall maintain their~~ *its* ~~main offices~~ *office* within the Minneapolis-Saint Paul metropolitan area and be provided by the commissioner of administration with suitable rooms and necessary furniture. ~~The offices of the workers' compensation court of appeals and the department of labor and industry shall be in separate buildings. They~~ *It* may hold sessions at any other place in the state when ~~their convenience and that of the parties interested so requires~~ *it is convenient*.

Sec. 22. Minnesota Statutes 1982, section 175.10, is amended to read:

#### 175.10 [SESSIONS TO BE PUBLIC.]

The department of labor and industry shall be open for the transaction of business during all business hours of each and every day, excepting Saturdays, Sundays and legal holidays. The hearings of ~~the workers' compensation court of appeals and the workers' compensation division shall be~~ *are* open to the public and may be adjourned from time to time. All the proceedings of ~~the workers' compensation court of appeals and the division shall be shown on their~~ *its* records, which ~~shall be~~ *are* public records.

Sec. 23. Minnesota Statutes 1982, section 175.101, subdivision 1, is amended to read:

Subdivision 1. It is the legislative purpose in creating a division of workers' compensation, and in assigning to the commissioner of the department of labor and industry specific duties and responsibilities, to:

(a) provide for a unified department of labor and industry for the limited purposes of organization and administration of common administrative functions; *and*

(b) assure the autonomy and maximum independence of the necessary adjudicative functions and quasi-legislative administrative duties of the division; *and*;

(c) ~~separate and limit the functions and responsibilities of the existing workers' compensation court of appeals to those appropriate to an independent appellate reviewing body.~~

The commissioner of the ~~department of labor and industry~~ as head of the workers' compensation division is the administrator of the workers' compensation division. ~~He~~ *The commissioner* shall possess only ~~such the~~ powers and shall perform only ~~such the~~ duties as are specifically prescribed by law.

Sec. 24. Minnesota Statutes 1982, section 175.101, subdivision 2, is amended to read:

Subd. 2. The commissioner of the ~~department of labor and industry~~ shall keep a full and true record of all proceedings of the workers' compensation division ~~and the workers' compensation court of appeals~~, issue all necessary processes, writs, warrants, and notices which the division ~~or workers' compensation court of appeals~~ *is* required or authorized to issue and generally act as the administrator of the division of workers' compensation in the department of labor and industry. Notices and other documents required to be served or filed on the division of workers' compensation or the workers' compensation court of appeals shall be served on the commissioner of the ~~department of labor and industry~~.

Sec. 25. Minnesota Statutes 1982, section 176.001, is amended to read:

176.001 [INTENT OF THE LEGISLATURE.]

It is the intent of the legislature that chapter 176 be interpreted so as to assure the quick and efficient delivery of indemnity and medical benefits to injured workers at a reasonable cost to the employers who are subject to the provisions of chapter 176. *It is the specific intent of the legislature that workers' compensation cases shall be decided on their merits and that the common law rule of "liberal construction" based on the supposed "remedial" basis of workers' compensation legislation shall not apply in such cases. The workers' compensation system in Minnesota is based on a mutual renunciation of common law rights and defenses by employers and employees alike. Employees' rights to sue for damages over and above medical and health care benefits and wage loss benefits are to a certain degree limited by the provisions of this chapter, and employers' rights to raise common law defenses such as lack of negligence, contributory negligence on the part of the employee, and others, are curtailed as well. Accordingly, the legislature hereby declares that the workers' compensation laws are not remedial in any sense and are not to be given a broad liberal construction in favor of the claimant or employee on the one hand, nor are the rights and interests of the*

*employer to be favored over those of the employee on the other hand.*

Sec. 26. Minnesota Statutes 1982, section 176.011, subdivision 9, is amended to read:

Subd. 9. [EMPLOYEE.] "Employee" means any person who performs services for another for hire; and includes the following:

(1) an alien;

(2) a minor;

(3) a sheriff, deputy sheriff, constable, marshal, policeman, firefighter, a county highway engineer, and a peace officer while engaged in the enforcement of peace or in and about the pursuit or capture of any person charged with or suspected of crime and any person requested or commanded to aid an officer in arresting any person, or in retaking any person who has escaped from lawful custody, or in executing any legal process in which case, for purposes of calculating compensation payable under this chapter, the daily wage of the person requested or commanded to assist an officer or to execute a legal process shall be the prevailing wage for similar services where the services are performed by paid employees;

(4) a county assessor;

(5) an elected or appointed official of the state, or of any county, city, town, school district or governmental subdivision therein but an officer of a political subdivision elected or appointed for a regular term of office or to complete the unexpired portion of any such regular term, shall be included only after the governing body of the political subdivision has adopted an ordinance or resolution to that effect;

(6) an executive officer of a corporation except an officer of a family farm corporation as defined in section 500.24, subdivision 1, clause (c), nor shall it include an executive officer of a closely held corporation who is referred to in section 176.012;

(7) a voluntary uncompensated worker, other than an inmate, rendering services in state institutions under the commissioner of public welfare and state institutions under the commissioner of corrections similar to those of officers and employees of these institutions, and whose services have been accepted or contracted for by the commissioner of public welfare or the commissioner of corrections as authorized by law, shall be employees within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(8) a voluntary uncompensated worker engaged in peace time in the civil defense program when ordered to training or other duty by the state or any political subdivision thereof, shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services where the services are performed by paid employees;

(9) a voluntary uncompensated worker participating in a program estab-

lished by a county welfare board shall be an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid in the county at the time of the injury or death for similar services where the services are performed by paid employees working a normal day and week;

(10) a voluntary uncompensated worker accepted by the commissioner of natural resources who is rendering services as a volunteer pursuant to section 84.089 shall be an employee. The daily wage of the worker for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(11) a member of the military forces, as defined in section 190.05, while in "active service" or "on duty" as defined in section 190.05, when the service or duty is ordered by state authority. The daily wage of the member for the purpose of calculating compensation payable under this chapter shall be based on the member's usual earnings in civil life. If there is no evidence of previous occupation or earning, the trier of fact shall consider the member's earnings as a member of the military forces;

(12) a voluntary uncompensated worker, accepted by the director of the Minnesota historical society, rendering services as a volunteer, pursuant to chapter 138, shall be an employee. The daily wage of the worker, for the purposes of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of injury or death for similar services where the services are performed by paid employees;

(13) a voluntary uncompensated worker, other than a student, who renders services at the Minnesota school for the deaf or the Minnesota braille and sight-saving school, and whose services have been accepted or contracted for by the state board of education, as authorized by law, shall be an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(14) a voluntary uncompensated worker, other than a resident of the veterans home, who renders services at a Minnesota veterans home, and whose services have been accepted or contracted for by the commissioner of veterans affairs, as authorized by law, is an employee within the meaning of this subdivision. In the event of injury or death of the voluntary uncompensated worker, the daily wage of the worker, for the purpose of calculating compensation payable under this chapter, shall be the usual going wage paid at the time of the injury or death for similar services in institutions where the services are performed by paid employees;

(15) a worker who renders in-home attendant care services to a physically handicapped person, and who is paid directly by the commissioner of public welfare for these services, shall be an employee of the state within the meaning of this subdivision, but for no other purpose; *and*

*(16) those students enrolled in and regularly attending the medical school*

*of the University of Minnesota, whether in the graduate school program or the post graduate program, as provided in section 147.20, notwithstanding that the students shall not be considered employees for any other purpose. In the event of the student's injury or death, the weekly wage of the student for the purpose of calculating compensation payable under chapter 176, shall be the annualized educational stipend awarded to the student, divided by 52 weeks. The institution in which the student is enrolled shall be considered the "employer" for the limited purpose of determining responsibility for paying benefits payable under chapter 176.*

In the event it is difficult to determine the daily wage as provided in this subdivision, then the trier of fact may determine the wage upon which the compensation is payable.

Sec. 27. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

*Subd. 23. [RETRAINING.] "Retraining" means a formal course of study in a school setting which is designed to train an employee to return to suitable gainful employment.*

Sec. 28. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

*Subd. 24. [HEALTH CARE PROVIDER.] "Health care provider" means a physician, podiatrist, chiropractor, dentist, optometrist, osteopath, psychologist, psychiatric social worker, or any other person who furnishes a medical or health service to an employee under this chapter but does not include a qualified rehabilitation consultant or approved vendor.*

Sec. 29. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

*Subd. 25. [MAXIMUM MEDICAL IMPROVEMENT.] "Maximum medical improvement" means the date after which no further significant recovery from or significant lasting improvement to a personal injury can reasonably be anticipated, based upon reasonable medical probability.*

Sec. 30. Minnesota Statutes 1982, section 176.011, is amended by adding a subdivision to read:

*Subd. 26. [MONITORING PERIOD.] "Monitoring period" means the number of weeks during which economic recovery compensation pursuant to section 176.101, subdivision 3a, would have been paid if that compensation were payable.*

Sec. 31. Minnesota Statutes 1982, section 176.012, is amended to read:

176.012 [ELECTION OF COVERAGE.]

The persons, partnerships and corporations described in this section may elect to provide the insurance coverage required by this chapter.

(a) An owner or owners of a business or farm may elect coverage for themselves.

(b) A partnership owning a business or farm may elect coverage for any partner.

(c) A family farm corporation as defined in section 500.24, subdivision 2,

clause (c) may elect coverage for any executive officer.

(d) A closely held corporation which had less than 22,880 hours of payroll in the previous calendar year may elect coverage for any executive officer if that executive officer is also an owner of at least 25 percent of the stock of the corporation.

*(e) A person, partnership, or corporation hiring an independent contractor, as defined by rules adopted by the commissioner, may elect to provide coverage for that independent contractor.*

The persons, partnerships and corporations described in this section may also elect coverage for an employee who is a spouse, parent or child, regardless of age, of an owner, partner, or executive officer, who is eligible for coverage under this section. Coverage may be elected for a spouse, parent or child whether or not coverage is elected for the related owner, partner or executive director and whether or not the person, partnership or corporation employs any other person to perform a service for hire. Any person for whom coverage is elected pursuant to this section shall be included within the meaning of the term employee for the purposes of this chapter.

Notice of election of coverage or of termination of election under this section shall be provided in writing to the insurer. Coverage or termination of coverage is effective the day following receipt of notice by the insurer or at a subsequent date if so indicated in the notice. The insurance policy shall be endorsed to indicate the names of those persons for whom coverage has been elected or terminated under this section. An election of coverage under this section shall continue in effect as long as a policy or renewal policy of the same insurer is in effect.

Nothing in this section shall be construed to limit the responsibilities of owners, partnerships or corporations to provide coverage for their employees, if any, as required under this chapter.

Sec. 32. Minnesota Statutes 1982, section 176.021, subdivision 1a, is amended to read:

Subd. 1a. [BURDEN OF PROOF.] All disputed issues of fact arising under chapter 176 shall be determined by a preponderance of the evidence, and in accordance with the principles laid down in section 176.001. Preponderance of the evidence means evidence produced in substantiation of a fact which, when weighed against the evidence opposing the fact, has more convincing force and greater probability of truth.

Questions of law arising under chapter 176 shall be determined ~~in accordance with the rules of construction generally applied to all other civil matters on an even-handed basis in accordance with the principles laid down in section 176.001.~~

Sec. 33. Minnesota Statutes 1982, section 176.021, subdivision 3, is amended to read:

Subd. 3. [COMPENSATION, COMMENCEMENT OF PAYMENT.] All employers shall commence payment of compensation at the time and in the manner prescribed by this chapter without the necessity of any agreement or any order of the division. Except for medical, burial, and other non-periodic



benefits, payments shall be made as nearly as possible at the intervals when the wage was payable, provided, however, that payments for permanent partial disability shall be governed by ~~subdivision 3a~~ section 176.101. If doubt exists as to the eventual permanent partial disability, payment for the economic recovery compensation or impairment compensation, whichever is due, pursuant to ~~subdivision 3a~~ section 176.101, shall be then made when due for the minimum permanent partial disability ascertainable, and further payment shall be made upon any later ascertainment of greater permanent partial disability. ~~Prior to or at the time of any tender commencement of the lump sum payment of economic recovery compensation or lump sum or periodic payment of impairment compensation,~~ the employee and employer shall be furnished with a copy of the medical report upon which the payment is based ~~and all other medical reports which the insurer has that indicate a permanent partial disability rating,~~ together with a statement by the insurer as to whether the tendered payment is for minimum permanent partial disability or final and eventual disability. ~~Compensation for permanent partial disability~~ After receipt of all reports available to the insurer that indicate a permanent partial disability rating, the employee shall make available or permit the insurer to obtain any medical report that the employee has or has knowledge of that contains a permanent partial disability rating which the insurer does not already have. Economic recovery compensation or impairment compensation pursuant to section 176.101 is payable in addition to but not concurrently with compensation for temporary total disability ~~and but is payable temporary partial disability pursuant to section 176.101; subdivisions 1 and 2; as provided in subdivision 3a. Compensation for permanent partial disability~~ Impairment compensation is payable concurrently and in addition to compensation for permanent total disability pursuant to section 176.101; ~~subdivision 5; as provided in subdivision 3a. Compensation for permanent partial disability~~ Economic recovery compensation or impairment compensation pursuant to section 176.101 shall be withheld pending completion of payment for temporary total and temporary partial disability ~~but shall not be withheld pending payment of compensation for permanent total disability,~~ and no credit shall be taken for payment of ~~permanent partial disability economic recovery compensation or impairment compensation~~ against liability for temporary total or future permanent total disability. Liability on the part of an employer or ~~his~~ the insurer for disability of a temporary total, temporary partial, and permanent total nature shall be considered as a continuing product and part of the employee's inability to earn or reduction in earning capacity due to injury or occupational disease and ~~shall be compensation is payable accordingly, subject to subdivision 3a section 176.101. Permanent partial disability~~ Economic recovery compensation or impairment compensation is payable for functional loss of use or impairment of function, permanent in nature, and payment therefore shall be separate, distinct, and in addition to payment for any other compensation, subject to ~~subdivision 3a section 176.101.~~ The right to receive temporary total, temporary partial, ~~permanent partial~~ or permanent total disability payments shall ~~vest vests~~ in the injured employee or ~~his~~ the employee's dependents under this chapter or, if none, in ~~his~~ the employee's legal heirs at the time the disability can be ascertained and the right ~~shall~~ is not be abrogated by the employee's death prior to the making of the payment.

*The right to receive economic recovery compensation or impairment compensation vests in an injured employee at the time the disability can be ascertained provided that the employee lives for at least 30 days beyond the date of the injury. Upon the death of an employee who is receiving economic*

*recovery compensation or impairment compensation, further compensation is payable pursuant to section 176.101. Impairment compensation is payable under this paragraph if vesting has occurred, the employee dies prior to reaching maximum medical improvement, and the requirements and conditions under section 176.101, subdivision 3e, are not met.*

Sec. 34. Minnesota Statutes 1982, section 176.041, subdivision 1, is amended to read:

Subdivision 1. [EMPLOYMENTS EXCLUDED.] This chapter does not apply to persons employed by any common carrier by railroad engaged in interstate or foreign commerce; ~~which persons who~~ *persons who* are covered by the Federal Employers' Liability Act (45 U.S.C. 51-60) or other comparable federal law; persons employed by family farms as defined by section 176.011, subdivision 11a, the spouse, parent and child, regardless of age, of a farmer employer working for ~~him~~ *the farmer employer*; partners engaged in any farm operation or partners engaged in a business and the spouse, parent, and child, regardless of age, of any of the partners of the farm operation or business; an executive officer of a family farm corporation; an executive officer of a closely held corporation referred to in section 176.012; any spouse, parent, or child, regardless of age, of an executive officer of a family farm corporation as defined in section 500.24, subdivision 2, employed by that family farm corporation; any spouse, parent, or child, regardless of age, of an executive officer of a closely held corporation referred to in section 176.012; or other farmers or members of their families exchanging work with the farmer employer or family farm corporation operator in the same community, or persons whose employment at the time of the injury is casual, and not in the usual course of the trade, business, profession, or occupation of ~~his~~ *the employer*; *persons who are independent contractors as defined by rules adopted by the commissioner pursuant to section 176.83 except that this exclusion does not apply to an employee of an independent contractor*; nor does it apply to officers or members of veteran's organizations whose employment relationship arises solely by virtue of attending meetings or conventions of their organization, unless the veteran's organizations elect by resolution to provide coverage under this chapter for the officers or members. ~~Neither shall~~ The chapter *also does not* apply to any person employed as a household worker in, for, or about, a private home or household who earns less than \$500 in cash in any three month period from a single private home or household provided that any household worker who has earned \$500 or more from ~~his~~ *the household worker's* present employer in any three month period within the previous year ~~shall be~~ *is* covered by this chapter regardless of whether or not ~~he~~ *the household worker* has earned \$500 in the present quarter ~~earned \$500~~. This chapter does not apply to those persons employed by a corporation where those persons are related by blood or marriage, within the third degree of kindred according to the rules of civil law, to all of the officers of the corporation, and if the corporation files a written election with the commissioner ~~of labor and industry~~ to have those persons excluded from this chapter *except that a written election is not required for a person who is otherwise excluded from this chapter by this section*. This chapter does not apply to a nonprofit association which does not pay more than \$500 in salary or wages in a year.

Sec. 35. Minnesota Statutes 1982, section 176.061, is amended to read:

## 176.061 [THIRD PARTY LIABILITY.]

Subdivision 1. [ELECTION OF REMEDIES.] ~~Where~~ *If* an injury or death for which benefits are payable occurs under circumstances which create a legal liability for damages on the part of a party other than the employer and at the time of ~~such~~ *the* injury or death that party was insured or self-insured in accordance with this chapter, the employee, in case of injury, or ~~his~~ *the employee's* dependents, in case of death, may proceed either at law against that party to recover damages or against the employer for benefits, but not against both.

Subd. 2. [ACTION FOR RECOVERY OF DAMAGES.] If the employee, in case of injury, or ~~his~~ *the employee's* dependents, in case of death, brings an action for the recovery of damages, the amount ~~thereof of the damages~~, the manner in which ~~they are paid~~, and the persons to whom ~~the same they are payable~~, ~~shall be~~ *are* as provided in this chapter. In no case shall ~~such~~ *the* party be liable to any person other than the employee or ~~his~~ *the employee's* dependents for any damages resulting from ~~such~~ *the* injury or death.

Subd. 3. [ELECTION TO RECEIVE BENEFITS FROM EMPLOYER; SUBROGATION.] If the employee or ~~his~~ *the employee's* dependents elect to receive benefits from the employer, or the special compensation fund, the employer, or the special compensation fund, ~~has a right of indemnity or is subrogated to the right of the employee or his~~ *the employee's* dependents to recover damages against the other party. The employer, or the attorney general on behalf of the special compensation fund, may bring legal proceedings against ~~such~~ *the* party and recover the aggregate amount of benefits payable to or on behalf of the employee or ~~his~~ *the employee's* dependents, together with costs, disbursements, and reasonable attorney's fees of the action.

If an action as provided in this chapter *is* prosecuted by the employee, the employer, or the attorney general on behalf of the special compensation fund, against the third person, *and* results in judgment against the third person, or settlement by the third person, the employer ~~shall have~~ *has* no liability to reimburse or hold the third person harmless on the judgment or settlement in absence of a written agreement to do so executed prior to the injury.

Subd. 4. [APPLICATION OF SUBDIVISIONS 1, 2, AND 3.] The provisions of subdivisions 1, 2, and 3 apply only ~~where~~ *if* the employer liable for benefits and the other party legally liable for damages are insured or self-insured and engaged, in the due course of business in, (a) furtherance of a common enterprise, or (b) in the accomplishment of the same or related purposes in operations on the premises where the injury was received at the time ~~thereof of the injury~~.

Subd. 5. [CUMULATIVE REMEDIES.] ~~Where~~ *If* an injury or death for which benefits are payable is caused under circumstances which created a legal liability for damages on the part of a party other than the employer, that party being then insured or self-insured in accordance with this chapter, and the provisions of subdivisions 1, 2, 3, and 4 do not apply, or the party other than the employer is not then insured or self-insured as provided by this chapter, legal proceedings may be taken by the employee or ~~his~~ *the employee's* dependents in accordance with clause (a), or by his employer, or by

the attorney general on behalf of the special compensation fund, in accordance with clause (b), against the other party to recover damages, notwithstanding the payment of *benefits* by the employer or the special compensation fund or their liability to pay benefits.

(a) If an action against the other party is brought by the injured employee or ~~his~~ *the employee's* dependents and a judgment is obtained and paid or settlement is made with the other party, the employer or the special compensation fund may deduct from the benefits payable the amount actually received by the employee or dependents or paid on their behalf in accordance with subdivision 6. If the action is not diligently prosecuted or if the court deems it advisable in order to protect the interests of the employer, or the special compensation fund, upon application the court may grant the employer, or the special compensation fund, the right to intervene in ~~any such~~ *the* action for the prosecution ~~thereof of the action~~. If the injured employee or ~~his~~ *the employee's* dependents or any party on their behalf receives benefits from the employer, or the special compensation fund, or ~~institute~~ *institutes* proceedings to recover ~~the same benefits~~ or ~~accept~~ *accepts* from the employer or the special compensation fund, any payment on account of the benefits, the employer, or the special compensation fund, is subrogated to the rights of the employee or ~~his~~ *the employee's* dependents or *has a right of indemnity against a third party*. ~~This~~ *The* employer, or the attorney general on behalf of the special compensation fund, may maintain ~~an~~ *a separate* action or continue an action already instituted. This action may be maintained in the name of the employee or the names of the *employee's* dependents, or in the name of the employer, or in the name of the attorney general on behalf of the special compensation fund, against ~~such~~ *the* other party for the recovery of damages. If the action is not diligently prosecuted by the employer, or the attorney general on behalf of the special compensation fund, or *if* the court deems it advisable in order to protect the interest of the employee, the court, upon application, may grant to the employee or ~~his~~ *the employee's* dependents the right to intervene in the action for the prosecution ~~thereof of the action~~. The proceeds of ~~such~~ *the* action or settlement ~~thereof of the action~~ shall be paid in accordance with subdivision 6.

(b) If an employer, being then insured, sustains damages due to a change in workers' compensation insurance premiums, whether by a failure to achieve a decrease or by a retroactive or prospective increase, as a result of the injury or death of ~~his~~ *an* employee which was caused under circumstances which created a legal liability for damages on the part of a party other than the employer, the employer, notwithstanding other remedies provided, may maintain an action against the other party for recovery of ~~such~~ *the* premiums. This cause of action may be brought either by joining in an action described in clause (a) or by a separate action. Damages recovered under this clause ~~shall be~~ *are* for the benefit of the employer and the provisions of subdivision 6 ~~shall be~~ *are not be* applicable to ~~such~~ *the* damages.

(c) The third party is not liable to any person other than the employee or ~~his~~ *the employee's* dependents, or ~~his~~ *the* employer, or the special compensation fund, for any damages resulting from the injury or death.

A co-employee working for the same employer is not liable for a personal injury incurred by another employee unless the injury resulted from the gross negligence of the co-employee or was intentionally inflicted by the co-employee.

Subd. 6. [COSTS, ATTORNEY FEES, EXPENSES.] The proceeds of all

actions for damages or ~~of a settlement thereof of an action~~ under this section, except for damages received under subdivision 5, clause (b) received by the injured employee or ~~his the employee's~~ dependents or by the employer, or the special compensation fund, as provided by subdivision 5, shall be divided as follows:

(a) After deducting the reasonable cost of collection, including but not limited to attorneys fees and burial expense in excess of the statutory liability, then

(b) One-third of the remainder shall in any event be paid to the injured employee or ~~his the employee's~~ dependents, without being subject to any right of subrogation.

(c) Out of the balance remaining, the employer, or the special compensation fund, shall be reimbursed in an amount equal to all benefits paid under this chapter to or on behalf of the employee or ~~his the employee's~~ dependents by the employer, or special compensation fund, less the product of the costs deducted under clause (a) divided by the total proceeds received by the employee or his dependents from the other party multiplied by all benefits paid by the employer, or the special compensation fund, to the employee or ~~his the employee's~~ dependents.

(d) Any balance remaining shall be paid to the employee or ~~his the employee's~~ dependents, and shall be a credit to the employer, ~~and~~ or the special compensation fund, for any benefits which ~~the employer or the special compensation fund~~ is obligated to pay, but has not paid, and for any benefits that ~~such the employer shall be or the special compensation fund~~ is obligated to make in the future.

There shall be no reimbursement or credit to the employer, or to the special compensation fund, for interest or penalties.

Subd. 7. [MEDICAL TREATMENT.] The liability of an employer, or the special compensation fund, for medical treatment ~~or payment of any other compensation~~ under this chapter ~~shall is not be~~ affected by the fact that ~~his the~~ employee was injured through the fault or negligence of a third party, against whom the employee may have a cause of action which may be sued under this chapter, but the employer, or the attorney general on behalf of the special compensation fund, ~~shall have~~ has a separate additional cause of action against ~~such the~~ third party to recover any amounts paid for medical treatment ~~or for other compensation payable~~ under this section resulting from the negligence of ~~such the~~ third party. This separate cause of action of the employer, or the attorney general on behalf of the special compensation fund, may be asserted in a separate action brought by the employer, or the attorney general on behalf of the special compensation fund, against ~~such the~~ third party, or in the action commenced by the employee or the employer, or the attorney general on behalf of the special compensation fund, under this chapter, but in the latter case the cause of action shall be separately stated, the amount awarded ~~thereon in the action~~ shall be separately set out in the verdict, and the amount recovered by suit or otherwise as reimbursement for medical expenses ~~or other compensation~~ shall be for the benefit of the employer, or the special compensation fund, to the extent that the employer, or the special compensation fund, has paid or will be required to pay ~~compensation or pay~~ for medical treatment of the injured employee and ~~shall does~~ not affect the amount of periodic compensation to be paid.

Subd. 8. [STATE AS EMPLOYER.] In every case arising under subdivision

5 when the state is the employer and a settlement between the third party and the employee is made it is not valid unless prior notice thereof is given to the state within a reasonable time. If the state pays compensation to the employee under the provisions of this chapter and becomes subrogated to the rights of the employee or his dependents any settlement between the employee or his dependents and the third party is void as against the state's right of subrogation. When an action at law is instituted by an employee or his dependents against a third party for recovery of damages a copy of the complaint and notice of trial or note of issue in such action shall be served on the state. Any judgment rendered therein is subject to a lien of the state for the amount to which it is entitled to be subrogated under the provisions of subdivision 5.

*Subd. 8a. [NOTICE TO EMPLOYER.] In every case arising under subdivision 5, a settlement between the third party and the employee is not valid unless prior notice of the intention to settle is given to the employer within a reasonable time. If the employer or insurer pays compensation to the employee under the provisions of this chapter and becomes subrogated to the right of the employee or the employee's dependents or has a right of indemnity, any settlement between the employee or the employee's dependents and the third party is void as against the employer's right of subrogation or indemnity. When an action at law is instituted by an employee or the employee's dependents against a third party for recovery of damages, a copy of the complaint and notice of trial or note of issue in the action shall be served on the employer or insurer. Any judgment rendered in the action is subject to a lien of the employer for the amount to which it is entitled to be subrogated or indemnified under the provisions of subdivision 5.*

**Subd. 9. [SERVICE OF NOTICE ON ATTORNEY GENERAL.]** In every case in which the state is liable to pay compensation or is subrogated to the rights of the employee or his the employee's dependents or has a right of indemnity, all notices required to be given the state shall be served on the attorney general and the commissioner of the department of labor and industry.

*Subd. 10. [INDEMNITY.] Notwithstanding the provisions of chapter 65B or any other law to the contrary, an employer has a right of indemnity for any compensation paid or payable pursuant to this chapter, including temporary total compensation, temporary partial compensation, permanent partial disability, economic recovery compensation, impairment compensation, medical compensation, rehabilitation, death, and permanent total compensation.*

Sec. 36. Minnesota Statutes 1982, section 176.081, subdivision 1, is amended to read:

Subdivision 1. No claim for legal services or disbursements pertaining to any demand made or suit or proceeding brought under the provisions of this chapter is an enforceable lien against the compensation or is valid or binding in any other respect unless approved in writing by the division, a compensation judge, a judge of the district court, or the workers' compensation court of appeals, if the claim arises out of a proceeding for compensation under this chapter, or by the judge presiding at the trial in an action for damages, or by a judge of the district court in a settlement of a claim for damages without trial. The division, a compensation judge, a judge of the district court or the workers' compensation court of appeals shall in matters before them, including settlement pro-

~~ceedings, have authority to approve~~ (a) A fee for legal services of ~~up to 25~~ percent of the first \$4,000 of compensation awarded to the employee and ~~up to 20~~ percent of the next \$27,500 of compensation awarded to the employee is permissible and does not require approval by the commissioner, compensation judge, or any other party except as provided in clause (b). If the employer or ~~his~~ the insurer or the defendant is given written notice of ~~such~~ claims for legal services or disbursements, the ~~same claim~~ shall be a lien against the amount paid or payable as compensation, ~~subject to determination of the amount and approval provided by this chapter.~~ ~~Provided, however, that~~ In no case shall fees be calculated on the basis of any undisputed portion of compensation awards. Allowable fees under this chapter shall be based solely upon genuinely disputed portions of claims, including disputes related to the payment of rehabilitation benefits or to other aspects of a rehabilitation plan.

(b) An attorney who is claiming legal fees under this section shall file a statement of attorney's fees with the commissioner, compensation judge before whom the matter was heard, or workers' compensation court of appeals on cases before the court. A copy of the signed retainer agreement shall also be filed. The employee and insurer shall receive a copy of the statement. The statement shall be on a form prescribed by the commissioner and shall clearly and conspicuously state that the employee or insurer has ten calendar days to object to the attorney fees requested. If no objection is timely made by the employee or insurer, the amount requested shall be conclusively presumed reasonable providing the amount does not exceed the limitation in subdivision 1. The commissioner, compensation judge, or court of appeals shall issue an order granting the fees and the amount requested shall be awarded to the party requesting the fee.

If a timely objection is filed, the commissioner, compensation judge, or court of appeals shall review the matter and make a determination based on the criteria in subdivision 5.

If no timely objection is made by an employer or insurer, reimbursement under subdivision 7 shall be made if the statement of fees requested this reimbursement.

Sec. 37. Minnesota Statutes 1982, section 176.081, subdivision 2, is amended to read:

Subd. 2. ~~Any~~ An application for attorney fees in excess of the amount authorized in subdivision 1 shall be made to the ~~workers' compensation court of appeals division, compensation judge, or district judge, before whom the matter was heard.~~ An appeal of a decision by a compensation judge or district court judge on additional fees may be made to the workers' compensation court of appeals. The application shall set forth the fee requested and the basis for ~~such~~ the request and whether or not a hearing is requested. The application, with affidavit of service upon the employee, shall be filed by the attorney requesting the fee. If a hearing is requested by an interested party, a hearing shall be set with notice of ~~such~~ the hearing served upon known interested parties. In all cases the employee shall be served with notice of hearing.

Sec. 38. Minnesota Statutes 1982, section 176.081, subdivision 5, is amended to read:

Subd. 5. In the determination of the reasonable value of attorney fees arising out of a claim or proceeding under this chapter an award of fees in excess of the amount authorized under subdivision 1, or if an objection is filed under subdivision 1, clause (b), the following principles are to be applied:

(a) The fee in each individual case must be a reasonable one.

(b) There is no set standard fee to be awarded in any workers' compensation matter.

(c) No attorney-client fee contract or arrangement is binding in any workers' compensation matter.

(d) In determining a reasonable attorney fee, important factors to be taken into account are: the amount involved, the time and expense necessary to prepare for trial, the responsibility assumed by counsel, the expertise of counsel in the workers' compensation field, the difficulties of the issues involved, the nature of proof needed to be adduced and the results obtained. The amount of money involved shall not be the controlling factor.

(e) The determination of the fee in each specific workers' compensation matter must be done with the same care as the determination of any other fact question in the matter.

(f) The determiner of the attorney fee in each matter must ascertain whether or not a retainer fee has been paid to the attorney and if so, the amount of the retainer fee.

(g) The determiner of attorney fees in each case must personally see that the workers' compensation file contains fully adequate information to justify the fee that is determined.

Sec. 39. Minnesota Statutes 1982, section 176.081, subdivision 6, is amended to read:

Subd. 6. The *commissioner, office of administrative hearings, and the workers' compensation court of appeals* may adopt reasonable and proper *joint* rules to effect ~~its~~ *each of their* obligations under this section.

Sec. 40. Minnesota Statutes 1982, section 176.081, subdivision 7, is amended to read:

Subd. 7. If the employer or insurer ~~shall file~~ *files* a denial of liability, notice of discontinuance, or ~~shall fail~~ *fails* to make payment of compensation or medical expenses within the statutory period after notice of injury or occupational disease, or ~~shall~~ otherwise ~~resist~~ *unsuccessfully resists* the payment of compensation or medical expenses, or *unsuccessfully disputes the payment of rehabilitation benefits or other aspects of a rehabilitation plan*, and the injured person ~~shall have~~ *has* employed an attorney at law, who successfully procures payment on behalf of the employee or who *enables the resolution of a dispute with respect to a rehabilitation plan*, the compensation judge, commissioner ~~of the department of labor and industry~~, or the workers' compensation court of appeals upon appeal, upon application, shall award to the employee against the insurer or self-insured employer or uninsured employer, in addition to the compensation benefits paid or awarded to the employee, an amount equal to 25 percent of that portion of the attorney's fee which has been awarded pursuant to this section that is in excess of \$250.



Sec. 41. Minnesota Statutes 1982, section 176.081, is amended by adding a subdivision to read:

*Subd. 11. [WHEN FEES DUE.] Attorney fees and other disbursements for a proceeding under this chapter shall not be due or paid until the issue for which the fee or disbursement was incurred has been resolved.*

Sec. 42. Minnesota Statutes 1982, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, *the compensation is 66 2/3 percent of the daily weekly wage at the time of injury*

(1) provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1, the maximum weekly ~~benefits compensation payable shall be~~ *is the statewide average weekly wage for the period ending December 31, of the preceding year.*

(2) The minimum weekly compensation benefits for temporary total disability shall be not less than 50 percent of the statewide average weekly wage or the injured employee's actual weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.

*Subject to subdivisions 3a to 3u this compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.*

Sec. 43. Minnesota Statutes 1982, section 176.101, subdivision 2, is amended to read:

Subd. 2. [TEMPORARY PARTIAL DISABILITY.] In all cases of temporary partial disability the compensation shall be 66 2/3 percent of the difference between the ~~daily weekly wage of the worker employee~~ *at the time of injury and the wage he the employee is able to earn in his the employee's partially disabled condition. This compensation shall be paid during the period of disability except as provided in section 176.101, payment to be made at the intervals when the wage was payable, as nearly as may be, and subject to a maximum compensation equal to the statewide average weekly wage. If the employer does not furnish the worker with work which he can do in his temporary partially disabled condition and he is unable to procure such work with another employer, after reasonably diligent effort, the employee shall be paid at the full compensation rate for his or her temporary total disability.*

Sec. 44. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3a. [ECONOMIC RECOVERY COMPENSATION.] If an employee is not eligible for an impairment award pursuant to subdivision 3b, then the employee shall receive economic recovery compensation for a permanent partial disability pursuant to this subdivision. The compensation shall be 66-2/3 percent of the weekly wage at the time of injury subject to a maximum equal to the statewide average weekly wage. For permanent par-*

*tial disability up to the percent of the whole body in the following schedule the compensation shall be paid for the proportion that the loss of function of the disabled part bears to the whole body multiplied by the number of weeks aligned with that percent.*

| <i>Percent of disability</i> | <i>Weeks of compensation</i> |
|------------------------------|------------------------------|
| 0-25                         | 600                          |
| 26-30                        | 640                          |
| 31-35                        | 680                          |
| 36-40                        | 720                          |
| 41-45                        | 760                          |
| 46-50                        | 800                          |
| 51-55                        | 880                          |
| 56-60                        | 960                          |
| 61-65                        | 1040                         |
| 66-70                        | 1120                         |
| 71-100                       | 1200                         |

*The percentage loss in all cases under this subdivision is determined according to the rules adopted by the commissioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.*

Sec. 45. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3b. [IMPAIRMENT COMPENSATION.] An employee who suffers a permanent partial disability due to a personal injury and receives impairment compensation under this section shall receive compensation in an amount as provided by this subdivision. For permanent partial disability up to the percent of the whole body shown in the following schedule the amount shall be equal to the proportion that the loss of function of the disabled part bears to the whole body multiplied by the amount aligned with that percent in the following schedule:*

| <i>Percent of disability</i> | <i>Amount</i> |
|------------------------------|---------------|
| 0-25                         | \$ 75,000     |
| 26-30                        | 80,000        |
| 31-35                        | 85,000        |
| 36-40                        | 90,000        |
| 41-45                        | 95,000        |
| 46-50                        | 100,000       |
| 51-55                        | 120,000       |
| 56-60                        | 140,000       |
| 61-65                        | 160,000       |
| 66-70                        | 180,000       |
| 71-75                        | 200,000       |
| 76-80                        | 240,000       |
| 81-85                        | 280,000       |
| 86-90                        | 320,000       |
| 91-95                        | 360,000       |
| 96-100                       | 400,000       |

*For all cases under this subdivision the percentage loss of function of a part of the body is determined according to the rules adopted by the com-*

missioner pursuant to section 176.105, subdivision 4. This subdivision shall apply to a permanent partial disability incurred on or after the adoption of those rules.

Sec. 46. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3c. [MAXIMUM PAYABLE.] The maximum amount payable under subdivisions 3a and 3b is the maximum compensation payable to an employee who has a 100 percent disability to the body as a whole and under no conditions shall an employee receive more than those amounts even if the employee sustains a disability to two or more body parts.*

Sec. 47. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3d. [GENERAL.] An employee who has incurred a personal injury shall receive temporary total compensation until these benefits are no longer payable pursuant to this section. If the injury results in a permanent partial disability the employee shall receive compensation as provided in this section.*

Sec. 48. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3e. [END OF TEMPORARY TOTAL COMPENSATION.] (a) 90 days after an employee has reached maximum medical improvement or 90 days after the end of an approved retraining program, whichever is later, the employee's temporary total compensation shall cease. This cessation shall occur at an earlier date if otherwise provided by this chapter.*

*(b) If during the 90-day period described in clause (a) the employee retires or the employer furnishes work to the employee that is consistent with an approved plan of rehabilitation or, if no plan has been approved, that the employee can do in his or her physical condition and that job produces an economic status as close as possible to that the employee would have enjoyed without the disability, or the employer procures this employment with another employer or the employee accepts this job with another employer, temporary total compensation shall cease and the employee shall, if appropriate, receive impairment compensation pursuant to subdivision 3b. This impairment compensation is in lieu of economic recovery compensation under subdivision 3a, and the employee shall not receive both economic recovery compensation and impairment compensation. Temporary total compensation and impairment compensation shall not be paid concurrently. Once temporary total compensation ceases no further temporary total compensation is payable except as specifically provided by this section.*

*Upon receipt of a written medical report indicating that the employee has reached maximum medical improvement, the employer or insurer shall serve a copy of the report upon the employee and shall file a copy with the division. The beginning of the 90-day period shall commence on the day this report is served on the employee for the purpose of determining whether a job offer consistent with the requirements of this subdivision is made.*

*(c) The job which is offered or procured by the employer or accepted by the employee under clause (b) does not necessarily have to commence immedi-*

ately but shall commence within a reasonable period after the end of the 90-day period described in clause (a). Temporary total compensation shall not cease under this subdivision until the job commences.

(d) If the job offered under clause (a) is not the job the employee had at the time of injury it shall be offered in writing and shall state the nature of the job, the rate of pay, the physical requirements of the job, and any other information necessary to fully and completely inform the employee of the job duties and responsibilities.

The employee has 14 calendar days to accept or reject the job offer. If the employee does not respond within this period it is deemed a refusal of the offer.

(e) Self employment may be an appropriate job under this subdivision.

The commissioner shall monitor application of this subdivision and may adopt rules to assure its proper application.

Sec. 49. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3f. [JOB PRIOR TO MAXIMUM MEDICAL IMPROVEMENT.] If the employer offers a job prior to the employee reaching maximum medical improvement and the job is consistent with an approved plan of rehabilitation or if no rehabilitation plan has been approved and the job is within the employee's physical limitations; or the employer procures a job for the employee with another employer which meets the requirements of this subdivision; or the employee accepts a job with another employer which meets the requirements of this subdivision, the employee's temporary total compensation shall cease. In this case the employee shall receive impairment compensation for the permanent partial disability which is ascertainable at that time. This impairment compensation shall be paid at the same rate that temporary total compensation was last paid. Upon reaching maximum medical improvement the provisions of subdivisions 3e or 3p apply, whichever is appropriate, and economic recovery compensation or impairment compensation is payable accordingly except that the compensation shall be offset by impairment compensation received under this subdivision.*

Sec. 50. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3g. [ACCEPTANCE OF JOB OFFER.] If the employee accepts a job offer described in subdivision 3e and the employee begins work at that job, although not necessarily within the 90-day period specified in that subdivision, the impairment compensation shall be paid in a lump sum 30 calendar days after the employee actually commences work.*

Sec. 51. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3h. [TEMPORARY PARTIAL COMPENSATION.] An employee who accepts a job under subdivision 3e or subdivision 3f and begins that job shall receive temporary partial compensation pursuant to subdivision 2, if appropriate.*

Sec. 52. Minnesota Statutes 1982, section 176.101, is amended by adding

a subdivision to read:

*Subd. 3i. [LAYOFF BECAUSE OF LACK OF WORK OR RELEASED FOR OTHER THAN SEASONAL CONDITIONS.] (a) If an employee accepts a job under subdivision 3e and begins work at that job and is subsequently unemployed because of economic conditions, other than seasonal conditions, the employee shall receive monitoring period compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant if the employee remains unemployed for 45 calendar days. The commissioner may waive this rehabilitation consultation if the commissioner deems it appropriate. Further rehabilitation, if deemed appropriate, is governed by section 176.102.*

*(b) Upon the employee's initial return to work the monitoring period begins to run. If the employee is unemployed for the reason in clause (a), prior to the end of the monitoring period the employee shall receive monitoring period compensation. This compensation shall be paid for the lesser of (1) the weeks remaining in the monitoring period, or (2) the weeks equal to the monitoring period minus the impairment compensation paid to the employee. For purposes of this clause the impairment compensation shall be converted to weeks by dividing the impairment compensation received by the employee by the employee's compensation rate for temporary total disability at the time of the injury. No monitoring period compensation is payable if the unemployment occurs after the expiration of the monitoring period. Monitoring period compensation is payable at the same intervals and in the same amount as when temporary total compensation ceased.*

*(c) If the employee returns to work and is still receiving monitoring period compensation, this compensation shall cease. Any period remaining in the monitoring period upon this return to work shall be used to determine further benefits if the employee is again unemployed under clause (a).*

*(d) Upon the employee's return to work pursuant to this section the insurer shall notify the employee of the length of the employee's monitoring period and shall notify the employee of the amount of impairment to be paid and the date of payment.*

Sec. 53. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3j. [MEDICALLY UNABLE TO CONTINUE WORK.] (a) If the employee has started the job offered under subdivision 3e and is medically unable to continue at that job because of the permanent partial disability, that employee shall receive temporary total compensation pursuant to clause (b). In addition, the employer who was the employer at the time of the injury shall provide rehabilitation consultation by a qualified rehabilitation consultant. Further rehabilitation, if deemed appropriate, is governed by section 176.102.*

*(b) Temporary total compensation shall be paid for up to 90 days after the employee has reached maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later. The temporary total compensation shall cease at any time within the 90-day period that the employee begins work meeting the requirements of subdivision 3e. If no job is*

*offered to the employee by the end of this 90-day period, the employee shall receive economic recovery compensation pursuant to this section but reduced by the impairment compensation previously received by the employee for the same disability.*

Sec. 54. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3k. [UNEMPLOYMENT DUE TO SEASONAL CONDITION.] If an employee has started the job offered under subdivision 3e and is subsequently unemployed from that job because of the job's seasonal nature, the employee shall receive any unemployment compensation the employee is eligible for pursuant to chapter 268. The employee shall receive, in addition and concurrently, the amount that the employee was receiving for temporary partial disability at the time of the layoff. No further or additional compensation is payable under this chapter because of the seasonal layoff.*

Sec. 55. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3l. [FAILURE TO ACCEPT JOB OFFER.] If the employee has been offered a job under subdivision 3e and has refused the offer, the impairment compensation shall not be paid in a lump sum but shall be paid in the same interval and amount that temporary total compensation was initially paid. Temporary total compensation shall cease upon the employee's refusal to accept the job offered and no further or additional temporary total compensation is payable for that injury. The payment of the periodic impairment compensation shall cease when the amount the employee is eligible to receive under subdivision 3b is reached, after which time the employee shall not receive additional impairment compensation or any other compensation under this chapter unless the employee has a greater permanent partial disability than already compensated for.*

Sec. 56. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3m. [RETURN TO WORK AFTER REFUSAL OF JOB OFFER.] If the employee has refused the job offer under subdivision 3e and is receiving periodic impairment compensation and returns to work at another job, the employee shall receive the remaining impairment compensation due, in a lump sum, 30 days after return to work.*

Sec. 57. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3n. [NO TEMPORARY PARTIAL COMPENSATION OR REHABILITATION IF JOB OFFER REFUSED.] An employee who has been offered a job under subdivision 3e and has refused that offer and who subsequently returns to work shall not receive temporary partial compensation pursuant to subdivision 2 if the job the employee returns to provides a wage less than the wage at the time of the injury. No rehabilitation shall be provided to this employee.*

Sec. 58. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3o. [INABILITY TO RETURN TO WORK.] (a) An employee who is*

*permanently totally disabled pursuant to subdivision 5 shall receive impairment compensation as determined pursuant to subdivision 3b. This compensation is payable in addition to permanent total compensation pursuant to subdivision 4 and is payable concurrently. In this case the impairment compensation shall be paid in the same intervals and amount as the permanent total compensation is paid, and the impairment compensation shall cease when the amount due under subdivision 3b is reached. If this employee returns to work at any job during the period the impairment compensation is being paid, the remaining impairment compensation due shall be paid in a lump sum 30 days after the employee has returned to work and no further temporary total compensation shall be paid.*

*(b) If an employee is receiving periodic economic recovery compensation and is determined to be permanently totally disabled no offset shall be taken against future permanent total compensation for the compensation paid. No further economic recovery compensation is payable even if the amount due the employee pursuant to subdivision 3a has not yet been reached.*

*(c) An employee who has received periodic economic recovery compensation and who meets the criteria under clause (b) of this subdivision shall receive impairment compensation pursuant to clause (a) of this subdivision even if the employee has previously received economic recovery compensation for that disability.*

*(d) Rehabilitation consultation pursuant to section 176.102 shall be provided to an employee who is permanently totally disabled.*

Sec. 59. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3p. [NO JOB OFFER.] Where the employee has a permanent partial disability and has reached maximum medical improvement or upon completion of an approved retraining program, whichever is later, that employee shall receive economic recovery compensation pursuant to subdivision 3a if no job offer meeting the criteria of the job in subdivision 3e is made within 90 days after reaching maximum medical improvement or 90 days after the end of an approved retraining plan, whichever is later.*

*Temporary total compensation shall cease upon commencement of the payment of economic recovery compensation. Temporary total compensation shall not be paid concurrently with economic recovery compensation.*

Sec. 60. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3q. [METHOD OF PAYMENT OF ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation is payable at the same intervals and in the same amount as temporary total compensation was paid. If the employee returns to work and the economic recovery compensation is still being paid, the remaining economic recovery compensation due shall be paid in a lump sum 30 days after the employee has returned to work.*

*(b) Periodic economic recovery compensation paid to the employee shall not be adjusted pursuant to section 176.645.*

Sec. 61. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3r. [PAYMENT OF COMPENSATION AT DEATH.] If an employee receiving economic recovery compensation or impairment compensation in periodic amounts dies during the period from causes unrelated to the injury, the compensation shall be paid in the following manner:*

*(a) If the deceased employee leaves a dependent surviving spouse and no dependent children, as defined by section 176.111, subdivision 1, the spouse shall receive the periodic economic recovery or impairment compensation that the deceased was receiving before the death. This compensation shall be paid for a period of up to ten years after the date of death at which time payments and future entitlement to it ceases.*

*(b) If the deceased employee leaves a dependent spouse and dependent children, as defined in section 176.111, subdivision 1, the periodic economic recovery or impairment compensation shall continue to be paid to the surviving spouse for up to ten years after the last child is no longer dependent after which time payments and future entitlement to the compensation ceases.*

*(c) Payment of compensation under this subdivision shall cease prior to the end of the ten-year periods in this subdivision if the amount to which the employee is entitled to receive under subdivision 3, 3a, or 3b, is reached prior to the end of the ten-year period. If the deceased employee is not survived by dependent children or a dependent spouse as defined in section 176.111, no further economic recovery compensation or impairment compensation is payable to any person under this subdivision.*

*(d) If the death results from the injury, the payment of economic recovery compensation or impairment compensation shall cease upon the death and death benefits are payable pursuant to section 176.111.*

Sec. 62. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3s. [ADDITIONAL ECONOMIC RECOVERY COMPENSATION OR IMPAIRMENT COMPENSATION.] No additional economic recovery compensation or impairment compensation is payable to an employee who has received that compensation to which the employee is entitled pursuant to subdivision 3a or 3b unless the employee has a greater permanent partial disability than already compensated.*

Sec. 63. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3t. [MINIMUM ECONOMIC RECOVERY COMPENSATION.] (a) Economic recovery compensation pursuant to this section shall be at least 120 percent of the impairment compensation the employee would receive if that compensation were payable to the employee. The monitoring period shall be at least 120 percent of the weeks during which impairment compensation would be payable if paid weekly.*

*(b) An employee who has suffered a personal injury for which temporary total compensation is payable but which produces no permanent partial disability shall receive 26 weeks of economic recovery compensation if no job is offered within the time specified in and meeting the criteria of subdivision 3e.*

Sec. 64. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:



*Subd. 3u. [MEDICAL BENEFITS.] This section does not in any way limit the medical benefits to which an injured employee is otherwise entitled pursuant to this chapter.*

Sec. 65. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 3v. [ADMINISTRATIVE CONFERENCE.] The provisions of section 176.242 apply if there exists a dispute regarding maximum medical improvement or whether the job offered meets the criteria under subdivision 3e or 3f.*

Sec. 66. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 4a. [PREEXISTING CONDITION OR DISABILITY; APPORTIONMENT.] (a) If a personal injury results in a disability which is attributable in part to a preexisting disability that arises from a congenital condition or is the result of a traumatic injury or incident, whether or not compensable under this chapter, the compensation payable for the permanent partial disability pursuant to this section shall be reduced by the proportion of the disability which is attributable only to the preexisting disability. An apportionment of a permanent partial disability under this subdivision shall be made only if the preexisting disability is clearly evidenced in a medical report or record made prior to the current personal injury. Evidence of a copy of the medical report or record upon which apportionment is based shall be made available to the employee by the employer at the time compensation for the permanent partial disability is begun.*

*(b) The compensable portion of the permanent partial disability under this section shall be paid at the rate at which the entire disability would be compensated but for the apportionment.*

Sec. 67. Minnesota Statutes 1982, section 176.101, subdivision 6, is amended to read:

*Subd. 6. [MINORS.] If any employee entitled to the benefits of this chapter is a minor or is an apprentice of any age and sustains a personal injury arising out of and in the course of employment resulting in permanent total or a compensable permanent partial disability, for the purpose of computing the compensation to which he the employee is entitled for said the injury the compensation rate for temporary total, temporary partial, ~~retraining, permanent partial or a permanent total disability or economic recovery compensation~~ shall be the larger of either the statewide average weekly wage of the employees weekly wage, but in no case shall the compensation exceed the maximum weekly compensation rate payable under this chapter.*

Sec. 68. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 8. [RETIREMENT PRESUMPTION.] For injuries occurring after the effective date of this subdivision an employee who receives social security old age and survivors insurance retirement benefits is presumed retired from the labor market. This presumption is rebuttable by a preponderance of the evidence.*

Sec. 69. Minnesota Statutes 1982, section 176.102, subdivision 1, is

amended to read:

Subdivision 1. [SCOPE.] ~~Vocational Rehabilitation shall train an~~ *is intended to restore the injured employee, through physical and vocational rehabilitation, so ~~he~~ the employee may be returned return to a job related to his the employee's former employment or to a job in another work area which produces an economic status as close as possible to that ~~he~~ the employee would have enjoyed without disability. Rehabilitation to a job with a higher economic status than would have occurred without disability is permitted if it can be demonstrated that this rehabilitation is necessary to increase the likelihood of reemployment. Economic status is to be measured not only by opportunity for immediate income but also by opportunity for future income.*

Sec. 70. Minnesota Statutes 1982, section 176.102, subdivision 2, is amended to read:

Subd. 2. [ADMINISTRATORS.] ~~The commissioner of labor and industry shall hire a director of rehabilitation services in the classified service. The commissioner of labor and industry is responsible for supervising shall monitor and supervise rehabilitation services, including, but not limited to, making determinations regarding the selection and delivery of rehabilitation services and the criteria used to approve qualified rehabilitation consultants and rehabilitation vendors. The commissioner may also make determinations regarding fees for rehabilitation services, the fitness of qualified rehabilitation consultants and vendors to continue to be approved under this section and has authority to discipline, by fine or otherwise, the consultants or vendors who act in violation of this chapter or rules adopted pursuant to this chapter. The commissioner of labor and industry may hire qualified personnel to assist in his duties under this section and may delegate his duties and performance.~~

Sec. 71. Minnesota Statutes 1982, section 176.102, subdivision 3, is amended to read:

Subd. 3. [REVIEW PANEL.] ~~There is created a rehabilitation review panel composed of the commissioner of labor and industry or his a designee, who shall serve as an ex officio member and two members each from labor, employers, insurers, vocational rehabilitation, and medicine and, one member representing chiropractors, and four members representing labor. The members shall be appointed by the governor commissioner and shall serve four year four-year terms which may be renewed. Compensation for members shall be governed by section 15.0575. The panel shall select a chairman. The panel shall (a) review and make a determination with respect to (a) appeals regarding eligibility for rehabilitation services, rehabilitation plans and rehabilitation benefits under subdivisions 9 and 11; (b) hold appeals on any other rehabilitation issue the commissioner determines under this section; and (c) appeals regarding fee disputes, penalties, discipline, certification approval or revocation of certification approval hearings; (e) of registration of qualified rehabilitation consultants and approved vendors. The panel shall continuously study rehabilitation services and delivery and (d) develop and recommend rehabilitation rules as necessary to the commissioner of labor and industry. A majority vote of those attending a panel hearing under subdivision 6 shall constitute the decision of the board.~~

Sec. 72. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

*Subd. 3a. [REVIEW PANEL APPEALS.] Appeals to the review panel shall be heard before a panel of five members designated by the review panel. Each five-member panel shall consist of two labor members, two employer or insurer members, and one member representing medicine, chiropractic, or rehabilitation. The determination of the five-member panel shall be by a majority vote and shall represent the determination of the entire review panel and is not subject to review by the panel as a whole. When conducting a review of the commissioner's determination regarding any rehabilitation issue or plan the panel shall give the parties notice that the appeal will be heard. This notice shall be given at least ten working days prior to the hearing. The notice shall state that parties may be represented by counsel at the hearing. In conducting its review the panel shall permit an interested party to present relevant, competent, oral or written evidence and to cross-examine opposing evidence. Evidence presented is not limited to the evidence previously submitted to the commissioner. A record of the proceeding shall be made by the panel. Upon determination of the issue presented, the panel shall issue to the interested parties a written decision and order. The decision need not contain a recitation of the evidence presented at the hearing, but shall be limited to the panel's basis for the decision.*

Sec. 73. Minnesota Statutes 1982, section 176.102, subdivision 4, is amended to read:

*Subd. 4. [REHABILITATION PLAN; DEVELOPMENT.] Within 30 days of the time an employer or his insurer has medical information that an employee is unable due to a personal injury or occupational disease to return to his preinjury occupation the employer shall provide rehabilitation consultation for the employee. The employee, however, has the final decision on which rehabilitation agency is to be utilized pursuant to the provisions of this section. The consultation shall be done by any person or public or private institution approved by the commissioner of labor and industry. If the consultant determines rehabilitation would significantly reduce or eliminate the decrease in employability, the employer or insurer in conjunction with the rehabilitation consultant shall submit a specific plan of rehabilitation to the commissioner. If the employer does not provide rehabilitation consultation, when required by this section, within the time specified by this subdivision, the commissioner of labor and industry shall notify the employer and insurer that should they fail to provide rehabilitation consultation within 15 days from the receipt of the commissioner's notice, the division of vocational rehabilitation shall be authorized to provide the rehabilitation consultation for the employee. If the employee refuses to submit to any reasonable examinations and evaluative procedures to determine the need for and the details of a plan of rehabilitation, the amount of compensation may be reduced or the right to compensation may be suspended by an order of the division or workers' compensation court of appeals in a matter before it. In developing a plan, consideration shall be given to the employee's age, education, previous work history, interests and skills. (a) An employer or insurer shall provide rehabilitation consultation by a qualified rehabilitation consultant or by another person permitted by rule to provide consultation to an injured employee within five days after the employee has 60 days of lost work time due to the personal injury, except as otherwise*

provided in this subdivision. Where an employee has incurred an injury to the back, the consultation shall be made within five days after the employee has 30 days of lost work time due to the injury. The lost work time in either case may be intermittent lost work time. If an employer or insurer has medical information at any time prior to the time specified in this subdivision that the employee will be unable to return to the job the employee held at the time of the injury rehabilitation consultation shall be provided immediately after receipt of this information.

For purposes of this section "lost work time" means only those days during which the employee would actually be working but for the injury. In the case of the construction industry, mining industry, or other industry where the hours and days of work are affected by seasonal conditions, "lost work time" shall be computed by using the normal schedule worked when employees are working full time.

If the employee objects to the employer's selection of a qualified rehabilitation consultant, the employee shall notify the employer and the commissioner in writing of the objection.

Upon receipt of the notice of objection, the commissioner may schedule an administrative conference for the purpose of determining which qualified rehabilitation consultant may be mutually acceptable. The employee has the final decision on which qualified rehabilitation consultant is to be utilized.

The employee and employer shall enter into a program if one is prescribed in a rehabilitation plan. A copy of the plan, including a target date for return to work, shall be submitted to the commissioner.

(b) If the employer does not provide rehabilitation consultation as required by this section, the commissioner shall notify the employer that if the employer fails to appoint a qualified rehabilitation consultant or other persons as permitted by clause (a) within 15 days to conduct a rehabilitation consultation, the commissioner shall appoint a qualified rehabilitation consultant to provide the consultation at the expense of the employer unless the commissioner determines the consultation is not required.

(c) In developing a rehabilitation plan consideration shall be given to the employee's qualifications, including but not limited to age, education, previous work history, interest, transferable skills, and present and future labor market conditions.

(d) The commissioner may waive rehabilitation consultation under this section if the commissioner is satisfied that the employee will return to work in the near future or that rehabilitation consultation will not be useful in returning an employee to work.

Sec. 74. Minnesota Statutes 1982, section 176.102, subdivision 5, is amended to read:

Subd. 5. [ON THE JOB TRAINING.] On the job training is to be given consideration in developing a rehabilitation plan especially where it would produce an economic status similar to that enjoyed prior to disability. When a rehabilitation plan includes on the job training, the employee shall receive compensation while employed in an amount equal to the after tax wage the employee received at the time of the personal injury. This compensation shall

be paid in whole or in part by the insurer liable for compensation for the employee's personal injury. The amount of compensation to be paid by this insurer shall be determined in the rehabilitation plan prepared pursuant to this section. Any difference between the amount of compensation the insurer is paying and the after tax wage the employee received at the time of the personal injury shall be paid by the on the job employer, but in no case shall this employer's amount exceed the prevailing wage for the job. After tax wage shall be determined by subtracting federal and state income tax from the employee's gross wage.

A rehabilitation plan which includes on the job training shall attempt to create an incentive for an employer to hire the employee for on the job training. This incentive may be in the form of reducing the on the job training employer's wages paid to the employee to a level which is less than the prevailing wage for the job, provided that the total compensation from the insurer, required by this section, and the wages paid by the on the job training employer is not less than the after tax wage received by the employee at the time of the personal injury. The compensation from the insurer and the on the job training employer paid pursuant to this subdivision is in lieu of temporary total disability payments and the additional compensation provided in subdivision 11.

Sec. 75. Minnesota Statutes 1982, section 176.102, subdivision 6, is amended to read:

*Subd. 6. [PLAN, ELIGIBILITY FOR REHABILITATION, APPROVAL AND APPEAL.] The commissioner of labor and industry shall determine eligibility for rehabilitation services and shall review, approve, modify or reject rehabilitation plans developed under subdivision 4. The commissioner shall also make determinations regarding rehabilitation issues not necessarily part of a plan including, but not limited to, determinations regarding whether an employee is eligible for further rehabilitation and the benefits under subdivisions 9 and 11 to which an employee is entitled. Any persons aggrieved by A decision of the commissioner may appeal be appealed to the rehabilitation review panel within 30 days of the commissioner's decision. The decision of the panel may be appealed to the workers' compensation court of appeals in the same manner as other matters appealed to the court. The panel may approve or reject the decision of the commissioner. If it rejects the commissioner's decision it may formulate its own rehabilitation plan.*

Sec. 76. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

*Subd. 6a. [ELIGIBILITY DETERMINATION.] The commissioner has the sole authority under this chapter to determine eligibility for rehabilitation services under this section and to review, approve, modify, or reject rehabilitation plans and make other rehabilitation determinations pursuant to this chapter. These determinations shall not be made by a compensation judge but may be appealed to the rehabilitation review panel and workers' compensation court of appeals as provided by subdivision 6.*

Sec. 77. Minnesota Statutes 1982, section 176.102, subdivision 7, is amended to read:

*Subd. 7. [PLAN IMPLEMENTATION; REPORTS.] Upon request by the commissioner, insurer or, employer or employee, medical and rehabilitation*

reports shall be made by the provider of the *medical and* rehabilitation service to the commissioner of ~~labor and industry~~, insurer ~~and~~, employer or *employee of an employee's progress under a plan.*

Sec. 78. Minnesota Statutes 1982, section 176.102, subdivision 8, is amended to read:

Subd. 8. [PLAN MODIFICATION.] Upon request ~~of to the commissioner~~ by the employer, the insurer, or employee ~~to the commissioner, or upon the commissioner's own request~~, the plan may be suspended, terminated or altered upon a showing of good cause ~~therefor~~, including:

(a) a physical impairment that does not allow the employee to pursue the ~~vocation being trained for rehabilitation plan~~;

(b) the employee's performance level indicates ~~he cannot complete~~ the plan ~~will not be successfully completed~~; ~~or~~

(c) an employee does not cooperate with a plan-;

(d) ~~that the plan or its administration is substantially inadequate to achieve the rehabilitation plan objectives.~~

An employee may request a change in a rehabilitation plan once because ~~he the employee feels he is not suited~~ ill-suited for the type of work for which ~~training rehabilitation~~ is being provided ~~if the request is made within 90 days of the start of the plan if the rehabilitation plan includes retraining, this request must be made within 90 days of the beginning of the retraining program.~~ Any decision of the commissioner regarding a change in a plan may be appealed to the *rehabilitation review panel* within ~~45~~ 30 days of the decision.

Sec. 79. Minnesota Statutes 1982, section 176.102, subdivision 9, is amended to read:

Subd. 9. [PLAN, COSTS.] An employer is liable for the following rehabilitation expenses under this section:

(a) Cost of ~~vocational~~ rehabilitation ~~diagnosis evaluation~~ and preparation of a plan;

(b) Cost of all rehabilitation services and supplies necessary for implementation of the plan;

(c) Reasonable cost of tuition, books and travel; and, in addition, reasonable costs of board ~~and~~, lodging ~~and custodial daycare~~ when rehabilitation requires residence away from the employee's customary residence; ~~and~~

(d) *Reasonable costs of travel and custodial daycare during the job interview process;*

(e) *Reasonable cost for moving expenses of the employee and family if a job is found in a geographic area beyond reasonable commuting distance after a diligent search within the present community. Relocation shall not be paid more than once during any rehabilitation program, and relocation shall not be required if the new job is located within the same standard metropolitan statistical area as the employee's job at the time of injury. An employee shall not be required to relocate and a refusal to relocate shall not result in a suspension or termination of compensation under this chapter; and*

(d) (f) Any other expense agreed to be paid.

Sec. 80. Minnesota Statutes 1982, section 176.102, subdivision 10, is amended to read:

Subd. 10. [REHABILITATION; CONSULTANTS.] The commissioner shall approve rehabilitation consultants who may propose and implement plans if they satisfy rules promulgated adopted by the commissioner for rehabilitation consultants. A consultant may be an individual or public or private entity, but may not be a vendor or the agent of a vendor of rehabilitation services.

Sec. 81. Minnesota Statutes 1982, section 176.102, subdivision 11, is amended to read:

Subd. 11. [COMPENSATION DURING REHABILITATION RETRAINING.] ~~The insurer or employer shall pay up~~ *Retraining is limited to 156 weeks of compensation during rehabilitation under a plan in an amount equal to 125 percent of the employee's rate for temporary total disability. This payment is in lieu of payment for temporary total, temporary partial, or permanent total disability to which the employee might otherwise be entitled for this period under this chapter, but shall be considered to be the equivalent of temporary total disability for the purposes of section 176.132. If on the job training is part of the rehabilitation program, the weeks during which the insurer or employer pays compensation pursuant to subdivision 5 shall be subtracted from the 156 weeks of retraining compensation which has been paid, if any, pursuant to this subdivision. This subdivision shall not apply to retraining benefits for which liability has been established prior to July 1, 1979. An employee who has been approved for retraining may petition the commissioner for additional compensation not to exceed 25 percent of the compensation otherwise payable. If the commissioner determines that this additional compensation is warranted due to unusual or unique circumstances of the employee's retraining plan, the commissioner may award additional compensation in an amount the commissioner determines is appropriate, not to exceed the employee's request. This additional compensation shall cease at any time the commissioner determines the special circumstances are no longer present.*

Sec. 82. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 11a. [APPLICABILITY OF SECTION.] *This section is applicable to all employees injured prior to or on and after October 1, 1979, except for those provisions which affect an employee's monetary benefits.*

Sec. 83. Minnesota Statutes 1982, section 176.102, is amended by adding a subdivision to read:

Subd. 12. [DISCONTINUANCE.] *All benefits payable under chapter 176 may, after a determination and order by the commissioner, be discontinued or forfeited for any time during which the employee refuses to submit to any reasonable examinations and evaluative procedures ordered by the commissioner to determine the need for and details of a plan of rehabilitation, or refuses to participate in rehabilitation evaluation as required by this section or does not make a good faith effort to participate in a rehabilitation plan. A discontinuance under this section is governed by article 2, section 141.*

Sec. 84. [176.103] [MEDICAL HEALTH CARE REVIEW.]

*Subdivision 1. [PURPOSE.] It is the purpose of this section to provide for review of clinical health care providers who render services to injured employees. This review shall be achieved by establishing a quality control system within the department of labor and industry.*

*The commissioner shall hire a medical consultant to assist in the administration of this section.*

*The medical consultant shall be a doctor of medicine licensed under the laws of Minnesota.*

*The medical consultant shall perform all duties assigned by the commissioner relating to the supervision of the total continuum of care of injured employees and shall also advise the department on matters on which the commissioner requests the consultant's advice or if the consultant deems it appropriate.*

*Subd. 2. [SCOPE.] The commissioner shall monitor the medical and surgical treatment provided to injured employees, the services of other health care providers and shall also monitor hospital utilization as it relates to the treatment of injured employees. This monitoring shall include determinations concerning the appropriateness of the service, whether the treatment is necessary and effective, the proper cost of services, the quality of the treatment, the right of providers to receive payment under this chapter for services rendered or the right to receive payment under this chapter for future services. The commissioner may penalize, disqualify, or suspend a provider from receiving payment for services rendered under this chapter, if the commissioner determines that the provider has violated any part of this chapter or rule adopted under this chapter. The commissioner's authority under this section also includes the authority to make determinations regarding any other activity involving the questions of utilization of medical services, and any other determination the commissioner deems necessary for the proper administration of this section.*

*The commissioner has the sole authority to make determinations under this section with a right of appeal to the medical services review board as provided in subdivision 3 and the workers' compensation court of appeals. A compensation judge has no jurisdiction in making determinations under this section.*

*Subd. 3. [MEDICAL SERVICES REVIEW BOARD; SELECTION; POWERS.] (a) There is created a medical services review board composed of the commissioner or the commissioner's designee as an ex officio member, two persons representing chiropractic, one person representing hospital administrators, and six medical practitioners representing different specialties which the commissioner determines are the most frequently utilized by injured employees. The board shall also have one person representing employees, one person representing employers or insurers, and one person representing the general public. The members shall be appointed by the commissioner and shall be governed by section 15.0575. Terms of the board's members may be renewed. The board shall appoint from among its clinical members a clinical advisory subcommittee on clinical quality and a clinical advisory subcommittee on clinical cost containment. Each subcommittee shall consist of at least three members one of whom shall be a member who is not a chiropractor or licensed physician.*



*The clinical quality subcommittee shall review clinical results for adequacy and recommend to the commissioner scales for disabilities and apportionment.*

*The clinical cost containment subcommittee shall review and recommend to the commissioner rates for individual clinical procedures and aggregate costs. The subcommittees shall make regular reports to the board and the commissioner which shall evaluate the reports for the purpose of determining whether or not a particular health care provider continues to qualify for payment under chapter 176 or is subject to any other sanctions or penalties authorized under this section and to determine whether an employee has been off work longer than necessary.*

*In evaluating the clinical consequences of the services provided to an employee by a clinical health care provider, the board shall consider the following factors in the priority listed:*

- (1) the clinical effectiveness of the treatment;*
- (2) the clinical cost of the treatment; and*
- (3) the length of time of treatment.*

*In its consideration of these factors, the board shall utilize the information and recommendations developed by the subcommittees. In addition, the board shall utilize any other data developed by the subcommittees pursuant to the duties assigned to the subcommittees under this section.*

*After making a determination, the board shall submit its recommendation in writing to the commissioner. The board shall advise the commissioner on the adoption of rules regarding all aspects of medical care and services provided to injured employees.*

*(b) The board shall appoint three of its members to hear appeals from decisions of the commissioner regarding quality control and supervision of medical care; any other disputes regarding medical, surgical, and hospital care; decisions regarding the eligibility of medical providers to receive payments; or any other determinations of the commissioner pursuant to subdivision 2. The three-member panel shall be composed of one member who does not represent a health care specialty, one member who represents the same specialty as the specialty at issue or, if the same specialty is not available, one member whose specialty is as close as possible considering the board's composition, and one member representing a different specialty. The three-member panel shall conduct a hearing in the same manner, giving the same notice and following other procedures required of the rehabilitation review panel in section 176.102, subdivision 3a. A majority vote of the three-member panel constitutes the decision of the full board. This decision may be appealed to the workers' compensation court of appeals.*

*(c) In any situation where a conflict of interest prevents the appointment of a full three-member panel or in any other situation where the commissioner deems it necessary to resolve a conflict of interest, the commissioner may appoint a temporary substitute board member to serve until the situation creating the conflict of interest has been resolved.*

Sec. 85. [176.104] [REHABILITATION PRIOR TO DETERMINATION OF LIABILITY.]

*Subdivision 1. [DISPUTE.] If there exists a dispute regarding whether an injury arose out of and in the course and scope of employment and an employee has been disabled for the requisite time under section 176.102, subdivision 4, prior to determination of liability, the employee shall be referred by the commissioner to the division of vocational rehabilitation which shall provide rehabilitation consultation. The services provided by the division of vocational rehabilitation and the scope and term of the rehabilitation are governed by section 176.102 and rules adopted pursuant to that section. Rehabilitation costs and services under this subdivision shall be approved, rejected, or modified by the commissioner.*

*Subd. 2. [LIABILITY FOR PAST REHABILITATION.] If liability is determined after the employee has commenced rehabilitation under this section the liable party is responsible for the cost of rehabilitation provided and approved by the commissioner. Future rehabilitation after liability is established is governed by section 176.102.*

Sec. 86. Minnesota Statutes 1982, section 176.105, is amended by adding a subdivision to read:

*Subd. 4. [LEGISLATIVE INTENT; RULES; LOSS OF MORE THAN ONE BODY PART.] (a) For the purpose of establishing a disability schedule pursuant to clause (b) of this subdivision, the legislature declares its intent that the commissioner establish a disability schedule which, assuming the same number and distribution of severity of injuries, the aggregate total of impairment compensation and economic recovery compensation benefits under section 176.101, subdivisions 3a to 3u be approximately equal to the total aggregate amount payable for permanent partial disabilities under section 176.101, subdivision 3, provided, however, that awards for specific injuries under the proposed schedule need not be the same as they were for the same injuries under the schedule pursuant to section 176.101, subdivision 3.*

*(b) The commissioner shall by rulemaking adopt procedures setting forth rules for the evaluation and rating of functional disability and the schedule for permanent partial disability and to determine the percentage of loss of function of a part of the body based on the body as a whole, including internal organs, described in section 176.101, subdivision 3, and any other body part not listed in section 176.101, subdivision 3, which the commissioner deems appropriate.*

*Temporary rules shall be adopted for this purpose not later than January 1, 1985. Prior to the adoption of these rules, at least one public hearing shall be held by the commissioner, in addition to the requirements of sections 14.29 to 14.36. Notwithstanding sections 14.29 to 14.36, the temporary rules adopted under this subdivision shall be effective until superseded by permanent rules. The rules shall promote objectivity and consistency in the evaluation of permanent functional impairment due to personal injury and in the assignment of a numerical rating to the functional impairment.*

*Prior to adoption of temporary rules the commissioner shall conduct an analysis of the current permanent partial disability schedule for the purpose of determining the number and distribution of permanent partial disabilities and the average compensation for various permanent partial disabilities. The commissioner shall consider setting the compensation under the pro-*

posed schedule for the most serious conditions higher in comparison to the current schedule and shall consider decreasing awards for minor conditions in comparison to the current schedule.

The commissioner may consider, among other factors, and shall not be limited to the following factors in developing rules for the evaluation and rating of functional disability and the schedule for permanent partial disability benefits:

(1) the workability and simplicity of the procedures with respect to the evaluation of functional disability;

(2) the consistency of the procedures with accepted medical standards;

(3) rules, guidelines, and schedules that exist in other states that are related to the evaluation of permanent partial disability or to a schedule of benefits for functional disability provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(4) rules, guidelines, and schedules that have been developed by associations of health care providers or organizations provided that the commissioner is not bound by the degree of disability in these sources but shall adjust the relative degree of disability to conform to the expressed intent of clause (a);

(5) the effect the rules may have on reducing litigation;

(6) the treatment of preexisting disabilities with respect to the evaluation of permanent functional disability provided that any preexisting disabilities must be objectively determined by medical evidence; and

(7) symptomatology and loss of function and use of the injured member.

The factors in paragraphs (1) to (7) shall not be used in any individual or specific workers' compensation claim under this chapter but shall be used only in the adoption of rules pursuant to this section.

Nothing listed in paragraphs (1) to (7) shall be used to dispute or challenge a disability rating given to a part of the body so long as the whole schedule conforms with the expressed intent of clause (a).

(c) If an employee suffers a permanent functional disability of more than one body part due to a personal injury incurred in a single occurrence, the percent of the whole body which is permanently partially disabled shall be determined by the following formula so as to ensure that the percentage for all functional disability combined does not exceed the total for the whole body:

$$A + B (1 - A)$$

where: A is the greater percentage whole body loss of the first body part; and B is the lesser percentage whole body loss otherwise payable for the second body part.

For permanent partial disabilities to three body parts due to a single occurrence or as the result of an occupational disease, the above formula shall be applied, providing that A equals the result obtained from application of the formula to the first two body parts and B equals the percentage for the third body part. For permanent partial disability to four or more body parts

*incurred as described above. A equals the result obtained from the prior application of the formula, and B equals the percentage for the fourth body part or more in arithmetic progressions.*

Sec. 87. Minnesota Statutes 1982, section 176.111, subdivision 6, is amended to read:

Subd. 6. [SPOUSE, NO DEPENDENT CHILD.] ~~(a)~~ If the deceased employee leaves a dependent surviving spouse and no dependent child, there shall be paid to the spouse; ~~at the option of the spouse, either:~~

~~(1) A lump sum settlement equal to ten full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased; computed without regard to section 176.645; or~~

~~(2) weekly workers' compensation benefits at 50 percent of the daily wage at the time of the injury for a period of ten years, including adjustments as provided in section 176.645.~~

~~(b) A dependent surviving spouse who has not accepted a lump sum settlement pursuant to clause (a)(1) and who remarries shall receive the lesser of either:~~

~~(1) A lump sum settlement equal to two full years of compensation at 50 percent of the daily wage at the time of the injury of the deceased; computed without regard to section 176.645; or~~

~~(2) The remaining weekly workers' compensation benefits pursuant to clause (a)(2) at 50 percent of the daily wage; including adjustments as provided in section 176.645.~~

Sec. 88. Minnesota Statutes 1982, section 176.111, subdivision 7, is amended to read:

Subd. 7. [SPOUSE, ONE DEPENDENT CHILD.] (a) If the deceased employee leaves a surviving spouse and one dependent child, there shall be paid to the surviving spouse for the benefit of the spouse and child 60 percent of the daily wage at the time of the injury of the deceased until the child is no longer a dependent as defined in subdivision 1. At that time there shall be paid to the dependent surviving spouse; ~~at the option of the spouse, either:~~

~~(1) A lump sum settlement equal to ten full years of compensation at a rate which is 16 2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a; while the surviving child was a dependent; computed without regard to section 176.645; or~~

~~(2) weekly benefits at a rate which is 16 2/3 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, including adjustments as provided in section 176.645.~~

~~(b) A surviving spouse who remarries shall receive:~~

~~(1) Compensation, for the benefit of the dependent child; according to the allocation provided in subdivision 10, until the child is no longer a dependent as defined in subdivision 1; and~~

~~(2) A lump sum settlement, for the benefit of the surviving spouse; equal to two full years of weekly benefits in an amount which equals the difference~~

between the benefit otherwise payable under clause (a) and the amount payable to the dependent child pursuant to clause (b)(1).

Sec. 89. Minnesota Statutes 1982, section 176.111, subdivision 8, is amended to read:

Subd. 8. [SPOUSE, TWO DEPENDENT CHILDREN.] ~~(a) If the deceased employee leaves a surviving spouse and two dependent children, there shall be paid to the surviving spouse for the benefit of the spouse and children 66 2/3 percent of the daily wage at the time of the injury of the deceased until the youngest last dependent child is no longer dependent. At that time the dependent surviving spouse shall be paid; at the option of the spouse, either:~~

~~(1) A lump sum settlement equal to ten full years of compensation at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the last surviving child was a dependent, computed without regard to section 176.645; or~~

~~(2) weekly benefits at a rate which is 25 percent less than the last weekly workers' compensation benefit payment, as defined in subdivision 8a, while the surviving child was a dependent, for a period of ten years, adjusted according to section 176.645.~~

~~(b) A surviving spouse who remarries shall receive compensation, for the benefit of the children, allocated according to subdivision 10, until the youngest dependent child is no longer dependent as defined in subdivision 1 and, for the benefit of the surviving spouse, a lump sum settlement equal to two full years of weekly benefits in an amount which equals the difference between the benefit otherwise payable pursuant to clause (a) and the amount payable to the dependent children allocated according to subdivision 10, computed without regard to section 176.645.~~

Sec. 90. Minnesota Statutes 1982, section 176.111, is amended by adding a subdivision to read:

*Subd. 9a. [REMARriage OF SPOUSE.] A surviving spouse who remarries and is receiving benefits under subdivisions 6, 7, or 8 shall continue to be eligible to receive weekly benefits for the remaining period that the spouse is entitled to receive benefits pursuant to this section.*

Sec. 91. Minnesota Statutes 1982, section 176.111, subdivision 18, is amended to read:

Subd. 18. [BURIAL EXPENSE.] In all cases where death results to an employee from a personal injury arising out of and in the course of employment, the employer shall pay the expense of burial, not exceeding in amount ~~\$1,000~~ \$2,500. In case any dispute arises as to the reasonable value of the services rendered in connection with the burial, ~~such its~~ reasonable value shall be determined and approved by the commissioner of the department of labor and industry, a compensation judge, or workers' compensation court of appeals, in cases upon appeal, before payment, after ~~such~~ reasonable notice to interested parties as is required by the commissioner of the department of labor and industry. If the deceased leave no dependents, no compensation is payable, except as provided by this chapter.

Sec. 92. Minnesota Statutes 1982, section 176.121, is amended to read:

176.121 [COMMENCEMENT OF COMPENSATION.]

In cases of temporary total or temporary partial disability no compensation ~~shall be~~ is allowed for the three *calendar* days after the disability commenced, except as provided by section 176.135, nor in any case unless the employer has actual knowledge of the injury or is notified thereof within the period specified in section 176.141. If ~~such~~ the disability continues for 10 *calendar* days or longer, ~~such~~ the compensation ~~shall be~~ is computed from the commencement of the disability. *Disability is deemed to commence on the first calendar day or fraction of a calendar day that the employee is unable to work.*

Sec. 93. [176.129] [CREATION OF THE SPECIAL COMPENSATION FUND.]

*Subdivision 1. [DEPOSIT OF FUNDS.] The special compensation fund is created for the purposes provided for in this chapter. The state treasurer is the custodian of the special compensation fund. Sums paid to the commissioner pursuant to this section shall be deposited with the state treasurer for the benefit of the fund and used to pay the benefits under this chapter. Any interest or profit accruing from investment of these sums shall be credited to the special compensation fund. Subject to the provisions of this section, all the powers, duties, functions, obligations, and rights vested in the special compensation fund immediately prior to the effective date of this section are transferred to and vested in the special compensation fund recreated by this section. All rights and obligations of employers with regard to the special compensation fund which existed immediately prior to the effective date of this section continue, subject to the provisions of this section.*

*Subd. 2. [PAYMENTS TO FUND, DEATH.] In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to monetary benefits of dependency compensation, the employer shall pay to the commissioner the sum of \$25,000 for the benefit of the special compensation fund. In every case of death of an employee resulting from personal injury arising out of and in the course of employment where there are no persons entitled to at least \$25,000 in monetary benefits of dependency compensation, the employer shall pay to the commissioner for the benefit of the special compensation fund the difference between the amounts actually paid for the dependency benefits and \$25,000; but in no event shall the employer pay the commissioner less than \$5,000.*

*Subd. 3. [PAYMENTS TO FUND, INJURY.] If an employee suffers a personal injury resulting in permanent partial disability, temporary total disability, temporary partial disability, permanent total disability, or death and the employee or the employee's dependents are entitled to compensation under sections 176.101 or 176.111 the employer shall pay to the commissioner a lump sum amount, without any interest deduction, equal to 20 percent of the total compensation payable. The rate under this subdivision shall remain constant and applies to injuries occurring after June 1, 1971, and prior to January 1, 1984, for payments made on or after January 1, 1984. This payment is to be credited to the special compensation fund and shall be in addition to any compensation payments made by the employer under this chapter. Payment shall be made as soon as the amount is determined and approved by the commissioner.*

*Subd. 4. [TIME OF INJURY.] Subdivision 3 applies to all workers' com-*

payments paid under sections 176.101, 176.102, 176.111, or 176.135, for an injury or death occurring on or after June 1, 1971, but before January 1, 1984.

*Payments made for personal injuries that occurred prior to June 1, 1971, shall be assessed at the rate in effect on the date of occurrence.*

*Subd. 5. [DETERMINATION OF AMOUNT PAYABLE.] (a) In addition to assessments under subdivisions 2 and 3, an employer shall, beginning in calendar year 1984, pay an assessment as provided in this subdivision. The assessment base shall be determined according to a method established by rule adopted by the commissioner. In determining this method, the commissioner shall consider, among other things, the frequency of indemnity claims, equity, potential for retaliation by other states against Minnesota insurers, administrative convenience, records maintained by employer's insurers and self-insurers, verification of underlying records, and degree of risk refinement. The assessment base shall not be determined by paid losses.*

*(b) Using the assessment base method established in clause (a), the commissioner shall annually determine the amount of the assessment base of each employer.*

*(c) The commissioner shall annually establish a uniform percentage rate to be applied to the assessment base determined pursuant to clause (b). In establishing this rate, the commissioner shall consider, among other things, the likely expenditures to be made by the special fund in the next calendar year, the current fiscal status of the fund, future expenditure trends, and the assessments estimated to be collected under subdivisions 2 and 3. The assessment rate multiplied by the assessment base of an employer is the assessment amount payable under this subdivision. The total amount assessed against all employers under this subdivision shall not exceed \$25,000,000 in calendar year 1984. The total amount which may annually be assessed under this subdivision may be increased by up to ten percent beginning on January 1, 1985, and each January 1 thereafter.*

*(d) An amount assessed pursuant to this subdivision is payable to the commissioner within 45 days of mailing notice of the amount due.*

*Subd. 6. [PAYMENTS OUT OF FUND.] The workers' compensation division, a compensation judge, the workers' compensation court of appeals, or district court in cases before them shall direct the distribution of benefits provided by this chapter. These benefits are payable in the same manner as other payments of compensation.*

*Subd. 7. [REFUNDS.] In case deposit is or has been made under subdivision 2 and dependency later is shown, or if deposit is or has been made pursuant to subdivision 2 or 3 by mistake or inadvertence, or under circumstances that justice requires a refund, the state treasurer is authorized to refund the deposit under order of the commissioner, a compensation judge, the workers' compensation court of appeals, or a district court. There is appropriated to the commissioner from the fund an amount sufficient to make the refund and payment.*

*Subd. 8. [COMMISSIONER AS ADMINISTRATOR.] The commissioner is the administrator of the special compensation fund. The special fund shall be designated a party in an action regarding any right, obligation, and lia-*

*bility of the special fund. The state treasurer, as custodian, does not have standing in an action determining any right, obligation, or liability of the special fund. The attorney general shall represent the special fund in all legal matters in which the special fund has an interest.*

*Subd. 9. [POWERS OF FUND.] In addition to powers granted to the special compensation fund by this chapter the fund may do the following:*

*(a) sue and be sued in its own name;*

*(b) intervene in or commence an action under this chapter or any other law, including, but not limited to, intervention or action as a subrogee to the division's right in a third-party action, any proceeding under this chapter in which liability of the special compensation fund is an issue, or any proceeding which may result in other liability of the fund or to protect the legal right of the fund;*

*(c) enter into settlements including but not limited to structured, annuity purchase agreements with appropriate parties under this chapter;*

*(d) contract with another party to administer the special compensation fund; and*

*(e) take any other action which an insurer is permitted by law to take in operating within this chapter.*

*Subd. 10. [PENALTY.] Sums paid to the commissioner pursuant to this section shall be in the manner prescribed by the commissioner. The commissioner may impose a penalty of up to 15 percent of the amount due under this section but not less than \$500 in the event payment is not made in the manner prescribed.*

*Subd. 11. [ADMINISTRATIVE PROVISIONS.] The accounting, investigation, and legal costs necessary for the administration of the programs financed by the special compensation fund shall be paid from the fund during each biennium commencing July 1, 1981. Staffing and expenditures related to the administration of the special compensation fund shall be approved through the regular budget and appropriations process.*

*Subd. 12. [REPORT OF COMMISSIONER.] The commissioner shall report biennially to the governor and to the legislature as to the financial status of the special compensation fund. The report shall include a statement of the receipts and the disbursements for the period covered.*

*Subd. 13. [EMPLOYER REPORTS.] All employers shall make reports to the commissioner as required for the proper administration of this section and section 176.131.*

*Sec. 94. Minnesota Statutes 1982, section 176.131, subdivision 1, is amended to read:*

*Subdivision 1. If an employee incurs personal injury and suffers disability that is substantially greater, because of a pre-existing physical impairment, than what would have resulted from the personal injury alone, the employer shall pay all compensation provided by this chapter, but the employer shall be reimbursed from the special compensation fund for all compensation paid in excess of 52 weeks of monetary benefits and \$2,000 in medical expenses, subject to the following exceptions:*



If the personal injury alone results in permanent partial disability to a scheduled member under ~~section 176.101~~ *the schedule adopted by the commissioner pursuant to section 176.105*, the monetary and medical expense limitations shall not apply and the employer ~~shall be~~ *is* liable for ~~such the~~ compensation, medical expense, and ~~retraining~~ *rehabilitation* attributable to the permanent partial disability, and ~~he~~ may be reimbursed from the *special* compensation fund only for compensation paid in excess of ~~such the~~ disability.

Sec. 95. Minnesota Statutes 1982, section 176.131, subdivision 1a, is amended to read:

Subd. 1a. If an employee is employed in an on the job retraining program pursuant to section 176.102 and the employee incurs a personal injury that aggravates the personal injury for which the employee has been certified to enter the on the job retraining program, the on the job training employer shall pay the medical expenses and compensation required by this chapter, ~~but and~~ shall be reimbursed from the special compensation fund for the compensation and medical expense that is attributable to the aggravated injury. The employer, at the time of the personal injury for which the employee has been certified for retraining, is liable for the portion of the disability that is attributable to that injury.

Sec. 96. Minnesota Statutes 1982, section 176.131, subdivision 2, is amended to read:

Subd. 2. If the employee's personal injury ~~shall result~~ *results* in disability or death, and if the injury, death, or disability would not have occurred except for the pre-existing physical impairment *registered with the special compensation fund*, the employer shall pay all compensation provided by this chapter, ~~but and~~ shall be fully reimbursed from the special compensation fund for ~~such the~~ compensation ~~only where the permanent physical impairment contributing to the second injury is diabetes, hemophilia or seizures except that this full reimbursement shall not be made for cardiac disease or a condition registered pursuant to subdivision 8, clauses (t) or (u) unless the commissioner by rule provides otherwise.~~

Sec. 97. Minnesota Statutes 1982, section 176.131, subdivision 3, is amended to read:

Subd. 3. To entitle the employer to secure reimbursement from the special compensation fund, the following provisions must be complied with:

(a) Provisions of section 176.181, subdivisions 1 and 2.

(b) The employee with a pre-existing physical impairment must have been registered with the commissioner of labor and industry prior to the employee's personal injury or within 180 days after notice of the employee's personal injury is received by the employer. Registration subsequent to the injury shall be based on a medical report or record made prior to the injury indicating the pre-existing physical impairment.

Sec. 98. Minnesota Statutes 1982, section 176.131, subdivision 4, is amended to read:

Subd. 4. Any employer who hires or retains in ~~his~~ *its* employment any person who has a physical impairment shall file a formal registration for

~~each such~~ the employee with the commissioner of the department of labor and industry in ~~such~~ on a form as *prescribed* by the commissioner ~~may require~~.

Sec. 99. Minnesota Statutes 1982, section 176.131, subdivision 5, is amended to read:

Subd. 5. Registration under this section may be made by the employee or any employer provided:

(a) Registration ~~shall be~~ *is* accompanied by satisfactory evidence of ~~such~~ the physical impairment;

(b) Registration ~~shall be~~ *is* in effect as long as ~~said~~ the impairment exists;

(c) Upon request, a registered employee shall be furnished by the commissioner of the department of labor and industry with a registration card evidencing the ~~fact~~ of registration, and ~~such~~ other facts as the commissioner of the department of labor and industry deems advisable.

Sec. 100. Minnesota Statutes 1982, section 176.131, subdivision 6, is amended to read:

Subd. 6. When the employer claims reimbursement from the special compensation fund after paying compensation as prescribed by this section, ~~he~~ *the employer* shall file with the commissioner of the department of labor and industry written notice of intention to claim reimbursement in accordance with the rules ~~and regulations~~ of *adopted* by the commissioner of the department of labor and industry.

Sec. 101. Minnesota Statutes 1982, section 176.131, subdivision 7, is amended to read:

Subd. 7. Under subdivisions 1 and 2, an occupational disease may be deemed to be the personal (second) injury.

If the subsequent disability for which reimbursement is claimed is an occupational disease, and if, subsequent to registration as provided by subdivisions 4 and 5, the employee has been employed by the employer in employment similar to that which initially resulted in ~~such~~ the occupational disease, no reimbursement shall be paid to the employer.

Sec. 102. Minnesota Statutes 1982, section 176.131, subdivision 8, is amended to read:

Subd. 8. As used in this section the following terms have the meanings given them:

“Physical impairment” means any physical or mental condition that is permanent in nature, whether congenital or due to injury, disease or surgery and which is or is likely to be a hindrance or obstacle to obtaining employment ~~provided~~ *except* that; physical impairment as ~~used herein~~ is limited to the following:

- (a) Epilepsy,
- (b) Diabetes,
- (c) Hemophilia,
- (d) Cardiac disease,

- (e) Partial or entire absence of thumb, finger, hand, foot, arm or leg,
- (f) Lack of sight in one or both eyes or vision in either eye not correctable to 20/40,
- (g) Residual disability from poliomyelitis,
- (h) Cerebral Palsy,
- (i) Multiple Sclerosis,
- (j) Parkinson's disease,
- (k) Cerebral vascular accident,
- (l) Chronic Osteomyelitis,
- (m) Muscular Dystrophy,
- (n) Thrombophlebitis,
- (o) *Brain tumors,*
- (p) *Pott's disease,*
- (q) *Seizures,*
- (r) *Cancer of the bone,*
- (s) *Leukemia,*

~~(t)~~ (t) Any other physical impairment for which resulting in a disability rating of at least 50 weeks or more of weekly benefits would be payable as permanent partial disability ten percent of the whole body if the physical impairment were evaluated according to standards used in workers' compensation proceedings, and

~~(u)~~ (u) Any other physical impairments of a permanent nature which the workers' compensation court of appeals commissioner may by rule prescribe;

"Compensation" has the meaning defined in section 176.011;

"Employer" includes insurer;

"Disability" means, unless otherwise indicated, any condition causing either temporary total, temporary partial, permanent total, permanent partial, death, medical expense, or ~~retraining~~ rehabilitation.

Sec. 103. Minnesota Statutes 1982, section 176.132, subdivision 1, is amended to read:

Subdivision 1. [ELIGIBLE RECIPIENTS.] (a) An employee who has suffered personal injury prior to the effective date of clause (b) for which benefits are payable under section 176.101 and who has been totally disabled for more than 104 weeks shall be eligible for supplementary benefits as hereinafter prescribed in this section after 104 weeks have elapsed and for the remainder of his the total disablement. Regardless of the number of weeks of total disability, no totally disabled person shall be is ineligible for supplementary benefits after four years have elapsed since the first date of his the total disability, except as provided by clause (b), provided that all periods of disability are caused by the same injury.

(b) An employee who has suffered personal injury after the effective date of

*this clause is eligible to receive supplementary benefits after the employee has been receiving temporary total or permanent total benefits for 208 weeks. Regardless of the number of weeks of total disability, no person who is receiving temporary total compensation shall be ineligible for supplementary benefits after four years have elapsed since the first date of the total disability, provided that all periods of disability are caused by the same injury.*

Sec. 104. Minnesota Statutes 1982, section 176.132, is amended by adding a subdivision to read:

*Subd. 5. [ROUNDING OF PAYMENTS.] A payment made under this section shall be rounded up to the nearest whole dollar.*

Sec. 105. Minnesota Statutes 1982, section 176.134, subdivision 4, is amended to read:

*Subd. 4. [ADMINISTRATION.] The commissioner of labor and industry shall administer the reopened case fund as part of the special compensation fund provided that the reopened case fund is under separate accounting and audit procedures from the special fund.*

Sec. 106. Minnesota Statutes 1982, section 176.135, subdivision 1, is amended to read:

*Subdivision 1. [MEDICAL, CHIROPRACTIC, PODIATRIC, SURGICAL, HOSPITAL.] The employer shall furnish ~~such~~ any medical, chiropractic, podiatric, surgical and hospital treatment, including nursing, medicines, medical, chiropractic, podiatric, and surgical supplies, crutches and apparatus, including artificial members, or, at the option of the employee, if the employer has not filed notice as hereinafter provided, Christian Science treatment in lieu of medical treatment, chiropractic medicine and medical supplies, as may reasonably be required at the time of the injury and any time thereafter to cure and relieve from the effects of the injury. ~~Such~~ This treatment shall include treatments necessary to physical rehabilitation. The employer shall furnish replacement or repair for artificial members, glasses, or spectacles, artificial eyes, podiatric orthotics, dental bridge work, dentures or artificial teeth, hearing aids, canes, crutches or wheel chairs damaged by reason of an injury arising out of and in the course of the employment. In case of his inability or refusal seasonably to do so the employer ~~shall be~~ is liable for the reasonable expense incurred by or on behalf of the employee in providing the same. The employer shall pay for the reasonable value of nursing services by a member of the employee's family in cases of permanent total disability. Orders of a ~~compensation judge~~ *the commissioner or medical services review board* with respect to this subdivision may be reviewed by the workers' compensation court of appeals on petition of an aggrieved party or by writ of certiorari to the supreme court.*

Sec. 107. Minnesota Statutes 1982, section 176.135, subdivision 3, is amended to read:

*Subd. 3. [LIMITATION OF LIABILITY.] The pecuniary liability of the employer for the treatment, articles and supplies required by this section shall be limited to ~~such~~ the charges therefor as prevail in the same community for similar treatment, articles and supplies furnished to injured persons of a like standard of living when the same are paid for by the injured per-*

sons. On this basis the ~~compensation judge~~ *commissioner, medical services review board*, or workers' compensation court of appeals on appeal may determine the reasonable value of all such services and supplies and the liability of the employer is limited to the amount so determined.

Sec. 108. Minnesota Statutes 1982, section 176.136, is amended to read:

176.136 [MEDICAL FEE REVIEW.]

The ~~commissioner of insurance~~ shall by rule establish procedures for determining whether or not the charge for a health service is excessive. In order to accomplish this purpose, the ~~commissioner of insurance~~ shall consult with insurers, associations and organizations representing the medical and other providers of treatment services and other appropriate groups. The procedures established by the ~~commissioner of insurance~~ shall limit the charges allowable for medical, chiropractic, podiatric, surgical, hospital and other health care provider treatment or services, as defined and compensable under section 176.135, to the 75th percentile of usual and customary fees or charges based upon billings for each class of health care provider during all of the calendar year preceding the year in which the determination is made of the amount to be paid the health care provider for the billing. The procedures established by the ~~commissioner for determining whether or not the charge for a health service is excessive~~ shall be structured to encourage providers to develop and deliver services for rehabilitation of injured workers. The procedures shall incorporate the provisions of sections 144.701, 144.702, and 144.703 to the extent that the ~~commissioner finds that these provisions effectively accomplish the intent of this section or are otherwise necessary to insure that quality hospital care is available to injured employees. If the commissioner of insurance, a compensation judge, medical services review board, the workers' compensation court of appeals or a district court determines that the charge for a health service or medical service is excessive, no payment in excess of the reasonable charge for that service shall be made under this chapter nor may the provider collect or attempt to collect from the injured employee or any other insurer or government amounts in excess of the amount payable under this chapter; however, the commissioner of insurance shall by rule establish procedures allowing for a provider to appeal such determination.~~ The ~~commissioner of insurance~~ shall contract with a review organization as defined in section 145.61 for the purposes listed in section 145.61, subdivision 5, and report to the legislature by January 15, 1983 and thereafter on January 15 of every odd-numbered year, regarding the delivery of medical and health care services, including rehabilitation services, under the workers' compensation laws of this state.

The ~~commissioner of insurance~~ shall also conduct a study of the qualifications and background of rehabilitation consultants and vendors providing services under section 176.102 for the purpose of determining whether there are adequate professional standards provided, including safeguards to protect against conflicts of interest.

The ~~commissioner of insurance~~ shall adopt temporary rules in order to implement the provisions of this subdivision. Notwithstanding the provisions of section 14.14, subdivision 1, and any amendments, the temporary rules adopted by the ~~commissioner of insurance~~ pursuant to this subdivision

may be extended for an additional 180 days if the procedures for adoption of a rule pursuant to sections 14.13 to 14.20 or 14.21 to 14.28, and other provisions of the administrative procedure act related to final agency action and rule adoption have not been concluded.

*Any rules adopted by the commissioner of insurance pursuant to this section shall remain in effect but may be amended, modified, or repealed only by the commissioner of labor and industry.*

Sec. 109. [176.138] [MEDICAL DATA; ACCESS.]

*Notwithstanding any other state laws related to the privacy of medical data or any private agreements to the contrary, the release of medical data related to a current claim for compensation under this chapter to the employee, employer, or insurer who are parties to the claim, or to the department of labor and industry, shall not require prior approval of any party to the claim. Requests for pertinent data shall be made in writing to the person or organization that collected or currently possesses the data. The data shall be provided by the collector or possessor within seven working days of receiving the request. In all cases of a request for the data, except when it is the employee who is making the request, the employee shall be sent written notification of the request by the party requesting the data at the same time the request is made. This data shall be treated as private data by the party who requests or receives the data and the employee or the employee's attorney shall be provided with a copy of all data requested by the requester.*

*Medical data which is not directly related to a current injury or disability shall not be released without prior authorization of the employee.*

*The commissioner may impose a penalty of up to \$200 payable to the special compensation fund against a party who does not release the data in a timely manner. A party who does not treat this data as private pursuant to this section is guilty of a misdemeanor.*

Sec. 110. Minnesota Statutes 1982, section 176.155, subdivision 3, is amended to read:

Subd. 3. [REFUSAL TO BE EXAMINED.] If the injured employee refuses to comply with any reasonable request for examination, ~~his~~ *the* right to compensation may be suspended by order of the division, a compensation judge or workers' compensation court of appeals in a matter before it, and no compensation shall be paid while ~~he~~ *the* employee continues in ~~such~~ *the* refusal.

Sec. 111. Minnesota Statutes 1982, section 176.155, subdivision 5, is amended to read:

Subd. 5. [TESTIMONY OF EXAMINING PHYSICIANS HEALTH CARE PROVIDER.] Any physician or other health care provider designated by the commissioner of ~~the department of labor and industry~~, compensation judge, or workers' compensation court of appeals or whose services are furnished or paid for by the employer, who treats or ~~who makes~~, examines, or is present at any examination, of an injured employee, may be required to testify as to any knowledge acquired by ~~him~~ *the physician or health care provider* in the course of ~~such~~ *the* treatment or examination relative to the injury or disability resulting ~~therefrom~~ *from the injury only if the commissioner or a compen-*

sation judge makes a written finding that the appearance of the physician or health care provider is crucial to the accurate determination of the employee's disability. In all other cases all evidence related to health care must be submitted by written report as prescribed by the chief hearing examiner. A party may cross-examine by deposition a physician or health care provider who has examined or treated the employee. If a physician or health care provider is not available for cross-examination prior to the hearing and the physician's or health care provider's written report is submitted at the hearing, the compensation judge shall, upon request of the adverse party, require the physician or health care provider to testify at the hearing for the purpose of being cross-examined by the adverse party. All written evidence relating to health care must be submitted prior to or at the time of the hearing and no evidence shall be considered which was submitted after the hearing unless the compensation judge orders otherwise.

Sec. 112. Minnesota Statutes 1982, section 176.179, is amended to read:

**176.179 [PAYMENTS OF COMPENSATION RECEIVED IN GOOD FAITH.]**

Notwithstanding section 176.521, subdivision 3, or any other provision of this chapter to the contrary, except as provided in this section, no lump sum or weekly payment, or settlement, which is voluntarily paid to an injured employee or the survivors of a deceased employee in apparent or seeming accordance with the provisions of this chapter by an employer or insurer, or is paid pursuant to an order of the workers' compensation division, a compensation judge, or court of appeals relative to a claim by an injured employee or his the employee's survivors, and received in good faith by the employee or his the employee's survivors shall be refunded to the paying employer or insurer in the event that it is subsequently determined that the payment was made under a mistake in fact or law by the employer or insurer. When the payments have been made to a person who is entitled to receive further payments of compensation for the same injury, the mistaken compensation may be taken as a credit against future benefit entitlement; provided, however, that the credit applied against further payments of temporary total disability, temporary partial disability, permanent total disability, retraining benefits or death benefits shall not exceed 20 percent of the amount that would otherwise be payable.

Sec. 113. Minnesota Statutes 1982, section 176.181, is amended by adding a subdivision to read:

*Subd. 2a. [APPLICATION FEE.] Every initial application filed pursuant to subdivision 2 requesting authority to self-insure shall be accompanied by a fee of \$1,000. The fee is not refundable.*

Sec. 114. Minnesota Statutes 1982, section 176.182, is amended to read:

**176.182 [BUSINESS LICENSES OR PERMITS; COVERAGE REQUIRED.]**

Every state or local licensing agency shall withhold the issuance of a license or permit to operate a business in Minnesota until the applicant presents acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

Neither the state nor any governmental subdivision thereof of the state

shall enter into any contract for the doing of any public work before receiving from all other contracting parties acceptable evidence of compliance with the workers' compensation insurance coverage requirement of section 176.181, subdivision 2.

*This section shall not be construed to create any liability on the part of the state or any governmental subdivision to pay workers' compensation benefits or to indemnify the special compensation fund, an employer, or insurer who pays workers' compensation benefits.*

Sec. 115. Minnesota Statutes 1982, section 176.183, subdivision 1, is amended to read:

Subdivision 1. When any employee ~~shall sustain~~ *sustains an* injury arising out of and in the course of his employment while in the employ of an employer, other than the state or its political subdivisions, not insured or self-insured as provided for in this chapter, the employee or ~~his~~ *the employee's* dependents shall nevertheless receive benefits as provided for ~~therein in this chapter~~ from the special compensation fund, and the ~~state treasurer as custodian of such fund shall have~~ *commissioner has* a cause of action against ~~such~~ *the* employer for reimbursement for all moneys paid out or to be paid out, and, in the discretion of the court, as punitive damages an additional amount not exceeding 50 percent of all moneys paid out or to be paid out. An action to recover ~~such~~ *the* moneys shall be instituted unless the ~~custodian~~ *commissioner* determines that no recovery is possible. All moneys recovered shall be deposited in the general fund. There shall be no payment from the special compensation fund if there is liability for the injury under the provisions of section 176.215, by an insurer or self-insurer.

Sec. 116. Minnesota Statutes 1982, section 176.183, subdivision 1a, is amended to read:

Subd. 1a. When an employee or ~~his~~ *the employee's* dependent is entitled to benefits under this chapter from a self-insurer, present or past, other than the state and its municipal subdivisions, but ~~the self-insurer fails to be paid them~~ *pay the benefits*, the employee or ~~his~~ *the employee's* dependents, regardless of the date when the accident, personal injury, occupational disease, or death occurred, shall nevertheless receive ~~such~~ *the* benefits from the special compensation fund; ~~and~~. The ~~state treasurer as custodian of such fund shall have~~ *commissioner has* a cause of action against ~~such~~ *the* self-insuring employer for reimbursement; for all ~~moneys benefits and other expenditures~~ paid out or to be paid out and, in the discretion of the court, ~~as the self-insurer is liable~~ for punitive damages in an ~~additional~~ amount not to exceed 50 percent of ~~the total of all moneys benefits and other expenditures~~ paid out or to be paid out. ~~The commissioner shall institute an action to recover such moneys shall be instituted~~ *the total expenditures from the fund unless the custodian commissioner determines that no recovery is possible. All moneys proceeds* recovered shall be deposited in the general fund.

Sec. 117. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

*Subd. 3. (a) Notwithstanding subdivision 2, the commissioner may direct payment from the special compensation fund for compensation payable pursuant to subdivisions 1 and 1a, including benefits payable under sections*



176.102 and 176.135, prior to issuance of an order of a compensation judge or the workers' compensation court of appeals directing payment or awarding compensation.

(b) *The commissioner may suspend or terminate an order under clause (a) for good cause as determined by the commissioner.*

Sec. 118. Minnesota Statutes 1982, section 176.183, is amended by adding a subdivision to read:

*Subd. 4. If the commissioner authorizes the special fund to commence payment under this section, the commissioner shall serve by certified mail notice upon the employer and other interested parties of the intention to commence payment. This notice shall be served at least ten calendar days before commencing payment and shall be mailed to the last known address of the parties. The notice shall include a statement that failure of the employer to respond within ten calendar days of the date of service will be deemed acceptance by the employer of the proposed action by the commissioner and will be deemed a waiver of defenses the employer has to a subrogation or indemnity action by the commissioner. At any time prior to final determination of liability, the employer may appear as a party and present defenses the employer has, whether or not an appearance by the employer has previously been made in the matter. The commissioner has a cause of action against the employer to recover compensation paid by the special fund under this section.*

Sec. 119. Minnesota Statutes 1982, section 176.185, subdivision 1, is amended to read:

Subdivision 1. [NOTICE OF COVERAGE, TERMINATION, CANCELLATION.] Within 10 days after the issuance of a policy of insurance covering the liability to pay compensation under this chapter written by ~~any~~ *an* insurer licensed to insure such liability in this state, the insurer shall file notice of coverage with the commissioner ~~of the department of labor and industry~~ under regulations and on forms prescribed by the commissioner ~~of the department of labor and industry~~. No policy shall be canceled by the insurer within the policy period nor terminated upon *its* expiration date until a notice in writing ~~shall be~~ *is* delivered or mailed to the insured and filed with the commissioner ~~of the department of labor and industry~~, fixing the date on which it is proposed to cancel it, or declaring that the insurer does not intend to renew the policy upon the expiration date. ~~Such~~ *A* cancellation or termination ~~shall is not become~~ effective until 30 days after written notice has been filed with the commissioner ~~of the department of labor and industry~~ *in a manner prescribed by the commissioner* unless prior to the expiration of ~~said~~ *the* 30 day period the employer obtains other insurance coverage or an order exempting ~~him~~ *the employer* from carrying insurance as provided in section 176.181. Upon receipt of ~~said~~ *the* notice the commissioner ~~of the department of labor and industry~~ shall notify the insured that ~~he~~ *the insured* must obtain coverage from some other licensed carrier and that, if unable to do so, ~~he~~ *the insured* shall request the ~~Compensation Rating Bureau~~ *commissioner of insurance* to ~~designate some carrier to issue~~ *require the issuance of a policy* as provided in section ~~79.25~~ *79.251, subdivision 4*. Upon a cancellation or termination of a policy by the insurer the employer is entitled to have a policy assigned to him in accordance with sections ~~79.24 to 79.27~~ *79.251*

and 79.252. Notice of cancellation or termination by the insured shall be served upon the insurer by written statement ~~to that effect~~ mailed or delivered to the insurer. Upon receipt of ~~such the~~ notice the insurer shall notify the commissioner of the department of labor and industry of the cancellation or termination and ~~thereupon~~ the commissioner of the department of labor and industry shall ask the employer for the reasons for ~~his the~~ cancellation or termination and notify ~~him the~~ employer of ~~his the~~ duty under this chapter to insure ~~his the~~ employer's employees.

Sec. 120. Minnesota Statutes 1982, section 176.185, is amended by adding a subdivision to read:

*Subd. 10. [DATA COLLECTION CONTRACTS.] The commissioner may contract with other parties regarding the collection of appropriate data to assist in meeting the requirements of this section.*

Sec. 121. [176.186] [RECORDS FROM OTHER STATE AGENCIES.] *Notwithstanding any other state law to the contrary, the commissioner may obtain from the department of revenue, department of economic security, and office of the secretary of state, or any other state agency, upon request, names or lists of employers doing business in the state. This information shall be treated by the commissioner in the manner provided by chapter 13 and shall be used only for insurance verification by the commissioner.*

Sec. 122. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

*Subd. 5. Where a dispute exists between an employer, insurer, the special compensation fund, the reopened case fund, or the workers' compensation reinsurance association, regarding benefits payable under this chapter, the dispute may be submitted with consent of all interested parties to binding arbitration pursuant to the rules of the American arbitration association. The decision of the arbitrator shall be conclusive with respect to all issues presented except as provided in subdivisions 6 and 7. Consent of the employee is not required for submission of a dispute to arbitration pursuant to this section and the employee is not bound by the results of the arbitration. An arbitration award shall not be admissible in any other proceeding under this chapter. Notice of the proceeding shall be given to the employee.*

*The employee, or any person with material information to the facts to be arbitrated, shall attend the arbitration proceeding if any party to the proceeding deems it necessary. Nothing said by an employee in connection with any arbitration proceeding may be used against the employee in any other proceeding under this chapter. Reasonable expenses of meals, lost wages, and travel of the employee or witnesses in attending shall be reimbursed on a pro rata basis. Arbitration costs shall be paid by the parties, except the employee, on a pro rata basis.*

Sec. 123. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

*Subd. 6. If the employee commences an action under this chapter for benefits arising out of the same injury which resulted in the dispute arbitrated under subdivision 5, and if the benefits awarded to the employee under the employee's claim are inconsistent with the arbitration decision, any increase in benefits over those paid pursuant to the arbitration proceeding is paid by*

*the party or parties who ordinarily would have been required to pay the increased benefits but for the arbitration. Any reimbursement from the employee of any decrease in benefits from those paid pursuant to the arbitration is paid to the party or parties who previously had paid the increased benefits. The provisions of this subdivision apply regardless of whether more or fewer employers and insurers or the special fund have been added or omitted as parties to the employee's subsequent action after arbitration.*

Sec. 124. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

*Subd. 7. If an employee brings an action under the circumstances described in subdivision 6, the parties to the previous arbitration may be represented at the new action by a common or joint attorney.*

Sec. 125. Minnesota Statutes 1982, section 176.191, is amended by adding a subdivision to read:

*Subd. 8. No attorney's fees shall be awarded under either section 176.081, subdivision 8, or 176.191 against any employer or insurer in connection with any arbitration proceeding unless the employee chooses to retain an attorney to represent the employee's interests during arbitration.*

Sec. 126. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

*Subd. 1a. [ADDITIONAL GROUNDS.] Where an insurer or agent of an insurer has failed to comply with provisions of this chapter, other than the provisions in subdivision 1, the commissioner of insurance may revoke the license of the insurer to write workers' compensation insurance.*

Sec. 127. Minnesota Statutes 1982, section 176.195, subdivision 2, is amended to read:

*Subd. 2. [COMMENCEMENT OF PROCEEDINGS.] ~~Such~~ The commissioner of insurance may act under subdivision 1 or subdivision 1a upon his own motion, the recommendation of the commissioner of the department of labor and industry, the chief hearing examiner, or the workers' compensation court of appeals, or the complaint of any interested person.*

Sec. 128. Minnesota Statutes 1982, section 176.195, is amended by adding a subdivision to read:

*Subd. 7. [REPORT TO COMMISSIONER OF INSURANCE.] The commissioner may send reports to the commissioner of insurance regarding compliance with this chapter by insurers writing workers' compensation insurance. A report may include a recommendation for revocation of an insurer's license under this section and may also recommend the imposition of other penalties which may be imposed upon insurers by the commissioner of insurance.*

Sec. 129. Minnesota Statutes 1982, section 176.221, is amended to read:

**176.221 [PAYMENT OF COMPENSATION AND TREATMENT CHARGES, COMMENCEMENT.]**

**Subdivision 1. [COMMENCEMENT OF PAYMENT.]** Within 14 days of notice to or knowledge by the employer of an injury compensable under this

chapter the payment of *temporary total compensation due pursuant to section 176.101, subdivision 1*, shall commence. Commencement of payment by an employer or insurer does not waive any rights to any defense the employer may have on any claim or incident either with respect to the compensability of the claim under chapter 176 or the amount of the compensation due. Where there are multiple employers, the first employer shall pay, unless it is shown that the injury has arisen out of employment with the second or subsequent employer. ~~When~~ *If the employer or insurer has commenced payment of compensation under this subdivision but determines within 30 days of notice to or knowledge by the employer of the injury that the disability is not a result of a personal injury, payment of compensation may be discontinued terminated upon notice of discontinuance pursuant to section 176.241 the filing of a notice of denial of liability.* Upon the ~~determination termination~~, payments made may be recovered by the employer if the commissioner or compensation judge finds that the employee's claim of work related disability was not made in good faith. *A notice of denial of liability must state in detail specific reasons explaining why the claimed injury or occupational disease was determined not to be within the scope and course of employment and shall include the name and telephone number of the person making this determination.*

Subd. 2. ~~[GRANT OF EXTENSION.]~~ Upon application made within 30 days after the date on which the first payment was due, the commissioner may grant an extension of time within which to determine liability. The extension shall not exceed 30 days.

Subd. 3. ~~[PAYMENTS TO SPECIAL COMPENSATION FUND.]~~ Where an employer or insurer fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 pursuant to subdivision 1, or to file a denial of liability within the 14-day period referred to in subdivision 1, or to request an extension of time within 30 days after the date on which the first payment was due, he it shall pay to the special compensation fund an amount equal to the total amount of compensation to which the employee is entitled because of the injury. In addition, each day subsequent to the end of the period and until a to receive up to the date compensation payment is made to the injured employee, the person responsible for payment of compensation shall pay to the special compensation fund an amount equal to the total compensation to which the injured employee is entitled.

Subd. 4. ~~[FAILURE TO MAKE PAYMENTS AFTER EXTENSION.]~~ Where an employer or insurer has been granted an extension of time within which to determine liability and fails to begin payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 or to file a denial of liability within such extended period, he shall make the payments provided in subdivision 3.

Subd. 5. ~~[DOUBLE PAYMENTS TO SPECIAL COMPENSATION FUND.]~~ Where an employer or insurer has failed to make the payments required by subdivision 3 or subdivision 4 within 30 days from the end of the period or the extended period, the division may require him to pay to the special compensation fund, each day subsequent to the end of the period and until a compensation payment is made to the injured employee, a sum equal to double the total amount of compensation to which the employee is entitled because of the injury. In addition, the person responsible for compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9 shall pay to the special compensation fund an amount

equal to the total amount of compensation to which the employee is entitled.

Subd. 6. [ASSESSMENT OF PENALTIES.] The division or compensation judge shall assess the penalty payments provided for by subdivisions 3 to 5, and any increase in benefit payments provided by section 176.225, subdivision 5, against either the employer or the insurer depending upon to whom the delay is attributable in making payment of compensation, charges for treatment under section 176.135 or retraining expenses under 176.102, subdivision 9. The insurer is not liable for a penalty payment assessed against it even if the delay is attributable to the employer.

*An insurer who has paid a penalty under this section may recover from the employer the portion of the penalty attributable to the acts of the employer which resulted in the delay. A penalty paid by an insurer under this section which is attributable to the fault of the employer shall be treated as a loss in an experience rated plan, retrospective rating plan, or dividend calculation where appropriate.*

Subd. 6a. [MEDICAL, REHABILITATION, ECONOMIC RECOVERY, AND IMPAIRMENT COMPENSATION.] *The penalties provided by this section apply in cases where payment for treatment under section 176.135, rehabilitation expenses under section 176.102, subdivisions 9 and 11, economic recovery compensation or impairment compensation are not made in a timely manner as required by law or by rule adopted by the commissioner.*

Subd. 7. [INTEREST.] Any payment of compensation, charges for treatment under section 176.135 or retraining rehabilitation expenses under 176.102, subdivision 9 not made when due shall bear interest at the rate of eight percent per annum a year from the due date to the date the payment is made or the rate set by section 549.09, subdivision 1, whichever is greater.

Subd. 8. [METHOD AND TIMELINESS OF PAYMENT.] Payment of compensation under this chapter shall be by immediately payable negotiable instrument, or if by any other method, arrangements shall be available to provide for the immediate negotiability of the payment instrument.

All payment of compensation shall be made within 14 days of the filing of an appropriate order by the division or a compensation judge, unless the order is to be appealed, or where if a different time period is provided by this chapter.

Subd. 9. [PAYMENT OF FULL WAGES.] *An employer who pays full wages to an injured employee is not relieved of the obligation for reporting the injury and making a liability determination within the times specified in this chapter. If the full wage is paid the employer's insurer or self-insurer shall report the amount of this payment to the division and determine the portion which is temporary total compensation for purposes of administering this chapter and special compensation fund assessments. The employer shall also make appropriate adjustments to the employee's payroll records to assure that the employee's sick leave or the vacation time is not inappropriately charged against the employee, and to assure the proper income tax treatment for the payments.*

Sec. 130. Minnesota Statutes 1982, section 176.225, subdivision 1, is amended to read:

Subdivision 1. [GROUNDS.] Upon reasonable notice and hearing or op-

portunity to be heard, the division, *a compensation judge*, or upon appeal, the workers' compensation court of appeals or the supreme court may award compensation, in addition to the total amount of compensation award, of up to 25 percent of that total amount where an employer or insurer has:

- (a) instituted a proceeding or interposed a defense which does not present a real controversy but which is frivolous or for the purpose of delay; or,
- (b) unreasonably or vexatiously delayed payment; or,
- (c) neglected or refused to pay compensation; or,
- (d) intentionally underpaid compensation.

Sec. 131. Minnesota Statutes 1982, section 176.225, subdivision 2, is amended to read:

Subd. 2. [EXAMINATION OF BOOKS AND RECORDS.] To determine whether an employer or insurer ~~has become subject to~~ *is liable for* the payment provided by subdivision 1, the division, *a compensation judge*, or the workers' compensation court of appeals upon appeal may examine the books and records of the ~~person~~ *employer or insurer* relating to the payment of compensation, and may require ~~him~~ *the employer or insurer* to furnish any other information relating to the payment of compensation.

Sec. 132. Minnesota Statutes 1982, section 176.225, subdivision 3, is amended to read:

Subd. 3. [DEFIANCE OF *DIVISION, COMPENSATION JUDGE, OR WORKERS' COMPENSATION COURT OF APPEALS, COMPLAINT.*] ~~Where~~ *If* an insurer persists in an action or omission listed in subdivision 1, or does not permit the examination of ~~his~~ books and records, or fails to furnish ~~such~~ information as required, the commissioner *or the chief hearing examiner* shall file a written complaint with the insurance commissioner. The complaint shall specify the facts and recommend the revocation of the license of the insurer to do business in this state. The workers' compensation court of appeals may also file ~~such~~ a written complaint.

Sec. 133. Minnesota Statutes 1982, section 176.231, subdivision 3, is amended to read:

Subd. 3. [PHYSICIANS, CHIROPRACTORS, OR ~~SURGEONS~~ *OTHER HEALTH CARE PROVIDERS TO REPORT INJURIES.*] ~~Where~~ A physician *or surgeon, chiropractor, or other health care provider* who has examined, treated, or has special knowledge of an injury to an employee which may be compensable under this chapter, ~~he~~ shall report to the commissioner ~~of the department of labor and industry~~ all facts relating to the nature and extent of the injury and disability, *and the treatment provided for the injury or disability*, within ten days after ~~he~~ *the health care provider* has received a written request for ~~such~~ the information from the commissioner ~~of the department of labor and industry~~ or ~~any member or employee thereof~~ *an authorized representative of the commissioner*.

Sec. 134. Minnesota Statutes 1982, section 176.231, subdivision 4, is amended to read:

Subd. 4. [SUPPLEMENTARY REPORTS.] The commissioner ~~of the department of labor and industry, or any member or employee thereof,~~ *an au-*

*thorized representative may require the filing of such supplementary reports of accidents as it deems is deemed necessary to provide information required by law.*

*Supplementary reports related to the current nature and extent of the employee's injury, disability, or treatment may be requested from a physician, surgeon, chiropractor, or other health care provider by the commissioner or a representative, an employer or insurer, or the employee.*

Sec. 135. Minnesota Statutes 1982, section 176.231, subdivision 5, is amended to read:

Subd. 5. [FORMS FOR REPORTS.] The commissioner of the department of labor and industry shall prescribe forms for use in making the reports required by this section. The first report of injury form which the employer submits with reference to an accident shall include a declaration by the employer that he the employer will pay the compensation the law requires. Forms for reports required by this section shall be as prescribed by the commissioner and shall be the only forms used by an employer, insurer, self-insurer, group self-insurer, and all health care providers.

Sec. 136. Minnesota Statutes 1982, section 176.231, subdivision 9, is amended to read:

Subd. 9. [USES WHICH MAY BE MADE OF REPORTS.] Reports filed with the commissioner of the department of labor and industry under this section may be used in hearings held under this chapter, and for the purpose of state investigations and for statistics.

*The division or office of administrative hearings or workers' compensation court of appeals may permit an attorney at law who represents an employer, insurer, or an employee or his a dependent to examine its file in a compensation case if the attorney furnishes written authorization to do so from his the attorney's client. Reports filed under this section and other information the commissioner has regarding injuries or deaths shall be made available to the workers' compensation reinsurance association for use by the association in carrying out its responsibilities under chapter 79.*

Sec. 137. Minnesota Statutes 1982, section 176.231, subdivision 10, is amended to read:

Subd. 10. [FAILURE TO FILE REQUIRED REPORT, PENALTY.] ~~Where~~ If an employer, physician, or surgeon has failed chiropractor, or other health provider fails to file with the commissioner of the department of labor and industry any report required by this section in the manner and within the time limitations prescribed, he shall forfeit to the state \$50 or otherwise fails to provide a report required by this section in the manner provided by this section, the commissioner may impose a penalty of up to \$200 for each such failure.

The attorney general shall sue in a civil action to collect this penalty upon notification of the matter by the commissioner of the department of labor and industry. The commissioner of the department of labor and industry shall certify to the attorney general each failure to report immediately upon its occurrence.

Penalties collected by the state under this subdivision shall be paid into the

state treasury.

Sec. 138. Minnesota Statutes 1982, section 176.241, subdivision 2, is amended to read:

Subd. 2. [CONTINUANCE OF EMPLOYER'S LIABILITY; SUSPENSION.] Except ~~where~~ *when* the commissioner orders otherwise, until the copy of the notice and reports have been filed with the division, the liability of the employer to make payments of compensation continues.

When the division has received a copy of the notice of discontinuance, the statement of facts and available medical reports, the duty of the employer to pay compensation is suspended pending an investigation, hearing, and determination of the matter by the division *or compensation judge* as provided in the following subdivisions.

Sec. 139. Minnesota Statutes 1982, section 176.241, subdivision 4, is amended to read:

Subd. 4. [ORDER.] When the hearing has been held, and ~~he has duly considered~~ *duly considered* the evidence, the person who held the hearing shall promptly enter an order directing the payment of further compensation or confirming the termination of compensation. ~~Where~~ *If* the order confirms a termination of compensation, ~~the commissioner of labor and industry shall notify the employer of the action. This notification~~ *the service and filing of the order* relieves the employer from further liability for compensation subject to the right of review afforded by this chapter, and to the right of the ~~division~~ *compensation judge* to set aside the order at any time prior to the review and to grant a new hearing pursuant to this chapter. *Once an appeal to the workers' compensation court of appeals is filed, a compensation judge may not set aside the order but the court of appeals may remand the matter to a compensation judge for a new hearing.*

Sec. 140. [176.242] [ADMINISTRATIVE CONFERENCE PRIOR TO DISCONTINUANCE OF COMPENSATION.]

*Subdivision 1. [NOTICE OF DISCONTINUANCE; GROUNDS.] If an employer or insurer files a notice of intention to discontinue, the employer or insurer shall serve a copy upon the commissioner and the employee including detailed reasons for the intended discontinuance.*

*Subd. 2. [CONFERENCE, REQUEST.] (a) The employee has ten calendar days from the date the notice was served to request that the commissioner schedule an administrative conference to determine the appropriateness of the proposed discontinuance. The employer or insurer may request an administrative conference under this section at any time whether or not a notice of intent to discontinue is filed. The commissioner shall schedule an administrative conference to be held within ten calendar days after the commissioner receives timely notice of the employee's or employer's request for an administrative conference.*

*(b) If the employee does not, in a timely manner, request that the commissioner schedule an administrative conference, or fails to appear, without good cause, at a scheduled conference, compensation may be discontinued, subject to the employee's right under section 176.241.*

*(c) An employee or employer may request a continuance of a scheduled*



*administrative conference. If the commissioner determines that good cause exists for granting a continuance, the commissioner may grant the continuance which shall not exceed ten calendar days. No more than one continuance shall be granted. If the employee is granted a continuance, compensation need not be paid during the period of continuance but shall recommence upon the date of the conference unless the commissioner orders otherwise.*

*(d) The purpose of an administrative conference is to determine whether reasonable grounds exist for a discontinuance.*

*Subd. 3. [NECESSITY FOR CONFERENCE, COMMISSIONER'S DISCRETION.] The commissioner may determine that no administrative conference is necessary under this section and permit the employer or insurer to discontinue compensation, subject to the employee's right under section 176.241.*

*The commissioner may permit compensation to be discontinued at any time after a notice pursuant to subdivision 1 is received even if no administrative conference has been held, if the commissioner deems the discontinuance appropriate based on the information the commissioner has, subject to the employee's right under section 176.241.*

*Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference, the commissioner shall issue to all interested parties a written administrative decision permitting or denying the employer's or insurer's request to discontinue compensation. The decision shall be issued within five working days from the close of the conference. The commissioner's decision is binding on the parties. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge.*

*Subd. 5. [OBJECTION TO DECISION.] If the commissioner grants the employer's or insurer's request to discontinue compensation and the employee objects to the discontinuance, the employee may file an objection to discontinuance under section 176.241. If the commissioner denies the request to discontinue compensation the employer or insurer may file a petition to discontinue under section 176.241.*

*Subd. 6. [EFFECT OF DECISION, APPEAL.] If an objection or a petition is filed under subdivision 5, the commissioner's administrative decision remains in effect and the parties obligations or rights to pay or receive compensation are governed by the commissioner's administrative decision, pending a determination by a compensation judge.*

*Subd. 7. [DECISION AS NOTICE.] If a party proceeds under subdivision 5, the commissioner's administrative decision under this section is deemed required notice to interested parties under section 176.241 and the commissioner's obligations under section 176.241 are deemed to be met.*

*Subd. 8. [WHEN DISCONTINUANCE ALLOWED.] Compensation shall not be discontinued prior to an administrative conference except as provided under subdivision 2, clause (b), or if the commissioner determines pursuant to subdivision 3 that no administrative conference is necessary. The employer may discontinue compensation immediately without having an administrative conference if the discontinuance is because the employee has re-*

turned to work.

*Subd. 9. [NOTICE, FORMS.] Notice to the employee under subdivision 1 shall be on forms prescribed by the commissioner.*

*Subd. 10. [FINES, VIOLATIONS.] An employer or insurer who discontinues compensation in violation of this section is subject to a fine of up to \$500 for each violation. Fines shall be paid to the special compensation fund.*

*Subd. 11. [APPLICATION.] This section is applicable to any notice of intent to discontinue which is filed after the effective date of this section, even if the injury occurred prior to the effective date of this section.*

**Sec. 141. [176.243] [ADMINISTRATIVE CONFERENCE FOLLOWING RETURN TO WORK, SUBSEQUENT INABILITY TO WORK.]**

*Subdivision 1. [CONFIRMATION OF EMPLOYMENT AND WAGES.] If an insurer has discontinued compensation to an employee because the employee has returned to work, the insurer shall contact the employee 14 calendar days after return to work. The insurer shall determine whether the employee is still employed after 14 days and shall also ascertain the wages being paid to the employee.*

*Subd. 2. [NOTICE TO COMMISSIONER.] If upon contact the insurer determines that the employee is not working or that the employee is earning a lower wage than at the time of the injury, the insurer shall notify the commissioner in writing of this fact and shall also state the actions that the insurer has taken or intends to take regarding payment of compensation. A copy of this notice shall be served by the insurer by certified mail to the employee.*

*Subd. 3. [EMPLOYEE REQUEST FOR ADMINISTRATIVE CONFERENCE.] If the employee objects to the action of the insurer regarding payment of compensation upon the cessation of work by the employee, the employee may request an administrative conference with the commissioner to resolve disputed issues. A request for an administrative conference shall be made within ten calendar days after service of the notice on the employee. If the employee requests an administrative conference the commissioner shall schedule a conference to be held within 14 calendar days after the commissioner receives the request.*

*Subd. 4. [ADMINISTRATIVE DECISION.] After considering the information provided by the parties at the administrative conference the commissioner shall issue to all interested parties a written administrative decision regarding payment of compensation. The commissioner's decision is binding upon the parties and the rights and obligations of the parties are governed by the decision. The commissioner shall advise all parties of the right to petition to the chief hearing examiner under section 176.241 and of the right to be represented by an attorney at a hearing before a compensation judge. A party aggrieved by the commissioner's decision may proceed under section 176.241.*

*Subd. 5. [DECISION BINDING PENDING COMPENSATION JUDGE DECISION.] If an aggrieved party files a petition under section 176.241, the commissioner's administrative decision remains in effect pending a determination by a compensation judge.*

*Subd. 6. [DECISION AS NOTICE.] If a party proceeds under section 176.241, the commissioner's administrative decision is deemed to fulfill the division's obligations under section 176.241.*

*Subd. 7. [OBLIGATIONS PRIOR TO ADMINISTRATIVE DECISION.] If an insurer has not voluntarily commenced compensation following the employee's cessation of work the insurer is not obligated to do so until an administrative conference is held and unless the commissioner determines that compensation shall be commenced.*

*Subd. 8. [NECESSITY OF ADMINISTRATIVE CONFERENCE.] If the commissioner deems it appropriate, based upon information the commissioner has, the commissioner may determine that an administrative conference is not necessary, in which case a party may proceed under section 176.241.*

*Subd. 9. [APPLICATION OF SECTION.] This section applies only when the employee has received at least 45 days of temporary total or temporary partial compensation prior to return to work and if no rehabilitation plan has been approved.*

*This section is applicable to all cases in which a return to work has occurred after the effective date of this section even if the injury occurred prior to the effective date.*

*Subd. 10. [NOTICE FORMS.] A notice under this section shall be on a form prescribed by the commissioner.*

*Subd. 11. [FINES, VIOLATIONS.] An employer or insurer who violates this section is subject to a fine of up to \$500 for each violation which shall be paid to the special compensation fund.*

Sec. 142. Minnesota Statutes 1982, section 176.281, is amended to read:

176.281 [ORDERS, DECISIONS, AND AWARDS; FILING; SERVICE.]

When the commissioner or compensation judge or office of administrative hearings or the workers' compensation court of appeals has rendered ~~an~~ a final order, decision, or award, or amendment to an order, decision, or award, it shall be filed immediately with the commissioner. ~~Where~~ If the commissioner, compensation judge, office of administrative hearings, or workers' compensation court of appeals has rendered ~~an~~ a final order, decision, or award, or amendment thereto, the commissioner or the office of administrative hearings or the workers' compensation court of appeals shall immediately serve a copy upon every party in interest, together with a notification of the ~~time~~ date the ~~same~~ order was filed.

Sec. 143. Minnesota Statutes 1982, section 176.285, is amended to read:

176.285 [SERVICE OF PAPERS AND NOTICES.]

Service of papers and notices shall be by mail or ~~by such other means~~ otherwise as the commissioner of the department of labor and industry directs or the chief hearing examiner may by rule direct. Where service is by mail, service is effected at the time mailed if properly addressed and stamped. If it is so mailed, it is presumed the paper or notice reached the party to be served. However, a party may show by competent evidence that ~~he~~ that party did not receive it or that it had been delayed in transit for an unusual or

unreasonable period of time. In case of ~~such~~ non-receipt or delay, an allowance shall be made for the party's failure to assert a right within the prescribed time.

The commissioner of the department of labor and industry and the chief hearing examiner shall ~~keep a careful record of each service including the time when made~~ ensure that proof of service of all papers and notices served by their respective agencies is placed in the official file of the case.

Sec. 144. [176.312] [AFFIDAVIT OF PREJUDICE.]

An affidavit of prejudice for cause may be filed by a party to the claim against a compensation judge, in the same manner as an affidavit of prejudice is filed pursuant to law or rule of district court. The filing of an affidavit of prejudice against a compensation judge has the same effect and shall be treated in the same manner as in district court.

Sec. 145. Minnesota Statutes 1982, section 176.321, subdivision 1, is amended to read:

Subdivision 1. [FILING, SERVICE.] Within ~~twenty~~ 20 days after he has been served with a copy service of the petition, an adverse party may shall serve and file a verified answer to the petition. ~~When he files the answer,~~ The party shall also serve a copy of the answer on the petitioner or his the petitioner's attorney.

~~Within five days after he has been served with a copy of the answer, the petitioner may file a verified reply admitting or denying new matter set forth in the answer.~~

Sec. 146. Minnesota Statutes 1982, section 176.331, is amended to read:

176.331 [AWARD BY DEFAULT.]

~~Where~~ If an adverse party has failed fails to file and serve an answer, if and the petitioner presents proof of ~~such~~ this fact, the commissioner or compensation judge shall may enter whatever award or order to which the petitioner is entitled on the basis of the facts alleged in the petition, but the compensation judge may require proof of an alleged fact. If the commissioner requires ~~such~~ proof, he the commissioner shall request the chief hearing examiner to assign the matter to a compensation judge to summarily hear and determine the same for an immediate hearing and to promptly make an prompt award or other order.

Where in ~~such~~ a default case the petition does not state facts sufficient to support an award, the compensation judge shall give the petitioner or his the petitioner's attorney written notice of this deficiency. The petitioner may thereupon serve and file another petition as in the case of an original petition.

Sec. 147. Minnesota Statutes 1982, section 176.341, is amended to read:

176.341 [HEARING ON PETITION.]

Subdivision 1. [TIME.] When the reply has been filed or the time has expired in which to file a reply Upon receipt of a matter from the commissioner, the chief hearing examiner shall fix a time and place for hearing the petition. The hearing shall be held as soon as practicable and at a time and place

determined by the chief hearing examiner to be the most convenient for the parties, keeping in mind the intent of chapter 176 as expressed in section ~~176.004~~ and the requirements of section 176.306.

Subd. 2. [PLACE.] Unless otherwise ordered by the ~~commissioner of the department of labor and industry or compensation judge~~ chief hearing examiner, the hearing shall be held in the county where the injury or death occurred.

Subd. 3. [NOTICE MAILED TO EACH PARTY.] At least ~~five~~ 30 days prior to the date of hearing, the ~~workers' compensation division~~ chief hearing examiner shall mail a notice of the time and place of hearing to each interested party. *This subdivision does not apply to hearings which have been continued from an earlier date. In those cases, the notice shall be given in a manner deemed appropriate by the chief hearing examiner after considering the particular circumstances in each case.*

Sec. 148. Minnesota Statutes 1982, section 176.361, is amended to read:

176.361 [INTERVENTION.]

~~Where~~ A person *who* has an interest in any matter before the workers' compensation court of appeals, or commissioner, or compensation judge of such a ~~character~~ that ~~he~~ *the person* may either gain or lose by an order or decision, ~~he~~ may intervene in the proceeding by filing an application in writing stating the facts which show ~~such~~ *the* interest.

The commissioner of the ~~department of labor and industry~~ and workers' compensation court of appeals shall adopt rules to govern the procedure for intervention.

Sec. 149. Minnesota Statutes 1982, section 176.371, is amended to read:

176.371 [AWARD OR DISALLOWANCE OF COMPENSATION.]

The compensation judge to whom a petition has been assigned for hearing, shall hear all competent, *relevant* evidence produced at the hearing, ~~and, as soon after the hearing as possible, make findings of fact, conclusions of law.~~ *All questions of fact and law submitted to a compensation judge at the hearing shall be disposed of and the judge's decision shall be filed with the commissioner within 60 days after the submission, unless sickness or casualty prevents a timely filing, or the time is extended by written consent of the parties, or the chief hearing examiner extends the time for good cause. The compensation judge's decision shall include a determination of all contested issues of fact and law and an award or disallowance of compensation or other order as the pleadings, evidence, this chapter and rule require. A compensation judge's decision shall include a memorandum only if necessary to delineate the reasons for the decision or to discuss the credibility of witnesses. A memorandum shall not contain a recitation of the evidence presented at the hearing but shall be limited to the compensation judge's basis for the decision.*

*No part of the salary of a compensation judge shall be paid unless the chief hearing examiner determines that all decisions of that judge have been issued within the time limit prescribed by this section.*

Sec. 150. Minnesota Statutes 1982, section 176.421, subdivision 3, is

amended to read:

Subd. 3. [NOTICE OF APPEAL.] The appellant or ~~his~~ *the appellant's* claims shall prepare and sign a written notice of appeal specifying:

- (1) the order appealed from;
- (2) that appellant appeals from the order to the workers' compensation court of appeals;
- (3) the particular finding of fact or conclusion of law which ~~he~~ *the appellant* claims was unwarranted by the evidence or procured by fraud, coercion, or other improper conduct; *and*
- (4) ~~the testimony or other part of the record of the hearing necessary to be transcribed in order for the court of appeals to consider the appeal; and;~~
- (5) any other ground upon which the appeal is taken.

*An appeal initiates the preparation of a typewritten transcript of the entire record unless the appeal is solely from an award of attorney's fees or an award of costs and disbursements or unless otherwise ordered by the court of appeals. On appeals from an award of attorney's fees or an award of costs and disbursements, the appellant must specifically delineate in the notice of appeal the portions of the record to be transcribed in order for the court of appeals to consider the appeal.*

Sec. 151. Minnesota Statutes 1982, section 176.421, subdivision 4, is amended to read:

Subd. 4. [SERVICE AND FILING OF NOTICE; COST OF TRANSCRIPT.] Within the 30 day period for taking an appeal, the appellant shall:

- (1) Serve a copy of the notice of appeal on each adverse party;
- (2) File the original notice, with proof of service by admission or affidavit, with the chief hearing examiner and file a copy with the commissioner;
- (3) In order to defray the cost of the preparation of the record of the proceedings appealed from, pay to the state treasurer, office of administrative hearings account the sum of \$25; ~~and~~
- (4) ~~Submit a request that the chief hearing examiner order the preparation of a transcript of that part of the hearing delineated in the notice of appeal.~~

~~A party who desires a transcript of more of the hearing than has been requested by the appellant shall, within five working days of service of the notice of appeal, make a request of the chief hearing examiner that the additional testimony be transcribed.~~

*The first party requesting the preparation of the transcript or any part to file an appeal is liable for the original cost of preparation of the transcript. Cross-appellants or any other persons requesting a copy of the transcript are liable for the cost of the copy. The cost of a transcript prepared by a non-governmental source shall be paid directly to that source and shall not exceed the cost that the source would be able to charge the state for the same service.*

Upon a showing of cause, the chief hearing examiner may direct that a transcript be prepared without expense to the party requesting its prepara-

tion, in which case the cost of the transcript shall be paid by the office of administrative hearings.

All fees received by the office of administrative hearings for the preparation of the record for submission to the workers' compensation court of appeals or for the cost of transcripts prepared by the office shall be deposited in the office of administrative hearings account in the state treasury and shall be used solely for the purpose of keeping the record of hearings conducted under this chapter and the preparation of transcripts of those hearings.

Sec. 152. Minnesota Statutes 1982, section 176.421, subdivision 6, is amended to read:

Subd. 6. [POWERS OF WORKERS' COMPENSATION COURT OF APPEALS ON APPEAL.] On an appeal taken under this section, the workers' compensation court of ~~appeals~~ *appeals' review is limited to the issues raised by the parties in the notice of appeal or by a cross-appeal. In these cases, on those issues raised by the appeal, the workers' compensation court of appeals may:*

(1) disregard the findings of fact which the compensation judge has made;

(2) examine the record;

(3) substitute for the findings of fact made by the compensation judge ~~such findings as based on~~ the total evidence ~~requires~~; and,

(4) make an award or disallowance of compensation or other order ~~as based on the facts and findings~~ *require*.

Sec. 153. Minnesota Statutes 1982, section 176.421, subdivision 7, is amended to read:

Subd. 7. [RECORD OF PROCEEDINGS.] At the division's own expense, the commissioner shall make a complete record of all proceedings before ~~himself~~ the commissioner *and shall provide a stenographer or an audio magnetic recording device to make a the record of the proceedings before him.*

The commissioner shall furnish a transcript of these proceedings to any person who requests it and who pays a reasonable charge ~~and shall fix the amount of this charge which shall be set by the commissioner. Upon a showing of cause, the commissioner may direct that a transcript be prepared without expense to the person requesting the transcript, in which case the cost of the transcript shall be paid by the division. Transcript fees received under this subdivision shall be paid to the workers' compensation division account in the state treasury and shall be annually appropriated to the division for the sole purpose of providing a record and transcripts as provided in this subdivision.~~

Sec. 154. Minnesota Statutes 1982, section 176.442, is amended to read:

176.442 [APPEALS FROM DECISIONS OF COMMISSIONER OF DEPARTMENT OF LABOR AND INDUSTRY.]

Any decision or determination of the commissioner ~~of the department of labor and industry~~ affecting a right, privilege, benefit, or duty which is imposed or conferred under this chapter is subject to review by the workers'

compensation court of appeals. A person aggrieved by ~~such~~ *the* determination may appeal to the workers' compensation court of appeals *by filing a notice of appeal with the commissioner* in the same manner and within the same time as if the appeal were from an order or decision of a compensation judge to the workers' compensation court of appeals.

Sec. 155. Minnesota Statutes 1982, section 176.461, is amended to read:

176.461 [SETTING ASIDE AWARD.]

Except ~~where~~ *when* a writ of certiorari has been issued by the supreme court and the matter is still pending in that court or ~~where~~ *if* as a matter of law the determination of the supreme court cannot be subsequently modified, the workers' compensation court of appeals, for cause, at any time after an award, upon application of either party and not less than five *working* days after written notice to all interested parties, may set the award aside and grant a new hearing and refer the matter for a determination on its merits to the chief hearing examiner for assignment to a compensation judge, who shall make ~~such~~ findings of fact, conclusions of law, and *an order of award* or disallowance of compensation or other order *as based on* the pleadings and the evidence produced and *as required* by the provisions of this chapter ~~shall require~~ *or rules adopted under it*.

Sec. 156. Minnesota Statutes 1982, section 176.521, subdivision 2, is amended to read:

Subd. 2. [APPROVAL.] Settlements shall be approved only ~~where~~ *if* the terms conform with this chapter.

The division, a compensation judge, the workers' compensation court of appeals, and the district court shall exercise discretion in approving or disapproving a proposed settlement.

The parties to the agreement of settlement have the burden of proving that the settlement is reasonable, fair, and in conformity with this chapter. A settlement agreement where both the employee or ~~his~~ *the employee's* dependent and the employer or insurer and intervenors in the matter are represented by an attorney shall be conclusively presumed to be reasonable, fair, and in conformity with this chapter *except when the settlement purports to be a full, final, and complete settlement of an employee's right to medical compensation under this chapter or rehabilitation under section 176.102. A settlement which purports to do so must be approved by the division, a compensation judge, or workers' compensation court of appeals.*

*The conclusive presumption in this subdivision applies to a settlement agreement entered into on or after January 15, 1982, whether the injury to which the settlement applies occurred prior to or on or after January 15, 1982.*

Sec. 157. Minnesota Statutes 1982, section 176.521, subdivision 2a, is amended to read:

Subd. 2a. [SETTLEMENTS NOT SUBJECT TO APPROVAL.] When a settled case is not subject to approval, upon receipt of the stipulation for settlement, a compensation judge ~~or~~, a settlement judge, *or the workers' compensation court of appeals* shall immediately sign the award and file it with the commissioner. Payment pursuant to the award shall be made within



14 days after it is filed with the commissioner. The commissioner may correct mathematical or clerical errors at any time.

Sec. 158. Minnesota Statutes 1982, section 176.521, subdivision 3, is amended to read:

Subd. 3. [SETTING ASIDE AWARD UPON SETTLEMENT.] Notwithstanding *the provisions of section 176.521, subdivision 1, 2, or 2a, or any provision in the agreement of settlement to the contrary, upon the filing of a petition by any party to the settlement and after a hearing on the petition, the workers' compensation court of appeals may set aside an award made upon a settlement, pursuant to this chapter. In those cases, the workers' compensation court of appeals shall refer the matter to the chief hearing examiner for assignment to a compensation judge for hearing.*

Sec. 159. [176.521] [NOTICE TO EMPLOYER.]

*An employer shall be notified by the insurer 30 days after any final valid settlement is approved or otherwise made final under any provision of this chapter. The notice shall include all terms of the settlement including the total amount of money required to be reserved in order to pay the claim.*

Sec. 160. Minnesota Statutes 1982, section 176.561, is amended to read:

176.561 [WORKERS' COMPENSATION COURT OF APPEALS POWERS AND DUTIES AS TO STATE EMPLOYEES; PROCEDURE FOR DETERMINING LIABILITY.]

The division, *a compensation judge* and the workers' compensation court of appeals have the same powers and duties in matters relating to state employees as they have in relation to other employees.

Except as specifically provided otherwise ~~herein~~ *in this chapter*, the procedure for determining the liability of the state for compensation is the same as that applicable in other cases.

Sec. 161. Minnesota Statutes 1982, section 176.571, subdivision 6, is amended to read:

Subd. 6. [FORMAL HEARING ON OBJECTIONS.] *If the commissioner of the department of labor and industry shall hold determines that a formal hearing on the objections which have been filed to the proposed order where the circumstances warrant such is warranted, the commissioner shall refer the matter to the chief hearing examiner for the assignment of a compensation judge who shall hold a hearing. The hearing shall be before a compensation judge.*

Sec. 162. [176.572] [CONTRACT WITH INSURANCE CARRIERS.]

*The commissioner may contract with group health insurance carriers or health maintenance organizations to provide health care services and reimburse health care payments for injured state employees entitled to benefits under this chapter.*

Sec. 163. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

Subd. 10. [MULTIPLE EMPLOYERS OR INSURERS; LIABILITY.] *The employer liable for the compensation for a personal injury under this chapter*

*is the employer in whose employment the employee was last exposed in a significant way to the hazard of the occupational disease. In the event that the employer who is liable for the compensation had multiple insurers during the employee's term of employment, the insurer who was on the risk during the employee's last significant exposure to the hazard of the occupational disease is the liable party. Where there is a dispute as to which employer is liable under this section, the employer in whose employment the employee is last exposed to the hazard of the occupational disease shall pay benefits pursuant to section 176.191, subdivision 1.*

Sec. 164. Minnesota Statutes 1982, section 176.66, is amended by adding a subdivision to read:

*Subd. 11. [AMOUNT OF COMPENSATION.] The compensation for an occupational disease is 66-2/3 percent of the employee's weekly wage on the date of injury subject to a maximum compensation equal to the maximum compensation in effect on the date of last exposure. The employee shall be immediately eligible for supplementary benefits if that employee's compensation is less than 65 percent of the statewide average weekly wage.*

Sec. 165. [176.83] [RULES.]

*In addition to any other section under this chapter giving the commissioner the authority to adopt rules, the commissioner may adopt, amend, or repeal rules to implement the provisions of this chapter. The rules include but are not limited to:*

*(a) rules necessary to implement and administer section 176.102, including the establishment of qualifications necessary to be a qualified rehabilitation consultant and the requirements to be an approved registered vendor of rehabilitation services.*

*In this regard, the commissioner shall impose fees under section 16A.128 sufficient to cover the cost of approving, registering and monitoring qualified rehabilitation consultants and approved vendors of rehabilitation services. The rules may also provide for penalties to be imposed by the commissioner against insurers or self-insured employers who fail to provide rehabilitation consultation to employees pursuant to section 176.102.*

*These rules may also establish criteria for determining "reasonable moving expenses" under section 176.102.*

*The rules shall also establish criteria, guidelines, methods, or procedures to be met by an employer or insurer in providing the initial rehabilitation consultation required under this chapter which would permit the initial consultation to be provided by an individual other than a qualified rehabilitation consultant. In the absence of rules regarding an initial consultation this consultation shall be conducted pursuant to section 176.102;*

*(b) rules establishing standards for reviewing and evaluating the clinical consequences of services provided by qualified rehabilitation consultants, approved registered vendors of rehabilitation services, and services provided to an employee by health care providers;*

*(c) rules establishing standards and procedures for determining whether or not charges for health services or rehabilitation services rendered under this chapter are excessive. In this regard, the standards and procedures*

*shall be structured to determine what is necessary to encourage providers of health services and rehabilitation services to develop and deliver services for the rehabilitation of injured employees.*

*The procedures shall include standards for evaluating hospital care, other health care and rehabilitation services to insure that quality hospital, other health care, and rehabilitation is available and is provided to injured employees;*

*(d) in consultation with the medical services review board or the rehabilitation review panel, rules establishing standards and procedures for determining whether a provider of health care services and rehabilitation services, including a provider of medical, chiropractic, podiatric, surgical, hospital or other services, is performing procedures or providing services at a level or with a frequency that is excessive, based upon accepted medical standards for quality health care and accepted rehabilitation standards.*

*If it is determined by the commissioner that the level, frequency or cost of a procedure or service of a provider is excessive according to the standards established by the rules, the provider shall not be paid for the excessive procedure, service, or cost by an insurer, self-insurer, or group self-insurer. In addition, the provider shall not be reimbursed or attempt to collect reimbursement for the excessive procedure, service, or cost from any other source, including the employee, another insurer, the special compensation fund, or any government program.*

*A health or rehabilitation provider who is determined by the commissioner to be consistently performing procedures or providing services at an excessive level or cost may be prohibited from receiving any further reimbursement for procedures or services provided under chapter 176. A prohibition imposed on a provider under this clause may be grounds for revocation or suspension of the provider's license or certificate of registration to provide health care or rehabilitation service in Minnesota by the appropriate licensing or certifying body.*

*The rules adopted under this clause shall require insurers, self-insurers, and group self-insurers to report medical and other data necessary to implement the procedures required by this clause;*

*(e) rules establishing procedures and standards for the certification of physicians, chiropractors, podiatrists, and other health care providers in order to assure the coordination of treatment, rehabilitation, and other services and requirements of chapter 176 for carrying out the purposes and intent of this chapter;*

*(f) rules necessary for implementing and administering the provisions of sections 176.131, 176.132, 176.134, sections 176.242 and 176.243; sections 176.251, 176.66 to 176.669, and rules regarding proper allocation of compensation under section 176.111. Under the rules adopted under section 176.111 a party may petition for a hearing before a compensation judge to determine the proper allocation. In this case the compensation judge may order a different allocation than prescribed by rule;*

*(g) rules establishing standards or criteria under which a physician, podiatrist, or chiropractor is selected or under which a change of physician, podiatrist, or chiropractor is allowed under section 176.135, subdivision 2;*

(h) rules to govern the procedure for intervention pursuant to section 176.361;

(i) joint rules with either or both the workers' compensation court of appeals and the chief hearing examiner which may be necessary in order to provide for the orderly processing of claims or petitions made or filed pursuant to chapter 176;

(j) rules establishing criteria to be used by the division, compensation judge, and workers' compensation court of appeals to determine "suitable gainful employment" and "independent contractor".

The chief hearing examiner shall adopt rules relating to procedures in matters pending before a compensation judge in the office of administrative hearings.

The commissioner may adopt rules regarding requirements which must be met by individuals who are employed by insurers or self-insurers or claims servicing or adjusting agencies and who work as claims adjusters in the field of workers' compensation insurance.

The commissioner may adopt temporary rules establishing qualifications necessary to be a qualified rehabilitation consultant and penalties to be imposed against qualified rehabilitation consultants or approved vendors who violate this chapter or rules, including temporary rules, adopted under this chapter. In addition to the provisions of sections 14.29 to 14.36, at least one public hearing shall be held prior to the adoption of these temporary rules.

The commissioner may prescribe forms and other reporting procedures to be used by an employer, insurer, medical provider, qualified rehabilitation consultant, approved vendor of rehabilitation services, attorney, employee, or other person subject to the provisions of this chapter.

#### Sec. 166. [176.84] [SPECIFICITY OF NOTICE OR STATEMENT.]

All notices or statements required by this chapter including, but not limited to, notices or statements pursuant to sections 176.102; 176.221; 176.241; 176.242; and 176.243 shall be sufficiently specific to convey clearly, without further inquiry, the basis upon which the party issuing the notice or statement is acting. If the commissioner or compensation judge determines that a notice or statement is not sufficiently specific to meet the standard under this section, the notice or statement may be rejected as unacceptable and the party issuing it shall be informed of this. The rejected notice or statement may be amended to meet the requirement of this section or a new one may be filed.

#### Sec. 167. [176.85] [PENALTIES; APPEALS.]

*Subdivision 1. [APPEAL PROCEDURE.]* If the commissioner has assessed a penalty against a party subject to this chapter and the party believes the penalty is not warranted, the party may request that a formal hearing be held on the matter. Upon a request for a hearing the commissioner shall refer the matter to the chief hearing examiner for assignment to a compensation judge or hearing examiner.

The chief hearing examiner shall keep a record of the proceeding and provide a record pursuant to section 176.421.

*The decision of the compensation judge or hearing examiner shall be final and shall be binding and enforceable. The decision may be appealed to the workers' compensation court of appeals.*

*Subd. 2. [EXCEPTION.] This section does not apply to penalties for which another appeal procedure is provided, including but not limited to penalties imposed pursuant to section 176.102 or article 2, section 85.*

*Subd. 3. [HEARING COSTS.] For purposes of this section, a hearing before a hearing examiner shall be treated in the same manner as a hearing before a compensation judge and no costs may be charged to the commissioner for the hearing, regardless of who hears it.*

Sec. 168. Minnesota Statutes 1982, section 268.08, subdivision 3, is amended to read:

Subd. 3. [NOT ELIGIBLE.] An individual shall not be eligible to receive benefits for any week with respect to which he is receiving, has received, or has filed a claim for remuneration in an amount equal to or in excess of his weekly benefit amount in the form of

(1) termination, severance, or dismissal payment or wages in lieu of notice whether legally required or not; provided that if a termination, severance, or dismissal payment is made in a lump sum, the employer may allocate such lump sum payment over a period equal to the lump sum divided by the employee's regular pay while employed by such employer; provided any such payment shall be applied for a period immediately following the last day of work but not to exceed 28 calendar days; or

(2) vacation allowance paid directly by the employer for a period of requested vacation, including vacation periods assigned by the employer under the provisions of a collective bargaining agreement, or uniform vacation shutdown; or

(3) compensation for loss of wages under the workers' compensation law of this state or any other state or under a similar law of the United States, or under other insurance or fund established and paid for by the employer *except that this does not apply to an individual who is receiving temporary partial compensation pursuant to section 176.101, subdivision 3k*; or

(4) 50 percent of the pension payments from any fund, annuity or insurance maintained or contributed to by a base period employer including the armed forces of the United States if the employee contributed to the fund, annuity or insurance and all of the pension payments if the employee did not contribute to the fund, annuity or insurance; or

(5) 50 percent of a primary insurance benefit under Title II of the social security act as amended, or similar old age benefits under any act of congress or this state or any other state.

Provided, that if such remuneration is less than the benefits which would otherwise be due under sections 268.03 to 268.24, he shall be entitled to receive for such week, if otherwise eligible, benefits reduced by the amount of such remuneration; provided, further, that if the appropriate agency of such other state or the federal government finally determines that he is not entitled to such benefits, this provision shall not apply.

Sec. 169. Minnesota Statutes 1982, section 471.982, subdivision 2, is

amended to read:

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

(a) *The requirements for self-insuring pools of political subdivisions shall be no more restrictive and may be less restrictive than the requirements for self-insuring pools of private employers;*

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

~~(b)~~ (c) Each pool shall contract with a service company licensed by the commissioner to provide or contract for all administrative services required by the pool. No vendor of risk management services or entity administering a self insurance plan under this section may transact such business in this state unless it is licensed to do so by the commissioner. An applicant for a license shall state in writing the type of activities it seeks authorization to engage in and the type of services it seeks authorization to provide. The license shall be granted only when the commissioner is satisfied that the entity possesses the necessary organization, background, expertise, and financial integrity to supply the services sought to be offered. The commissioner may issue a license subject to restrictions or limitations upon the authorization, including the type of services which may be supplied or the activities which may be engaged in. The license fee shall be \$100. All licenses shall be for a period of two years;

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

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

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

~~(f)~~ (g) Premiums shall ~~either be established by an actuary approved by the commissioner or shall be premiums filed by a licensed rate service organization with reductions permitted solely for administrative or premium tax savings neither excessive, inadequate, nor unfairly discriminatory;~~

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

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

~~(i)~~ (j) *Whether* limitations on the payment of dividends to pool members

~~may be established~~ as are necessary to assure the solvency of the pool in view of the taxing and levying authority of political subdivisions;

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

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

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

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

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

Sec. 170. Minnesota Statutes 1982, section 471.982, is amended by adding a subdivision to read:

*Subd. 3. Self-insurance pools established and open for enrollment on a statewide basis by the Minnesota league of cities insurance trust, the Minnesota school boards association insurance trust or the Minnesota association of counties insurance trust are exempt from the requirements of this section.*

Sec. 171. [CITY OF DULUTH; GROUP WORKER'S COMPENSATION SELF-INSURANCE POOLS.]

*Subdivision 1. [FORMATION OF POOLS WITH PRIVATE EMPLOYERS.] Notwithstanding any contrary provision of other law, ordinance, or charter, the city of Duluth may enter into a self-insurance pool with private employers to self-insure worker's compensation liability of pool members. Any pool formed pursuant to this section shall be operated under bylaws established by members of the pool. The initial bylaws and amendments to them shall not be effective unless approved by the city of Duluth and the commissioner of insurance. The bylaws shall address the following subjects:*

(a) *Qualifications for group self-insurer membership, including underwriting standards.*

(b) *The method of selecting the board of directors, including the directors' terms of office.*

(c) *The procedure for amending the bylaws or plan of operation.*

(d) *Investment of assets of the fund.*

(e) *Frequency and extent of loss control or safety engineering services provided to members.*

(f) *A schedule for payment and collection of premiums.*

(g) *Expulsion procedures, including expulsion for nonpayment of premiums and expulsion for excessive losses.*

(h) *Delineation of authority granted to the administrator.*

(i) *Delineation of authority granted to the service company.*

(j) *Basis for determining premium contributions by members including any experience rating program.*

(k) *Procedures for resolving disputes between members of the group, which shall not include submitting them to the commissioner.*

(l) *Basis for determining distribution of any surplus to the members, or assessing the membership to make up any deficit.*

(m) *Provisions for security to be furnished by private employers to insure assessments are paid in case of private employer insolvency.*

*The members participating in the pool may establish a joint board with appropriate powers to manage the pool. Each member of the pool shall pay to the pool the amounts assessed against it pursuant to the bylaws. A member may withdraw only after it has reimbursed the pool for the amounts for which it is obligated under the terms of the agreement.*

*Subd. 2. [APPROVAL OF COMMISSIONER.] A pool formed pursuant to this section shall not be effective or begin operation until it has been approved by the commissioner of insurance in the manner provided in Minnesota Statutes, section 471.982. Section 471.982 and any applicable rules adopted pursuant to it shall apply to any pool formed pursuant to this section. A pool formed pursuant to this section shall be a member of the workers' compensation reinsurance association and shall be bound by its plan of operation.*

Sec. 172. [APPROPRIATIONS; COMPLEMENT INCREASE.]

*Subdivision 1. [DEPARTMENT OF LABOR AND INDUSTRY.] (a) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:*

| 1984        | 1985        |
|-------------|-------------|
| \$1,947,500 | \$2,142,400 |

*The approved complement of the department of labor and industry is increased by 90 of which 2 shall be federally funded and 19 shall be from the special compensation fund. The increased complement shall be allocated as follows:*

- (1) *workers' compensation administration, 1;*
- (2) *records and compliance, 15;*
- (3) *rehabilitation service, 20;*
- (4) *legal services, 1;*
- (5) *settlement and docket, 3;*
- (6) *mediation and arbitration, 6;*
- (7) *research and education, 8;*
- (8) *information management service, 6;*
- (9) *state employee fund, 6;*



(10) general support, 8; and

(11) special compensation fund, 19.

The appropriation provided by this clause (a) is for the purpose of paying for the increased general fund complement and expenses related to their duties except that \$100,000 shall be used for the recodification of chapter 176.

The authorized complement for the records and compliance section shall be reduced by four positions by June 30, 1985.

(b) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

|           |           |
|-----------|-----------|
| 1984      | 1985      |
| \$437,500 | \$875,000 |

The appropriation provided by this clause (b) is for the purpose of paying the state's premium to the workers' compensation reinsurance association. The commissioner of finance shall transfer to the general fund from each federal fund, dedicated or special revenue fund, or revolving fund the proportion of premium costs attributable to that fund as calculated pursuant to section 10. The amounts necessary for this transfer are appropriated from the various funds in the state treasury from which salaries are paid.

(c) There is appropriated to the department of labor and industry for the fiscal years ending June 30 of the year indicated from the special compensation fund in the state treasury:

|           |           |
|-----------|-----------|
| 1984      | 1985      |
| \$614,000 | \$646,400 |

The funds appropriated by this clause (c) are to pay the expenses of the increased complement provided for the fund by clause (a) and expenses related to their duties and to reimburse the general fund for legal services performed on behalf of the fund by the attorney general.

Subd. 2. [OFFICE OF ADMINISTRATIVE HEARINGS.] There is appropriated to the office of administrative hearings for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

|          |          |
|----------|----------|
| 1984     | 1985     |
| \$85,400 | \$86,300 |

The approved complement of the office of administrative hearings is increased by two. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expenses related to their duties.

Subd. 3. [INSURANCE DIVISION.] There is appropriated to the department of commerce for its insurance division for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:

|           |           |
|-----------|-----------|
| 1984      | 1985      |
| \$230,800 | \$229,100 |

The approved complement of the insurance division of the department of

*commerce is increased by seven. The appropriation provided by this subdivision is for the purpose of paying for the increased complement and expense related to their duties.*

*Subd. 4. [ATTORNEY GENERAL.] There is appropriated to the office of the attorney general for the fiscal years ending June 30 of the year indicated from the general fund in the state treasury:*

|           |           |
|-----------|-----------|
| 1984      | 1985      |
| \$201,500 | \$204,900 |

*The approved complement of the office of attorney general is increased by six. The appropriation provided by this subdivision is for the purpose of providing for the increased complement and expenses related to their duties.*

**Sec. 173. [REPEALER.]**

*Minnesota Statutes 1982, sections 79.51, 8.31, subdivision 4; subdivision 2; and 79.63 are repealed effective July 1, 1983. Minnesota Statutes 1982, sections 175.07; 175.101, subdivision 3; 175.36; 176.101, subdivision 3; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262 are repealed effective January 1, 1984.*

**Sec. 174. [SEVERABILITY.]**

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

**Sec. 175. [EFFECTIVE DATE.]**

*Sections 1 to 6, 12, 14, 19 to 25, 28, 32, 35 to 41, 69 to 83, 85, section 86, except for clause (c) which is effective on the day after final enactment, 92, 95 to 101, 110, 128, section 129, except for those portions of subdivision 6a relating to economic recovery compensation and impairment compensation which are effective upon the adoption of temporary rules under section 86, 130 to 162, 165 to 167, 169 to 172, and 174 are effective July 1, 1983. Sections 8, 17, 18, 26, 27, 31, 34, 66, 84, 87 to 91, 103 to 109, 163 and 164 are effective October 1, 1983. Sections 7, 9, 10, 11, 13, 67, 68, and 93 are effective January 1, 1984. Sections 15, 16 and 173 are effective the day after final enactment. Sections 29, 30, 33, 42 to 66, 94, 102 and 168 are effective upon adoption of temporary rules under section 86."*

Correct internal cross references

Delete the title and insert:

"A bill for an act relating to workers' compensation; providing for comprehensive reform of all aspects of workers' compensation; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 2; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivision 3; 79.52, by adding a subdivision;

79.53; 147.02, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.001; 176.011, subdivision 9, and by adding subdivisions; 176.012; 176.021, subdivisions 1a and 3; 176.041, subdivision 1; 176.061; 176.081, subdivisions 1, 2, 5, 6, 7, and by adding a subdivision; 176.101, subdivisions 1, 2, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.181, by adding a subdivision; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, subdivision 1, and by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.66, by adding subdivisions; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79; 148; and 176; proposing new law coded as Minnesota Statutes, chapter 176A; repealing Minnesota Statutes 1982, sections 8.31, subdivision 4; 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.101, subdivision 3; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262."

The motion prevailed. So the amendment was adopted.

Mr. Taylor moved to amend the Chmielewski amendment to H. F. No. 274, adopted by the Senate May 20, 1983, as follows:

Page 24, line 20, delete "*economic recovery*" and insert "*temporary total*"

Page 24, line 21, delete "*3a*" and insert "*I*"

Page 26, line 23, delete "*the economic recovery compensation or*"

Page 26, line 24, delete "*, whichever is due,*"

Page 26, line 29, delete "*economic recovery*"

Page 27, line 30, delete "*compensation or*"

Page 27, line 7, delete "*Economic recovery compensation or*"

Page 27, line 16, delete "*Economic recovery*"

Page 27, line 17, delete "*compensation or*"

Page 27, line 22, delete the new language

Page 27, line 31, delete the new language

Page 28, line 7, after "*receive*" delete the remaining language

Page 28, line 11, delete "*economic recovery*"

Page 28, line 12, delete "*compensation or*"

Page 40, delete section 42 and insert:

"Sec. 42. Minnesota Statutes 1982, section 176.101, subdivision 1, is amended to read:

Subdivision 1. [TEMPORARY TOTAL DISABILITY.] For injury producing temporary total disability, *an employee shall receive 66 2/3 percent of the daily employee's gross weekly wage at the time of injury up to a maximum of 100 percent of the statewide average weekly wage.*

(1) ~~provided that during the year commencing on October 1, 1979, and each year thereafter, commencing on October 1, the maximum weekly benefits payable shall be the statewide average weekly wage for the period ending December 31, of the preceding year.~~

(2) ~~The minimum weekly compensation benefits for temporary total disability shall be not less than 50 percent of the statewide average weekly wage or the injured employee's actual weekly wage, whichever is less. In no case shall a weekly benefit be less than 20 percent of the statewide average weekly wage.~~

~~This compensation shall be paid during the period of disability, payment to be made at the intervals when the wage was payable, as nearly as may be.~~

Sec. 43. Minnesota Statutes 1982, section 176.101, is amended by adding a subdivision to read:

*Subd. 1a. [MINIMUM BENEFIT.] If an employee earns less than 50 percent of the statewide average weekly wage at the time of injury and if the employee's weekly income provides for at least 75 percent of the employee's own support or 75 percent of the support of the employee and his or her family, then the minimum weekly compensation benefits for temporary total disability shall be the employee's gross weekly wage at the time of injury.*

*Compensation payable under subdivisions 1 and 1a shall be paid during the period of disability, at the same intervals when the wage was payable."*

Page 41, delete lines 1 to 30

Page 41, line 33, delete "*3b*" and insert "*3a*"

Page 42, delete lines 7 to 22 and insert:

|               |                  |
|---------------|------------------|
| <i>0-10</i>   | <i>\$ 15,000</i> |
| <i>11-20</i>  | <i>30,000</i>    |
| <i>21-30</i>  | <i>45,000</i>    |
| <i>31-40</i>  | <i>60,000</i>    |
| <i>41-50</i>  | <i>75,000</i>    |
| <i>51-60</i>  | <i>90,000</i>    |
| <i>61-70</i>  | <i>110,000</i>   |
| <i>71-80</i>  | <i>140,000</i>   |
| <i>81-90</i>  | <i>170,000</i>   |
| <i>91-100</i> | <i>200,000"</i>  |

Page 42, line 31, delete "*3c*" and insert "*3b*"

Page 43, line 3, delete "*3d*" and insert "*3c*"

Page 43, line 10, delete "*3e*" and insert "*3d*"

Page 43, line 27, delete “3f” and insert “3e”

Page 43, line 26, delete “3b” and insert “3a” and delete everything after the period

Page 43, delete line 27

Page 43, delete line 28

Page 43, line 29, delete everything before “Temporary”

Page 45, line 5, delete “3e” and insert “3d”

Page 45, line 6, delete “3p” and insert “3o” and delete “economic recovery”

Page 45, line 7, delete “compensation or”

Page 45, line 12, delete “3g” and insert “3f”

Page 45, line 13, delete “3e” and insert “3d”

Page 45, line 16, delete “30” and insert “90”

Page 45, line 20, delete “3h” and insert “3g”

Page 45, line 21, delete “3e” and insert “3d” and delete “3f” and insert “3e”

Page 45, line 26, delete “3i” and insert “3h”

Page 45, line 28, delete “3e” and insert “3d”

Page 45, line 30, delete “monitoring”

Page 46, line 30, delete “3j” and insert “3i”

Page 47, line 8, delete “3e” and insert “3d”

Page 47, line 10, delete “economic recovery” and insert “impairment”

Page 47, line 11, delete “pursuant to this section” and insert “in the same interval and amount that temporary total compensation was paid”

Page 47, line 16, delete “3k” and insert “3j”

Page 47, line 17, delete “3e” and insert “3d”

Page 47, line 28, delete “3l” and insert “3k”

Page 47, line 29, delete “3e” and insert “3d”

Page 48, line 1, delete “3b” and insert “3a”

Page 48, line 8, delete “3m” and insert “3l”

Page 48, line 9, delete “3e” and insert “3d”

Page 48, line 12, delete “30” and insert “90”

Page 48, line 16, delete “3n” and insert “3m”

Page 48, line 18, delete “3e” and insert “3d”

Page 48, line 26, delete “3o” and insert “3n”

Page 48, lines 29 and 34, delete “3b” and insert “3a”

Page 49, line 1, delete "30" and insert "90"

Page 49, delete lines 4 to 15

Page 49, line 16, delete "(d)" and insert "(b)"

Page 49, line 21, delete "3p" and insert "3o"

Page 49, line 25, delete "economic recovery" and insert "impairment"

Page 49, line 26, delete "3e" and insert "3d"

Page 49, line 31, delete "economic recovery" and insert "impairment"

Page 49, line 32, delete "economic"

Page 49, line 33, delete "recovery" and insert "impairment"

Page 49, line 36, delete "3q" and insert "3p" and delete "ECONOMIC RECOVERY" and insert "IMPAIRMENT"

Page 50, line 1, delete "(a)"

Page 50, line 4, delete "economic recovery" and insert "impairment"

Page 50, line 5, delete "economic recovery" and insert "impairment"

Page 50, line 6, delete "30" and insert "90"

Page 50, delete lines 7 and 8

Page 55, line 13, delete "3r" and insert "3q"

Page 50, line 12, delete "economic recovery compensation or"

Page 50, line 18, delete "economic"

Page 50, line 19, delete "recovery or"

Page 50, line 25, delete "economic recovery or"

Page 50, line 32, after "3" delete the comma and insert "or" and delete "or 3b,"

Page 50, line 35, delete everything after "further"

Page 51, line 3, delete "economic recovery compensation or"

Page 51, line 8, delete "3s" and insert "3r" and delete "ECONOMIC RECOVERY COMPENSATION OR"

Page 51, line 9, delete "economic recovery"

Page 51, line 10, delete "compensation or"

Page 51, line 12, delete "or 3b"

Page 51, delete lines 15 to 28

Page 51, line 31, delete "3u" and insert "3s"

Page 51, line 36, delete "3v" and insert "3t"

Page 52, line 3, after "subdivision" insert "3d or" and delete "or 3f"

Page 52, line 8, delete "that"

Page 52, delete lines 9 to 21 and insert " , the compensation payable for the

*permanent partial disability pursuant to this section shall be equal to the proportion of the disability which is not attributable to the pre-existing disability."*

Page 52, line 36, delete "economic recovery" and insert "impairment"

Page 62, line 4, delete "An"

Page 62, delete lines 5 to 14

Re-number the sections in sequence

Correct internal references

Amend the title accordingly

The question was taken on the adoption of the amendment.

The roll was called, and there were yeas 28 and nays 37, as follows:

Those who voted in the affirmative were:

|           |               |            |                |        |
|-----------|---------------|------------|----------------|--------|
| Anderson  | Brataas       | Kamrath    | Mehrkens       | Storm  |
| Belanger  | DeCramer      | Knaak      | Olson          | Stumpf |
| Benson    | Frederick     | Knutson    | Peterson, D.L. | Taylor |
| Berg      | Frederickson  | Kronebusch | Ramstad        | Ulland |
| Bernhagen | Isackson      | Laidig     | Renneke        |        |
| Bertram   | Johnson, D.E. | McQuaid    | Sieloff        |        |

Those who voted in the negative were:

|             |               |                |                |           |
|-------------|---------------|----------------|----------------|-----------|
| Adkins      | Frank         | Lessard        | Peterson, R.W. | Spear     |
| Berglin     | Freeman       | Luther         | Petty          | Vega      |
| Chmielewski | Hughes        | Merriam        | Pogemiller     | Waldorf   |
| Dahl        | Johnson, D.J. | Moe, R. D.     | Purfeerst      | Wegscheid |
| Davis       | Jude          | Nelson         | Reichgott      | Willet    |
| Dicklich    | Kroening      | Novak          | Samuelson      |           |
| Diessner    | Langseth      | Pehler         | Schmitz        |           |
| Dieterich   | Lantry        | Peterson, D.C. | Solon          |           |

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

H.F. No. 274 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 23 and nays 44, as follows:

Those who voted in the affirmative were:

|             |          |            |                |           |
|-------------|----------|------------|----------------|-----------|
| Adkins      | DeCramer | Lessard    | Pehler         | Waldorf   |
| Bertram     | Diessner | Luther     | Peterson, R.W. | Wegscheid |
| Chmielewski | Hughes   | Merriam    | Petty          | Willet    |
| Dahl        | Jude     | Moe, R. D. | Schmitz        |           |
| Davis       | Langseth | Nelson     | Stumpf         |           |

Those who voted in the negative were:

|           |               |            |                |           |
|-----------|---------------|------------|----------------|-----------|
| Anderson  | Frank         | Knutson    | Olson          | Samuelson |
| Belanger  | Frederick     | Kroening   | Peterson, C.C. | Sieloff   |
| Benson    | Frederickson  | Kronebusch | Peterson, D.C. | Solon     |
| Berg      | Freeman       | Laidig     | Peterson, D.L. | Spear     |
| Berglin   | Isackson      | Lantry     | Pogemiller     | Storm     |
| Bernhagen | Johnson, D.E. | McQuaid    | Purfeerst      | Taylor    |
| Brataas   | Johnson, D.J. | Mehrkens   | Ramstad        | Ulland    |
| Dicklich  | Kamrath       | Moe, D. M. | Reichgott      | Vega      |
| Dieterich | Knaak         | Novak      | Renneke        |           |

So the bill, as amended, failed to pass.

**CONFERENCE COMMITTEE EXCUSED**

Pursuant to Rule 21, Mr. Freeman moved that the following members be excused for a Conference Committee on H.F. No. 300 from 9:00 to 10:25 p.m.:

Messrs. Freeman, Vega, Pogemiller, Renneke and Moe, D.M. The motion prevailed.

**MOTIONS AND RESOLUTIONS - CONTINUED**

Mr. Chmielewski moved that H.F. No. 575 be taken from the table. The motion prevailed.

H.F. No. 575: A bill for an act relating to labor; providing for comprehensive reform of all aspects of workers' compensation; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; providing penalties; appropriating money; amending Minnesota Statutes 1982, sections 43A.23, by adding a subdivision; 79.071, subdivisions 1 and 1a; 79.211, subdivision 1; 79.251; 79.34, subdivisions 1, 2, and by adding a subdivision; 79.35; 79.37; 79.51, subdivisions 1 and 3; 79.52, by adding a subdivision; 175.006, subdivision 1; 175.007, subdivision 1; 175.08; 175.10; 175.101, subdivisions 1 and 2; 176.011, by adding subdivisions; 176.012; 176.021, subdivision 3; 176.041, subdivision 1; 176.061; 176.101, subdivisions 2, 3, 6, and by adding subdivisions; 176.102, subdivisions 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, and by adding subdivisions; 176.105, by adding a subdivision; 176.111, subdivisions 6, 7, 8, and 18, and by adding a subdivision; 176.121; 176.131, subdivisions 1, 1a, 2, 3, 4, 5, 6, 7, and 8; 176.132, subdivision 1, and by adding a subdivision; 176.134, subdivision 4; 176.135, subdivisions 1 and 3; 176.136; 176.155, subdivisions 3 and 5; 176.179; 176.182; 176.183, subdivisions 1, 1a, and by adding subdivisions; 176.185, by adding a subdivision; 176.191, by adding subdivisions; 176.195, subdivision 2, and by adding subdivisions; 176.221; 176.225, subdivisions 1, 2, and 3; 176.231, subdivisions 3, 4, 5, 9, and 10; 176.241, subdivisions 2 and 4; 176.281; 176.285; 176.321, subdivision 1; 176.331; 176.341; 176.361; 176.371; 176.421, subdivisions 3, 4, 6, and 7; 176.442; 176.461; 176.521, subdivisions 2, 2a, and 3; 176.561; 176.571, subdivision 6; 176.645, subdivision 1; 176.66, by adding subdivisions; 179.741, subdivision 1, and by adding a subdivision; 268.08, subdivision 3; and 471.982, subdivision 2, and by adding a subdivision; Laws 1981, chapter 346, sections 145 and 146; proposing new law coded in Minnesota Statutes, chapters 79 and 176; repealing Minnesota Statutes 1982, sections 79.51, subdivision 2; 79.63; 175.07; 175.101, subdivision 3; 175.36; 176.102, subdivision 12; 176.131, subdivisions 9, 10, 11, and 12; 176.152; and 176.262.

Mr. Chmielewski moved to amend H. F. No. 575, the second unofficial engrossment, as follows:

Pages 6 to 151, delete Article 2

Page 151, line 3, delete "3" and insert "2"

Delete the title and insert:



“A bill for an act relating to labor; providing for a competitive state insurance fund; ratifying changes in the state employee bargaining unit composition schedule; ratifying state and University of Minnesota labor agreements, compensation plans, and plans for early retirement incentives; appropriating money; amending Minnesota Statutes 1982, section 179.741, subdivision 1, and by adding a subdivision; proposing new law coded as Minnesota Statutes, chapter 176A.”

The motion prevailed. So the amendment was adopted.

H.F. No. 575 was read the third time, as amended, and placed on its final passage.

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

The roll was called, and there were yeas 38 and nays 29, as follows:

Those who voted in the affirmative were:

|             |               |            |                |         |
|-------------|---------------|------------|----------------|---------|
| Adkins      | Frank         | Lessard    | Peterson, C.C. | Solon   |
| Berglin     | Freeman       | Luther     | Peterson, D.C. | Spear   |
| Chmielewski | Hughes        | Merriam    | Peterson, R.W. | Stumpf  |
| Dahl        | Johnson, D.J. | Moe, D. M. | Petty          | Vega    |
| Davis       | Jude          | Moe, R. D. | Pogemiller     | Waldorf |
| Dicklich    | Kroening      | Nelson     | Purfeerst      | Willet  |
| Diessner    | Langseth      | Novak      | Reichgott      |         |
| Dieterich   | Lantry        | Pehler     | Samuelson      |         |

Those who voted in the negative were:

|           |               |            |                |           |
|-----------|---------------|------------|----------------|-----------|
| Anderson  | Brataas       | Kamrath    | Mehrkens       | Sieloff   |
| Belanger  | DeCramer      | Knaak      | Olson          | Storm     |
| Benson    | Frederick     | Knutson    | Peterson, D.L. | Taylor    |
| Berg      | Frederickson  | Kronebusch | Ramstad        | Ulland    |
| Bernhagen | Isackson      | Laidig     | Renneke        | Wegscheid |
| Bertram   | Johnson, D.E. | McQuaid    | Schmitz        |           |

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

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 1189 and the Conference Committee Report thereon were reported to the Senate.

### CONFERENCE COMMITTEE REPORT ON S.F. NO. 1189

A bill for an act relating to employment; exempting search firms from employment agency licensing; subjecting certain search firms to fee and bond requirements; requiring certain statements, fees, and bonds to be submitted at the time a search firm is established; amending Minnesota Statutes 1982, sections 184.22, subdivision 2, and by adding subdivisions; 184.29; 184.30, subdivision 1; and 184.41.

May 19, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 1189, report that we have

agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 1189 be further amended as follows:

Page 1, line 14, after "[EXEMPTIONS.]" insert "*Except as otherwise specifically provided,*"

Page 1, line 15, delete "*to 184.28 and 184.32*"

Page 3, line 5, after "agency" insert "*; provided, that no registered search firm may offer licensed employment agency services at the same location*"

Page 3, line 22, delete "*or*" and insert a comma, and after "*184.30*" insert "*, 184.37, or 184.38*"

Page 3, after line 22, insert:

"Sec. 4. Minnesota Statutes 1982, section 184.22, is amended by adding a subdivision to read:

*Subd. 5. [FEE PAYMENT PROHIBITED.] No employer may require any job candidate placed with the employer by a search firm to pay, directly or indirectly, all or part of the search firm's fee."*

Page 4, after line 21, insert:

"Sec. 7. Minnesota Statutes 1982, section 184.37, is amended to read:

184.37 [CONTRACTS WITH APPLICANTS FOR EMPLOYMENT.]

*Subdivision 1. [EMPLOYMENT AGENTS.] Every employment agent shall contract, in writing, with every applicant for employment for services to be rendered to the applicant by the employment agent, which contract shall contain the date, the name and address of the employment agency, the name of the employment agent, the service charge to be made to the applicant, and the time and method of payments, and, on either the face or back of the contract, shall appear the definition of "accept," "method of payment," "temporary position," and "charge for permanent position which proves to be temporary."*

*Subd. 2. [SEARCH FIRMS.] Every search firm must give to each job candidate a written statement confirming that the candidate will in no instance become liable in whole or in part to pay a fee of any kind, directly or indirectly, on account of any service performed by the search firm. A copy of this statement must be kept on file by the search firm for at least one year.*

Sec. 8. Minnesota Statutes 1982, section 184.38, subdivision 6, is amended to read:

Subd. 6. (a) No employment agent *or search firm* shall send out any applicant for employment without having obtained a job order, and if no employment of the kind applied for existed at the place to which the applicant was directed, the employment agent *or search firm* shall refund to the applicant, within 48 hours of demand, any sums paid by the applicant for transportation in going to and returning from the place.

(b) Nothing in this chapter shall be construed to prevent an employment agent *or search firm* from directing an applicant to an employer where the

employer has previously requested that he be accorded interviews with applicants of certain types and qualifications, even though no actual vacancy existed in the employer's organization at the time the applicant was so directed; nor shall it prevent the employment agent *or search firm* from attempting to sell the services of an applicant to the employer even though no order has been placed with the employment agent *or search firm*; provided, that prior to scheduling an interview with an employer, when no opening currently exists with that employer, the applicant is clearly informed that no opening exists at that time.

Sec. 9. Minnesota Statutes 1982, section 184.38, subdivision 8, is amended to read:

Subd. 8. No employment agent *or search firm* shall knowingly cause to be printed or published a false or fraudulent notice or advertisement for help or for obtaining work or employment. For purposes of this subdivision the phrase "false or fraudulent notice or advertisement" shall include the following:

(a) The advertisement of any job for which there is no bona fide oral or written job order and completed job order form in existence at the time the advertisement is placed;

(b) The inclusion in any advertisement of any information concerning the identity, availability, features, or requirements of any advertised job when such information is not substantiated by, and included in, the supporting job order form;

(c) The advertisement of any job opening of the type described in subdivision 6, clause (b);

(d) The advertisement of any job without the inclusion in the advertisement of the "job order number" required in subdivision 18;

(e) If an applicant appears at any agency *or search firm* in response to the advertisement of a particular job, the failure to attempt placement of the applicant in the advertised job; provided however, that the agency *or search firm* may refuse to attempt such placement if the reason(s) for the refusal are clearly and truthfully disclosed to the applicant either orally or in writing.

Sec. 10. Minnesota Statutes 1982, section 184.38, subdivision 9, is amended to read:

Subd. 9. No employment agent *or search firm* shall place or assist in placing any person in unlawful employment.

Sec. 11. Minnesota Statutes 1982, section 184.38, subdivision 10, is amended to read:

Subd. 10. No employment agent *or search firm* shall fail to state in any advertisement, proposal, or contract for employment, that there is a strike or lockout at the place of proposed employment, if ~~he~~ *the agent or firm* has knowledge that such condition exists.

Sec. 12. Minnesota Statutes 1982, section 184.38, subdivision 11, is amended to read:

Subd. 11. ~~Any person, firm, or corporation who shall~~ *No employment*

agency or its employee may split, divide, or share, directly or indirectly, any fee, charge, or compensation received from any ~~employee~~ employer or applicant with any employer, or person in any way connected with the employer's business ~~thereof~~. No search firm or its employee may split, divide, or share, directly or indirectly, any fee, charge, or compensation received from any employer with any person connected in any way with the employer's business. A violation of this subdivision shall be punished by a fine of not less than \$100, and not more than \$1,000, or on failure to pay such the fine by imprisonment for a period not to exceed one year, or both, at the discretion of the court.

Sec. 13. Minnesota Statutes 1982, section 184.38, subdivision 17, is amended to read:

Subd. 17. Except for applicant information given in the course of normal agency or firm operations, no employment agent or search firm shall voluntarily sell, give, or otherwise transfer any files, records, or other information relating to his employment agency or search firm applicants and employers to any person other than a licensed employment agent or registered search firm or a person who agrees to obtain an employment agency license or register as a search firm. Every employment agent or search firm who ceases to engage in the business of or act as an employment agent or search firm shall notify the department of such fact within 30 days thereof, and shall advise the department as to the disposition of all files and other records relating to his employment agency or search firm business.

Sec. 14. Minnesota Statutes 1982, section 184.38, subdivision 18, is amended to read:

Subd. 18. Every job order communicated to an agency or search firm shall be recorded by the agency or search firm on a job order form which form shall contain specific information as prescribed by the department. A job order form shall be filled out for each job order prior to any attempt to advertise the job opening or to place persons in said job. Such forms shall each be assigned a separate number and shall be maintained by the agency or search firm for a period of one year.

Sec. 15. Minnesota Statutes 1982, section 184.38, subdivision 19, is amended to read:

Subd. 19. No person shall be required to pay a fee to an employment agency for a position, whether temporary or permanent, if the applicant withdraws acceptance of a the position within three days, excluding Saturday, Sunday and legal holidays, of signing an acceptance form and notifies the agency in writing of the withdrawal, provided that the applicant did not actually start the job. The three day withdrawal period applies regardless of who is to pay the fee to the employment agency.

Sec 16. Minnesota Statutes 1982, section 184.38, is amended by adding a subdivision to read:

Subd. 20. No employment agent or search firm shall knowingly misrepresent to any employer the educational background, skills, or qualifications of any job candidate; or knowingly misrepresent to a job candidate the responsibilities, salary, or other features of any position of employment."

Page 4, line 30, delete "section 184.22," and insert "this chapter"

Page 4, line 31, delete "subdivision 2"

Page 5, line 1, after "184.22" insert ", or who engages in the business of or acts as a search firm without first filing the registration required under section 184.22, subdivision 3,"

Page 5, line 1, strike "or" and after "counselor" insert ", or search firm"

Page 5, line 2, after "the" insert "applicable"

Page 5, line 3, strike "or" and after "counselor" insert ", or search firm"

Page 5, line 5, after "agency" insert "or search firm"

Page 5, line 5, after "license" insert "or registration"

Page 5, line 6, strike "or" and after "counselor" insert ", or search firm"

ReNUMBER the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon insert "prohibiting certain practices; requiring certain practices;"

Page 1, line 8, after "1;" insert "184.37; 184.38, subdivisions 6, 8, 9, 10, 11, 17, 18, 19, and by adding a subdivision;"

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

Senate Conferees: (Signed) Michael O. Freeman, Darril Wegscheid, Don A. Anderson

House Conferees: (Signed) Paul Anders Ogren, Wes Skoglund, O. J. (Lon) Heinitz

Mr. Freeman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 1189 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 1189 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 55 and nays 0, as follows:

Those who voted in the affirmative were:

|             |                |            |                 |           |
|-------------|----------------|------------|-----------------|-----------|
| Adkins      | DeCramer       | Knutson    | Novak           | Reichgott |
| Anderson    | Dicklich       | Kronebusch | Olson           | Renneke   |
| Belanger    | Dieterich      | Laidig     | Pehler          | Samuelson |
| Benson      | Frank          | Langseth   | Peterson, C. C. | Schmitz   |
| Berg        | Frederickson   | Lantry     | Peterson, D. C. | Sieloff   |
| Berglin     | Freeman        | Lessard    | Peterson, D. L. | Storm     |
| Bernhagen   | Hughes         | Luther     | Peterson, R. W. | Stumpf    |
| Bertram     | Isackson       | McQuaid    | Petty           | Taylor    |
| Brataas     | Johnson, D. E. | Mehrkens   | Pogemiller      | Ulland    |
| Chmielewski | Jude           | Merriam    | Purfeerst       | Vega      |
| Davis       | Kamrath        | Moe, R. D. | Ramstad         | Waldorf   |

So the bill, as amended by the Conference Committee, was repassed and

its title was agreed to.

### MOTIONS AND RESOLUTIONS - CONTINUED

S.F. No. 218 and the Conference Committee Report thereon were reported to the Senate.

#### CONFERENCE COMMITTEE REPORT ON S.F. NO. 218

A bill for an act relating to commitment of persons who are mentally ill, mentally retarded, or mentally ill and dangerous; requiring mental commitment proceedings for persons acquitted of a criminal charge pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency to be held in the court in which acquittal took place; modifying the burden of going forward with the evidence on the issues of mental illness, mental retardation, and mental illness and dangerousness in certain cases; amending Minnesota Statutes 1982, sections 253B.02, subdivision 4, and by adding subdivisions; 253B.07, subdivisions 1, 2, 3, and 7, and by adding a subdivision; 253B.08, subdivision 7; 253B.12, subdivision 4; 253B.18, subdivision 1; 253B.19, subdivision 1; 253B.21, subdivision 5; and 253B.23, subdivision 7.

May 20, 1983

The Honorable Jerome M. Hughes  
President of the Senate

The Honorable Harry A. Sieben, Jr.  
Speaker of the House of Representatives

We, the undersigned conferees for S.F. No. 218, report that we have agreed upon the items in dispute and recommend as follows:

That the House recede from its amendments and that S.F. No. 218 be further amended as follows:

Page 1, lines 26 and 27, delete "*pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency*" and insert "*under section 611.026*"

Page 2, lines 21 to 23, delete "*pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency*" and insert "*under section 611.026*"

Page 3, lines 29 and 30, delete "*on the grounds of mental illness or mental deficiency*" and insert "*under section 611.026*"

Page 4, lines 2 and 3, delete "*on the grounds of mental illness or mental deficiency*" and insert "*under section 611.026*"

Page 5, line 25, delete "*on the grounds of mental illness or mental deficiency*" and insert "*under section 611.026*"

Page 6, lines 3 and 4, delete "*on the grounds of mental illness or mental deficiency*" and insert "*under section 611.026*"

Page 8, line 5, strike "*solely on the ground of*"

Page 8, lines 5 and 6, delete the new language and insert "*under section*

611.026''

Amend the title as follows:

Page 1, lines 5 to 7, delete "pursuant to a verdict of not guilty by reason of mental illness or not guilty by reason of mental deficiency" and insert "under section 611.026"

Page 1, line 11, after "certain" insert "commitment"

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

Senate Conferees: (Signed) Michael O. Freeman, Gene Merriam, Ron Sieloff

House Conferees: (Signed) Randy C. Kelly, Dee Long, Bert J. McKasy

Mr. Freeman moved that the foregoing recommendations and Conference Committee Report on S.F. No. 218 be now adopted, and that the bill be repassed as amended by the Conference Committee. The motion prevailed. So the recommendations and Conference Committee Report were adopted.

S.F. No. 218 was read the third time as amended by the Conference Committee, and placed on its repassage.

The question was taken on the repassage of the bill, as amended by the Conference Committee.

The roll was called, and there were yeas 49 and nays 0, as follows:

Those who voted in the affirmative were:

|           |               |            |                |           |
|-----------|---------------|------------|----------------|-----------|
| Adkins    | Dieterich     | Kamrath    | Moe, R. D.     | Reichgott |
| Anderson  | Frank         | Knutson    | Novak          | Renneke   |
| Belanger  | Frederick     | Kronebusch | Olson          | Samuelson |
| Benson    | Frederickson  | Laidig     | Pehler         | Schmitz   |
| Berg      | Freeman       | Langseth   | Peterson, D.C. | Sieloff   |
| Berglin   | Hughes        | Lantry     | Peterson, D.L. | Storm     |
| Bernhagen | Isackson      | Lessard    | Peterson, R.W. | Stumpf    |
| Bertram   | Johnson, D.E. | McQuaid    | Petty          | Vega      |
| Davis     | Johnson, D.J. | Mehrkens   | Purfeerst      | Waldorf   |
| DeCramer  | Jude          | Merriam    | Ramstad        |           |

So the bill, as amended by the Conference Committee, was repassed and its title was agreed to.

Without objection, the Senate reverted to the Order of Business of Messages From the House.

### MESSAGES FROM THE HOUSE

Mr. President:

I have the honor to announce the passage by the House of the following Senate Files, herewith returned: S.F. Nos. 253, 879 and 1241.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce the passage by the House of the following

Senate File, AS AMENDED by the House, in which amendments the concurrence of the Senate is respectfully requested:

S.F. No. 201: A bill for an act relating to intoxicating liquor; authorizing off-sale licensees to dispense samples of wine, liqueurs and cordials; amending Minnesota Statutes 1982, section 340.11, subdivision 15.

Senate File No. 201 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Moe, R.D. moved that S.F. No. 201 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 346: A bill for an act relating to agriculture; granting the commissioner powers relating to agricultural promotion; changing certain procedures related to fees; redefining certain terms; changing the coverage of the consolidated food licensing law; permitting the sale of certain eggs for human consumption; updating certain provisions; specifying certain plumbing and sewage disposal requirements; changing the coverage of certain animal processing laws; prohibiting sale or possession of certain meat; changing certain fees; changing the dates of reports from and payments to certain agricultural societies; eliminating certain duties of the commissioner of agriculture and county agricultural agents; eliminating the prohibition on manufacture or use of certain preservative compounds; eliminating provisions relating to the dairy industry; adjusting fees for inspection of warehouses; directing the commissioner of agriculture to adopt a mandatory collective ratemaking procedure for warehousemen; amending Minnesota Statutes 1982, sections 17.101; 17B.15, subdivision 1; 28A.03; 29.235; 31.01, subdivision 20; 31.10; 31.101, subdivisions 3, 4, 5, 6, 7, and 8; 31.51, subdivision 2; 31.56, subdivision 1; 31A.02, subdivision 5; 31A.10; 31A.15; 32.394, subdivision 8; 34.05, subdivision 1; 38.02, subdivisions 1 and 3; 231.11; 231.12; 231.16; 232.22, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 31; repealing Minnesota Statutes 1982, sections 17.031; 17.032; 17B.15, subdivision 2; 31.401 to 31.406; 32.472; and 32.473.

Senate File No. 346 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Stumpf moved that S.F. No. 346 be laid on the table. The motion prevailed.

Mr. President:

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



S.F. No. 527: A bill for an act relating to legal liability; prohibiting retaliation against an individual who complies with the child abuse reporting act; providing damages for retaliation; clarifying immunity provisions for good faith compliance with the child abuse reporting act; amending Minnesota Statutes 1982, section 626.556, subdivision 4, and by adding a subdivision.

Senate File No. 527 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Ms. Reichgott moved that S.F. No. 527 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 541: A bill for an act relating to counties; authorizing a jobs program.

Senate File No. 541 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Moe, R.D. moved that S.F. No. 541 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 554: A bill for an act relating to housing and redevelopment; providing for the appointment of commissioners of multi-county authorities; amending Minnesota Statutes 1982, section 462.428, subdivision 2.

Senate File No. 554 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Mehrkens moved that S.F. No. 554 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 823: A bill for an act relating to cities; authorizing the issuance of capital notes for certain equipment acquisitions; proposing new law coded in Minnesota Statutes, chapter 410.

Senate File No. 823 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. Belanger moved that S.F. No. 823 be laid on the table. The motion prevailed.

Mr. President:

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

S.F. No. 338: A bill for an act relating to motor vehicles; maintaining the maximum interest rate on certain loans under the Motor Vehicle Retail Installment Sales Act at the current rate; amending Minnesota Statutes 1982, section 168.72, subdivision 2.

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

Osthoff, Metzen and Dempsey.

Senate File No. 338 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

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

S.F. No. 911: A bill for an act relating to utilities; specifying the commission's authority over the availability of submetering; amending Minnesota Statutes 1982, section 216B.02, subdivision 4, and by adding a subdivision; proposing new law coded in Minnesota Statutes, chapter 216B.

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

O'Connor, Jacobs and Redalen.

Senate File No. 911 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

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

S.F. No. 1008: A bill for an act relating to courts; authorizing the appointment of court referees; amending Minnesota Statutes 1982, sections 260.031, subdivision 1; 484.65, subdivisions 4, 5, and 6; and 484.70, subdivision 1; repealing Minnesota Statutes 1982, section 484.701.

There has been appointed as such committee on the part of the House:  
Ellingson, Vanasek and Bishop.

Senate File No. 1008 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 72, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 72: A bill for an act relating to occupations and professions; authorizing the commissioner of public safety to provide administrative support services to the board of peace officer standards and training; amending Minnesota Statutes 1982, sections 214.04, subdivision 1; 626.843, subdivision 1; 626.845, subdivision 1; and 626.849.

Senate File No. 72 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 92, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 92: A bill for an act relating to towns, cities, and counties; requiring other government units to give notice to towns, cities, and counties of actions that affect land use or taxation; proposing new law coded in Minnesota Statutes, chapter 471.

Senate File No. 92 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 398, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 398: A bill for an act relating to vulnerable adults; refining the Vulnerable Adults Reporting Act; specifying reporting requirements; specifying access to reports; preventing record destruction; amending Minnesota Statutes 1982, section 626.557, subdivisions 2, 3, 4, 10, 12, 14, and by adding a subdivision; repealing Minnesota Statutes 1982, section 626.557, subdivision 12a.

Senate File No. 398 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 639, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 639: A bill for an act relating to energy; changing a cross-reference for nonpublic data reporting; amending the definition of "earth sheltered"; changing the due date of biennial energy reports; amending Minnesota Statutes 1982, sections 13.68, subdivision 1; 116J.06, subdivision 2; and 116J.18, subdivision 1.

Senate File No. 639 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 652, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 652: A bill for an act relating to agriculture; adopting recommended federal rules relating to milk quality for manufacturing purposes; providing for phase in of inspections and compliance; proposing new law coded in Minnesota Statutes, chapter 32.

Senate File No. 652 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 923, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 923: A bill for an act relating to libraries; prohibiting the theft or damage of library materials; restricting tort liability for public libraries; prescribing a penalty; amending Minnesota Statutes 1982, section 466.01, subdivision 1; proposing new law coded in Minnesota Statutes, chapter 609.

Senate File No. 923 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommen-

dation and report of the Conference Committee on Senate File No. 1003, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1003: A bill for an act relating to public welfare; establishing a medical assistance social health maintenance organization demonstration project; proposing new law coded in Minnesota Statutes, chapter 256B.

Senate File No. 1003 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House has adopted the recommendation and report of the Conference Committee on Senate File No. 1233, and repassed said bill in accordance with the report of the Committee, so adopted.

S.F. No. 1233: A bill for an act relating to the organization and operation of state government; appropriating money for the department of transportation and for other agencies with certain conditions; fixing and limiting fees; providing for adjustments of responsibilities of the department of agriculture for soil and water conservation; allowing limited donation of accumulated vacation time by certain law enforcement employees to their union representative; providing for deposit of proceeds of assessment by the assigned risk review board; regulating financial assistance to public transit systems; limiting certain hearing functions of the transportation regulation board; transferring certain rules authority to the transportation regulation board; reducing membership and establishing terms of members of the public utilities commission; defining enforcement powers of the hazardous material specialists and transportation representatives of the department of transportation; defining terms and requirements for building movers; crediting certain receipts of the commissioner of transportation to the trunk highway fund; providing for certain costs to be paid from the trunk highway fund; authorizing the commissioner of transportation to enforce certain carrier regulations; extending retirement coverage of certain employees of the department of transportation from age 60 to age 62 and providing for disability benefits; transferring and renaming the air transportation revolving account; instructing the commissioner of transportation to charge users of certain air transportation services for certain costs; limiting fare increases by the metropolitan transit commission; basing taxing for the metropolitan transit taxing district upon the level of transit service provided; providing for the disposition of proceeds of certain trunk highway bonds; reducing the amount appropriated from the bridge construction account in the trunk highway fund to the department of transportation; amending Minnesota Statutes 1982, sections 12.14; 17A.04, subdivision 5; 18.51, subdivision 2; 18.52, subdivision 5; 18.53; 18.54; 18A.22, subdivisions 5 and 7; 18A.26; 27.041, subdivision 2; 28A.08; 28A.09; 32.075; 32.59; 34.02; 34.05, subdivision 1; 40.03, subdivision 2, as amended; 43A.04, by adding a subdivision; 79.251, subdivision 1; 155A.07, subdivision 7; 155A.08, subdivision 5; 169.81, subdivision 3b; 169.86, subdivision 5; 169.862; 170.23; 171.26; 171.29, subdivision 2; 173.07, subdivision 2; 173.08, subdivision

1; 173.13, subdivision 4; 174.24, subdivision 3; 174A.02, subdivision 2; 174A.06; 216A.03, subdivision 1; 221.061; 221.071; 221.131; 221.221; 221.296, subdivision 5; 221.64; 221.81; 296.17, subdivisions 10, 17, and 20; 296.25, subdivision 1; 299C.46, subdivision 3; 352.86, subdivisions 1, 2, and by adding a subdivision; 360.018, subdivision 1; 360.63; 473.408, subdivision 3 and by adding a subdivision; 473.446, subdivision 1, as amended; 500.221, subdivision 4; 626.88, subdivision 2; Laws 1975, chapter 235, section 2; Laws 1977, chapter 277, sections 1 and 3, subdivision 1; and Laws 1983, chapter 17, section 12; proposing new law coded in Minnesota Statutes, chapters 10A; 221; 299C; and 360; repealing Minnesota Statutes 1982, sections 24.24; 24.25; 24.26; 24.27; 24.28; 24.29; 24.30; 24.31; 160.26, subdivision 3; 174.265; and 174A.07.

Senate File No. 1233 is herewith returned to the Senate.

Edward A. Burdick, Chief Clerk, House of Representatives

Returned May 20, 1983

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 657.

H.F. No. 657: A bill for an act relating to transportation; authorizing the commissioner to expend money for railroad acquisition by a regional railroad authority; modifying requirements for compliance with standards for zoning ordinances for municipal airports; modifying the regional railroad authority act to allow municipalities to form regional railroad authorities; allowing the expenditure of certain state funds for railroad improvement and acquisition; providing an aircraft base price for taxation purposes; amending Minnesota Statutes 1982, sections 222.50, subdivision 7; 360.063, subdivisions 3, 4, and 6; 360.065, subdivision 2; 360.066, subdivision 1; 360.067, subdivision 1; 360.531, subdivision 4; 398A.02; 398A.03; 398A.04, subdivisions 8 and 9; 398A.07, subdivision 2; and Laws 1980, chapter 610, section 1, as amended.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Anderson, G.; Knuth and Schreiber have been appointed as such committee on the part of the House.

House File No. 657 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

Mr. DeCramer moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 657, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the

Senate amendments to House File No. 782.

H.F. No. 782: A bill for an act relating to courts; providing for increases in maximum authorized fines for crimes and petty misdemeanors; increasing the value of stolen property necessary for felony theft; increasing the maximum government tort liability limits; amending Minnesota Statutes 1982, sections 3.736, subdivision 4; 466.04, subdivisions 1 and 3; 609.02, subdivisions 3, 4, and 4a; 609.03; and 609.52, subdivision 3; proposing new law coded in Minnesota Statutes, chapter 609; repealing Minnesota Statutes 1982, sections 609.031 and 609.032.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Vanasek; Clark, J., and Levi have been appointed as such committee on the part of the House.

House File No. 782 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

Mr. Moe, R.D., for Mr. Spear, moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 782, and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce that the House refuses to concur in the Senate amendments to House File No. 257.

H.F. No. 257: A bill for an act relating to motor vehicles; providing for special license plates for certain motor vehicles owned by certain members of the Minnesota national guard; imposing fees; appropriating money; amending Minnesota Statutes 1982, section 168.12, by adding a subdivision.

And the House respectfully requests that a Conference Committee of three members be appointed thereon:

Anderson, R.; Sieben and Olsen have been appointed as such committee on the part of the House.

House File No. 257 is herewith transmitted to the Senate with the request that the Senate appoint a like committee.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

Mrs. Adkins moved that the Senate accede to the request of the House for a Conference Committee on H.F. No. 257 and that a Conference Committee of 3 members be appointed by the Subcommittee on Committees on the part of the Senate, to act with a like Conference Committee appointed on the part of the House. The motion prevailed.

Mr. President:

I have the honor to announce the passage by the House of the following House Files, herewith transmitted: H.F. Nos. 737, 768, 857, 1222, 1025, 533 and 449.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted May 20, 1983

### FIRST READING OF HOUSE BILLS

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

H.F. No. 737: A bill for an act relating to the collection and dissemination of data; requiring the bureau of criminal apprehension to compile criminal history data relating to misdemeanor assaults; requiring law enforcement agencies to collect and furnish misdemeanor assault data to the bureau; appropriating money; proposing new law coded in Minnesota Statutes, chapter 299C.

Referred to the Committee on Finance.

H.F. No. 768: A bill for an act relating to state departments and agencies; authorizing a study by the department of energy, planning and development of a possible merger of the departments of health and public welfare into a new state department to be called the department of human services; appropriating money.

Referred to the Committee on Finance.

H.F. No. 857: A bill for an act relating to labor; establishing the job skills partnership; creating a board; appropriating money; proposing new law coded as Minnesota Statutes, chapter 116K.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 584, now on Special Orders.

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

Referred to the Committee on Finance.

H.F. No. 1025: A bill for an act relating to economic development; appropriating money for a grant for development of the motion picture and television industry; creating an advisory council.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 533: A bill for an act relating to state government; providing for legislative expenses; amending Minnesota Statutes 1982, section 3.101; repealing Minnesota Statutes 1982, section 3.102.

Referred to the Committee on Rules and Administration.

H.F. No. 449: A bill for an act relating to elections; limiting campaign expenditures by congressional candidates who choose to receive a public subsidy for their campaigns; redefining certain terms in relation to congressional candidates; limiting the applicability of certain provisions of law to



state constitutional and state legislative candidates; providing for the transfer of debts and funds of a principal campaign committee under certain circumstances; limiting certain lobbyist contributions; providing for filing of campaign reports by certain congressional candidates; proposing expenditure limits for congressional candidates who choose to receive a public subsidy; providing a penalty for exceeding campaign expenditure limits by congressional candidates; changing the designated amount of certain income tax payments; providing for the allocation of party accounts and the general account to certain state and congressional candidates; providing estimates of minimum amounts of public subsidy to be received by certain congressional candidates; requiring signed agreements by congressional candidates who choose to receive a public subsidy; specifying when congressional candidates who accept a public subsidy must return all or part thereof; providing for the return of money from the state elections campaign fund to the general fund; making certain technical amendments; imposing penalties; amending Minnesota Statutes 1982, sections 10A.01; 10A.24; 10A.25; 10A.255; 10A.27; 10A.275; 10A.28; 10A.30; 10A.31; 10A.33; 10A.335; and 290.06, subdivision 11; proposing new law coded in Minnesota Statutes, chapter 10A; repealing Minnesota Statutes 1982, section 10A.32.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 343, now on Special Orders.

### REPORTS OF COMMITTEES

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

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

S.F. No. 440: A resolution memorializing the President and Congress of the United States to amend the law to abolish the denial of financial aid benefits to students who refuse to register for the draft.

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

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

S.F. No. 1010: A resolution memorializing the President and Congress of the United States to provide service-connected disability compensation for former members of the military forces who were exposed in Vietnam to toxic herbicides, chemicals, medications, and other environmental hazards and conditions.

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

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

S.F. No. 1263: A resolution memorializing the governments of the United

States and the Republic of China that the State of Minnesota adopts the Province of Taiwan as a sister state.

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

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

H.F. No. 449 for comparison with companion Senate File, reports the following House File was found not identical with its companion Senate File as follows:

| SPECIAL ORDERS |          | CONSENT CALENDAR |          | CALENDAR |         |
|----------------|----------|------------------|----------|----------|---------|
| H.F. No.       | S.F. No. | H.F. No.         | S.F. No. | H.F.No.  | S.F.No. |
| 449            | 343      |                  |          |          |         |

Pursuant to Rule 49, the Committee on Rules and Administration recommends that H.F. No. 449 be amended as follows:

Delete everything after the enacting clause, and delete the title of H.F. No. 449, and insert the language after the enacting clause, and the title, of S.F. No. 343, the Second Engrossment.

And when so amended H.F. No. 449 will be identical to S.F. No. 343, and further recommends that H.F. No. 449 be given its second reading and substituted for S.F. No. 343, 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.

### SUSPENSION OF RULES

Mr. Luther moved that an urgency be declared within the meaning of Article IV, Section 19, of the Constitution of Minnesota, with respect to H.F. No. 449 and that the rules of the Senate be so far suspended as to give H.F. No. 449 its second reading and place it on Special Orders. The motion prevailed.

### SECOND READING OF SENATE BILLS

S.F. Nos. 440, 1010 and 1263 were read the second time.

### SECOND READING OF HOUSE BILLS

H.F. No. 449 was read the second time.

### MOTIONS AND RESOLUTIONS

Mr. Moe, R.D. moved that his name be stricken as chief author, shown as a co-author and the name of Mr. Chmielewski be added as chief author to S.F. No. 141. The motion prevailed.

### RECESS

Mr. Moe, R.D. moved that the Senate do now recess subject to the call of

the President. The motion prevailed.

After a brief recess, the President called the Senate to order.

### **APPOINTMENTS**

Mr. Moe, R.D. from the Subcommittee on Committees recommends that the following Senators be and they hereby are appointed as a Conference Committee on:

S.F. No. 1097: Messrs. Stumpf, Purfeerst and Bernhagen.

S.F. No. 428: Messrs. Pogemiller; Moe, D.M and Mrs. McQuaid.

S.F. No. 132: Messrs. Kroening, Vega and Storm.

Mr. Moe, R.D. moved that the foregoing appointments be approved. The motion prevailed.

### **MEMBERS EXCUSED**

Messrs. Johnson, D.J.; Peterson, C.C.; Ms. Berglin; Messrs. Novak and Dieterich were excused from this evening's Session from 9:00 to 9:50 p.m.

### **ADJOURNMENT**

Mr. Moe, R.D. moved that the Senate do now adjourn until 11:00 a.m., Saturday, May 21, 1983. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate