

## TWENTY-NINTH DAY

St. Paul, Minnesota, Monday, March 25, 1985

The Senate met at 2:00 p.m. and was called to order by the President.

Prayer was offered by the Chaplain, Rev. George Weinman.

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

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

The President declared a quorum present.

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

## MEMBERS EXCUSED

Messrs. Belanger and Nelson were excused from the Session of today. Mr. Dahl was excused from the Session of today until 2:30 p.m.

## EXECUTIVE AND OFFICIAL COMMUNICATIONS

The following communications were received and referred to the committee indicated.

March 19, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

The following appointment to the Board on Judicial Standards is hereby respectfully submitted to the Senate for confirmation as required by law:

Miriam Lee, 4721 Killarney Dr., Golden Valley, Hennepin County, has been appointed by me, effective February 20, 1985, for a term expiring the

first Monday in January, 1989.

(Referred to the Committee on Judiciary.)

Sincerely,  
Rudy Perpich, Governor

March 21, 1985

The Honorable Jerome M. Hughes  
President of the Senate

Dear Sir:

I have the honor of informing you that I have received, approved, signed and deposited in the Office of the Secretary of State, S.F. Nos. 102, 106 and 333.

Sincerely,  
Rudy Perpich, Governor

March 21, 1985

The Honorable David Jennings  
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 1985 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 1985	Date Filed 1985
106		7	March 21	March 21
333		8	March 21	March 21
102		9	March 21	March 21
	68	10	March 21	March 21

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 House Files, herewith transmitted: H.F. Nos. 35, 242, 316, 320, 204, 247, 266, 468, 513, 530, 538, 157, 183, 602 and 603.

Edward A. Burdick, Chief Clerk, House of Representatives

Transmitted March 21, 1985

### FIRST READING OF HOUSE BILLS

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

indicated.

H.F. No. 35: A bill for an act relating to agriculture; making certain changes in the family farm security program; amending Minnesota Statutes 1984, sections 16A.80, subdivision 2a; 41.56, subdivisions 3, 4, and 4a; 41.57, subdivisions 2 and 3; 41.59, subdivision 1; and 41.61, subdivision 1.

Referred to the Committee on Taxes and Tax Laws.

H.F. No. 242: A bill for an act relating to commerce; requiring manufacturers to make certain new motor vehicle warranty disclosures directly to consumers; amending Minnesota Statutes 1984, section 325F.665, subdivision 3.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 316: A bill for an act relating to the military; providing for the appointment of an additional assistant adjutant general for the army national guard; amending Minnesota Statutes 1984, section 190.08, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 495, now on General Orders.

H.F. No. 320: A bill for an act relating to the city of Roseville; increasing the total number of on-sale liquor licenses.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 360, now on General Orders.

H.F. No. 204: A bill for an act relating to higher education; creating a student advisory council to the higher education coordinating board; amending Minnesota Statutes 1984, section 136A.02, subdivisions 1 and 1a, and by adding a subdivision.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 235, now on General Orders.

H.F. No. 247: A bill for an act relating to local government; providing conditions for the adoption or amendment of comprehensive municipal plans; amending Minnesota Statutes 1984, section 462.355, subdivisions 2 and 3.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 505, now on General Orders.

H.F. No. 266: A bill for an act relating to arrest; providing indemnification for off-duty peace officers who make arrests outside their jurisdiction; specifying the circumstances under which peace officers, constables, and part-time peace officers may make on or off-duty arrests outside their jurisdictions; amending Minnesota Statutes 1984, sections 3.736, subdivision 1, and by adding a subdivision; 629.34, subdivision 1; and 629.40.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 527, now on General Orders.

H.F. No. 468: A bill for an act relating to state departments and agencies; clarifying the duties of the state demographer; amending Minnesota Statutes 1984, sections 275.14; 368.01, subdivision 1a; and 368.015.

Referred to the Committee on Governmental Operations.

H.F. No. 513: A bill for an act relating to state government; regulating the

career executive service; specifying executive branch conflicts of interest; providing for review of state trooper arbitration awards; regulating approved complements; regulating liquidation of vacation leave; amending Minnesota Statutes 1984, sections 15.62, subdivision 2; 16A.123, subdivision 3; 16B.65, subdivision 3; 43A.17, subdivision 8; 43A.21, subdivision 5; 43A.38, subdivision 5; 62D.22, subdivision 7; and 299D.03, subdivision 11.

Referred to the Committee on Governmental Operations.

H.F. No. 530: A bill for an act relating to commerce; regulating transient merchants; amending Minnesota Statutes 1984, sections 329.14; and 329.15.

Referred to the Committee on Economic Development and Commerce.

H.F. No. 538: A bill for an act relating to taxation; updating income tax provisions to changes in the Internal Revenue Code; amending Minnesota Statutes 1984, sections 290.01, subdivisions 20, as amended, 20a, 20b, and 21; 290.032, subdivision 1; 290.06, subdivision 14; 290.067, subdivision 1; 290.068, subdivisions 2, 4, and 5; 290.07, subdivisions 5 and 7; 290.071, subdivision 5; 290.079, subdivision 1; 290.08, subdivision 26; 290.089, subdivision 7; 290.09, subdivisions 7 and 19; 290.091; 290.10; 290.13, subdivision 1; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.14; 290.16, subdivisions 3, 7, 9, 13, 15, 16, and by adding a subdivision; 290.17, subdivision 2; 290.21, subdivision 4; 290.23, subdivision 5; 290.26, subdivision 2; 290.31, subdivisions 2, 4, and 5; 290.37, subdivision 1; 290.39, subdivision 2; 290.41, subdivision 1, and by adding a subdivision; 290.53, subdivision 9; 290.65, subdivision 16; 290.93, subdivisions 1, 3, 5, 6, 7, and 10; and 290A.03, subdivision 3; repealing Laws 1984, chapter 502, article 2, section 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 665.

H.F. No. 157: A bill for an act relating to elections; requiring that a candidate for school district office be eligible to hold office; amending Minnesota Statutes 1984, section 123.32, subdivision 4.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 307, now on General Orders.

H.F. No. 183: A bill for an act relating to commerce; modifying the finance charge on certain open end credit sales; amending Minnesota Statutes 1984, section 334.16, subdivision 1.

Referred to the Committee on Rules and Administration for comparison with S.F. No. 131, now on General Orders.

H.F. No. 602: A bill for an act relating to alcoholic beverages; allowing certain extensions of credit; amending Minnesota Statutes 1984, sections 340.031, subdivision 2; and 340.405.

Referred to the Committee on Public Utilities and State Regulated Industries.

H.F. No. 603: A bill for an act relating to non-intoxicating malt liquor; permitting holders of on-sale and off-sale intoxicating liquor licenses to sell non-intoxicating malt liquor without further license; amending Minnesota

Statutes 1984, section 340.02, subdivisions 2 and 3.

Referred to the Committee on Public Utilities and State Regulated Industries.

### REPORTS OF COMMITTEES

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 832: A bill for an act relating to the University of Minnesota; changing restrictions on the permanent university fund so that the fund can be used to help endow professorial chairs; appropriating money; amending Minnesota Statutes 1984, section 137.022.

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

Page 2, line 16, delete everything after "*fund*"

Page 2, delete line 17

Page 2, line 18, delete everything before "*to*" and insert "*shall be used*"

Page 2, line 19, delete "*from 50*" and insert "*up*"

Page 2, line 20, after the period, insert "*Any portion of the annual appropriation that is not used for this purpose shall become part of the permanent university fund.*"

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 468: A bill for an act relating to education; requiring an educational cooperative service unit to conduct a meeting annually to discuss issues of mutual concern and to facilitate coordination and cooperation; amending Minnesota Statutes 1984, section 123.58, by adding a subdivision.

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 814: A bill for an act relating to education; establishing the state council on vocational technical education; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 136C.

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

Page 1, line 21, delete everything after the period

Page 1, delete line 22

Page 2, line 26, after the period, insert "*The council may contract with*

*professional, technical, and clerical consultants and interns needed to carry out its functions."*

Page 2, delete lines 27 to 29

Page 2, line 34, delete "1986 edition of" and insert "supplements to" and before the period insert "1984"

Pages 2 and 3, delete section 3

Amend the title as follows:

Page 1, lines 3 and 4, delete "appropriating money;"

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 126: A bill for an act relating to education; requiring post-secondary governing boards to develop procedures to facilitate the transfer of credit between institutions.

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

Page 1, line 7, after the first period, insert "[136.622]"

Page 1, line 14, delete "insure" and insert "ensure"

Page 1, line 21, after "2." insert "[135A.08]"

Page 1, line 23, delete "and" and after the last comma, insert "and the state board for vocational technical education."

Page 2, line 1, after the period, insert "Course equivalency guides shall not be required for vocational technical programs that have not been divided into identifiable courses."

Page 2, line 6, after "3." insert "[135A.09]"

Amend the title as follows:

Page 1, line 4, before the period, insert "; proposing coding for new law in Minnesota Statutes, chapters 135A and 136"

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

Mr. Lessard from the Committee on Veterans and General Legislation, to which was re-referred

S.F. No. 1: A bill for an act proposing an amendment to the Minnesota Constitution; repealing article XIII, section 5 which prohibits lotteries.

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

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

S.F. No. 566: A bill for an act relating to civil procedure; providing for the

treatment of certain foreign judgments; enacting the Uniform Foreign Money-Judgments Act; proposing coding for new law in Minnesota Statutes, chapter 548.

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

Page 1, line 12, delete the first comma

Page 1, line 13, delete "*thereof*" and insert "*of the United States*"

Page 1, line 16, before "*taxes*" insert "*(a)*" and after the first comma, insert "*or (b)*"

Page 1, lines 16 and 17, delete "*a judgment for support*" and insert "*(c)*"

Page 1, line 20, delete "*therefrom*"

Page 2, line 2, delete "*a sister*" and insert "*another*"

Page 2, line 11, delete "*jursidiction*" and insert "*jurisdiction*"

Page 2, line 16, delete "*enable him to defend*" and insert "*prepare a defense*"

Page 3, line 1, delete "*him*" and insert "*the defendant*"

Page 3, line 15, delete "*such*" and insert "*the*"

Page 3, line 16, delete "*other*" and insert "*additional*"

Page 3, line 19, delete "*he*" and insert "*the defendant*"

Page 3, line 21, after "*proceedings*" insert "*, with or without bond at the court's discretion,*"

Page 3, line 28, after "*Foreign*" insert "*Country*"

Amend the title as follows:

Page 1, line 4, after "*Foreign*" insert "*Country*" and before "*Act*" insert "*Recognition*"

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

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

S.F. No. 281: A bill for an act relating to criminal justice; clarifying the procedure for making certain claims against the state; placing restrictions on places where work in restitution or community service may be performed; amending Minnesota Statutes. 1984, sections 3.739, subdivisions 2 and 2a; and 609.135, subdivision 1.

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

Page 2, line 12, after the period, insert "*Any compensation paid under this section shall be only as reimbursement for medical expenses and compensation for permanent total or partial disability or death.*"

Amend the title as follows:

Page 1, line 3, after the semicolon, insert "providing limitations on the payment of claims;"

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

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

S.F. No. 803: A bill for an act relating to crimes; prescribing the powers of the governor and the commissioner of corrections with respect to extradition under treaty; amending Minnesota Statutes 1984, section 243.515.

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

Page 1, line 11, reinstate the stricken "a treaty is" and delete "treaties are"

Page 2, line 2, reinstate the stricken "treaty" and delete "treaties"

Page 2, line 4, delete "does" and insert "shall"

Page 2, line 5, delete "he or she" and insert "the offender"

Page 2, line 6, delete "The extradition"

Page 2, delete lines 7 to 10 and insert "The sentence shall continue to run during the time that the offender is in the custody of the appropriate officials of the United States or the foreign country to which extradited. The offender shall not be subject to return to the territory of the United States and to the custody of the commissioner of corrections pursuant to this section unless there remains an unserved portion of the Minnesota sentence."

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

Mr. Pehler from the Committee on Education, to which was referred

S.F. No. 563: A bill for an act relating to education; vocational; removing a restriction for awarding associate degrees; amending Minnesota Statutes 1984, section 136C.042, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 123.33, subdivision 14, is amended to read:

Subd. 14. ~~The~~ A school board of ~~any school district of this state, including a school board as defined in section 136C.02, subdivision 8,~~ by a two-thirds vote may become a member of ~~an association of a vocational schools association~~ and may appoint one or more of its members to attend the annual meeting of such association. The amount of annual membership dues in the association and actual and necessary expenses incurred in attending such meeting shall be paid as other expenses of the district are paid.

Sec. 2. Minnesota Statutes 1984, section 125.031, is amended to read:



125.031 [LICENSURE; AREA VOCATIONAL TECHNICAL SCHOOL EXEMPTION FOR AVTI INSTRUCTORS TEACHING LESS THAN 61 HOURS A FISCAL YEAR.]

Notwithstanding section 125.03, subdivision 1, a person who teaches in ~~an adult extension~~ a part-time vocational technical education program not more than 61 hours per fiscal year is exempt from a license requirement.

Sec. 3. Minnesota Statutes 1984, section 136C.04, subdivision 9, is amended to read:

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. *The state board may adopt emergency licensure rules, according to sections 14.29 to 14.36, when necessary for continuous programs approved by the board and when the board determines that appropriate licensure standards do not exist.*

Sec. 4. Minnesota Statutes 1984, section 136C.04, subdivision 12, is amended to read:

Subd. 12. [PROGRAMS.] The state board shall approve, disapprove, and coordinate programs. *The state board shall adopt policies that include at least minimum class sizes and placement ratios.* 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.

Sec. 5. Minnesota Statutes 1984, section 136C.042, subdivision 1, is amended to read:

Subdivision 1. [BOARD APPROVAL.] The state board may approve, disapprove, or modify a plan for awarding associate degrees at an area vocational technical institute. ~~The state board shall approve a plan only when an associate degree is required by a licensing authority and is offered in shall include cooperation with a collegiate institution unless cooperation is not practicable. The state board may approve an area vocational technical institute plan for awarding an associate degree which is not offered in cooperation with a collegiate institution only if cooperation is not practicable.~~ All associate degree plans approved by the state board shall be presented to the higher education coordinating board for review and recommendation pursuant to section 136A.04, subdivision 1, clause (d) and in accordance with the provisions of this section.

Sec. 6. Minnesota Statutes 1984, section 136C.26, subdivision 1, is

amended to read:

Subdivision 1. [APPLICABILITY.] ~~For the 1983-1984 and 1984-1985 school years,~~ For the purposes of sections 136C.26 to 136C.37, and 136C.41, the following terms have the meanings given them.

Sec. 7. Minnesota Statutes 1984, section 136C.28, subdivision 1, is amended to read:

Subdivision 1. [BUDGET SUBMISSION.] Before January 1, ~~1984~~, each AVTI shall submit an instructional aid budget for the following fiscal year. The instructional aid budget shall detail estimated instructional costs in each expenditure category for each program and component activity of the AVTI's operations. The instructional aid budget shall include estimated revenues from sale of supplies and services, sale of equipment and other capital goods, and other revenues, detailed according to UFARS.

Sec. 8. Minnesota Statutes 1984, section 136C.31, is amended to read:

136C.31 [DISTRIBUTION OF MONEY.]

*Subdivision 1. [ALLOCATE BY LAW.] All money, whether state, federal, or from other sources, which may be made available to the state board for carrying out the purposes of post-secondary vocational technical education shall be allocated by the state board to districts in accordance with law.*

*Subd. 2. [NO CONTRACT APPROVAL.] State and federal aids and discretionary or entitlement grants distributed by the state board are not subject to chapter 16B or to the contract approval procedures of the commissioner of administration. The state board shall adopt internal procedures to administer and monitor aids and grants.*

Sec. 9. [REVISOR REQUEST.]

*The revisor of statutes is requested to change the heading of Minnesota Statutes, section 136C.26, to read "[VOCATIONAL AID DEFINITIONS]."*

Sec. 10. [REPEALER.]

*Minnesota Statutes 1984, sections 125.055 and 136C.27, subdivision 1, are repealed.*

Sec. 11. [EFFECTIVE DATE.]

*This act is effective July 1, 1985."*

Delete the title and insert:

*"A bill for an act relating to education; requiring the state board of vocational technical education to adopt policies about minimum class size and placement ratios; exempting certain monetary distributions from certain contract procedures; amending Minnesota Statutes 1984, sections 123.33, subdivision 14; 125.031; 136C.04, subdivisions 9 and 12; 136C.042, subdivision 1; 136C.26, subdivision 1; 136C.28, subdivision 1; and 136C.31; repealing Minnesota Statutes 1984, sections 125.055 and 136C.27, subdivision 1."*

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 916: A bill for an act relating to human services; authorizing the commissioner to establish a state advisory planning council; requiring counties to contract with nonprofit organizations; changing set aside project amounts; amending Minnesota Statutes 1984, sections 245.70, subdivision 1; 245.71; 245.711, subdivision 2; and 245.713, subdivision 2.

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

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

S.F. No. 77: A bill for an act relating to real property; providing that the mortgage and contract for deed moratorium become permanent law; applying moratorium to holders of any mortgage or contract for deed to homestead property; abolishing exclusionary provision; allowing mortgagor to petition for postponement of foreclosure sale for up to 12 months; abolishing sunset provision; amending Minnesota Statutes 1984, sections 47.20, subdivision 15; 559.21, subdivision 6; 580.031; 583.02; 583.03; 583.04; and Laws 1983, chapter 215, section 16, as amended.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 47.20, subdivision 15, is amended to read:

Subd. 15. Notwithstanding the provisions of any other law to the contrary, any notice of default on homestead property as defined in section 583.02, mailed after May 24, 1983 and prior to May 1, 1985, to which the provisions of chapter 583 apply shall indicate that the borrower has 60 days from the date the notice is mailed in which to cure the default. The notice shall include a statement that the borrower may be eligible for an extension of the time prior to foreclosure and execution sale under sections 583.01 to 583.12 chapter 583.

Sec. 2. Minnesota Statutes 1984, section 559.21, subdivision 6, is amended to read:

Subd. 6. [TEMPORARY MINIMUM NOTICE.] Notwithstanding the provisions of any other law to the contrary, no contract for conveyance of homestead property, as defined in section 583.02, to which the provisions of chapter 583 apply shall terminate until 60 days after service of notice if the notice is served after May 24, 1983, and prior to May 1, 1985, or 90 days after service of notice if the contract was entered into after May 1, 1980 and the contract vendee has paid 25 percent or more of the purchase price. The notice shall specify this 60- or 90-day period. The notice shall include a statement that the borrower may be eligible for an extension of the time prior to foreclosure and execution sale termination under sections 583.01 to 583.12 chapter 583. This section does not apply to earnest money contracts, purchase agreements or exercised options.

Sec. 3. Minnesota Statutes 1984, section 580.031, is amended to read:

## 580.031 [TEMPORARY MINIMUM NOTICE.]

Notwithstanding the provisions of any other law to the contrary, eight weeks' published notice must be given prior to the foreclosure sale of a homestead, as defined in section 583.02, if the notice is published for the first time after May 24, 1983 and prior to May 1, 1985 to which the provisions of chapter 583 apply. The notice must contain the information specified in section 580.04. At least eight weeks before the appointed time of sale, a copy of the notice must be served upon the person in possession of the mortgaged premises, if the premises are actually occupied.

Sec. 4. Minnesota Statutes 1984, section 583.02, is amended to read:

## 583.02 [DEFINITIONS.]

As used in sections 583.01 to 583.12 this chapter, the term "homestead" means residential or agricultural real estate, a portion or all of which, at the time of the filing of the petition under section 583.04, is occupied by the owner and is entitled to receive homestead credit under section 273.13, subdivision 15a or would be entitled to receive the credit if it remained the residence of the owner on June 1 of the current year or January 2 of the next year.

Sec. 5. Minnesota Statutes 1984, section 583.03, is amended to read:

## 583.03 [APPLICATION.]

Subdivision 1. [PROPERTY COVERED.] The provisions of sections 47.20, subdivision 15, 559.21, subdivision 6, 580.031, and 583.01 to 583.12 apply to first mortgages secured by and contracts for deed conveying, homesteads within the meaning of section 583.02, including: (1) mortgages held by the United States or by any agency, department, bureau, or instrumentality of the United States, as security or pledge of the mortgagor, its successors or assigns; and (2) mortgages held as security or pledge to secure payment of a public debt or to secure payment of the deposit of public funds.

Subd. 2. [GENERAL EXCLUSION.] The provisions of sections 47.20, subdivision 15, 559.21, subdivision 6, 580.031, and 583.01 to 583.12 do not apply to mortgages or contracts for deed made after May 24, 1983, and before May 1, 1985, nor to mortgages or contracts for deed made before May 24, 1983, which are renewed or extended after May 24, 1983, and before May 1, 1985, for a period longer than one year, nor to mortgages, judgments, or contracts for deed, regardless of when made before May 1, 1985, if a second or subsequent mortgage is made against the property after May 24, 1983.

No court shall allow a stay, or postponement, or extension of time that would cause any right to be lost or adversely affected by any statute of limitation.

Subd. 3. [GENERAL APPLICATION.] For mortgages or contracts for deed made before May 24, 1983, that are not excluded under subdivision 2, sections 47.20, subdivision 15, 559.21, subdivision 6, 580.031, and 583.01 to 583.12, apply until July 1, 1986, but any postponement or other relief ordered by a court continues to be valid for the period ordered by the court. Sections 47.20, subdivision 15, 559.21, subdivision 6, 580.031, and 583.01 to 583.12, apply to all first mortgages or contracts for deed on homestead property made on or after May 1, 1985.

Sec. 6. Minnesota Statutes 1984, section 583.04, is amended to read:

**583.04 [MORTGAGOR MAY APPLY TO DISTRICT COURT FOR RELIEF.]**

Any mortgagor, or owner in possession of the mortgaged premises including farm homestead premises, or anyone claiming under the mortgage, or anyone liable for the mortgage debt, may at any time after the issuance of the notice of the foreclosure proceedings default and prior to the sale, petition the district court of the county where the foreclosure proceedings are pending, serving a summons and verified complaint petition requesting that the sale in foreclosure be postponed for up to six months or, in the case of a farm homestead located on more than ten acres, for up to 12 months. A contract for deed vendee or anyone claiming under the contract or liable for the contract payment, in any case where the contract has not yet been terminated as of May 24, 1983, may petition the district court in the same manner, requesting that the contract termination be delayed postponed for up to 90 days. Upon receiving the petition, the court shall order a stay in the foreclosure proceedings or contract termination until after the hearing on the petition. As a condition precedent to the The court's order for a stay may be issued ex parte. If the court orders a postponement of the foreclosure sale after the hearing, the party serving the verified complaint petition shall file it and pay to the clerk for the person foreclosing the mortgage the actual costs incurred, including attorney's fees, in the foreclosure proceeding before postponement as provided in section 580.30. As a condition precedent to delay If the court orders a postponement of the contract termination, the party seeking relief shall file the verified complaint and pay to the clerk for the person canceling the contract, the actual costs, including attorney's fees incurred in the cancellation as provided in section 559.21. If The court may order that the costs and fees be paid as a precondition to entry of the order postponing the sale or termination or that the costs and fees be prorated and combined with the payments ordered pursuant to section 583.08. If the court orders that the costs and fees be paid as a precondition to entry of the order for postponement and the payment is made by other than cash or certified check, the order postponing the sale or termination for postponement is not final until after the check or other negotiable instrument has been paid.

Sec. 7. Minnesota Statutes 1984, section 583.05, is amended to read:

**583.05 [COURT MAY ORDER DELAY IN POSTPONEMENT OF SALE; FINDINGS.]**

The court may consider the following criteria in determining whether or not to order a delay in postponement of the sale or contract termination:

(1) that the petitioner is unemployed, underemployed, facing catastrophic medical expenses, or facing economic problems due to low farm commodity prices; and

(2) that the petitioner has an inability to make payments on the mortgage or contract for deed.

If the court grants or denies a delay in postponement of the sale, the mortgagee shall publish notice of the new sale date as provided in section 580.03. If the court grants a postponement of the sale, the mortgagee shall not publish notice of a new sale date as provided in section 580.03 until the postpone-

*ment period has expired, except as provided in section 583.08. Section 580.07 does not apply to foreclosure sales postponed by a court pursuant to sections 583.01 to 583.12.*

Sec. 8. Minnesota Statutes 1984, section 583.07, is amended to read:

583.07 [REDUCTION OF REDEMPTION PERIOD.]

If the court grants a ~~delay in postponement~~ of the foreclosure sale pursuant to sections 583.01 to 583.12, the redemption period pursuant to section 580.23 shall be reduced by an equivalent period of time provided, that in no event shall the redemption period be less than 30 days. If the court does not grant a ~~delay in postponement~~ of the foreclosure sale, the redemption period shall be as provided in section 580.23.

Sec. 9. Minnesota Statutes 1984, section 583.10, is amended to read:

583.10 [HEARING.]

The court shall schedule and hold a hearing on the petition ~~must be held~~ within 30 days after the filing of the petition. The order therein must be made and filed within five days after the hearing. Review by the supreme court may be had by certiorari, if application for the writ is made within 15 days after notice of the order. The writ is returnable within 30 days after the filing of the order.

Sec. 10. [REPEALER.]

*Laws 1983, chapter 215, section 16, as amended by Laws 1984, chapter 474, section 7, is repealed.*

Sec. 11. [EFFECTIVE DATE.]

*Sections 1 to 10 are effective May 1, 1985."*

Delete the title and insert:

"A bill for an act relating to real property; extending the provisions authorizing courts to approve postponements of mortgage foreclosure and contract for deed terminations and making them permanent law in certain cases; abolishing certain exclusionary provisions; clarifying certain provisions; amending Minnesota Statutes 1984, sections 47.20, subdivision 15; 559.21, subdivision 6; 580.031; 583.02; 583.03; 583.04; 583.05; 583.07; and 583.10; repealing Laws 1983, chapter 215, section 16, as amended."

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 882: A bill for an act relating to commerce; clarifying commissioner's authority to conduct regulatory investigations; clarifying submission of applications for directors and officers liability insurance; providing for the withdrawal of certain registration statements; broadening the securities transaction exemptions for isolated sales and limited offerings; repealing the securities transaction for preorganization offerings; providing a maximum fee for the registration of redeemable securities; simplifying an exemption

from franchise registration; providing for disclosure of representation by real estate brokers and salespersons; expanding those officers who may verify corporate broker licenses; altering re-examination requirements for brokers and salespersons who fail to renew their licenses; altering the unclaimed property reporting deadline for life insurance companies; raising the aggregation amount for holders reporting unclaimed property; specifying dates for notifying and advertising owners of abandoned property; and providing for the notification of all lienholders by a unit owners association in an assessment lien foreclosure; amending Minnesota Statutes 1984, sections 60A.08, by adding a subdivision; 80A.10, by adding a subdivision; 80A.13, subdivision 1; 80A.15, subdivision 2; 80A.28, subdivisions 1 and 3; 80C.03; 82.19, subdivision 3, and by adding a subdivision; 82.20, subdivision 4; 82.21, subdivision 1; 82.22, subdivision 10; 82.24, subdivision 4; 345.41; 345.42, subdivisions 1 and 3; and 515A.3-115; proposing coding for new law in Minnesota Statutes, chapters 45 and 82.

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

Pages 1 to 3, delete section 1

Pages 10 and 11, delete sections 6 and 7

Page 19, line 24, delete "14 to 16" and insert "11 to 13"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 2, delete everything after the semicolon

Page 1, delete lines 3 and 10

Page 1, line 11, delete everything before "simplifying"

Page 1, line 27, delete "80A.28, subdivisions 1 and 3;"

Page 1, line 32, delete "chapters 45 and" and insert "chapter"

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 519: A bill for an act relating to insurance; authorizing the use of funding agreements; prescribing powers of the commissioner; proposing coding for new law in Minnesota Statutes, chapter 61A.

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

Page 2, line 12, after the period, insert "*No funding agreement shall be issued in an amount less than \$1,000,000.*"

Page 2, line 24, after the period, insert "*Notwithstanding the provision of section 61A.275, subdivision 1, a separate account for funding agreement proceeds may include funds from any source authorized to purchase a funding agreement pursuant to this section.*"

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

Mr. Solon from the Committee on Economic Development and Commerce, to which was referred

S.F. No. 271: A bill for an act relating to the regulation of securities; modifying fees payable on certain security registrations; amending Minnesota Statutes 1984, section 80A.28, subdivisions 1 and 3.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 665: A bill for an act relating to taxation; updating income tax provisions to changes in the Internal Revenue Code; amending Minnesota Statutes 1984, sections 290.01, subdivisions 20, 20a, 20b, and 21; 290.032, subdivision 1; 290.06, subdivision 14; 290.067, subdivision 1; 290.068, subdivisions 2, 4, and 5; 290.07, subdivisions 5 and 7; 290.071, subdivision 5; 290.079, subdivision 1; 290.08, subdivision 26; 290.089, subdivision 7; 290.09, subdivisions 7 and 19; 290.091; 290.10; 290.13, subdivision 1; 290.131, subdivision 1; 290.132, subdivision 1; 290.133, subdivision 1; 290.135, subdivision 1; 290.136, subdivision 1; 290.14; 290.16, subdivisions 3, 7, 9, 13, 15, 16, and by adding a subdivision; 290.17, subdivision 2; 290.21, subdivision 4; 290.23, subdivision 5; 290.26, subdivision 2; 290.31, subdivisions 2, 4, and 5; 290.37, subdivision 1; 290.39, subdivision 2; 290.41, subdivision 1, and by adding a subdivision; 290.53, subdivision 9; 290.65, subdivision 16; 290.93, subdivisions 1, 3, 5, 6, 7, and 10; and 290A.03, subdivision 3, repealing Laws 1984, chapter 502, article 2, section 4.

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

Page 1, line 27, after the comma insert "as amended by Laws 1985, chapter 2, section 1,"

Page 3, line 32, delete the underscoring from "*The provisions of*" and after "of" insert a stricken "section."

Page 3, line 36, delete the underscoring from "*611(a)*"

Page 4, line 3, delete the underscoring from "*of the Deficit*"

Page 4, line 4, delete the underscoring from everything before "*and*"

Page 4, line 5, delete the underscoring from everything after "*98-611*"

Page 4, line 6, delete the underscoring

Page 4, line 9, after "1984" insert "*, except that the provisions of section 179, (B) (1) (C) of the Deficit Reduction Act of 1984 shall not be adopted*"

Page 11, line 20, strike "*and*"

Page 11, line 29, after "(6)" insert "*; and*



(18) *To the extent included in federal adjusted gross income, the amount of any statutory reimbursement paid pursuant to the provisions of section 299D.03, subdivision 2, for a day when the member of the state patrol is on duty and on patrol on the highways of the state. If any individual received a reimbursement to which this subdivision applies, no deduction shall be allowed under any other provision of chapter 290 for expenses for which the member of the state patrol has received reimbursement, except to the extent that the expenses exceed the amount excludable under this subdivision and the excess is otherwise allowable as a deduction under chapter 290*

Page 52, lines 12 to 16 and 25 to 27, delete the new language and reinstate the stricken language

Page 52, line 28, delete "*military or*"

Page 52, line 31, delete "*military or*"

Page 53, line 2, delete "*and (3)*"

Page 53, line 4, delete "*and the treatment of multinational forces*"

Amend the title as follows:

Page 1, line 3, after the semicolon insert "*providing an income tax exemption for certain payments to members of the state highway patrol;*"

Page 1, line 5, after "*20,*" insert "*as amended,*"

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was referred

S.F. No. 822: A bill for an act relating to taxation; changing certain income tax provisions relating to corporations; amending Minnesota Statutes 1984, sections 290.05, subdivision 1; 290.10; 290.37, subdivision 1; 290.391; 290.42; and 290.931, subdivision 1.

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

Page 2, lines 6 to 8, delete the new language and insert:

*"(c) Mutual insurance companies or associations, including interinsurers and reciprocal underwriters, that are exempt as provided in the Revenue Act of 1936"*

Pages 2 to 5, delete sections 2 and 3

Page 5, line 29, after the period, insert "*The filing of the original return starts the running of the statute of limitations provided in section 290.49.*"

Page 7, lines 7 and 8, delete the new language

Page 7, line 8, after the comma, insert "*except as provided for corporations and*"

Page 7, lines 18 to 26, delete the new language and insert "*The commissioner may grant an extension of up to seven months for filing the return of a*

*corporation subject to tax under this chapter if the corporation files a tentative return at the time fixed for filing the regularly required return and pays the tax on the basis of the tentative return in accordance with this section and section 290.45"*

Page 8, delete section 6

Page 8, delete lines 13 to 16 and insert:

*"Section 1 is effective for taxable years beginning after December 31, 1981. Section 2 is effective the day after final enactment. Section 3 is effective for taxable years beginning after December 31, 1984."*

Amend the title as follows:

Page 1, line 5, delete "290.10; 290.37, subdivision 1;" and after "290.391;" insert "and"

Page 1, line 5, delete "; and" and insert a period

Page 1, delete line 6

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 597: A bill for an act relating to the city of North Mankato; permitting the establishment of a port authority; authorizing the port authority to exercise the powers of a municipal housing and redevelopment authority.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 194: A bill for an act relating to taxation; increasing the amount statutory cities and towns may levy for a public cemetery; amending Minnesota Statutes 1984, section 471.24.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 471: A bill for an act relating to the city of Lismore; authorizing it to issue bonds for municipal facilities.

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

Mr. Johnson, D.J. from the Committee on Taxes and Tax Laws, to which was re-referred

S.F. No. 70: A bill for an act relating to real property; local and metropoli-

tan government; transportation; providing for acquisition and relocation assistance in cases of hardship to owners of homestead property located in a proposed state highway corridor; amending Minnesota Statutes 1984, section 473.167, subdivision 3, and by adding a subdivision.

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

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

S.F. No. 303: A bill for an act relating to the city of Minneapolis; permitting the establishment of special service districts in the city and providing taxing and other authority.

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

Page 1, line 8, delete "11" and insert "10"

Page 4, lines 22 and 24, delete "11" and insert "10"

Page 4, line 31, delete "a" and insert "the" and after "enlarged" insert "within the area described in section 2"

Page 7, lines 22 and 28, delete "11" and insert "10"

Pages 7 and 8, delete section 10

Page 8, line 26, delete "11" and insert "10"

Renumber the sections in sequence

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

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

S.F. No. 643: A bill for an act relating to game and fish; closing of lakes to taking of fish by angling and spearing; prohibiting spearing in muskellunge lakes; amending Minnesota Statutes 1984, sections 97.48, subdivision 1; 101.41, subdivision 4; and 101.475, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 97.55, is amended by adding a subdivision to read:

*Subd. 17. [ MISDEMEANOR FOR SPEARING MUSKELLUNGE.] A person that takes a muskellunge with a spear is guilty of a misdemeanor and is subject to a fine up to \$1,000.*

Sec. 2. Minnesota Statutes 1984, section 101.475, subdivision 1, is amended to read:

Subdivision 1. [DESIGNATION OF MUSKELLUNGE WATERS.] The

commissioner of natural resources; after notice and hearing, may designate not more than 40 lakes in the state, each of which is known to be the habitat of muskellunge, and provide special rules and regulations applicable only to these lakes for the management of fishing therein. Such special rules and regulations may include among other things prohibition of dark house spearing or angling or both in any one or more of these designated lakes; but must be designed and promulgated solely to further experiments, research and management of muskellunge in the state. (a) The commissioner may, after notice and hearing, designate waters with muskellunge as muskellunge waters.

(b) The commissioner may prescribe rules for each designated muskellunge waters that:

- (1) restrict spearing from a darkhouse;
- (2) restrict angling from a darkhouse;
- (3) limit the open season to take fish;
- (4) limit the size of fish that may be kept; and
- (5) limit the number of each species of fish that may be kept.

(c) The commissioner must give notice and hold a hearing before adopting rules under this subdivision. The rules are effective for a specified period of time and may only be extended upon a showing by the commissioner, at a hearing, that the muskellunge population in the designated waters has been enhanced.

### Sec. 3. [REPEALER.]

Minnesota Statutes 1984, section 101.475, subdivision 2, is repealed.

### Sec. 4. [EFFECTIVE DATE.]

*This act is effective the day after enactment.*"

Delete the title and insert:

"A bill for an act relating to fish and game; changing designation of muskellunge lakes; providing for certain restrictions on designated muskellunge lakes; providing a penalty for a person that spears a muskellunge; amending Minnesota Statutes 1984, sections 97.55, by adding a subdivision; and 101.475, subdivision 1; repealing Minnesota Statutes 1984, section 101.475, subdivision 2."

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

Mr. Dieterich from the Committee on Public Utilities and State Regulated Industries, to which was referred

S.F. No. 678: A bill for an act relating to horseracing; authorizing the commission to adopt certain drug rules; amending Minnesota Statutes 1984, section 240.24.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 240.24, is amended to read:

240.24 [MEDICATION.]

*Subdivision 1.* The commission shall make and enforce rules governing medication and medical testing for horses running at licensed racetracks. The rules must provide that no medication, as the commission defines that term by rule, may be administered to a horse within 48 hours of a race it runs at a licensed racetrack *except as provided in subdivision 2*. The commission shall by rule establish the qualifications for laboratories used by it as testing laboratories to enforce its rules under this section.

*Subd. 2.* The commission by rule may allow the use of: (1) topical external applications that do not contain anesthetics or steroids; (2) food additives; (3) pulmonary hemostatic agents; and (4) nonsteroidal anti-inflammatory drugs. The commission may adopt emergency rules to implement the provisions of this subdivision.

Sec. 2. [EFFECTIVE DATE.]

*Section 1 is effective the day following final enactment, provided that section 1, subdivision 2, is repealed effective December 31, 1987."*

Amend the title as follows:

Page 1, line 3, delete "drug" and insert "medication"

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

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

S.F. No. 866: A bill for an act relating to solid waste and sewage sludge management; restricting land disposal of solid waste in the metropolitan area; providing for the financing of resource recovery facilities in the metropolitan area by counties and the metropolitan council; changing provisions relating to designation plans, local disposal fees, metropolitan sludge and sludge ash facilities, and metropolitan county ordinances; defining terms; allocating and appropriating money from the metropolitan landfill contingency action and abatement funds; amending Minnesota Statutes 1984, sections 115A.03, subdivision 27; 115A.84, subdivisions 3 and 4; 115A.919; 473.153, subdivisions 5, 6b, and 7; 473.811, subdivisions 5 and 5a; 473.831; 473.840, subdivision 2; 473.842, by adding subdivisions; 473.843, subdivision 7; and 473.844, subdivisions 2 and 5; Laws 1984, chapter 644, section 81, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 473.

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

Page 2, line 8, before the period, insert "*that relate to matters required in a designation ordinance under section 115A.86, subdivision 1*"

Page 3, delete lines 6 to 8 and insert:

*"Subdivision 1. [APPLICABILITY.] The definitions in this section apply to this section, and sections 115A.919 and 115A.921."*

Page 4, after line 14, insert:

"Sec. 6. Minnesota Statutes 1984, section 400.04, subdivision 1, is amended to read:

Subdivision 1. [GENERAL.] Any county may conduct a solid waste management program which may include activities authorized by sections 400.01 to 400.17 and such other activities as are necessary and convenient to effectively carry out the purposes of sections 400.01 to 400.17. *A county that enters into a joint powers agreement under section 471.59 with a metropolitan county as defined in section 473.121, subdivision 4, to accomplish a solid waste management purpose may exercise the powers of the metropolitan county in relation to the solid waste management purpose under the joint powers agreement.*"

Page 5, after line 31, insert:

"Sec. 10. Minnesota Statutes 1984, section 473.801, subdivision 1, is amended to read:

Subdivision 1. For the purposes of sections 473.801 to 473.845 and section 21 the terms defined in this section have the meanings given them."

Page 7, delete section 11 and insert:

"Sec. 13. Minnesota Statutes 1984, section 473.823, subdivision 6, is amended to read:

Subd. 6. [COUNCIL; CERTIFICATION OF NEED.] No new mixed municipal solid waste disposal facility or capacity shall be permitted in the metropolitan area without a certificate of need issued by the council indicating the council's determination that the additional disposal capacity planned for the facility is needed in the metropolitan area. The council shall amend its policy plan, adopted pursuant to section 473.149, to include standards and procedures for certifying need *that conform to the certification standards stated in this subdivision.* The standards and procedures shall be based on the council's disposal abatement plan adopted pursuant to section 473.149, subdivision 2d; the council's solid waste disposal facilities development schedule adopted under section 473.149, subdivision 2e, and the *provisions of any master plans of counties adopted pursuant to section 473.803, subdivision 1b and that have been approved by the council under section 473.803, subdivision 2, and that are consistent with the council's abatement plan and development schedule.* The council shall certify need only to the extent that there are no feasible and prudent alternatives to the disposal facility, including waste reduction, source separation and resource recovery which would minimize adverse impact upon natural resources. Alternatives that are speculative or conjectural shall not be deemed to be feasible and prudent. Economic considerations alone shall not justify the certification of need or the rejection of alternatives. In its certification the council shall not consider alternatives which have been eliminated from consideration by the adoption of the inventory pursuant to section 473.149, subdivision 2b, or the selection of sites under section 473.833, subdivision 3."

Pages 8 and 9, delete subdivision 2 and insert:

"Subd. 2. [USE OF PROCEEDS.] (a) The proceeds of bonds issued under subdivision 1 shall be used by the council; ~~for the purposes provided in sub-~~

division 4 and:

(1) to provide funds for the environmental analysis of solid waste disposal sites;

(2) to make grants to metropolitan counties to pay the cost of the environmental review of sites;

(3) the acquisition of development rights for all or part of the period that the development limitation imposed by section 473.806 is in effect; and;

(4) the acquisition of ~~all property or~~ permanent or temporary right, title, or interests in property, including easements and development rights, for solid waste disposal sites and surrounding buffer areas required to be acquired by the county, pursuant to sections 473.833 and 473.840, by the council's policy plan and development schedule adopted pursuant to section 473.149, subdivision 2e; and

(5) for the acquisition and improvement of resource recovery facilities.

(b) If the council is required by law or regulation to prepare environmental analyses on one or more solid waste disposal sites and surrounding buffer areas, the council may use the proceeds of the bonds issued under subdivision 1 to contract for consultant services in the preparation of such analyses only upon a finding that equivalent expertise is not available among its own staff."

Page 11, line 16, after the period, insert "For purposes of this section, mixed municipal solid waste does not include street sweepings, construction debris, mining waste, foundry sand, and other materials, if they are not capable of being processed by resource recovery."

Page 11, after line 28, insert:

"Sec. 23. [ANOKA COUNTY; RESOURCE RECOVERY.]

Subdivision 1. [NON-METROPOLITAN COUNTY POWERS.] Anoka county may exercise the powers of a county under Minnesota Statutes, section 400.08, in addition to the powers that Anoka county may exercise under other law. The county may expend funds for resource recovery purposes under sections 473.801 to 473.845.

Subd. 2. [ACQUISITION, CONSTRUCTION, AND OPERATION OF PROPERTY AND FACILITIES.] (a) Anoka county may acquire, construct, enlarge, improve, repair, supervise, control, maintain, operate, lease, or sell any and all solid waste facilities and other property and facilities needed, used, or useful for solid waste management purposes.

(b) Notwithstanding any other law to the contrary, the county may purchase and lease materials, equipment, machinery and other personal property necessary for solid waste management purposes on terms and conditions determined by the board, with or without advertisement for bids, including the use of conditional sales contracts and lease-purchase agreements.

(c) If a county contract is let by negotiation, without advertising for bids, the county shall conduct the negotiation and award the contract using a fair and open procedure and in full compliance with section 471.705.

(d) If a county contract is to be awarded by bid, the county may, after notice

*to the public and prospective bidders, conduct a fair and open process of prequalification of bidders prior to advertisement for bids.*

*(e) The county may employ necessary personnel for the care, maintenance and operation of the solid waste property and facilities.*

*(f) The county shall contract with private persons for the construction, maintenance, and operation of solid waste facilities if the facilities are adequate and available, and are cost competitive with other means of providing the same service."*

Page 12, line 21, delete "16 to 19" and insert "7 to 21"

Page 12, after line 22, insert:

"Sec. 26. [REPEALER.]

*Laws 1984, chapter 644, section 83, is repealed.*

Sec. 27. [EFFECTIVE DATE.]

*Section 23 is effective the day after the county board complies with Minnesota Statutes, section 645.021, subdivision 3."*

Renumber the sections in sequence

Delete the title and insert:

"A bill for an act relating to solid waste and sewage sludge management; restricting land disposal of solid waste in the metropolitan area; providing for the financing of resource recovery facilities in the metropolitan area by counties and the metropolitan council; changing provisions relating to designation plans, local disposal fees, metropolitan sludge and sludge ash facilities, and metropolitan county ordinances; granting and clarifying the powers which may be exercised by a county located outside the metropolitan area if it enters into an agreement with a metropolitan county for solid waste or resource recovery purposes; defining terms; allocating and appropriating money from the metropolitan landfill contingency action and abatement funds; amending Minnesota Statutes 1984, sections 115A.03, subdivision 27; 115A.84, subdivisions 3 and 4; 115A.919; 400.04, subdivision 1; 473.153, subdivisions 5, 6b, and 7; 473.801, subdivision 1; 473.811, subdivisions 5 and 5a; 473.823, subdivision 6; 473.831; 473.840, subdivision 2; 473.842, by adding subdivisions; 473.843, subdivision 7; and 473.844, subdivisions 2 and 5; Laws 1984, chapter 644, section 81, subdivision 2; proposing coding for new law in Minnesota Statutes, chapters 115A and 473; repealing Laws 1984, chapter 644, section 83."

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 381: A bill for an act relating to health; specifying nursing home correction order or noncompliance violations and penalties; amending Minnesota Statutes 1984, sections 144A.01, subdivision 7, and by adding a subdivision; 144A.04, subdivision 4; 144A.08, subdivision 3; 144A.10, subdivision 4, and by adding subdivisions; and 144A.11, subdivisions 2 and 3a.



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

Page 2, line 14, after "*misdemeanor*" insert "*punishable by a term of imprisonment of more than 90 days*"

Page 2, after line 20, insert:

"Sec. 4. Minnesota Statutes 1984, section 144A.04, subdivision 6, is amended to read:

Subd. 6. A nursing home may not employ as a managerial employee or as its licensed administrator any person who was a managerial employee or the licensed administrator of another facility during any period of time in the previous two year period:

(a) During which time of employment that other nursing home incurred the following number of uncorrected violations which were in the jurisdiction and control of the managerial employee or the administrator:

(1) two or more uncorrected violations *or one or more repeated violations* which created an imminent risk to direct resident care or safety; or

(2) ~~five~~ *four* or more uncorrected violations *or two or more repeated violations* of any nature for which the fines are in the ~~two~~ *four* highest daily fine categories prescribed in rule; or

(b) who was convicted of a felony *or gross misdemeanor punishable by a term of imprisonment of more than 90 days* that relates to operation of the nursing home or directly affects resident safety or care, during that period."

Page 3, line 21, after "*days*" insert "*of notification*"

Page 3, line 24, delete "[CORRECTION ORDERS.]" and insert "[SUSPENSION OF ADMISSIONS.]"

Page 3, line 25, delete "*correction order for*" and insert "*penalty assessment or if the nursing home has a repeated*"

Page 3, line 25, after "*of*" insert "*that portion of*"

Page 3, line 26, after the comma, insert "*subdivision 2, establishing minimum nursing personnel requirements,*"

Page 3, line 28, after the period, insert "*A nursing home shall notify the commissioner of health in writing when the violation is corrected. The facility shall be reinspected within three working days after the receipt of the notification.*"

Page 3, delete lines 31 to 36

Page 4, delete line 1 and insert:

"Subd. 10. [REPORTING TO A MEDICAL EXAMINER. OR CORONER.] *Whenever a duly authorized representative of the commissioner of health has reasonable cause to believe that a resident has died as a direct or indirect result of abuse or neglect, he shall report that information to the appropriate medical examiner or coroner and police department or county sheriff. The medical examiner or coroner shall complete an investigation as soon as feasible and report the findings to the police department or county*

*sheriff and to the commissioner of health."*

Page 4, line 5, after "days" insert "of notification"

Page 4, line 22, after "misdemeanor" insert "punishable by a term of imprisonment of more than 90 days"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, delete "subdivision 4" and insert "subdivisions 4 and 6"

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

Mr. Vega from the Committee on Energy and Housing, to which was re-referred

S.F. No. 356: A bill for an act relating to education; providing for a program to educate farmers in certain methods relating to alcohol fuel; appropriating money.

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

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

S.F. No. 709: A bill for an act relating to courts; raising the jurisdictional limit on claims heard in conciliation court; amending Minnesota Statutes 1984, sections 487.30, subdivision 1; 488A.12, subdivision 3; 488A.14, subdivision 6; 488A.29, subdivision 3; and 488A.31, subdivision 6.

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

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

S.F. No. 693: A bill for an act relating to crimes; providing for forfeitures of communications devices and proceeds derived from commission of designated offenses; amending Minnesota Statutes 1984, section 609.531.

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

Page 1, after line 7, insert:

"Section 1. Minnesota Statutes 1984, section 152.19, subdivision 5, is amended to read:

Subd. 5. Property shall be forfeited after a conviction deemed to be a felony according to the following procedure:

(1) A separate complaint shall be filed against the property describing it, charging its use in the specified violation, and specifying the time and place of its unlawful use.

(2) If the person arrested is acquitted, the court shall dismiss the complaint against any property seized pursuant to the preceding subdivisions and order the property returned to the persons legally entitled to it.

(3) If after conviction the court finds that the property, or any part thereof, was used in any violation as specified in the complaint, it shall order that the property unlawfully used be sold, destroyed, or disposed of by the appropriate agency in the following manner:

(a) The appropriate agency and prosecuting agency that handled the forfeiture may retain the property for official use but shall not use any motor vehicle required to be registered pursuant to chapter 168A until title is properly transferred pursuant to chapter 168A;

(b) Sell that which is not required to be destroyed by law and which is not harmful to the public;

(c) Require the commissioner of administration to take custody of the property and remove it for disposition in accordance with law; or

(d) Forward it to the federal drug enforcement administration.

Any property retained pursuant to clause (3)(a) of this subdivision shall be used only in the performance of official duties of the appropriate agency, and shall not be used for any other purpose. All proceeds from property retained under clause (3)(a) of this subdivision which is later sold shall be disbursed as provided in clause (4) of this subdivision.

(4) One-third of the proceeds from the sale of forfeited property, after payment of seizure, storage, and sale expenses and satisfaction of valid liens against the property, shall be forwarded to the state drug abuse authority for distribution among licensed hospitals and licensed drug treatment facilities of this state for the care and treatment of patients with drug related physical and psychological disorders, and licensed drug analysis centers. The remaining two-thirds of net proceeds shall be shared equally between the ~~agencies prosecuting the forfeiture proceeding and prosecuting agency with jurisdiction over the criminal offense or the agency handling the forfeiture proceeding at the request of the prosecuting agency, and the agency investigating the offense involved in the forfeiture, except that if the forfeiture proceeding was prosecuted by a county attorney whose position is not full time as provided in section 388.21, the prosecutor's share of net proceeds shall be forwarded to the county board."~~

Page 2, lines 20 and 26, delete "*or information*".

Page 2, lines 21 and 22, delete "*but is not limited to*".

Page 2, lines 23 and 29, delete "*which*" and insert "*that*".

Page 2, line 31, delete "*component*" and insert "*components*".

Page 6, line 6, after "(ii)" insert "*sell*".

Page 6, line 9, strike "*may be sold*".

Page 6, line 12, after "*agency*" insert "*with jurisdiction over the criminal offense or the agency*".

Page 6, line 13, after "*proceedings*" insert "*at the request of the prosecuting agency*".

Page 6, line 19, delete "*(iii)*" and insert "*(3) property which has been forfeited pursuant to this subdivision and which consists of*".

Page 6, line 19, delete "*which are*"

Page 6, line 20, after "*applied*" insert "*first, to payment of seizure, storage and sale expenses and to satisfy valid liens against the property, and second,*"

Page 6, line 20, delete "*claims*" and insert "*court-ordered*"

Page 6, line 21, delete the first "*of*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 5, delete "*section*" and insert "*sections 152.19, subdivision 5; and*"

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

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

S.F. No. 623: A bill for an act relating to marriage dissolution; clarifying factors to consider in awarding maintenance; amending Minnesota Statutes 1984, sections 518.552; and 518.64, subdivision 2.

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

Page 1, line 19, strike "*him*" and delete "*or her*" and insert "*the spouse*"

Page 1, line 21, before "*a*" strike "*during*" and insert "*, but not limited to,*"

Page 1, line 23, strike "*support himself*" and delete "*or herself*" and insert "*provide adequate self support*"

Page 1, line 24, delete "*adequately*"

Page 2, line 25, delete "*homemaker*"

Page 2, line 26, delete everything before the semicolon and insert "*spouse seeking spousal maintenance*"

Page 3, line 14, after "*apply*" insert "*, in addition to all other relevant factors,*"

Page 3, delete section 3

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

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

S.F. No. 221: A bill for an act relating to agriculture; providing for the prevention of economic waste in the marketing of certain agricultural crops produced in Minnesota by establishing minimum prices; providing for supply management and orderly marketing, administration, and enforcement; imposing a penalty; proposing coding for new law in Minnesota Statutes, chapter 17.

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

Page 2, line 5, after "*public*" insert "*of*"

Page 2, line 6, delete "*foods*" and insert "*food*"

Page 2, line 6, delete "*are*" and insert "*is*" and delete "*in*" and insert "*for*"

Page 2, line 7, delete the comma and insert ". *A need exists*" and delete everything after "*protect*"

Page 2, line 8, delete everything before "*to*" and insert "*the revenue source for the state and its political subdivisions and*"

Page 2, line 10, delete the comma and insert "*as well as*"

Page 2, line 14, delete "*and parity*"

Page 2, line 16, delete the comma and insert ". *That inability also*"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 865: A bill for an act relating to human services; establishing a grant program for community services for the elderly; changing the method of determining and paying the state share of medical assistance payments for nursing home care; establishing uniform grant standards for supplemental aid; changing eligibility criteria for supplemental aid; designating the county agency as the lead agency for services to the elderly; appropriating money; amending Minnesota Statutes 1984, sections 256B.19, subdivision 1; 256D.37, subdivisions 1 and 2; proposing coding for new law in Minnesota Statutes, chapters 256B and 393.

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

Page 2, line 2, delete "*256B.0911*" and insert "*256B.091*"

Pages 6 to 8, delete sections 4 and 5 and insert:

"Sec. 4. [256D.44] [CITATION.]

*Sections 4 to 31 may be cited as the Minnesota supplemental aid act.*

Sec. 5. [256D.45] [POLICY.]

*The purpose of sections 4 to 31 is to provide a sound administrative structure for public assistance programs; to maximize the use of federal funds for public assistance purposes; and to provide an integrated public assistance program for all Minnesota state residents who are recipients of supplemental security income or to persons who, except for excess income or resources, would be receiving supplemental security income, who are found to have maintenance needs as determined by application of state standards of assistance, or who have need of a clothing and personal needs allowance while residing in a state hospital, nursing home, or facility with a negotiated rate.*

## Sec. 6. [256D.46] [DEFINITIONS.]

*Subdivision 1. [SCOPE.] The terms defined in sections 4 to 31 have the meanings given them unless otherwise provided or indicated within the contents of these sections.*

*Subd. 2. [AGED.] "Aged" means a person who has reached age 65 or one who shall reach the age of 65 during the month of application.*

*Subd. 3. [APPLICANT.] "Applicant" means a person who has filed a Minnesota supplemental aid application or for whom an application has been filed and whose application has neither been acted upon nor voluntarily withdrawn.*

*Subd. 4. [BLIND.] "Blind" means the condition of a person who has no vision or who, even with the help of glasses or other device, does not have sufficient ocular power for ordinary affairs of life. A person without sufficient ocular vision is a person whose vision is 20/200 or less in the better eye with the Standard Snellen Chart and whose vision cannot be remedied or improved. If the vision in the better eye is more than 20/200 but is accompanied by a contraction of the peripheral field to such an extent that the widest diameter of the visual field subtends an angular distance no greater than 20 degrees, it is considered as coming within the definition. The definition shall also include persons with an aphacic eye with a vision of 20/70 in the better eye.*

*Subd. 5. [COMMISSIONER.] "Commissioner" means the commissioner of human services or the commissioner's designee.*

*Subd. 6. [COUNTABLE INCOME.] "Countable income" means net earned and unearned income that is not exempt or disregarded under section 16 and which is actually available to the recipient.*

*Subd. 7. [DEPARTMENT.] "Department" means the department of human services.*

*Subd. 8. [DISABILITY.] "Disability" means the inability to engage in a self-supporting occupation by reason of a permanent and total physical or mental impairment.*

*Subd. 9. [EARNED INCOME.] "Earned income" means wages, salary, commission, or benefits received by a person as monetary compensation from employment or self-employment.*

*Subd. 10. [EMERGENCY.] "Emergency" means a set of circumstances which involve a lack or loss of a maintenance need, which demands immediate action, and which, if unresolved, will threaten the health or safety of the individual.*

*Subd. 11. [EXCLUDED TIME FACILITY.] "Excluded time facility" means any facility listed in section 256B.02, subdivision 2.*

*Subd. 12. [GROSS INCOME.] "Gross income" means all earned and unearned income before any deduction, disregard, or exclusion.*

*Subd. 13. [HOMESTEAD.] "Homestead" means a house owned and occupied by the applicant or recipient as his or her dwelling place together with the land upon which it is situated. This area may be no greater than two*

*contiguous lots in a platted or laid out city or town or 80 contiguous acres in areas which are rural in nature. Real estate not used as a home shall have its value counted under section 14, subdivision 2 unless it produces countable income applicable to the family's needs; the family is making a continuing effort to sell the property at a fair and reasonable price; sale of the real estate would not result in countable income equal to or exceeding the family's monthly needs; or sale of the real estate would cause undue hardship.*

*Subd. 14. [INCOME.] "Income" means generally any benefit with a cash value received by and available to an applicant or recipient as earnings or otherwise.*

*Subd. 15. [LOCAL AGENCY.] "Local agency" means the agency designated by the county board of commissioners, human services boards, county welfare boards in the several counties of the state or multi-county welfare boards or departments where those have been established in accordance with law to administer public assistance programs.*

*Subd. 16. [NEGOTIATED RATE FACILITY.] "Negotiated rate facility" means a nonmedical facility for which the local or state agency determines per diem or monthly standards of payments.*

*Subd. 17. [OTHER MAINTENANCE BENEFITS.] "Other maintenance benefits" means maintenance benefits provided under law or rule pertaining to workers' compensation, unemployment compensation, railroad retirement, veteran's disability benefits, supplemental security income, social security disability insurance, or other maintenance benefits identified by the local agency for which the applicant or recipient is potentially eligible.*

*Subd. 18. [PERMANENT.] "Permanent" means the impairment will persist throughout a person's life.*

*Subd. 19. [REAL PROPERTY.] "Real property" means land, and all buildings, structures, and improvements or other fixtures on it, all rights and privileges belonging or appertaining to it, all manufactured homes attached to it on permanent foundations and all mines, minerals, quarries, fossils, and trees on or under it.*

*Subd. 20. [RECIPIENT.] "Recipient" means a person who is receiving assistance under the Minnesota supplemental aid program, except that a person who returns an uncashed monthly payment and withdraws from the program shall not be considered a recipient. A person who receives and cashes the monthly payment and is subsequently determined ineligible for assistance for that period of time shall remain a recipient, whether or not the assistance is repaid.*

*Subd. 21. [SUPPLEMENTAL SECURITY INCOME.] "Supplemental security income" means benefits paid under the federal program of supplemental security income for the aged, blind, and disabled under Title XVI of the Social Security Act, as enacted by section 301 of the Social Security Amendments of 1972.*

*Subd. 22. [TOTAL.] "Total" relates to the degree of the disability. Totality involves consideration of age, training, skills, and work experience.*

*Subd. 23. [UNDUE HARDSHIP.] "Undue hardship" means a situation when Minnesota supplemental aid eligibility is prevented because the appli-*

cant or recipient owns more property than the limit in section 14 and the property is for sale at a reasonable price but has not been sold; or the property is essential to the applicant or recipient for other reasons as determined by the local agency.

Subd. 24. [UNEARNED INCOME.] "Unearned income" means any benefit received by the applicant or recipient which does not directly result from that person's labor.

Sec. 7. [256D.47] [CLIENT RIGHTS AND RESPONSIBILITIES.]

Subdivision 1. [INFORMATION.] The local agency shall provide, to each person inquiring about Minnesota supplemental aid, any information germane to a determination of eligibility.

Subd. 2. [ELIGIBILITY AND PROGRAM REQUIREMENTS.] Upon receiving a request for assistance, the local agency shall promptly advise the inquirer, applicant, or recipient of the eligibility criteria or other program information that bears upon eligibility or monthly payment amounts. The local agency shall offer informational brochures to prospective applicants, and shall inform them that eligibility cannot be officially determined and that the right to appeal the agency's decision does not exist without making a formal application.

Subd. 3. [INFORMATION ABOUT OTHER PROGRAMS.] The local agency shall inform applicants and recipients of the availability of other programs which, from its knowledge of the person's situation, could be of interest to the applicant or recipient.

Subd. 4. [RIGHT TO APPLY.] All persons making inquiry regarding the program shall be informed by the local agency of the right to apply and the manner in which formal application can be made.

Subd. 5. [RIGHT TO NOTICE.] No grant of Minnesota supplemental aid, except one made pursuant to section 19, shall be reduced, terminated or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to action by the local agency. Nothing herein shall deprive a recipient of the right to full administrative and judicial review of an order or determination of a local agency as provided for in section 256.045 subsequent to any action taken by a local agency after a prior hearing.

Subd. 6. [RIGHT TO REPRESENTATION.] Applicants and recipients have the right to have someone act in their behalf to ensure that their legal, civil, and human rights are upheld, and to have someone assist or represent them in the application, eligibility review, or fair hearing process, and in any other contacts with the local or state agency. An applicant who wishes to be represented by an individual of his or her own choosing may do so only by specifying this intent, in writing, to the local agency.

Subd. 7. [RIGHT TO REVIEW RECORDS.] An applicant or recipient shall be allowed to review records held by the local agency which are related to his or her eligibility for or the amount of benefits he or she receives from Minnesota supplemental aid, except for those records classified under the Minnesota data practices act as "confidential."

Subd. 8. [CLIENT RESPONSIBILITIES.] Any applicant or recipient who is otherwise eligible for Minnesota supplemental aid and possibly eligible for



*maintenance benefits from any other source shall:*

*(1) make application for those benefits within 30 days of the local agency's determination of potential eligibility for those benefits; and*

*(2) execute an interim assistance authorization agreement on a form prescribed by the commissioner.*

*If found eligible for benefits from other sources, and a payment received from another source relates to the period during which Minnesota supplemental aid was also being received, the recipient shall be liable to reimburse the local agency for the interim assistance paid, including amounts issued as emergency assistance. Reimbursement shall not exceed the amount of Minnesota supplemental aid paid during the time period to which the other maintenance benefits apply. The commissioner shall adopt rules authorizing local agencies to retain from the amount recovered under an interim assistance agreement 25 percent plus actual reasonable fees, costs, and disbursements of appeals and litigation, of providing advocacy assistance to the recipient in processing the recipient's claim for maintenance benefits from another source. The money retained under this section shall be from the state share of the recovery. The local agency may contract with qualified persons to provide the advocacy assistance. The rules adopted by the commissioner shall include the methods by which local agencies shall identify, refer, and assist recipients who may be eligible for benefits under federal programs for the disabled.*

**Sec. 8. [256D.48] [RESIDENCE.]**

*To be eligible for Minnesota supplemental aid a person must be a resident of Minnesota. Minnesota residence is not lost unless the individual so intends and residence is established elsewhere. If a Minnesota supplemental aid recipient moves out of Minnesota with the intent to establish a home elsewhere, Minnesota supplemental aid must be terminated immediately, subject to the timely notice provisions of section 23. If the recipient returns to Minnesota after having established residence in another state and if monthly payments have been discontinued, the county of financial responsibility must be determined on county residence after returning. United States citizenship or permanent residence status is not a requirement for eligibility.*

**Sec. 9. [256D.49] [RESPONSIBILITY TO PROVIDE MINNESOTA SUPPLEMENTAL AID.]**

*Each local agency shall provide Minnesota supplemental aid to persons residing within its jurisdiction who meet the eligibility requirements of sections 14 and 15. Minnesota supplemental aid shall be administered by the local agency according to law and rules promulgated by the commissioner pursuant to the Minnesota administrative procedure act.*

**Sec. 10. [256D.50] [APPLICATION FOR ASSISTANCE.]**

*Subdivision 1. [FILING OF APPLICATION.] Any person requesting Minnesota supplemental aid shall be permitted by the local agency to make an application for assistance on the date that assistance is first requested. The application shall be in writing and upon the form prescribed by the commissioner and shall contain the following declaration which shall be signed by the applicant or his or her authorized representative: "I declare that this ap-*

plication has been examined by me and is a true and correct statement of every material point." On the date that Minnesota supplemental aid is first requested, the local agency shall inquire and determine whether the person requesting assistance is in immediate need of food, shelter, clothing, assistance for necessary transportation, or other emergency assistance pursuant to section 19. A person in need of emergency assistance shall be granted this assistance immediately upon determination of need, and necessary assistance shall continue until either the person is determined to be ineligible for Minnesota supplemental aid or the first grant of Minnesota supplemental aid is paid to the person. A determination of an applicant's eligibility for Minnesota supplemental aid shall be made by the local agency as soon as the required verifications are received by the local agency and in no event later than that time period provided under section 12. Any verifications required of the applicant shall be reasonable. Minnesota supplemental aid shall be granted to an eligible applicant without the necessity of first securing action by the board of the local agency. The amount of the first grant of Minnesota supplemental aid awarded to an applicant shall be computed to cover the time period starting with the first day of the month in which the application was filed, or the first day of the month in which all eligibility factors were met, whichever is later.

Sec. 11. [256D.51] [VERIFICATION.]

The local agency must verify information provided by the applicant or recipient regarding his or her identity; social security number; categorical basis for eligibility; the applicant's or recipient's income and the income of persons for whom the applicant or recipient has relative responsibility or who have relative responsibility for the applicant or recipient; and other relevant factors, provided the local agency has reason to question the accuracy of information provided by the applicant or recipient. If the applicant or recipient refuses to cooperate with the local agency in its attempt to verify the information, the local agency shall deny or terminate assistance.

Sec. 12. [256D.52] [DISPOSAL OF APPLICATION BY THE AGENCY.]

Upon receiving an application, the local agency must promptly determine if the applicant is eligible for assistance, must formally act to approve or deny the application, must inform the applicant of its decision, and must issue assistance if the applicant is found eligible. If the local agency is unable to determine the applicant's eligibility or ineligibility within 30 days or within 60 days if the basis of eligibility is disability, it shall inform the applicant, in writing, of the reason.

Sec. 13. [256D.53] [RESIDENCE; COUNTY OF FINANCIAL RESPONSIBILITY.]

The applicant shall make application for Minnesota supplemental aid in the county within which he or she is living at the time of application. Financial responsibility shall be the same as that prescribed in section 256B.02, subdivision 3. When the applicant resides in an excluded time facility, the county of financial responsibility shall be the county in which the applicant resided immediately prior to beginning uninterrupted excluded time residence. If upon investigation the local agency decides that the application was not filed in the county of financial responsibility as provided herein and that

the applicant is otherwise eligible for assistance, it shall, while providing assistance to the applicant, transmit a copy of the application together with the record of any investigation made by it and a copy of its decision to the state agency and to the county which it has decided is the county of financial responsibility. The state agency shall promptly determine financial responsibility and make an order referring the application to the responsible county for further action. Such action shall include reimbursement by the county of financial responsibility for any assistance which another county has provided to the applicant in accordance with this section. The order of the state agency shall be binding upon the county of financial responsibility and the applicant or recipient unless reversed on appeal as provided in section 256.045 and shall be complied with pending any such appeal.

Sec. 14. [256D.54] [ELIGIBILITY CRITERIA.]

Subdivision 1. [ENTITLED TO RECEIVE AID.] Each person who is a resident of Minnesota, and who is aged, blind, or disabled, and whose income and resources are less than the standard of assistance and limits applicable to that person, shall be eligible for and entitled to Minnesota supplemental aid. Persons who are found eligible by the social security administration on the basis of age, blindness, or disability shall be deemed to have met the requirements.

Subd. 2. [RESOURCES.] To be eligible for Minnesota supplemental aid, the applicant or recipient must not own or have an interest in personal property which exceeds the limits of the supplemental security income program.

Subd. 3. [EXCLUDED RESOURCES.] A local agency shall exclude from the determination of the resources of an applicant or recipient the following items and goods:

- (1) one motor vehicle;
- (2) proceeds from reverse mortgages;
- (3) a homestead or mobile home used as a home; and
- (4) other property, goods, items, and materials necessary for day-to-day living.

Subd. 4. [JOINTLY HELD PROPERTY.] When real or personal property is held jointly among two or more persons, the local agency shall assume that each person owns an equal share unless the local agency or any of the persons can demonstrate that the share is greater or less. If so, the local agency shall use the greater or lesser share to determine the value held by an applicant or recipient. An owner of property as a tenant in common owns a pro rata share of the property's value. All other types of ownership must be evaluated according to law. Jointly owned property shall be considered available unless the person does not have the legal capacity to liquidate the property without the signature of the other owners. The applicant must provide information to the local agency to assist it in making a determination regarding the property's availability. If the property is unavailable, the applicant must, as a condition of continued eligibility, take reasonable actions requested by the local agency to make the property available.

Subd. 5. [TRANSFERS OF PROPERTY.] In determining the resources of an individual and an eligible spouse there shall be included any resource or

interest which exceeds the limits set out in subdivisions 2 and 3 and which was given away or sold for less than fair market value within the 12 months preceding application for Minnesota supplemental aid or during the period of eligibility.

Any transaction described in this subdivision shall be presumed to have been for the purpose of establishing eligibility for benefits or assistance under this chapter unless the individual or eligible spouse furnishes convincing evidence to establish that the transaction was exclusively for another purpose.

For purposes of this subdivision, the value of a resource or interest shall be the fair market value at the time it was sold or given away, less the amount of compensation received. In any case where the transferred property exceeds the monthly standard of assistance applicable to the applicant or recipient, the recipient shall be determined ineligible for Minnesota supplemental aid. The number of months of ineligibility shall be determined by dividing the uncompensated value of the transferred property by the monthly standard of assistance applicable to the applicant or recipient.

**Subd. 6. [BUILD-UP OF ASSETS.]** A recipient who does not have allowable cash assets at the time of application may create such assets or may build those funds up to the maximum by legal means, provided that all of the recipient's income has been reported and fully accounted for in determining the recipient's need or the amount of assistance.

**Subd. 7. [RIGHT TO REDUCE EXCESS PROPERTY OR RESOURCES.]** The local agency shall allow a recipient who has property or resources in excess of the standards stated herein to reduce the value of property by transferring the excess to a type of property not exceeding limits, using the excess to meet all needs up to three months, or in any other way except one which results in a reduction of available resources without adequate compensation.

If a recipient possesses property which exceeds the standards in all areas stated herein, eligibility shall continue if the recipient observes his or her responsibility for reporting and takes the steps to reduce such property within 15 days of notice by the agency. If a recipient fails to utilize the excess property or resource in a manner described herein, his or her eligibility shall be terminated.

**Subd. 8. [CONVERSION OF PROPERTY.]** When a client's real or personal property, regardless of whether it had been excluded, has been sold and converted to cash, the cash is considered as a resource except that proceeds from the sale of a homestead may be held up to 90 days in an escrow account when the proceeds are to be used for the purchase of another home.

**Subd. 9. [WAIVER OF EXCESS PROPERTY.]** The local agency shall waive excess real and nonliquid personal property more than the limits of subdivisions 2 and 3, when the local agency determines that: the property produces a reasonable market return and it is being used for the support of the applicant or recipient; when a grant of emergency assistance under the Minnesota supplemental aid program is required and the property cannot be

*liquidated in time to meet the need; or when an undue hardship would be imposed upon the applicant or recipient by the forced disposal of the property.*

**Sec. 15. [256D.55] [INCOME.]**

*Subdivision 1. [SUBTRACTION.] All of an applicant's or recipient's countable earned and unearned income which is actually available must be subtracted from the applicable standard of assistance when determining eligibility for and monthly payment amounts under Minnesota supplemental aid. Income must be considered income in the month of receipt and a resource thereafter.*

*Subd. 2. [INCOME EXCLUSIONS.] Countable income must not include: food stamps; home-produced food used by the household; Indian claim payments made by the United States Congress to compensate members of Indian tribes for the taking of tribal lands by the federal government; cash payments to displaced persons who face relocation as a result of the Housing Act of 1965, the Housing and Urban Development Act of 1965, or the Uniform Relocation Act of 1970; displaced homemaker payments; reimbursement received for maintenance costs of providing foster care to adults or children; benefits under Title IV and Title VII of the Older Americans Act of 1965; Minnesota renter homeowner property tax refunds; infrequent, inconsequential gifts of money which do not total more than \$30 in a month; reimbursement payments received from the VISTA program; all reverse mortgage loan proceeds received including interest or earnings; in-kind income; payments received for providing volunteer services under Title I, Title II, and Title III of the Domestic Service Act of 1973; loans which have to be repaid; federal low income heating assistance program payments; and any other type of funds excluded as income by state law.*

*Subd. 3. [SELF SUPPORT PLANS.] The county agency shall, for a period not in excess of 36 months, disregard the additional amounts of other income and resources in the case of an individual who has a plan for achieving self-support approved by the state agency as may be necessary for the fulfillment of the plan, but only with respect to the part or parts of the period during substantially all of which he or she is actually undergoing vocational rehabilitation.*

*Subd. 4. [APPLICATION FOR FEDERALLY FUNDED BENEFITS.] Persons for whom the applicant or recipient has financial responsibility and who have unmet needs must apply for and if eligible accept AFDC and other federally funded benefits prior to allocation of earned and unearned income from the applicant or recipient to meet the needs of such persons. If the persons are determined eligible for these benefits, the applicant or recipient may not allocate earned or unearned income to those persons.*

*Subd. 5. [ALLOCATION OF INCOME.] In determining the eligibility of and the monthly payment for an applicant or recipient, countable earned and unearned income may first be allocated, except as conditioned in subdivision 4, to cover the unmet needs of persons for whom the applicant or recipient*

has financial responsibility, and who share a residence with the applicant or recipient, at the rate for each of one-half the individual supplemental security income standard of assistance. If the applicant or recipient shares a residence with another person who has financial responsibility for the applicant or recipient, the income of the responsible relative shall be considered available to the applicant or recipient after allowing the disregards and deductions in subdivisions 6, 7, 8, and 9 of this section; the amount of actual payments made to individuals who reside outside of the home who are or could be claimed as dependents for purposes of income tax filing; and an amount equal to one-half of the individual supplemental security income standard of assistance for each additional person who resides in the home and for whom he or she is financially responsible.

Subd. 6. [EARNED INCOME DISREGARDS.] From the applicant's or recipient's gross earned income, the local agency shall disregard the first \$85 plus one-half of the remaining income.

Subd. 7. [EARNED INCOME DEDUCTIONS.] From the applicant's or recipient's gross earned income, the local agency shall subtract the following work expenses: transportation costs at the rate of 22 cents per mile or actual cost; meal allowances at the rate of \$3 per work day; amounts paid for uniforms required for work, tools, and equipment; health and other employer required insurance payments; union and professional association dues when paid; mandatory retirement fund contributions; FICA and supplementary medical insurance costs; state and federal income taxes; child 0077 care; and other reasonable expenses which are necessary for work.

Subd. 8. [SELF-EMPLOYMENT EARNINGS.] The amount of gross earned income from self-employment enterprises must be the amount remaining when reasonable, necessary business costs are subtracted from gross receipts. Capital expenditures and depreciation may not be allowed as business costs. Material stocks and goods used in producing income, inventory if it is a part of the operating stock, and loans received for business purposes may not be counted in determining gross earned income of the applicant or recipient.

(a) Income from rental property must be considered self-employment earnings for each month labor is expended by the owner of the property. Actual, reasonable costs of upkeep and repairs shall be allowed as a business expense. Additional deductions shall be allowed for real estate taxes, insurance, utilities, and the interest on principal payments. If the applicant or recipient lives on the property, these expenses must be apportioned according to the number of rooms rented against the number occupied by the assistance unit. When no labor is expended, income from rental property shall be considered as unearned income except that an additional deduction shall be allowed for actual, reasonable, and necessary labor costs for upkeep and repair.

(b) To arrive at net income available for support from farm operations, the local agency must deduct operating expenses from gross receipts. Farm income includes all proceeds from sales of livestock, livestock products or crops sold or held for later disposition and income from land rented on a share or cash basis; and soil conservation payments. Operating expenses include costs of raising crops and animals, machinery repairs, hired labor, rent, and

property costs. Capital expenditures and depreciation are not allowable as business costs. In no case may a loss from farming operations be deducted from other income such as wages or other self-employment enterprises.

(c) To arrive at net income from roomers and boarders, monthly expenses of \$84 shall be deducted from gross income for boarders, \$69 for roomers, and \$153 for roomers or boarders.

Subd. 9. [UNEARNED INCOME DISREGARD.] From the applicant's or recipient's income from the retirement, survivors and disability insurance program, the local agency shall disregard \$20. All other unearned income is considered as available to meet the needs of the applicants and recipients and as such are deducted from the established Minnesota supplemental aid standard of need. Unearned income includes but is not limited to benefits and retirement pension, income from trusts, and military service person's contributions. The \$20 disregard must not be allowed to persons referred to in section 18, subdivision 4.

Subd. 10. [LUMP SUMS.] Lump sum payments and windfalls must be considered income in the month received and a resource thereafter.

#### Sec. 16. [256D.56] [STANDARDS OF ASSISTANCE.]

Subdivision 1. [USE OF STANDARDS; INCREASES.] The state standards of assistance for shelter, basic needs, and special need items establish the total amount of maintenance need for an applicant for or recipient of Minnesota supplemental aid, must be used to determine the applicant's or recipient's eligibility for Minnesota supplemental aid and the minimum monthly payment amount, and must be used to establish the amount of state aid for such payments. The state standards of assistance shall increase by an amount equal to the dollar value of any cost of living increases in the supplemental security income program, except that the commissioner may take other actions as necessary, from an examination of current expenditures under Minnesota supplemental aid, to prevent loss of federal funds as provided in Public Law Number 94-585; if this authority is invoked, the commissioner shall provide a report to the Minnesota legislature regarding the circumstances and the need for the action.

Subd. 2. [STANDARD OF ASSISTANCE FOR SHELTER.] The state standard of assistance for shelter provides for the recipient's shelter, heating, cooking, electrical, water, sewer, and garbage removal needs. Except as provided in section 17, the monthly state standard of assistance for shelter must be determined as follows:

(a) If the recipient does not reside with a spouse who receives Minnesota supplemental aid, the state standard of assistance is the actual costs for shelter items or \$151, whichever is less.

(b) If the recipient resides with a spouse who also receives Minnesota supplemental aid, the state standard of assistance for the married couple is the actual costs for shelter items or \$227, whichever is less.

(c) The actual shelter costs for married and unmarried recipients must be determined by dividing the sum of the total monthly shelter costs by the number of persons who share the residence, except when the recipient can justify a greater or lesser share.

**Subd. 3. [STANDARD OF ASSISTANCE FOR BASIC NEEDS.]** *The state standard of assistance for basic needs provides for the recipient's food, clothing and personal needs, reading material, laundry, household supply items, transportation, and other personal needs. Except as provided in section 17, the following establishes the monthly state standard of assistance for basic needs:*

*(a) For an individual who does not share a residence with another person, the state standard of assistance is \$234.*

*(b) For an individual who shares a residence with another person or persons the state assistance standard is \$184.*

**Subd. 4. [STANDARD OF ASSISTANCE FOR A RECIPIENT RESIDING IN A STATE HOSPITAL OR DWELLING WITH A NEGOTIATED RATE.]** *When a recipient is a resident of a state hospital or a dwelling with a negotiated rate, the recipient shall not be eligible for a shelter standard, a basic needs standard, or for special needs pursuant to subdivisions 2, 3, and 6. The recipient's needs for those items are included in the negotiated rate paid for the person pursuant to subdivision 5. Except as provided in section 17, the state standard of assistance for those persons shall be the clothing and personal needs allowance that has been established for medical assistance recipients under section 256B.35.*

**Subd. 5. [NEGOTIATED RATES.]** *Minnesota supplemental aid may be paid for rates negotiated by the local agency for board facility or a licensed facility for the purpose of receiving physical, mental health, or rehabilitative care, provided the local agency agrees that this care is needed by the person. When Minnesota supplemental aid is used to pay a negotiated rate, the rate payable to the facility must not exceed the rate paid by an individual not receiving Minnesota supplemental aid. Except as provided in section 17, the maximum rate permissible for room and board or a licensed facility must not exceed \$800. To receive payment for a negotiated rate, the dwelling must comply with applicable laws and rules establishing standards necessary for health, safety, and licensure. The negotiated rate shall be adjusted by the annual percentage change in the urban consumer price index (CPI-U) for Minneapolis-St. Paul as published by the Bureau of Labor Statistics between the previous two Octobers, new series index (1967-100).*

**Subd. 6. [SPECIAL NEEDS.]** *Notwithstanding subdivisions 1, 2, 3, and 4, payments shall be allowed for the following special needs of recipients of Minnesota supplemental aid:*

*(a) Medically prescribed diets. The local agency shall pay an allowance monthly for certain medically prescribed diets when they are prescribed by a physician and if the cost of those additional dietary needs is not being met through some other program. Following the initial determination of need for the diet, the propriety of continuing payments shall be reviewed no less frequently than at the time of each redetermination of eligibility. No requirement shall be made to provide verification of actual expenditures for additional dietary need items. The amount of this supplementary payment is determined in relation to the thrifty food plan for one person established by the Food and Nutrition Service of the United States Department of Agriculture. Except as provided in section 17, payment shall be determined for the following special diets at the levels described below, except that the com-*



missioner may provide for additional dietary need upon nutritional documentation:

- |  |                                  |
|--|----------------------------------|
| (1) High protein diet<br>(at least 80 grams daily)   | 25 percent of thrifty food plan  |
| (2) Controlled protein diet<br>(40-60 grams and requires special<br>products such as Controlyte, Paygel,<br>Aproten, Cal-Power, and Citrotein) | 100 percent of thrifty food plan |
| (3) Controlled protein diet<br>(less than 40 grams and requires special<br>products described in in clause (2)<br>above)                       | 125 percent of thrifty food plan |
| (4) Low cholestrol diet  | 25 percent of thrifty food plan  |
| (5) High residue diet  | 20 percent of thrifty food plan  |
| (6) Pregnancy & lactation diet   | 35 percent of thrifty food plan  |
| (7) Gluten free diet   | 25 percent of thrifty food plan  |
| (8) Lactose free diet  | 25 percent of thrifty food plan  |
| (9) Anti-dumping diet  | 15 percent of thrifty food plan  |
| (10) Hypoglycemic diet   | 15 percent of thrifty food plan  |
| (11) Ketogenic diet  | 25 percent of thrifty food plan  |

(b) Payment for nonrecurring special needs must be allowed for necessary repairs or replacement of household furniture and appliances.

(c) Except in an emergency, the recipient shall obtain prior authorization for special need items if payment is to be made by the local agency. The local welfare board shall designate a person or persons who shall be authorized to approve repairs and replacements prior to formal board action.

Sec. 17. [256D.57] [LOCAL AGENCY STANDARDS OF ASSISTANCE.]

The local agency may establish standards of assistance for shelter, basic needs, special needs, clothing and personal needs, and negotiated rates in excess of the corresponding state standards of assistance. State aid shall not be available for the excess costs of higher standards.

Sec. 18. [256D.58] [MONTHLY PAYMENT AMOUNTS.]

Subdivision 1. [PAYMENT PERIOD.] A calendar month shall constitute the payment period for Minnesota supplemental aid. The monthly payment to a recipient must be determined pursuant to this section.

Subd. 2. [PROSPECTIVE BUDGETING.] During the first two months of applicant eligibility and during a month and the following month, in which a change of at least \$50 has occurred, the local agency shall subtract the amount of countable income anticipated for the payment period from the state standards of assistance applicable to the applicant or recipient during that payment period:

- (a) shelter and basic needs; or

(b) clothing and personal needs; or

(c) higher local agency standards established under section 17.

*In the event that the amount of anticipated income is less than the amount of income actually received during the payment period, the local agency shall issue a supplemental payment for the difference.*

**Subd. 3. [RETROSPECTIVE BUDGETING.]** *Following the first two months of payment eligibility determined by provisions of subdivision 2, the local agency shall subtract the amount of countable income actually received during the payment period two months earlier from the following state standards of assistance applicable to the recipient during the current payment period:*

(a) shelter and basic needs; or

(b) clothing and personal needs; or

(c) higher local agency standards established under section 17.

*In the event that the amount of income actually received for the current payment period is less than the amount of income received during the payment period two months earlier, the local agency shall issue a supplemental payment for the difference. If the amount of income actually received for the current payment period exceeds the amount of income received for the payment period two months earlier, the recipient shall be considered overpaid. When the local agency is informed that income will no longer be received from a particular source, the local agency shall initiate a two-month prospective budgeting period pursuant to subdivision 2.*

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**Subd. 4. [MONTHLY PAYMENT AMOUNT; PERSON RESIDING INDEPENDENTLY.]** *The monthly payment for a recipient who resides independently must be the difference between the countable income and the applicable standards of assistance as determined in subdivisions 2 and 3.*

**Subd. 5. [MONTHLY PAYMENT AMOUNT; PERSON RESIDING IN STATE HOSPITAL OR DWELLING WITH NEGOTIATED RATE.]** *The monthly payment for a recipient who resides in a state hospital or a dwelling with a negotiated rate must be the difference between the countable income and sum of the standard of assistance as determined in subdivision 2 or 3 and the negotiated rate, if any.*

#### **Sec. 19. [256D.59] [EMERGENCY ASSISTANCE.]**

**Subdivision 1. [ELIGIBILITY FOR EMERGENCY ASSISTANCE.]** *Emergency assistance must be granted if the applicant or recipient has income and resources less than the limits of sections 14 and 15 and a situation exists which, if not resolved, will threaten the health or safety of an applicant or recipient. To be eligible for emergency assistance, the applicant or recipient must be without resources adequate to resolve the situation.*

**Subd. 2. [INCOME AND RESOURCE TEST.]** *All income and resources available to the applicant or recipient during the month that the need for emergency assistance arose must be considered in determining the applicant's or recipient's ability to meet the emergency need. Liquid personal property and income which is normally disregarded or excluded under the Minnesota supplemental assistance program must be considered available to*

*meet the emergency need.*

*Subd. 3. [EMERGENCY ASSISTANCE USAGES.] Emergency assistance may be used to replace lost or stolen Minnesota supplemental aid grant money, or when an applicant or recipient lacks food or shelter, has received a notice of eviction, has received a residential utility shut-off notice, requires damage deposits, utility connection, initial rent or moving expenses, has other expenses related to establishing a new residence, or requires assistance for necessary home repairs.*

*Subd. 4. [PAYMENT AMOUNT.] The amount of assistance granted under Minnesota supplemental aid emergency assistance shall be based on the current Minnesota supplemental aid need standards. If the standards are insufficient to meet the emergency need, the Minnesota supplemental aid emergency assistance payment must be based on the amount necessary to resolve the emergency.*

*Subd. 5. [RELATIONSHIP TO REGULAR MONTHLY PAYMENTS.] When a portion of the Minnesota supplemental aid emergency assistance grant is issued to a Minnesota supplemental aid recipient for his or her current needs, the amount of the Minnesota supplemental aid emergency assistance intended to cover current needs must be subtracted from the amount of the regular Minnesota supplemental aid grant issued for the same time period. However, if a regular grant has already been issued for the same period in which the emergency arises, the local agency shall not deduct the amount issued from a grant for a subsequent month.*

*Subd. 6. [LOST OR STOLEN MONEY.] Minnesota supplemental aid emergency assistance must be a resource when a significant portion of the money a recipient had after cashing his or her assistance check is lost or stolen. The recipient must be without funds to pay for food, shelter, or utilities for the remainder of the month. The conditions for replacing lost or stolen money are:*

*(1) Only lost money from the Minnesota supplemental aid assistance check may be replaced.*

*(2) Loss by theft must have been reported to law enforcement officials.*

*(3) A written report of the event must be submitted to the local agency by the recipient in the form of an affidavit.*

*(4) The contents of the law enforcement report and the recipient's affidavit must be reasonably consistent as to the amount lost and the circumstances surrounding the loss.*

*Subd. 7. [PROTECTIVE PAYMENTS TO AVOID RECURRING NEED.] When payment is issued for emergency assistance on more than one occasion in a 12-month period, this shall constitute cause for establishing protective payments of regular Minnesota supplemental aid benefits. If the person receives benefits from the Social Security Administration, the local agency shall also petition that agency to establish a representative payee for those benefits.*

*Sec. 20. [256D.60] [PAYMENT METHODS.]*

*Minnesota supplemental aid grants must be issued by the local agency to*

the recipient, a protective payee or a conservator or guardian of his or her estate in the form of county warrants immediately redeemable in cash. Minnesota supplemental aid warrants must be issued regularly on the first day of the month and the payment must be made only to the address at which the recipient resides, unless another address has been approved in advance by the local agency, except that at the request of the recipient and if the local welfare agency has arranged for direct depositing, the agency may forward Minnesota supplemental aid warrants or allowance amounts directly to banks, savings and loan associations, or credit unions with which the recipient has made arrangements for direct deposit. Vendor payments must not be made by the local agency except for nonrecurring emergency need payments, replacement or repair of household appliances, and home repairs.

Sec. 21. [256D.61] [PROTECTIVE PAYMENTS.]

*Subdivision 1. [NEED FOR PROTECTIVE PAYEE.] The local agency shall determine whether a recipient has need of a protective payee by reason of a physical or mental condition and an inability to manage funds so that making payment to him or her would be contrary to his or her welfare. The determination must include medical or psychological evaluations or other reports of physical or mental conditions including observation of conditions such as extensive paralysis, serious mental retardation, continued disorientation, or severe memory loss. The determination of representative payment by the Social Security Administration for the recipient is deemed sufficient reason for protective payment of Minnesota supplemental aid payments. Protective payments must be issued where there is evidence of continued inability to plan the use of income to meet necessary expenditures; continued observation that dependents are not properly fed or clothed; continued failure to meet obligations for rent, utilities, food, and other essentials; evictions or a repeated incurrence of debts; or lost or stolen checks. If an assistance check is lost, stolen, or destroyed, a duplicate check shall be issued if the recipient files an affidavit with the county agency attesting to the loss, theft, or destruction of the original. The duplicate check must correspond in number, date, and amount with the original check and shall have endorsed on its face the term "duplicate."*

*Subd. 2. [ESTABLISHING PROTECTIVE PAYMENT.] When the local agency determines that the recipient has need of a protective payee, the local agency shall appoint a payee as follows:*

*(1) when the Social Security Administration has established a representative payee for the recipient, the local agency shall appoint that representative payee as the protective payee for Minnesota supplemental aid payments, when possible; or*

*(2) when a representative payee has not already been established, the local agency shall consider the recipient's preference of protective payee. The protective payee shall have an interest in or concern for the welfare of the recipient and must be capable of and willing to provide the required assistance. The local agency director, members of the county welfare board, and vendors of goods or services, including the recipient's landlord, may not serve as protective payee.*

*(3) the local agency shall make appropriate termination of protective payments when an individual is considered able to manage funds in his or her*

best interest. When a judicial appointment of a guardian or other legal representative appears to serve the best interest of the individual, such appointment shall be sought by the local agency.

Subd. 3. [FAIR HEARING.] Opportunity for a fair hearing must be given to any individual claiming assistance in relation to the determination that a protective payment must be made or continued, and in relation to the payee selected.

## Sec. 22. [256D.62] [PAYMENT CORRECTION.]

Subdivision 1. [WHEN.] When the local agency finds that the recipient has received less than or more than the correct payment of Minnesota supplemental aid benefits, the local agency shall issue a corrective payment or seek recoupment, respectively.

Subd. 2. [UNDERPAYMENT OF MONTHLY GRANTS.] When the local agency determines that an underpayment of the recipient's monthly payment has occurred, it shall, during that same month, issue a corrective payment. The payment must be one payment for the total number of months for which underpayment was made, except that if the underpayment would result in a corrective payment of less than \$10, no corrective payment must be made. Corrective payments may be made only for the 12-month period immediately preceding the month in which the underpayment is discovered and must be excluded when determining the applicant's or recipient's income and resources.

Subd. 3. [OVERPAYMENT OF MONTHLY GRANTS.] When the local agency determines that an overpayment of the recipient's monthly payment has occurred, it shall issue a notice of overpayment to the recipient within 12 months of the identification of the overpayment. If the person's case is no longer open, the local agency may request voluntary repayment or pursue civil recovery. If the recipient's case is open, the local agency shall recover the overpayment by withholding an amount up to one-half of the monthly disregarded income.

## Sec. 23. [256D.63] [NOTICE.]

Subdivision 1. [TEN-DAY NOTICE.] The local agency shall give the recipient ten days' advance written notice when the agency intends to terminate, suspend, or reduce a grant. The ten-day notice must be in writing on a form prescribed by the commissioner; mailed or given to the recipient not later than ten days before the effective date of the action; and clearly state what action the local agency intends to take, the reasons for the action, the right to appeal the action, and the conditions under which assistance can be continued pending an appeal.

Subd. 2. [FIVE-DAY NOTICE.] Five days are sufficient for advance notice when the agency has verified and documented that the case facts require termination, suspension, or reduction of the grant and the action is required because of probable fraud by the recipient.

Subd. 3. [ADEQUATE NOTICE.] Notice given no later than the effective date of the action is sufficient when: (1) the agency has factual information confirming the death of a person in the grant; (2) the agency receives a clear written statement, signed by the recipient, that he or she no longer wishes

assistance; (3) the agency receives a clear statement, signed by the recipient, reporting information which the recipient understands will require termination or a reduction in the grant; (4) the recipient has been placed in a skilled nursing home, intermediate care, or long-term hospitalization facility; (5) the recipient has been admitted to or committed to an institution; (6) the recipient has been accepted for assistance in a new county; or (7) the recipient's whereabouts are unknown and the agency mail directed to her or him has been returned by the post office indicating no forwarding address.

#### Sec. 24. [256D.64] [APPEALS.]

*Subdivision 1. [RIGHT TO APPEAL.] Applicants and recipients have a right to a fair hearing if they are aggrieved by an action or by inaction of the local agency. Appealable issues include the following: (1) denial of the right to apply for assistance; (2) failure on the part of the local agency to act upon the application promptly or timely; (3) denial of an application for assistance; (4) suspension, reduction, or termination of assistance; (5) grant calculations, including the calculated amounts of overpayments and calculated levels of recoupments due to those overpayments; (6) the determination of periods of ineligibility and the applicability of those periods to various members of the family resulting from receipt of a lump sum; (7) the availability and calculation of corrective payments; (8) use of protective or vendor payments; (9) recoupment of overpayments limited to those issues which led to the alleged overpayment; and (10) other issues related to eligibility for an amount of Minnesota supplemental aid, as required by state law and rule as they currently exist, or as subsequently amended.*

*Subd. 2. [COSTS RELATED TO APPEALS.] Reasonable and necessary expenses, as determined by the local agency, which are related to the applicant's or recipient's attendance at the hearing, must be reimbursed by the local agency. Reasonable and necessary costs of attendance by witnesses must be reimbursed only if the appellant prevails in the appeal.*

*Subd. 3. [RIGHT TO APPEAL.] No grant of Minnesota supplemental aid, except one made pursuant to section 19, shall be reduced, terminated, or suspended unless the recipient receives notice and is afforded an opportunity to be heard prior to any action by the local agency. Nothing in this section shall deprive a recipient of his or her right to full administrative and judicial review of an order or determination of a local agency as provided for in section 256.045 subsequent to any action taken by a local agency after a prior hearing.*

*Subd. 4. [CONTINUATION OF PAYMENT PENDING APPEAL DECISION.] When assistance is reduced, suspended, or terminated, the grant must be continued pending an appeal decision if the appellant files the appeal within ten days of the notice or prior to the effective date of the proposed action, whichever is later.*

#### Sec. 25. [256D.65] [REPORTING REQUIREMENTS.]

*All recipients of Minnesota supplemental aid shall have their eligibility redetermined at least once every 12 months. Applicants and recipients shall provide, report, and verify all information necessary to determine initial and ongoing eligibility. This requirement must include information requested at the time of application and at the time a redetermination or report form is due.*

*This responsibility also includes a report within eight days of any change in income and household circumstances which affect eligibility. The report form must be completed monthly when the recipient has earned income and quarterly when the recipient does not. Failure without good cause to complete and return the household report prior to the last ten days of a month shall result in the withholding of the subsequent month's grant until the report is provided.*

**Sec. 26. [256D.66] [FRAUD.]**

*Whoever obtains or attempts to obtain, or aids or abets any person to obtain by means of a willfully false statement or representation, or by the intentional withholding or concealment of a material fact, or by impersonation, or other fraudulent device assistance to which he or she is not entitled or assistance greater than that to which he or she is reasonably entitled shall be considered to have violated section 256.98, and shall be subject to both the criminal and civil penalties provided in that section.*

**Sec. 27. [256D.67] [RELATIVE'S RESPONSIBILITY.]**

*The financial responsibility of a relative for an applicant for or recipient of Minnesota supplemental aid shall not extend beyond the relationship of a spouse or a parent of a minor child.*

**Sec. 28. [256D.68] [DUTIES OF THE COMMISSIONER.]**

*In addition to any other duties imposed by law, the commissioner shall supervise the administration of Minnesota supplemental aid by local agencies as provided in sections 4 to 31; adopt uniform rules consistent with law for carrying out and enforcing the provisions of sections 4 to 31, to the end that Minnesota supplemental aid may be administered as uniformly as possible throughout the state; immediately upon adoption furnish rules to all local agencies and other interested persons; comply with the provisions of the Minnesota administrative procedure act when adopting rules; allocate money appropriated for Minnesota supplemental aid to local agencies as provided in section 31; accept and supervise the disbursement of any funds that may be provided by the federal government or from other sources for use in this state for Minnesota supplemental aid; cooperate with other agencies including any agency of the United States or another state in all matters concerning the powers and duties of the commissioner provided hereunder; and cooperate to the fullest extent with other public agencies empowered by law to provide vocational training, rehabilitation, or similar services.*

**Sec. 29. [256D.69] [MINNESOTA SUPPLEMENTAL AID TO BE ALLOWED AS CLAIM IN PROBATE COURT.]**

*On the death of any person who received Minnesota supplemental aid under sections 4 to 31, or on the death of the survivor of a married couple, either or both of whom received Minnesota supplemental aid, the total amount paid as Minnesota supplemental aid to either or both, without interest, shall be allowed as a claim against the estate of the person or persons by the court having jurisdiction to probate the estate.*

**Sec. 30. [256D.70] [DATA PROCESSING PROCEDURES.]**

*The local agency shall, to the extent permitted by federal law or regulation, in addition to any other necessary records and procedures, provide for the*

*inclusion of all Minnesota supplemental aid records in any data processing system established for the medical assistance program, according to procedures established by the commissioner.*

Sec. 31. [256D.71] [STATE AID.]

*After December 31, 1985, state aid shall be paid to local agencies for 85 percent of all Minnesota supplemental aid grants up to the payment levels specified in section 18 and according to procedures established by the commissioner."*

Page 8, line 17, delete "welfare"

Page 8, after line 26, insert:

"Sec. 33. [STUDY.]

*The commissioner of human services shall study the rates paid under the general assistance and supplemental aid programs to negotiated rate facilities, and the costs of these facilities, and provide a report and recommendations to the legislature by February 15, 1986, concerning economical and effective reimbursement methods that will encourage rates that are equitable and consistent throughout the state. The commissioner may collect information from local agencies and facilities as required to complete the study."*

Page 8, delete lines 28 and 29

Page 8, line 30, delete "available until June 30, 1987" and insert "Seventy percent of the appropriation for alternative care grants under Minnesota Statutes, section 256B.091, subdivision 8, is transferred to the community care incentive fund for purposes of section 1, to be available until June 30, 1987"

Page 8, line 36, after the period, insert "\$2,862,000 is appropriated from the general fund to the commissioner of human services for grants under Minnesota Statutes, section 245.73. This appropriation is available for the biennium ending June 30, 1987. This appropriation is in addition to the appropriation to continue services currently funded under section 245.73; the commissioner of human services shall use this supplement to assure continuation of appropriate care and services for mentally ill residents of facilities affected by the limits in section 16, subdivision 5."

Page 9, after line 2, insert:

"Sec. 35. [REPEALER.]

*Minnesota Statutes 1984, sections 256D.36; 256D.37; 256D.38; 256D.39; 256D.41; 256D.42; and 256D.43, are repealed on January 1, 1986.*

Sec. 36. [EFFECTIVE DATE.]

*Sections 4 to 31 are effective on January 1, 1986."*

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 9, after the semicolon, insert "requiring a study of rates paid to negotiated rate facilities; creating the Minnesota supplemental aid act;"

Page 1, line 11, delete "256D.37, subdivisions 1 and 2;"



Page 1, line 13, before "and" insert ", 256D,"

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

Ms. Berglin from the Committee on Health and Human Services, to which was referred

S.F. No. 903: A bill for an act relating to human services; making certain changes in the reimbursement procedures for nursing homes; providing for an interim payment rate for newly constructed or expanded nursing homes; requiring medicare certification; creating an appeals board for appraised value disputes; amending Minnesota Statutes 1984, sections 256B.431, subdivisions 2b, 3, and 4; and 256B.50.

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

Delete everything after the enacting clause and insert:

"Section 1. [144.0722] [RESIDENT REIMBURSEMENT CLASSIFICATIONS; PROCEDURES FOR RECONSIDERATION.]

*Subdivision 1. [RESIDENT REIMBURSEMENT CLASSIFICATIONS.] The commissioner of health shall establish resident reimbursement classifications based upon the assessments of residents of nursing homes and boarding care homes conducted under sections 144.072 and 144.0721, or under rules established by the commissioner of human services under sections 256B.41 to 256B.48. The reimbursement classifications established by the commissioner must conform to the rules established by the commissioner of human services.*

*Subd. 2. [NOTICE OF RESIDENT REIMBURSEMENT CLASSIFICATION.] The commissioner of health shall notify each resident, and the nursing home or boarding care home in which the resident resides, of the reimbursement classification established under subdivision 1. The notice shall inform the resident of the classification that was assigned, the opportunity to review the documentation supporting the classification, the opportunity to obtain clarification from the department, and the opportunity to request a reconsideration of the classification. The notice of resident classification shall be sent by first-class mail. The individual resident notices may be sent to the residents' nursing home or boarding care home for distribution to the resident.*

*Subd. 3. [REQUEST FOR RECONSIDERATION.] The resident or the nursing home or boarding care home may request that the commissioner reconsider the assigned reimbursement classification. The request for reconsideration must be submitted, in writing, to the commissioner within ten days of the receipt of the notice of resident classification. The request for reconsideration must include the following: (1) the name of the resident; (2) the name and address of the facility in which the resident resides; (3) the reasons for the reconsideration; (4) the requested classification changes; and (5) documentation supporting the requested classification. The documentation accompanying the reconsideration request is limited to documentation establishing that the needs of the resident at the time of the assessment re-*

ulting in the disputed classification justify a change of classification.

Subd. 4. [RECONSIDERATION.] *The department's reconsideration must be made by individuals not involved in reviewing the assessment that established the disputed classification. The reconsideration must be based upon the initial assessment and upon the information provided to the department under subdivision 3. If necessary for evaluating the reconsideration request, the department may conduct on-site reviews. In its discretion, the department may review the reimbursement classifications assigned to all residents in the facility. Within 15 working days of receiving the request for reconsideration, the department shall affirm or modify the original resident classification. The original classification shall be modified if the department determines that the assessment resulting in that classification did not accurately reflect the needs of the resident at the time of the assessment. The resident and the nursing home or boarding care home shall be notified within five working days after the decision is made. The department's decision under this subdivision is the final administrative decision of the agency.*

Sec. 2. Minnesota Statutes 1984, section 144.50, subdivision 2, is amended to read:

Subd. 2. Hospital, sanatorium or other institution for the hospitalization or care of human beings, within the meaning of sections 144.50 to 144.56 shall mean any institution, place, building, or agency, in which any accommodation is maintained, furnished, or offered for: the hospitalization of the sick or injured; the provision of care in a swing bed authorized under section 144.562; elective outpatient surgery for preexamined, prediagnosed low risk patients; emergency medical services offered 24 hours a day, seven days a week, in an ambulatory or outpatient setting in a facility not a part of a licensed hospital; or the institutional care of human beings. Nothing in sections 144.50 to 144.56 shall apply to a clinic, a physician's office or to hotels or other similar places that furnish only board and room, or either, to their guests.

Sec. 3. [144.562] [SWING BED APPROVAL; ISSUANCE OF LICENSE CONDITIONS; VIOLATIONS.]

Subdivision 1. [DEFINITION.] *For the purposes of this section, "swing bed" means a hospital bed licensed under sections 144.50 to 144.56 which has been granted a license condition under this section for the purpose of receiving reimbursement under the federal medicare program under United States Code, title 42, section 1395(t).*

Subd. 2. [ELIGIBILITY FOR LICENSE CONDITION.] *A hospital is not eligible to receive a license condition for swing beds unless (1) it has a licensed bed capacity of less than 50 beds, (2) it is located in a rural area as defined in the federal medicare regulations, Code of Federal Regulations, title 42, section 405.1041, and (3) it agrees to utilize no more than four hospital beds as swing beds at any one time.*

Subd. 3. [APPROVAL OF LICENSE CONDITION.] *The department of health shall approve a license condition for swing beds if the hospital meets all of the criteria of this subdivision:*

(a) *The hospital must meet the eligibility criteria in subdivision 2.*

(b) *The hospital must be in compliance with the federal medicare condi-*

tions of participation for swing beds under Code of Federal Regulations, title 42, section 405.1041.

(c) *The hospital must agree, in writing, to limit the length of stay of a patient receiving services in a swing bed to not more than 40 days, or the duration of medicare eligibility, unless the department of health approves a greater length of stay in an emergency situation. For the purpose of determining whether an emergency situation exists, the department shall require the hospital to provide documentation that continued services in the swing bed are required by the patient, that no nursing home beds are available within 25 miles from the patient's home, or in some more remote facility of the resident's choice, which can provide the appropriate level of services required by the patient, and that other alternative services are not available to meet the needs of the patient. If the department approves a length of stay beyond 40 days, or the duration of medicare eligibility, the hospital shall develop a plan providing for the discharge of the patient upon the availability of a nursing home bed or other services which meet the needs of the patient. Permission to extend a patient's length of stay must be requested by the hospital at least 10 days prior to the end of the maximum length of stay.*

(d) *The hospital must agree, in writing, to limit admission to a swing bed only to patients who have been hospitalized and not yet discharged from the facility.*

(e) *The hospital must agree, in writing, that there will be at least a 60-day period between a specific patient's discharge from a facility out of a swing bed, and that patient's readmission to a swing bed.*

(f) *The hospital must agree, in writing, to report statistical data on the utilization of the swing beds on forms supplied by the department. The data must include the number of swing beds; the number of admissions to and discharges from swing beds, medicare reimbursed patient days, total patient days, and other information required by the commissioner to assess the utilization of swing beds.*

**Subd. 4. [ISSUANCE OF LICENSE CONDITION; RENEWALS.]** *The department of health shall issue a license condition to a hospital that complies with subdivisions 2 and 3. The license condition shall be granted when the license is first issued, when it is renewed, or during the course of the hospital's licensure year. The condition shall be valid for the hospital's licensure year. The license condition can be renewed at the time of the hospital's license renewal provided that the hospital is in compliance with subdivisions 2 and 3.*

**Subd. 5. [RATE.]** *No hospital may charge any person receiving nursing care in a swing bed at a rate greater than the rate paid by the secretary of human services for similar services under section 1883 of the Social Security Act for the comparable time period. A violation of this subdivision shall be considered a violation of section 256B.48, subdivision 1, clause (a).*

**Subd. 6. [INSPECTIONS.]** *Notwithstanding section 144.55, subdivision 4, the department of health may conduct inspections of any hospital granted a condition under this section for the purpose of assessing compliance with this section.*

**Subd. 7. [VIOLATIONS; ISSUANCE OF CORRECTION ORDERS]**

AND FINES; SUSPENSION; REVOCATION, OR NONRENEWAL OF THE LICENSE CONDITION.] *Notwithstanding section 144.55, subdivision 4, if the hospital fails to comply with subdivision 2 or 3, the department of health shall issue a correction order and penalty assessment under section 144.653 or may suspend, revoke, or refuse to renew the license condition under section 144.55, subdivision 6. The penalty assessment for a violation of subdivision 2 or 3 is \$500.*

*Subd. 8. [EFFECTIVE DATE.] Hospitals participating in the federal medicare swing bed program as of the effective date of this section shall comply with this section by January 1, 1986, or at the time of the renewal of the medicare swing bed approval, whichever is earlier.*

Sec. 4. Minnesota Statutes 1984, section 144A.01, subdivision 5, is amended to read:

Subd. 5. "Nursing home" means a facility or that part of a facility which provides nursing care to five or more persons. "Nursing home" does not include a facility or that part of a facility which is a hospital, *a hospital with less than five swing beds as defined in section 144.562*, clinic, doctor's office, diagnostic or treatment center, or a residential facility licensed pursuant to sections 245.781 to 245.821 or 252.28.

Sec. 5. Minnesota Statutes 1984, section 144A.071, subdivision 1, is amended to read:

Subdivision 1. [FINDINGS.] The legislature finds that medical assistance expenditures are increasing at a much faster rate than the state's ability to pay them; that reimbursement for nursing home care and ancillary services comprises over half of medical assistance costs, and, therefore, controlling expenditures for nursing home care is essential to prudent management of the state's budget; that construction of new nursing homes, *and the addition of more nursing home beds to the state's long-term care resources, and increased conversion of beds to skilled nursing facility bed status* inhibits the ability to control expenditures; that Minnesota already leads the nation in nursing home expenditures per capita, has the fifth highest number of beds per capita elderly, and that private paying individuals and medical assistance recipients have equivalent access to nursing home care; and that in the absence of a moratorium the increased numbers of nursing homes and nursing home beds will consume resources that would otherwise be available to develop a comprehensive long-term care system that includes a continuum of care. Unless action is taken, this expansion of bed capacity *and changes of beds to a higher classification of care are* likely to accelerate with the repeal of the certificate of need program effective March 15, 1984. The legislature also finds that Minnesota's dependence on institutional care for elderly persons is due in part to the dearth of alternative services in the home and community. *The legislature also finds that further increases in the number of licensed nursing home beds, especially in nursing homes not certified for participation in the medical assistance program, is contrary to public policy, because: (1) nursing home residents with limited resources may exhaust their resources more rapidly in these facilities, creating the need for a transfer to a certified nursing home, with the concomitant risk of transfer trauma; (2) a continuing increase in the number of nursing home beds will foster continuing reliance on institutional care to meet the long-term care needs of residents*

*of the state; (3) a further expansion of nursing home beds will diminish incentives to develop more appropriate and cost-effective alternative services and divert community resources that would otherwise be available to fund alternative services; (4) through corporate reorganization resulting in the separation of certified and licensed beds, a nursing home may evade the provisions of section 256B.48, subdivision 1, clause (a); and (5) it is in the best interests of the state to ensure that the long-term care system is designed to protect the private resources of individuals as well as to use state resources most effectively and efficiently.*

The legislature declares that a moratorium on the licensure and medical assistance certification of new nursing home beds ~~and on changes in certification to a higher level of care~~ is necessary to control nursing home expenditure growth and enable the state to meet the needs of its elderly by providing high quality services in the most appropriate manner along a continuum of care.

Sec. 6. Minnesota Statutes 1984, section 144A.071, subdivision 2, is amended to read:

Subd. 2. [MORATORIUM.] ~~Notwithstanding the provisions of the Certificate of Need Act, sections 145.832 to 145.845, or any other law to the contrary,~~ The commissioner of health, in coordination with the commissioner of human services, shall deny each request by a nursing home or boarding care home, except an intermediate care facility for the mentally retarded, for addition of new certified beds or for a change or changes in the certification status of existing beds except as provided in subdivision 3. The total number of certified beds in the state ~~in the skilled level and in the intermediate levels of care~~ shall remain at or decrease from the number of beds certified at each level of care on May 23, 1983, except as allowed under subdivision 3. "Certified bed" means a nursing home bed or a boarding care bed certified by the commissioner of health for the purposes of the medical assistance program, under United States Code, title 42, sections 1396 et seq.

The commissioner of human services, in coordination with the commissioner of health, shall deny any request to issue a license under sections 245.781 to 245.812 and 252.28 to a nursing home or boarding care home, if that license would result in an increase in the medical assistance reimbursement amount. *The commissioner of health shall deny each request for licensure of nursing home beds except as provided in subdivision 3.*

Sec. 7. Minnesota Statutes 1984, section 144A.071, subdivision 3, is amended to read:

Subd. 3. [EXCEPTIONS.] The commissioner of health, in coordination with the commissioner of human services, may approve the addition of a new certified bed or ~~change in the certification status of an existing bed~~ the addition of a new licensed nursing home bed, under the following conditions:

(a) To replace a bed decertified after May 23, 1983 or to address an extreme hardship situation, in a particular county that, together with all contiguous Minnesota counties, has fewer nursing home beds per 1,000 elderly than the number that is ten percent higher than the national average of nursing home beds per 1,000 elderly individuals. For the purposes of this section, the national average of nursing home beds shall be the most recent figure that can

be supplied by the federal health care financing administration and the number of elderly in the county or the nation shall be determined by the most recent federal census or the most recent estimate of the state demographer as of July 1, of each year of persons age 65 and older, whichever is the most recent at the time of the request for replacement. In allowing replacement of a decertified bed, the commissioners shall ensure that the number of added or recertified beds does not exceed the total number of decertified beds in the state in that level of care. An extreme hardship situation can only be found after the county documents the existence of unmet medical needs that cannot be addressed by any other alternatives;

(b) To certify a new bed in a facility that commenced construction before May 23, 1983. For the purposes of this section, "commenced construction" means that all of the following conditions were met: the final working drawings and specifications were approved by the commissioner of health; the construction contracts were let; a timely construction schedule was developed, stipulating dates for beginning, achieving various stages, and completing construction; and all zoning and building permits were secured;

(c) To certify beds in a new nursing home that is needed in order to meet the special dietary needs of its residents, if: the nursing home proves to the commissioner's satisfaction that the needs of its residents cannot otherwise be met; elements of the special diet are not available through most food distributors; and proper preparation of the special diet requires incurring various operating expenses, including extra food preparation or serving items, not incurred to a similar extent by most nursing homes; or

~~(d) When the change in certification status results in a decrease in the reimbursement amount.~~

*(d) To license a new nursing home bed in a facility which meets one of the exceptions contained in clauses (a) to (d);*

*(e) To license nursing home beds in a facility which has submitted either a completed licensure application or a written request for licensure to the commissioner before March 1, 1985, and has commenced any required construction, as defined in clause (b) before May 1, 1985. For the purpose of this clause, "construction" means any erection, building, alteration, reconstruction, modernization, or improvement necessary to comply with the provisions of the nursing home licensure rules; or*

*(f) To certify or license new beds in a new facility that is to be operated by the department of veterans affairs or where the costs of constructing and operating the new beds are to be reimbursed by the department of veterans affairs or the federal veterans administration.*

Sec. 8. Minnesota Statutes 1984, section 256B.02, subdivision 8, is amended to read:

Subd. 8. [MEDICAL ASSISTANCE; MEDICAL CARE.] "Medical assistance" or "medical care" means payment of part or all of the cost of the following care and services for eligible individuals whose income and resources are insufficient to meet all of this cost:

(1) Inpatient hospital services. A second medical opinion is required prior to reimbursement for elective surgeries. The commissioner shall publish in

the State Register a proposed list of elective surgeries that require a second medical opinion prior to reimbursement. The list is not subject to the requirements of sections 14.01 to 14.70. The commissioner's decision whether a second medical opinion is required, made in accordance with rules governing that decision, is not subject to administrative appeal;

(2) Skilled nursing home services and services of intermediate care facilities, including training and habilitation services, as defined in section 256B.50, subdivision 1, for mentally retarded individuals residing in intermediate care facilities for the mentally retarded. *Medical assistance must not be used to pay the costs of nursing care provided to a patient in a swing bed as defined in section 144.562;*

(3) Physicians' services;

(4) Outpatient hospital or nonprofit community health clinic services or physician-directed clinic services. The physician-directed clinic staff shall include at least two physicians, one of whom is on the premises whenever the clinic is open, and all services shall be provided under the direct supervision of the physician who is on the premises. Hospital outpatient departments are subject to the same limitations and reimbursements as other enrolled vendors for all services, except initial triage, emergency services, and services not provided or immediately available in clinics, physicians' offices, or by other enrolled providers. "Emergency services" means those medical services required for the immediate diagnosis and treatment of medical conditions that, if not immediately diagnosed and treated, could lead to serious physical or mental disability or death or are necessary to alleviate severe pain. Neither the hospital, its employees, nor any physician or dentist, shall be liable in any action arising out of a determination not to render emergency services or care if reasonable care is exercised in determining the condition of the person, or in determining the appropriateness of the facilities, or the qualifications and availability of personnel to render these services consistent with this section;

(5) Community mental health center services, as defined in rules adopted by the commissioner pursuant to section 256B.04, subdivision 2, and provided by a community mental health center as defined in section 245.62, subdivision 2;

(6) Home health care services;

(7) Private duty nursing services;

(8) Physical therapy and related services;

(9) Dental services, excluding cast metal restorations;

(10) Laboratory and xray services;

(11) The following if prescribed by a licensed practitioner: drugs, eye-glasses, dentures, and prosthetic devices. The commissioner shall designate a formulary committee which shall advise the commissioner on the names of drugs for which payment shall be made, recommend a system for reimbursing providers on a set fee or charge basis rather than the present system, and develop methods encouraging use of generic drugs when they are less expensive and equally effective as trademark drugs. The commissioner shall appoint the formulary committee members no later than 30 days following July 1, 1981. The formulary committee shall consist of nine members, four

of whom shall be physicians who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, three of whom shall be pharmacists who are not employed by the department of human services, and a majority of whose practice is for persons paying privately or through health insurance, a consumer representative, and a nursing home representative. Committee members shall serve two year terms and shall serve without compensation. The commissioner may establish a drug formulary. Its establishment and publication shall not be subject to the requirements of the Administrative Procedure Act, but the formulary committee shall review and comment on the formulary contents. Prior authorization may be required by the commissioner, with the consent of the drug formulary committee, before certain formulary drugs are eligible for payment. The formulary shall not include: drugs or products for which there is no federal funding; over the counter drugs, except for antacids, acetaminophen, family planning products, aspirin, insulin, prenatal vitamins, and vitamins for children under the age of seven; or any other over the counter drug identified by the commissioner, in consultation with the appropriate professional consultants under contract with or employed by the state agency, as necessary, appropriate and cost effective for the treatment of certain specified chronic diseases, conditions or disorders, and this determination shall not be subject to the requirements of chapter 14, the Administrative Procedure Act; nutritional products, except for those products needed for treatment of phenylketonuria, hyperlysinemia, maple syrup urine disease, a combined allergy to human milk, cow milk, and soy formula, or any other childhood or adult diseases, conditions, or disorders identified by the commissioner as requiring a similarly necessary nutritional product; anorectics; and drugs for which medical value has not been established. Separate payment shall not be made for nutritional products for residents of long-term care facilities; payment for dietary requirements is a component of the per diem rate paid to these facilities. Payment to drug vendors shall not be modified before the formulary is established except that the commissioner shall not permit payment for any drugs which may not by law be included in the formulary, and his determination shall not be subject to chapter 14, the Administrative Procedure Act. The commissioner shall publish conditions for prohibiting payment for specific drugs after considering the formulary committee's recommendations.

The basis for determining the amount of payment shall be the actual acquisition costs of the drugs plus a fixed dispensing fee established by the commissioner. Actual acquisition cost includes quantity and other special discounts except time and cash discounts. Establishment of this fee shall not be subject to the requirements of the Administrative Procedure Act. Whenever a generically equivalent product is available, payment shall be on the basis of the actual acquisition cost of the generic drug, unless the prescriber specifically indicates "dispense as written" on the prescription as required by section 151.21, subdivision 2.

Notwithstanding the above provisions, implementation of any change in the fixed dispensing fee which has not been subject to the Administrative Procedure Act shall be limited to not more than 180 days, unless, during that time, the commissioner shall have initiated rulemaking through the Administrative Procedure Act;

(12) Diagnostic, screening, and preventive services;



(13) Health care pre-payment plan premiums and insurance premiums if paid directly to a vendor and supplementary medical insurance benefits under Title XVIII of the Social Security Act;

(14) Abortion services, but only if one of the following conditions is met:

(a) The abortion is a medical necessity. "Medical necessity" means (1) the signed written statement of two physicians indicating the abortion is medically necessary to prevent the death of the mother, and (2) the patient has given her consent to the abortion in writing unless the patient is physically or legally incapable of providing informed consent to the procedure, in which case consent will be given as otherwise provided by law;

(b) The pregnancy is the result of criminal sexual conduct as defined in section 609.342, clauses (c), (d), (e)(i), and (f), and the incident is reported within 48 hours after the incident occurs to a valid law enforcement agency for investigation, unless the victim is physically unable to report the criminal sexual conduct, in which case the report shall be made within 48 hours after the victim becomes physically able to report the criminal sexual conduct; or

(c) The pregnancy is the result of incest, but only if the incident and relative are reported to a valid law enforcement agency for investigation prior to the abortion;

(15) Transportation costs incurred solely for obtaining emergency medical care or transportation costs incurred by nonambulatory persons in obtaining emergency or nonemergency medical care when paid directly to an ambulance company, common carrier, or other recognized providers of transportation services. For the purpose of this clause, a person who is incapable of transport by taxicab or bus shall be considered to be nonambulatory;

(16) To the extent authorized by rule of the state agency, costs of bus or taxicab transportation incurred by any ambulatory eligible person for obtaining nonemergency medical care;

(17) Personal care attendant services provided by an individual, not a relative, who is qualified to provide the services, where the services are prescribed by a physician in accordance with a plan of treatment and are supervised by a registered nurse. Payments to personal care attendants shall be adjusted annually to reflect changes in the cost of living or of providing services by the average annual adjustment granted to vendors such as nursing homes and home health agencies; and

(18) Any other medical or remedial care licensed and recognized under state law unless otherwise prohibited by law.

Sec. 9. Minnesota Statutes 1984, section 256B.091, subdivision 1, is amended to read:

Subdivision 1. [PURPOSE.] It is the purpose of this section to prevent inappropriate nursing home or boarding care home placement by establishing a program of preadmission screening teams for all ~~medical assistance recipients and any individual who would become eligible for medical assistance within 180 days of applicants seeking~~ admission to a licensed nursing home or boarding care home participating in the *medical assistance* program. Further, it is the purpose of this section and the program to gain further information about how to contain costs associated with inappropriate nursing home

or boarding care home admissions. The commissioners of human services and health shall seek to maximize use of available federal and state funds and establish the broadest program possible within the appropriation available.

Sec. 10. Minnesota Statutes 1984, section 256B.091, subdivision 2, is amended to read:

Subd. 2. [SCREENING TEAMS; ESTABLISHMENT.] Each county agency designated by the commissioner of human services to participate in the program shall contract with the local board of health organized under section 145.911 to 145.922 or other public or nonprofit agency to establish a screening team to assess *the health and social needs of all applicants* prior to admission to a nursing home or a boarding care home licensed under section 144A.02 or sections 144.50 to 144.56, that is certified for medical assistance as a skilled nursing facility, intermediate care facility level I, or intermediate care facility level II; ~~the health and social needs of medical assistance recipients and individuals who would become eligible for medical assistance within 180 days of nursing home or boarding care home admission.~~ Each local screening team shall be composed of a public health nurse from the local public health nursing service and a social worker from the local community welfare agency. Each screening team shall have a physician available for consultation and shall utilize individuals' attending physicians' physical assessment forms, if any, in assessing needs. The individual's physician shall be included on the screening team if the physician chooses to participate. If the individual is being discharged from an acute care facility, a discharge planner from that facility may be present, at the facility's request, during the screening team's assessment of the individual and may participate in discussions but not in making the screening team's recommendations under subdivision 3, clause (e). If the assessment procedure or screening team recommendation results in a delay of the individual's discharge from the acute care facility, the facility shall not be denied medical assistance reimbursement or incur any other financial or regulatory penalty of the medical assistance program that would otherwise be caused by the individual's extended length of stay; 50 percent of the cost of this reimbursement or financial or regulatory penalty shall be paid by the state and 50 percent shall be paid by the county. Other personnel as deemed appropriate by the county agency may be included on the team. The county agency may contract with an acute care facility to have the facility's discharge planners perform the functions of a screening team with regard to individuals discharged from the facility and in those cases the discharge planners may participate in making recommendations under subdivision 3, clause (e). No member of a screening team shall have a direct or indirect financial or self-serving interest in a nursing home or noninstitutional referral such that it would not be possible for the member to consider each case objectively.

Sec. 11. Minnesota Statutes 1984, section 256B.091, subdivision 4, is amended to read:

Subd. 4. [SCREENING OF PERSONS.] Prior to nursing home or boarding care home admission, screening teams shall assess the needs of all persons receiving medical assistance and of all persons who would be eligible for medical assistance within 180 days of admission to a nursing home or boarding care home applicants, except (1) patients transferred from other nursing homes or; (2) patients who, having entered acute care facilities from nursing

homes, are returning to nursing home care; or (3) persons entering a facility described in section 256B.431, subdivision 4, paragraph (b). ~~Any other interested person may~~ The cost for screening persons who are receiving medical assistance or would be eligible for medical assistance within 180 days of nursing home or boarding care home admission will be paid by state, federal, and county funds. Other persons will be assessed by a screening team upon payment of a fee based upon a sliding fee scale approved by the commissioner.

Sec. 12. Minnesota Statutes 1984, section 256B.091, subdivision 5, is amended to read:

Subd. 5. [APPEALS.] Appeals from the screening team's ~~determination recommendation~~ shall be made pursuant to the procedures set forth in section 256.045, subdivisions 2 and 3. An appeal shall be automatic if the individual's physician does not agree with the recommendation of the screening team.

Sec. 13. Minnesota Statutes 1984, section 256B.091, subdivision 8, is amended to read:

Subd. 8. [ALTERNATIVE CARE GRANTS.] The commissioner shall provide grants to counties participating in the program to pay costs of providing alternative care to individuals screened under subdivision 4. Payment is available under this subdivision only for individuals (1) for whom the screening team would recommend nursing home admission if alternative care were not available; (2) who are receiving medical assistance or who would be eligible for medical assistance within 180 days of admission to a nursing home; ~~and~~ (3) who need services that are not available at that time in the county through other public assistance; ~~and~~ (4) who are age 65 or older.

Grants may be used for payment of costs of providing services such as, but not limited to, foster care for elderly persons, day care whether or not offered through a nursing home, nutritional counseling, or medical social services, which services are provided by a licensed health care provider, a home health service eligible for reimbursement under Titles XVIII and XIX of the federal Social Security Act, or by persons employed by or contracted with by the county board or the local welfare agency. The county agency shall ensure that a plan of care is established for each individual in accordance with subdivision 3, clause (e)(2). The plan shall include any services prescribed by the individual's attending physician as necessary and follow up services as necessary. The county agency shall provide documentation to the commissioner verifying that the individual's alternative care is not available at that time through any other public assistance or service program and shall provide documentation in each individual's plan of care that the most cost effective alternatives available have been offered to the individual. Grants to counties under this subdivision are subject to audit by the commissioner for fiscal and utilization control.

The commissioner shall establish a sliding fee schedule for requiring payment for the cost of providing services under this subdivision to persons who are eligible for the services but who are not yet eligible for medical assistance. The sliding fee schedule is not subject to chapter 14 but the commissioner shall publish the schedule and any later changes in the State Register and allow a period of 20 working days from the publication date for interested

persons to comment before adopting the sliding fee schedule in final forms.

The commissioner shall apply for a waiver for federal financial participation to expand the availability of services under this subdivision. The commissioner shall provide grants to counties from the nonfederal share, unless the commissioner obtains a federal waiver for medical assistance payments, of medical assistance appropriations. A county agency may use grant money to supplement but not supplant services available through other public assistance or service programs and shall not use grant money to establish new programs for which public money is available through sources other than grants provided under this subdivision. A county agency shall not use grant money to provide care under this subdivision to an individual if the anticipated cost of providing this care would exceed the average payment, as determined by the commissioner, for the level of nursing home care that the recipient would receive if placed in a nursing home. The nonfederal share may be used to pay up to 90 percent of the start-up and service delivery costs of providing care under this subdivision. Each county agency that receives a grant shall pay ten percent of the costs.

The commissioner shall promulgate emergency rules in accordance with sections 14.29 to 14.36, to establish required documentation and reporting of care delivered.

Sec. 14. Minnesota Statutes 1984, section 256B.431, subdivision 2b, is amended to read:

Subd. 2b. [OPERATING COSTS, AFTER JULY 1, 1985.] (a) For rate years beginning on or after July 1, 1985, the commissioner shall establish procedures for determining per diem reimbursement for operating costs.

(b) The commissioner shall contract with an econometric firm with recognized expertise in and access to national economic change indices that can be applied to the appropriate cost categories when determining the operating cost payment rate.

(c) The commissioner shall analyze and evaluate each nursing home's cost report of allowable operating costs incurred by the nursing home during the reporting year immediately preceding the rate year for which the payment rate becomes effective.

(d) The commissioner shall establish limits on actual allowable historical operating cost per diems based on cost reports of allowable operating costs for the reporting year that begins October 1, 1983, taking into consideration relevant factors including resident needs, geographic location, age, size of the nursing home, and the costs that must be incurred for the care of residents in an efficiently and economically operated nursing home. The limits established by the commissioner shall not be less, in the aggregate, than the 60th percentile of total actual allowable historical operating cost per diems for each group of nursing homes established under subdivision 1 based on cost reports of allowable operating costs in the previous reporting year. The limits established under this paragraph remain in effect until the commissioner establishes a new base period. Until the new base period is established, the commissioner shall adjust the limits annually using the appropriate economic change indices established in paragraph (e). In determining allowable historical operating cost per diems for purposes of setting limits and nursing

home payment rates, the commissioner shall divide the allowable historical operating costs by the actual number of resident days, except that where a nursing home is occupied at less than 90 percent of licensed capacity days, the commissioner may establish procedures to adjust the computation of the per diem to an imputed occupancy level at or below 90 percent. The commissioner shall establish efficiency incentives as appropriate. The commissioner may establish efficiency incentives for different operating cost categories. The commissioner shall consider establishing efficiency incentives in care related cost categories. The commissioner may combine one or more operating cost categories and may use different methods for calculating payment rates for each operating cost category or combination of operating cost categories.

(e) The commissioner shall establish a composite index or indices by determining the appropriate economic change indicators to be applied to specific operating cost categories or combination of operating cost categories.

(f) Each nursing home shall receive an operating cost payment rate equal to the sum of the nursing home's operating cost payment rates for each operating cost category. The operating cost payment rate for an operating cost category shall be the lesser of the nursing home's historical operating cost in the category increased by the appropriate index established in paragraph (e) for the operating cost category plus an efficiency incentive established pursuant to paragraph (d) or the limit for the operating cost category increased by the same index. If a nursing home's actual historic operating costs are greater than the prospective payment rate for that rate year, there shall be no retroactive cost settle-up. In establishing payment rates for one or more operating cost categories, the commissioner may establish separate rates for different classes of residents based on their relative care needs.

(g) The commissioner shall include the reported actual real estate tax liability of each proprietary nursing home as an operating cost of that nursing home. The commissioner shall include a reported actual special assessment for each nursing home as an operating cost of that nursing home. Total real estate tax liability and actual special assessments paid for each nursing home (1) shall be divided by actual resident days in order to compute the operating cost payment rate for this operating cost category, (2) shall not be used to compute the 60th percentile or other operating cost limits established by the commissioner, and (3) shall not be increased by the composite index or indices established pursuant to paragraph (e).

Sec. 15. Minnesota Statutes 1984, section 256B.431, subdivision 3, is amended to read:

Subd. 3. [PROPERTY-RELATED COSTS, 1983-1985.] (a) For rate years beginning July 1, 1983 and July 1, 1984, property-related costs shall be reimbursed to each nursing home at the level recognized in the most recent cost report received by December 31, 1982 and audited by March 1, 1983, and may be subsequently adjusted to reflect the costs recognized in the final rate for that cost report, adjusted for rate limitations in effect before the effective date of this section. Property-related costs include: depreciation, interest, earnings or investment allowance, lease, or rental payments. No adjustments shall be made as a result of sales or reorganizations of provider entities.

(b) Adjustments for the cost of repairs, replacements, renewals, betterments, or improvements to existing buildings, and building service equipment shall be allowed if:

- (1) The cost incurred is reasonable, necessary, and ordinary;
- (2) The net cost is greater than \$5,000. "Net cost" means the actual cost, minus proceeds from insurance, salvage, or disposal;
- (3) The nursing home's property-related costs per diem is equal to or less than the average property-related costs per diem within its group; and
- (4) The adjustment is shown in depreciation schedules submitted to and approved by the commissioner.

(c) Annual per diem shall be computed by dividing total property-related costs by 96 percent of the nursing home's licensed capacity days for nursing homes with more than 60 beds and 94 percent of the nursing home's licensed capacity days for nursing homes with 60 or fewer beds. For a nursing home whose residents' average length of stay is 180 days or less, the commissioner may waive the 96 or 94 percent factor and divide the nursing home's property-related costs by the actual resident days to compute the nursing home's annual property-related per diem. The commissioner shall promulgate emergency and permanent rules to recapture excess depreciation upon sale of a nursing home.

(d) *Subd. 3a. [PROPERTY-RELATED COSTS AFTER JULY 1, 1985.]*  
(a) For rate years beginning on or after July 1, 1985, the commissioner, by permanent rule, shall reimburse nursing home providers that are vendors in the medical assistance program for the rental use of their property. The "rent" is the amount of periodic payment which a renter might expect to pay for the right to the agreed use of the real estate and the depreciable equipment as it exists real estate and depreciable equipment. "Real estate" means land improvements, buildings, and attached fixtures used directly for resident care. "Depreciable equipment" means the standard moveable resident care equipment and support service equipment generally used in long-term care facilities.

(e) (b) In developing the method for determining payment rates for the rental use of nursing homes, the commissioner shall consider factors designed to:

- (1) simplify the administrative procedures for determining payment rates for property-related costs;
- (2) minimize discretionary or appealable decisions;
- (3) eliminate any incentives to sell nursing homes;
- (4) recognize legitimate costs of preserving and replacing property;
- (5) recognize the existing costs of outstanding indebtedness allowable under the statutes and rules in effect on May 1, 1983;
- (6) address the current value of, if used directly for patient care, land improvements, buildings, attached fixtures, and equipment;
- (7) establish an investment per bed limitation;
- (8) reward efficient management of capital assets;

- (9) provide equitable treatment of facilities;
- (10) consider a variable rate; and
- (11) phase in implementation of the rental reimbursement method.

(F) (c) No later than January 1, 1984, the commissioner shall report to the legislature on any further action necessary or desirable in order to implement the purposes and provisions of this subdivision.

Sec. 16. Minnesota Statutes 1984, section 256B.431, subdivision 4, is amended to read:

Subd. 4. [SPECIAL RATES.] (a) *For the rate years beginning July 1, 1983 and July 1, 1984, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property-related costs calculated pursuant to the statutes and rules in effect on May 1, 1983 and for operating costs negotiated by the commissioner based upon the 60th percentile established for the appropriate group under subdivision 2, paragraph (b) to be effective from the first day a medical assistance recipient resides in the home or for the added beds. For newly constructed nursing homes which are not included in the calculation of the 60th percentile for any group, subdivision 2(f), the commissioner shall establish by rule procedures for determining interim operating cost payment rates and interim property-related cost payment rates. The interim payment rate shall not be in effect for more than 17 months. The commissioner shall establish, by emergency and permanent rules, procedures for determining the interim rate and for making a retroactive cost settle-up after the first year of operation; the cost settled operating cost per diem shall not exceed 110 percent of the 60th percentile established for the appropriate group. Until procedures determining operating cost payment rates according to mix of resident needs are established, the commissioner shall establish by rule procedures for determining payment rates for nursing homes which provide care under a lesser care level than the level for which the nursing home is certified.*

*(b) For the rate years beginning on or after July 1, 1985, a newly constructed nursing home or one with a capacity increase of 50 percent or more may, upon written application to the commissioner, receive an interim payment rate for reimbursement for property related costs, operating costs, and real estate taxes and special assessments calculated pursuant to rules promulgated by the commissioner.*

(c) For rate years beginning on or after July 1, 1983, the commissioner may exclude from a provision of 12 MCAR S 2.050 any facility that is licensed by the commissioner of health only as a boarding care home, is certified by the commissioner of health as an intermediate care facility, is licensed by the commissioner of human services under 12 MCAR S 2.036, and has less than five percent of its licensed boarding care capacity reimbursed by the medical assistance program. Until a permanent rule to establish the payment rates for facilities meeting these criteria is promulgated, the commissioner shall establish the medical assistance payment rate as follows:

(1) The desk audited payment rate in effect on June 30, 1983, remains in effect until the end of the facility's fiscal year. The commissioner shall not allow any amendments to the cost report on which this desk audited payment

rate is based.

(2) For each fiscal year beginning between July 1, 1983, and June 30, 1985, the facility's payment rate shall be established by increasing the desk audited operating cost payment rate determined in clause (1) at an annual rate of five percent.

(3) For fiscal years beginning on or after July 1, 1985, the facility's payment rate shall be established by increasing the facility's payment rate in the facility's prior fiscal year by the increase indicated by the consumer price index for Minneapolis and St. Paul.

(4) For the purpose of establishing payment rates under this paragraph, the facility's rate and reporting years coincide with the facility's fiscal year.

A facility that meets the criteria of this paragraph shall submit annual cost reports on forms prescribed by the commissioner.

Sec. 17. Minnesota Statutes 1984, section 256B.48, is amended by adding a subdivision to read:

*Subd. 6. [MEDICARE CERTIFICATION.] All nursing homes certified as skilled nursing facilities under the medical assistance program shall participate in medicare part A and part B unless, after submitting an application, medicare certification is denied by the federal health care financing administration. Medicare review will be conducted at the time of the annual medical assistance review. Charges for medicare-covered services provided to residents who are simultaneously eligible for medical assistance and medicare must be billed to medicare part A or part B prior to billing medical assistance. Medical assistance may be billed only for charges not reimbursed by medicare.*

Sec. 18. Minnesota Statutes 1984, section 256B.50, is amended to read:

256B.50 [APPEALS.]

*Subdivision 1. [SCOPE.] A nursing home may appeal a decision arising from the application of standards or methods pursuant to sections 256B.41 and 256B.47 if the appeal, if successful, would result in a change to the nursing home's payment rate, or appraised value. The appeal procedures also apply to appeals of payment rates calculated under 12 MCAR S 2.049 filed with the commissioner on or after May 1, 1984. This section does not apply to a request from a resident or nursing home for reconsideration of the classification of a resident under section 144.0722. To appeal, the nursing home shall notify the commissioner in writing of its intent to appeal within 30 days and submit a written appeal request within 60 days of receiving notice of the payment rate determination or decision. The appeal request shall specify each disputed item, the reason for the dispute, an estimate of the dollar amount involved for each disputed item, the computation that the nursing home believes is correct, the authority in statute or rule upon which the nursing home relies for each disputed item, the name and address of the person or firm with whom contacts may be made regarding the appeal, and other information required by the commissioner.*

*Except as provided in subdivision 2, the appeal shall be heard by an administrative law judge according to sections 14.48 to 14.56, or upon agreement by both parties according to a modified appeals procedure established*



by the commissioner and the administrative law judge. In any proceeding under this section, the appealing party must demonstrate by a preponderance of the evidence that the commissioner's determination is incorrect. Regardless of any rate appeal, the rate established shall be the rate paid and shall remain in effect until final resolution of the appeal or subsequent desk or field audit adjustment, notwithstanding any provision of law or rule to the contrary. To challenge the validity of rules established by the commissioner pursuant to sections 256B.41, 256B.421, 256B.431, 256B.47, 256B.48, 256B.50, and 256B.502, a nursing home shall comply with section 14.44.

*Subd. 2. [APPRAISED VALUE; APPEALS BOARD.] (a) Appeals concerning the appraised value of a nursing home's real estate shall be heard by a three-person appeal board appointed by the commissioner. The real estate as defined in section 256B.431, subdivision 3, must be appraised using the depreciated replacement cost method.*

*(b) Members of the appeals board shall be appointed by the commissioner from the list of appraisers approved for state contracts by the department of administration. In making the selection, the commissioner shall assure that each member is experienced in the use of the depreciated replacement cost method and is free of any personal, political, or economic conflict of interest that may impair the member's ability to function in a fair and objective manner.*

*(c) The appeals board shall appoint one of its members to act as chief representative and shall examine witnesses where deemed necessary to make a complete record. Facts to be considered by the board are limited to those in existence at the time of the appraisal being appealed. The board shall issue a written report regarding each appeal to the commissioner within 30 days following the close of the record. The report must contain findings of fact, conclusions, and a recommended disposition based on a majority decision of the board. A copy of the report must be served upon all parties.*

*(d) The commissioner shall issue an order adopting, rejecting, or modifying the appeal board's recommendation within 30 days of receipt of the report. A copy of the decision must be served upon all parties.*

*(e) Within 30 days of receipt of the commissioner's order, the appealing party may appeal to the Minnesota court of appeals. The court's decision is limited to a determination of the appraised value of the real estate and must not include costs assessed against either party.*

Sec. 19. Minnesota Statutes 1984, section 256B.504, subdivision 1, is amended to read:

Subdivision 1. A legislative ~~study~~ commission is created

(a) to monitor the inspection and regulation activities, including rule developments, of the departments of health and human services with the ~~goal~~ goals of improving quality of care and controlling health care costs;

(b) to study and report on alternative long-term care services, including respite care services, day care services, and hospice services; ~~and~~

(c) to study and report on alternatives to medical assistance funding for providing long-term health care services to the citizens of Minnesota; ~~and~~

(d) to monitor the delivery of health care in Minnesota and to study and

*report on strategies to contain health care costs.*

The study commission shall consider the use of such alternatives as private insurance, private annuities, health maintenance organizations, preferred provider organizations, medicare, and such other alternatives as the commission may deem worthy of study.

Sec. 20. [256B.72] [RECOVERY OF THE FEDERAL SHARE.]

*Notwithstanding any laws or rules to the contrary and regardless of whether any appeal has been filed, when it has been determined that an overpayment has been made by the state to any medical assistance vendor and that the federal share of the overpayment amount is due and owing to the federal government pursuant to federal law and regulations, the state shall recover from the medical assistance vendor the federal share of the determined overpayment amount using the same schedule of payments required by the federal government.*

Sec. 21. Minnesota Statutes 1984, section 474.01, subdivision 7a, is amended to read:

Subd. 7a. No municipality or redevelopment agency shall undertake any project authorized by sections 474.01 to 474.13, except a project referred to in section 474.02, subdivision 1f, unless its governing body finds that the project furthers the purposes stated in this section, nor until the commissioner of energy and economic development has approved the project, on the basis of preliminary information which the commissioner may require, as tending to further the purposes and policies of sections 474.01 to 474.13. *The commissioner may not approve any projects relating to health care facilities except as permitted under subdivision 9.* Approval shall not be deemed to be an approval by the commissioner of energy and economic development or the state of the feasibility of the project or the terms of the revenue agreement to be executed or the bonds to be issued therefor, and the commissioner shall state this in communicating approval.

Sec. 22. Minnesota Statutes 1984, section 474.01, subdivision 9, is amended to read:

Subd. 9. [HEALTH CARE FACILITIES.] The welfare of the state further requires the provision of necessary health care facilities, to the end that adequate health care services be made available to residents of the state at reasonable cost. *However, some projects relating to nursing homes may be inconsistent with established state policies and detrimental to the welfare of the state. The commissioner of energy and economic development shall forward to the commissioner of human services and the commissioner of health for review all applications for projects relating to nursing homes licensed by the department of health under chapter 144A. This review process does not apply to projects approved by the housing finance agency involving residences for the elderly, the costs of which will not be reimbursed under the medical assistance program. The commissioner of human services and the commissioner of health must return the applications to the commissioner of energy and economic development with a recommendation within 30 days of receipt. The commissioner of energy and economic development may not approve an application unless the project has been determined by both the commissioner of human services and the commissioner of health to be con-*

sistent with policies of the state as reflected in a statute or rule. The following projects may not be approved:

- (1) projects that will result in an increase in the number of nursing home or boarding care beds in the state;
- (2) projects involving refinancing, unless the refinancing will result in a reduction in debt service charges that will be reflected in charges to patients and third party payors; and
- (3) projects that are inconsistent with the established policies of the state as reflected in a statute or rule.

**Sec. 23. [FEASIBILITY STUDY OF HOME EQUITY CONVERSION FOR LONG-TERM HEALTH CARE.]**

*Subdivision 1. [FEASIBILITY STUDY.] The commissioner of human services, with the assistance of the commissioner of commerce and the directors of the housing finance agency and the state planning agency, shall study and report to the legislature concerning the feasibility of a home equity conversion program to finance long-term health care and long-term health care insurance. The study must examine and provide recommendations concerning:*

- (1) methods of encouraging participation, including public subsidy mechanisms;*
- (2) the characteristics of target populations;*
- (3) federal and state legislative and regulatory barriers;*
- (4) the role of the medical assistance program, insurance carriers and other forms of health care coverage, lending institutions, employers, investors, consumer organizations, and other programs and interests;*
- (5) estimates of demand and participation;*
- (6) estimates of cost;*
- (7) methods of addressing adverse selection; and*
- (8) other considerations affecting the desirability and feasibility of home equity conversion to finance long-term health care and long-term health care insurance.*

*Subd. 2. [REPORT.] By February 15, 1986, the commissioner of the human services shall report to the legislature on the study required under subdivision 1. In addition to the information required under subdivision 1, the report must include recommendations concerning the value of a project to demonstrate the use of home equity conversion to finance long-term health care and long-term health care insurance. If the report recommends establishing a demonstration project, the report must include recommendations for designing, implementing, and funding the project.*

**Sec. 24. [APPROPRIATION.]**

*\$\_\_\_\_\_ is appropriated from the general fund to the commissioner of human services to conduct a feasibility study of home equity conversion for long-term health care.*

**Sec. 25. [EFFECTIVE DATE.]**

*Sections 1 to 8, 14 to 16, and 18 to 22 are effective the day following final enactment. Sections 9 to 13, 17, 23, and 24 are effective July 1, 1985."*

Delete the title and insert:

"A bill for an act relating to human services; creating a procedure for reconsideration of a resident's case mix classification; establishing approval procedures and requirements for hospital swing beds; restricting licensure of new nursing home beds; expanding the preadmission screening program; revising statutes relating to nursing home reimbursement; requiring nursing homes participating in the medical assistance program to be medicare certified; creating an appeal process for nursing home appraisals; authorizing the legislative commission on long-term health care to study cost containment strategies and collect data; requiring recovery of the federal share of medical assistance overpayments; requiring review by the commissioners of human services and health of proposals for revenue bond financing of health facility projects; requiring a study of the feasibility of home equity conversion to finance long-term health care; appropriating money; amending Minnesota Statutes 1984, sections 144.50, subdivision 2; 144A.01, subdivision 5; 144A.071, subdivisions 1, 2, and 3; 256B.02, subdivision 8; 256B.091, subdivisions 1, 2, 4, 5, and 8; 256B.431, subdivisions 2b, 3, and 4; 256B.48, by adding a subdivision; 256B.50; 256B.504, subdivision 1; and 474.01, subdivisions 7a and 9; proposing coding for new law in Minnesota Statutes, chapters 144 and 256B."

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

Mr. Spear from the Committee on Judiciary, to which was re-referred

S.F. No. 571: A bill for an act relating to environment; creating a hazardous substance injury compensation fund; establishing a board to administer compensation; limiting compensable losses; prescribing claims procedures; allowing partial subrogation rights; providing for partial recoupment of expenditures from hazardous waste generators; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 115B.

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

Delete everything after the enacting clause and insert:

"Section 1. [115B.051] [PROOF OF CAUSATION; LEGAL PRINCIPLES APPLICABLE.]

*In any action brought under section 115B.05, or under any other law, to recover damages for death, personal injury, or disease arising out of the release of a hazardous substance:*

*(a) the enactment and subsequent repeal of section 115B.07, relating to proof of causation, shall not be construed in any way as a determination of legislative policy regarding the legal principles applicable to the proof of the causal connection between the release and the death, injury, or disease; and*

*(b) the legal principles applicable to the proof of causation shall be determined solely on the basis of applicable statutory and common law.*

Sec. 2. [115B.25] [DEFINITIONS.]

*Subdivision 1. [GENERAL.] The terms used in sections 3 to 14 have the definitions given them in section 115B.02 and this section.*

*Subd. 2. [BOARD.] "Board" means the hazardous substance injury compensation board established in section 4.*

*Subd. 3. [ELIGIBLE PROPERTY.] "Eligible property" means property damage that is eligible for compensation under section 6.*

*Subd. 4. [ELIGIBLE PERSONAL INJURY.] "Eligible personal injury" means personal injury that is eligible for compensation under section 6.*

*Subd. 5. [COMPENSABLE LOSS.] "Compensable loss" means a loss that is compensable under section 10.*

*Subd. 6. [FUND.] "Fund" means the hazardous substance injury compensation fund established in section 3.*

Sec. 3. [115B.26] [HAZARDOUS SUBSTANCE INJURY COMPENSATION FUND.]

*Subdivision 1. [ESTABLISHMENT.] A hazardous substance injury compensation fund is established as an account in the state treasury. The state treasurer shall credit to the fund account all amounts received by direct appropriation from the general fund as well as amounts received pursuant to sections 14 and 15. The state treasurer shall invest fund money pursuant to section 11A.25. Earnings, such as interest, dividends, and any other earnings arising from fund assets, must be credited to the fund.*

*Subd. 2. [APPROPRIATION.] The amount necessary to pay claims of compensation granted by the board under sections 3 to 14 is appropriated to the board from the hazardous substance injury compensation fund.*

*Subd. 3. [PAYMENT OF CLAIMS WHEN FUND INSUFFICIENT.] If the amount of the claims granted exceeds the amount in the fund, the board shall request a transfer from the general contingency fund to the hazardous substance injury compensation fund as provided in section 3.30. If no transfer is approved, the board shall pay the claims in the order granted only to the extent of the money remaining in the fund. The board may summarily pay the remaining claims after additional money is appropriated to or deposited in the fund.*

Sec. 4. [115B.27] [HAZARDOUS SUBSTANCE INJURY COMPENSATION BOARD.]

*Subdivision 1. [ESTABLISHMENT OF BOARD.] The hazardous substance injury compensation board is established within the department of health. The board consists of three members appointed by the governor subject to the advice and consent of the senate. One member must be a physician knowledgeable in toxicology; one member must be a member of the bar of this state; and one member must be a health professional knowledgeable in the area of hazardous substance injuries. The board shall annually elect a member to serve as chairman for a term of one year. Filling of vacancies on the board and removal of members are governed by section 15.0575.*

*Subd. 2. [MEMBERSHIP TERMS.] The initial members shall be ap-*

pointed to terms as follows:

- (1) the first member appointed for six years;
- (2) the second member appointed for four years;
- (3) the third member appointed for two years.

At the end of each member's term, the successor shall be appointed for six years and each successor thereafter shall be appointed for six years.

*Subd. 3. [COMPENSATION AND EXPENSES.]* The commissioner of employee relations shall establish the compensation or salary to be paid members of the board, based on the professional expertise and experience of the members and the workload of the board.

**Sec. 5. [115B.28] [POWERS AND DUTIES OF THE BOARD.]**

*Subdivision 1. [DUTIES.]* In addition to performing duties specified in sections 3 to 14 or in other law, the board shall:

(1) adopt rules, including emergency rules, as soon as practicable after all members are appointed, including rules governing practice and procedure before the board, the form and procedure for applications for compensation, and procedures for claims investigations;

(2) publicize the availability of compensation and application procedures on a statewide basis with special emphasis on geographical areas surrounding sites identified by the pollution control agency as having releases prior to July 1, 1983;

(3) collect, analyze, and make available to the public, in consultation with the department of health, the pollution control agency, the University of Minnesota medical and public health schools, and the medical community, data regarding injuries relating to exposure to hazardous substances; and

(4) prepare and transmit to the governor and the legislature a biennial report to include (a) a summary of board activity under clause (3); (b) data determined by the board from actual cases, including but not limited to number of cases, actual compensation received by each claimant, types of cases, and types of injuries compensated, as they relate to types of hazardous substances as well as length of exposure; and (c) board recommendations for legislative changes, further study, or any other recommendation aimed at improving the system of compensation.

*Subd. 2. [POWERS.]* In addition to exercising any powers specified in sections 3 to 14 or in other law, the board may:

(1) in reviewing a claim, consider any information that the board determines is relevant to the claim;

(2) contract for consultant or other services necessary to carry out the board's duties under sections 3 to 14;

(3) grant compensation on an emergency basis pending the final decision on a claim, subject to the adoption of rules by the board, if the claim is one with respect to which an award will probably be made and undue hardship will result to the claimant if immediate payment is not made.

*Subd. 3. [INVESTIGATION; OBTAINING INFORMATION.]* The

board may investigate any claim for compensation and for this purpose it may request from any person information regarding any matter, fact, or circumstance which is relevant to deciding the claim. In order to obtain this information the board, subject to any applicable privilege, may:

(a) request any person to produce documents, papers, books, or other tangible things in his possession, custody, or control;

(b) request the sworn testimony of any person as to any relevant fact or opinion;

(c) direct written questions to any person and request written answers and objections; and

(d) request a mental or physical examination or autopsy of the claimant.

The board shall give written notice of any request under this subdivision at least 15 days before the person is expected to comply with the request. If any person fails or refuses to comply with the request, the board may apply to a district court for an order to compel compliance with the request. The district court shall issue the order upon a showing of cause by the board, subject to applicable protective provisions of the rules of civil procedure.

Subd. 4. [ADMINISTRATIVE PERSONNEL AND SERVICES.] The commissioner of health shall provide for the administrative needs of the board as provided in this subdivision. The commissioner shall make available by separate budget to the board the staff services, funds for operation, and office space necessary to administer its functions. Upon request by the board, the commissioner shall hire or make available necessary employees and technical services. In order to perform its duties, the board may request information from the supervising officer of any state agency or state institution of higher education. The supervising officer shall comply with the board's request to the extent possible considering available agency or institution appropriations and may assign agency or institution employees to assist the board in performing its duties under sections 3 to 14.

## Sec. 6. [ELIGIBLE INJURY AND PROPERTY DAMAGE.]

Subdivision 1. [ELIGIBLE PERSONAL INJURY.] (a) A personal injury is eligible for compensation from the fund if it is a medically verified injury, including a chronic or acute disease or death, which is related to exposure to a hazardous substance released from a site where the substance was deposited. An eligible personal injury includes but is not limited to cancer, genetic mutations, behavioral abnormalities, physiological malfunctions, and physical deformations.

(b) A personal injury is not eligible for compensation from the fund if:

(1) the exposure took place outside the geographical boundaries of the state;

(2) the injury is one that is compensable under the workers compensation law, chapter 176;

(3) the injury arises out of the ordinary use of a consumer product; or

(4) it is the result of the release of a hazardous substance for which the injured or damaged party is a responsible person.

**Subd. 2. [ELIGIBLE PROPERTY DAMAGE.]** *Damage to real property owned by the claimant is eligible for compensation from the fund if the damage results from the presence in or on the property of a hazardous substance released from a site where the substance was deposited. Damage to property is not eligible for compensation from the fund if it results from the release of a hazardous substance for which the claimant is a responsible person.*

**Subd. 3. [TIME FOR FILING CLAIM.]** *A claim is not eligible for compensation from the fund unless it is filed with the board within the time provided in this subdivision.*

*(a) A claim for compensation for personal injury must be filed within two years after the injury and its connection to exposure to a hazardous substance has been discovered.*

*(b) A claim for compensation for property damage must be filed within two years after the damage occurred.*

*Notwithstanding the provisions of this subdivision, claims for compensation that would otherwise be barred by the passage of time may be filed not later than January 1, 1988.*

#### **Sec. 7. [115B.30] [OTHER ACTIONS.]**

**Subdivision 1. [BY CLAIMANT.]** *Except as provided in subdivision 4, a claimant who receives compensation from the fund may bring a personal injury, wrongful death, or other action in court for damages not compensated by the fund. In any case where the final judgment does not exceed 25 percent of the amount previously recovered from the fund, the court may assess costs and fees, not including attorney fees, against the claimant. A decision by the board to grant or deny compensation is inadmissible as evidence in any court action brought by the claimant to recover for additional injury or damage, except that if a verdict or decision is rendered for the claimant, the court shall take judicial notice of any board decision granting compensation in determining whether or not fees must be assessed as provided in this subdivision, and in entering judgment shall reduce the total damages to the extent already compensated by the fund.*

**Subd. 2. [SUBROGATION BY STATE.]** *The state is subrogated to all the claimant's rights to recover losses compensated from the fund from other sources, including responsible persons as defined in section 115B.03. The state may bring a subrogation action in its own name or in the name of the claimant. Money recovered by the state under this subdivision must be deposited in the fund.*

**Subd. 3. [JOINDER OF ACTIONS.]** *Nothing in subdivision 1 or 2 precludes joinder of actions brought by the state and a claimant or intervention in an action by any party.*

**Subd. 4. [SIMULTANEOUS CLAIM AND COURT ACTION PROHIBITED.]** *A claimant may not commence a court action to recover for any injury or damage for which the claimant seeks compensation from the fund during the time that a claim is pending before the board. A person may not file a claim with the board for compensation for any injury or damage for which the claimant seeks to recover in a pending court action. The time for filing a claim under section 6 or the statute of limitations for any civil action*



is suspended during the period of time that a claimant is precluded from filing a claim or commencing an action under this subdivision.

Sec. 8. [115B.31] [CLAIM FOR COMPENSATION.]

Subdivision 1. [FORM.] A claim for compensation from the fund must be filed with the board in the form required by the board. When a claim does not include all of the information required by subdivision 2 and applicable board rules, board staff shall notify a claimant of the absence of required information within 14 days of the filing of the claim. All required information must be received by the board not later than 60 days after the claimant received notice of its absence or the claim will be inactivated and may not be resubmitted for at least one year following the date of inactivation. The board may decide not to inactivate a claim under this subdivision if it finds serious extenuating circumstances.

Subd. 2. [REQUIRED INFORMATION.] A claimant must provide as part of the claim:

- (1) a sworn verification by the claimant of the facts set forth in the claim to the best of the claimant's knowledge;
- (2) evidence of the claimant's exposure to a named hazardous substance;
- (3) evidence that the exposure experienced by the claimant causes or significantly contributes to injury of the type suffered by the claimant, except when the claim is based on an earlier decision of the board as provided in section 9, subdivision 3;
- (4) evidence of the injury eligible for compensation suffered by the claimant and the compensable losses resulting from the injury;
- (5) evidence of any property damage eligible for compensation and the amount of compensable losses resulting from the damage;
- (6) information regarding any collateral sources of compensation; and
- (7) other information required by the rules of the board.

Subd. 3. [DEATH CLAIMS.] In any case in which death is claimed as a compensable injury, the claim may be brought on behalf of the claimant by the individuals eligible for death benefits and by the claimant's estate for compensable medical expenses.

Sec. 9. [115B.32] [DETERMINATION OF CLAIM.]

Subdivision 1. [STANDARD FOR PERSONAL INJURY.] The board shall grant compensation to a claimant who shows that it is more likely than not that:

- (1) the claimant suffers a medically verified injury that is eligible for compensation from the fund and that has resulted in a compensable loss;
- (2) the claimant has been exposed to a hazardous substance in an amount and duration sufficient to cause or significantly contribute to injury of the type suffered by claimant; and
- (3) the exposure of the claimant could reasonably have resulted from the release of the hazardous substance from an identified site where the substance was deposited.

*Subd. 2. [STANDARD FOR PROPERTY DAMAGE.] The board shall grant compensation to a claimant who shows that it is more likely than not that:*

*(1) the claimant has suffered property damage that is eligible for compensation and that has resulted in compensable loss; and*

*(2) the presence of the hazardous substance in or on the property could reasonably have resulted from the release of the hazardous substance from an identified site where the substance was deposited.*

*Subd. 3. [EFFECT OF PRIOR DECISION; EXCEPTION.]*

*(a) Except as provided in this subdivision, the board may not rely on an earlier decision granting or denying compensation as dispositive of any later claim.*

*(b) If the board finds that exposure to a particular hazardous substance in a particular amount, duration, and location causes or significantly contributes to an injury of the type suffered by a claimant, it may rely on that finding as dispositive of any future claim by another claimant who shows that it is more likely than not that he or she suffered the same type of injury and was exposed to the same hazardous substance in substantially the same amount, duration, and location.*

*Sec. 10. [115B.33] [COMPENSABLE LOSSES.]*

*Subdivision 1. [PERSONAL INJURY LOSSES.] Losses compensable by the fund for personal injury are limited to:*

*(a) medical expenses directly related to the claimant's injury;*

*(b) up to two-thirds of the claimant's lost wages not to exceed \$2,000 per month or \$24,000 per year;*

*(c) up to two-thirds of a self-employed claimant's lost income, not to exceed \$2,000 per month or \$24,000 per year;*

*(d) death benefits to dependents as follows:*

*(1) to a spouse with no dependent children, a sum computed by one-half of the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by 60 months;*

*(2) to a spouse with three or fewer dependent children, a sum computed by two-thirds of the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by the number of months remaining until the youngest dependent child attains the age of 18;*

*(3) to a spouse with four or more dependent children, a sum computed by three-fourths of the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, multiplied by the number of months remaining until the youngest dependent child attains the age of 18;*

*(4) to three or fewer dependent children when there is no surviving spouse, an amount as calculated in clause (2) but using one-half of the deceased claimant's lost wages or lost income as the base for the calculation;*

*(5) to four or more dependent children when there is no surviving spouse,*

an amount as calculated in clause (3) but using two-thirds of the deceased claimant's lost wages or lost income as the base for the calculation; and

(6) to any other individual who can show dependence on the deceased claimant, an amount equal to the amount of actual average monthly contribution made by the claimant to that individual prior to his or her inability to contribute or one-fourth of the deceased claimant's lost wages or lost income, calculated on a monthly basis not to exceed \$2,000 per month, whichever is less, multiplied by 36 months. A person who cannot show actual dependence on the deceased claimant may not recover death benefits. For the purposes of all the provisions in clause (d), lost wages includes the value of lost household labor; and

(e) the value of household labor lost due to the claimant's injury or disease not to exceed \$2,000 per month or \$24,000 per year.

Subd. 2. [PROPERTY DAMAGE LOSSES.] Losses compensable by the fund for property damage are limited to the following loss caused by damage to the principal residence of the claimant: the reasonable cost of replacing or decontaminating the primary source of drinking water for the property to the extent actually expended by the claimant or assessed by a local taxing authority, if the department of health has determined that the water is contaminated or has included the property in a well advisory area and has certified that the replacement or decontamination of the source of drinking water effectively has or will eliminate the contamination, up to a maximum of \$25,000.

#### Sec. 11. [115B.34] [DETERMINATION OF CLAIMS.]

Subdivision 1. [ASSIGNMENT OF CLAIMS.] The chairman of the board shall assign each claim that has been accepted for filing to a member of the board.

Subd. 2. [PRELIMINARY DECISION.] The board member to whom the claim is assigned shall review all materials filed in support of the claim and may cause an investigation to be conducted into the validity of the claim. The board member may make a preliminary decision on the basis of the papers filed in support of the claim and the report of any investigation of it. The decision must be in writing and include the reasons for the decision.

Subd. 3. [CIRCULATION OF PRELIMINARY DECISION.] Copies of the preliminary decision made under subdivision 2 must be circulated to the other two board members as soon as practicable. On receipt of the preliminary decision, the other two members have 20 days to challenge it by written notice to the member who made the decision. If neither member challenges the preliminary decision, a copy must be sent to the claimant who may challenge the decision by written notice to the board within 30 days of receipt of the decision. If no notice is received within the required time, the preliminary decision becomes a final decision of the board.

Subd. 4. [CHALLENGES.] If a board member or a claimant challenges a preliminary decision made pursuant to subdivision 2, the full board shall order the claimant to appear before the board. The appearance is not a contested case hearing under chapter 14. The claimant may produce further evidence to support the claim, including books, studies, reports, and any other written material and oral testimony of witnesses, including experts. The

board members may ask questions of the claimant and any witnesses presented by the claimant. After the appearance, the board shall make a final decision on the claim as soon as practicable. The decision must be in writing and include the reasons for the decision. A copy of each final decision must be sent to the claimant, including, for a claim that is granted, an explanation of the form in which the claim will be paid.

Subd. 5. [RECORD.] Any appearance by a claimant or witnesses must be tape recorded but a formal record pursuant to chapter 14 is not required.

Subd. 6. [APPEAL.] A final decision of the board made pursuant to this section is conclusive on all matters decided. There is no right to judicial review of a final decision of the board.

## Sec. 12. [115B.35] [AMOUNT AND FORM OF PAYMENT.]

If the board decides to grant compensation, it shall determine the net uncompensated loss payable to the claimant by computing the total amount of compensable losses payable to the claimant and subtracting the total amount of any compensation received by the claimant for the same injury or damage from other sources including, but not limited to, all forms of insurance and social security and any emergency award made by the board. The board shall pay compensation in the amount of the net uncompensated loss, provided that no claimant may receive more than \$250,000.

Compensation from the fund may be awarded in a lump sum or in installments at the discretion of the board.

## Sec. 13. [115B.36] [ATTORNEY FEES.]

The board may by rule limit the fee charged by any attorney for representing a claimant before the board.

## Sec. 14. [115B.37] [PARTIAL RECOUPMENT.]

At the end of each fiscal year, the board shall certify to the commissioner of revenue the amount expended from the fund to compensate persons injured by hazardous substances less amounts recovered under subrogation claims under section 7. The commissioner of revenue shall compute a surtax to be added to the hazardous waste generator tax in section 115B.22 which collected over the next calendar year will recoup 50 percent of the expenditures made from the fund during the previous fiscal year in excess of the subrogation claims recovered. Surtaxes collected under this section must be deposited in the fund.

## Sec. 15. [APPROPRIATION.]

Subdivision 1. [GENERAL.] \$2,000,000 is appropriated from the general fund to the hazardous substance injury compensation fund, to be available until expended.

Subd. 2. [ADMINISTRATIVE EXPENSES.] \$\_\_\_\_\_ is appropriated from the general fund to the commissioner of health to pay administrative costs of the hazardous substances injury compensation board, to be available until June 30, 1987. The complement of the department of health is increased by positions which may be in the unclassified service.

## Sec. 16. [REPEALER.]

*Minnesota Statutes 1984, section 115B.07, is repealed."*

Amend the title as follows:

Page 1, line 8, after "generators;" insert "removing statutory provision for causation for personal injury;"

Page 1, line 9, before the period, insert "; repealing Minnesota Statutes 1984, section 115B.07"

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

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

S.F. No. 598: A bill for an act relating to commerce; requiring the repair, refund, or replacement of new motor vehicles used for agricultural purposes; amending Minnesota Statutes 1984, section 325F.665, subdivision 1.

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

Delete everything after the enacting clause and insert:

"Section 1. Minnesota Statutes 1984, section 325F.665, subdivision 1, is amended to read:

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

(a) "agricultural vehicle" means:

(1) a farm truck as defined in section 168.011, subdivision 17;

(2) a farm tractor as defined in section 169.01, subdivision 8; and

(3) an implement of husbandry, as defined in section 169.01, subdivision 55, that is self-propelled.

~~(a)~~ (b) "consumer" means the purchaser, other than for purposes of resale, of a new motor vehicle used for personal, family, or household, or agricultural purposes at least 40 percent of the time, a person to whom the new motor vehicle is transferred for the same purposes during the duration of an express warranty applicable to the motor vehicle, and any other person entitled by the terms of the warranty to enforce the obligations of the warranty;

~~(b)~~ (c) "manufacturer" means a person engaged in the business of manufacturing, assembling or distributing motor vehicles, who will, under normal business conditions during the year, manufacture, assemble or distribute to dealers at least ten new motor vehicles;

~~(e)~~ (d) "manufacturer's express warranty" and "warranty" mean the written warranty of the manufacturer of a new motor vehicle of its condition and fitness for use, including any terms or conditions precedent to the enforcement of obligations under that warranty; and

~~(d)~~ (e) "motor vehicle" means (1) a passenger automobile as defined in section 168.011, subdivision 7, including pickup trucks and vans, and (2) the self-propelled motor vehicle chassis or van portion of recreational equipment

as defined in section 168.011, subdivision 25, and (3) an agricultural vehicle, which is sold to a consumer in this state.

Sec. 2. Minnesota Statutes 1984, section 325F.665, subdivision 3, is amended to read:

Subd. 3. [MANUFACTURER'S DUTY TO REFUND OR REPLACE.]

(a) If the manufacturer, its agents, or its authorized dealers are unable to conform the new motor vehicle to any applicable express warranty by repairing or correcting any defect or condition which substantially impairs the use or market value of the motor vehicle to the consumer after a reasonable number of attempts, the manufacturer shall, at the consumer's option, either replace the new motor vehicle with a comparable motor vehicle or accept return of the vehicle from the consumer and refund to the consumer the full purchase price, including the cost of any options or other modifications arranged, installed, or made by the manufacturer, its agent, or its authorized dealer within 30 days after the date of original delivery, and all other charges including, but not limited to, sales tax, license fees and registration fees, if applicable, less a reasonable allowance for the consumer's use of the vehicle not exceeding ten cents per mile driven or ten percent of the purchase price of the vehicle, whichever is less, or for an agricultural vehicle that does not have an odometer, \$10 per hour of engine time or the market lease value, whichever is less. Refunds must be made to the consumer, and lienholder, if any, as their interests appear on the records of the registrar of motor vehicles, or the county recorder of the debtor's residence. A reasonable allowance for use is that amount directly attributable to use by the consumer and any previous consumer prior to his or her first report of the nonconformity to the manufacturer, agent, or dealer and during any subsequent period when the vehicle is not out of service by reason of repair. It is an affirmative defense to any claim under this section (1) that an alleged nonconformity does not substantially impair the use or market value, or (2) that a nonconformity is the result of abuse, neglect, or unauthorized modifications or alterations of a motor vehicle by anyone other than the manufacturer, its agent or its authorized dealer.

(b) It is presumed that a reasonable number of attempts have been undertaken to conform a new motor vehicle to the applicable express warranties, if (1) the same nonconformity has been subject to repair four or more times by the manufacturer, its agents, or its authorized dealers within the express warranty term or during the period of one year following the date of original delivery of the motor vehicle to a consumer, whichever is the earlier date, but the nonconformity continues to exist, or (2) the vehicle is out of service by reason of repair for a cumulative total of 30 or more business days during the term or during the period, whichever is the earlier date.

(c) If the nonconformity results in a complete failure of the braking or steering system of the new motor vehicle and is likely to cause death or serious bodily injury if the vehicle is driven, it is presumed that a reasonable number of attempts have been undertaken to conform the vehicle to the applicable express warranties if the conformity has been subject to repair at least once by the manufacturer, its agents, or its authorized dealers within the express warranty term or during the period of one year following the date of original delivery of the motor vehicle to a consumer, whichever is the earlier date, and the nonconformity continues to exist.

(d) The term of an express warranty, the one-year period and the 30-day period shall be extended by any period of time during which repair services are not available to the consumer because of a war, invasion, strike, or fire, flood, or other natural disaster.

(e) The presumption contained in paragraph (b) applies against a manufacturer only if the manufacturer, its agent, or its authorized dealer has received prior written notification from or on behalf of the consumer at least once and an opportunity to cure the defect alleged. If the notification is received by the manufacturer's agent or authorized dealer, the agent or dealer must forward it to the manufacturer by certified mail, return receipt requested.

(f) At the time of purchase the manufacturer, either directly or through its agent or its authorized dealer, must provide the consumer a written statement on a separate piece of paper, in ten point all capital type, in substantially the following form: "IMPORTANT: IF THIS VEHICLE IS DEFECTIVE, YOU MAY BE ENTITLED UNDER STATE LAW TO REPLACEMENT OF IT OR A REFUND OF ITS PURCHASE PRICE. HOWEVER, TO BE ENTITLED TO REFUND OR REPLACEMENT, YOU MUST FIRST NOTIFY THE MANUFACTURER, ITS AGENT, OR ITS AUTHORIZED DEALER OF THE PROBLEM IN WRITING AND GIVE THEM AN OPPORTUNITY TO REPAIR THE VEHICLE."

Sec. 3. Minnesota Statutes 1984, section 325F.665, subdivision 4, is amended to read:

Subd. 4. [RESALE OF RETURNED MOTOR VEHICLE.] (a) If a motor vehicle has been returned under the provisions of subdivision 3 or a similar statute of another state, it may not be resold in this state unless:

(1) the manufacturer provides the same express warranty it provided to the original purchaser, except that the term of the warranty need only last for 12,000 miles or 12 months after the date of resale, whichever is earlier, *or for an agricultural vehicle that does not have an odometer, 600 hours or 12 months, whichever is earlier;* and

(2) the manufacturer provides the consumer with a written statement on a separate piece of paper, in ten point all capital type, in substantially the following form: "IMPORTANT: THIS VEHICLE WAS RETURNED TO THE MANUFACTURER BECAUSE IT DID NOT CONFORM TO THE MANUFACTURER'S EXPRESS WARRANTY AND THE NONCONFORMITY WAS NOT CURED WITHIN A REASONABLE TIME AS PROVIDED BY MINNESOTA LAW."

The provisions of this section apply to the resold motor vehicle for full term of the warranty required under this subdivision.

(b) Notwithstanding the provisions of paragraph (a), if a new motor vehicle has been returned under the provisions of subdivision 3 or a similar statute of another state because of a nonconformity resulting in a complete failure of the braking or steering system of the motor vehicle likely to cause death or serious bodily injury if the vehicle was driven, the motor vehicle may not be resold in this state."

Amend the title as follows:

Page 1, line 5, delete "subdivision 1" and insert "subdivisions 1, 3, and 4"

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

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

S.F. No. 601: A bill for an act relating to state departments and agencies; transferring authority for administration of the rural rehabilitation corporation trust liquidation act from the state executive council to the commissioner of energy and economic development; creating a governor's rural development council; amending Minnesota Statutes 1984, section 9.36; proposing coding for new law in Minnesota Statutes, chapter 116J.

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

Delete everything after the enacting clause and insert:

"Section 1. [116J.951] [DEFINITIONS.]

*Subdivision 1. [APPLICABILITY.] The definitions in this section apply to sections 1 to 3.*

*Subd. 2. [COMMISSIONER.] "Commissioner" means the commissioner of energy and economic development.*

*Subd. 3. [COUNCIL.] "Council" means the governor's rural development council.*

*Subd. 4. [MEMBER.] "Member" means a member of the council.*

Sec. 2. [116J.955] [RURAL REHABILITATION REVOLVING FUND.]

*Subdivision 1. [ESTABLISHMENT.] The rural rehabilitation revolving fund is established as an account in the state treasury. The money transferred to the state as a result of liquidating the rural rehabilitation corporation trust, and money derived from transfer of the trust to the state, must be credited to the rural rehabilitation revolving fund. The principal amount of the rural rehabilitation revolving fund, \$9.3 million, may not be spent and must be invested by the state investment board. The income attributable to investment of the principal is appropriated to the commissioner for the activities of the rural development council.*

*Subd. 2. [EXPENDITURE OF INVESTMENT INCOME.] The commissioner may only use the income from the investment of the rural rehabilitation revolving fund for the purposes that are allowed under the Minnesota rural rehabilitation corporation's charter and agreement with the United States secretary of agriculture as provided in Public Law 499, 81st Congress, enacted May 3, 1950 and as allowed under section 3, subdivision 8. Not more than three percent of the book value of the Minnesota rural rehabilitation corporation's assets may be used for administrative purposes in a year without approval of the United States secretary of agriculture.*

*Subd. 3. [TRANSFER OF AUTHORIZED RECORDS TO COMMISSIONER.] The authority, assets, books, and records held by the Minnesota rural rehabilitation corporation and later by the state executive council under*



Public Law 499, 81st Congress, May 3, 1950, is transferred to the commissioner.

Sec. 3. [116J.961] [GOVERNOR'S RURAL DEVELOPMENT COUNCIL.]

*Subdivision 1. [ESTABLISHMENT.] The governor's rural development council is established in the department of energy and economic development. The council shall consist of one representative from each of the state's development regions, including the seven-county metropolitan area, and the commissioner.*

*Subd. 2. [SELECTION OF MEMBERS.] Members representing the state's development regions must be selected by a majority vote of the regional development commissions, where they exist, and the metropolitan council. In regions that have dissolved their development commissions, members must be selected by a majority vote of the chairs of the respective county boards of commissioners in the region. Members must reside within the region they represent. The county boards of commissioners and the regional development commissions selecting members are encouraged to give preference to persons that hold an elected office. The county boards of commissioners and the regional development commissions must give public notice of vacancies on the council and make a selection of a member from applications received for the positions. The terms, compensation, and expiration of the council and its members are as provided in section 15.059, except that existing members of the council shall serve until January 1, 1987. A member may not serve more than two consecutive terms.*

*Subd. 3. [OFFICERS.] The council may elect a chairperson, vice chairperson, and other officers as is necessary from its members.*

*Subd. 4. [ADVISORY TASK FORCES.] The council may form advisory task forces to advise or assist the council to identify and work with rural development issues. The council shall appoint persons to the task forces. The persons on the task force may not receive per diem but may be reimbursed for expenses.*

*Subd. 5. [COUNCIL STAFF.] (a) The commissioner shall employ, with the concurrence of the council, an executive director experienced in public administration and rural development issues. The executive director is not a member of the council, but shall perform duties the council may require in carrying out its responsibilities. The executive director's position is in the unclassified service.*

*(b) The commissioner shall employ professional staff, clerical help, and other necessary employees upon the recommendation of the council and the executive director. Support staff shall serve in the classified civil service. The commissioner shall also provide materials and administrative help necessary for the council's activities including personnel, budget, payroll, and contract administration.*

*Subd. 6. [EXPENSES OF COUNCIL.] The commissioner shall pay for the expenses of the council, the council staff, and the council's programs from the appropriation under section 2, subdivision 1.*

*Subd. 7. [IDENTIFICATION OF RURAL DEVELOPMENT POLICY.]*

*The council shall advise the governor and the legislature on matters of public policy relating to rural development. The council shall identify prominent rural issues and formulate and advocate policies that serve the needs of the rural population of the state.*

*Subd. 8. [ADMINISTRATION OF ANNUAL INVESTMENT INCOME FROM THE RURAL REHABILITATION REVOLVING FUND.] (a) The council shall administer the annual investment income from the rural rehabilitation revolving fund by:*

*(1) administering a rural development grant program including the establishment of grant eligibility criteria, solicitation and review of grant applications, and determination of projects to be funded;*

*(2) developing priorities for state projects and activities related to rural development;*

*(3) providing technical help and rural development information services to state agencies, regional agencies, special districts, local governments, and interested citizens;*

*(4) preparing an annual budget and work program, and a biennial budget;*

*(5) preparing an annual report for the state office of the farmers home administration, United States department of agriculture, outlining program activities and expenditures from the trust fund; and*

*(6) reporting to the house agriculture and senate agriculture and natural resources committee by January 31 of each year on the grants, projects, and activities of the council.*

*(b) The commissioner shall make agreements or contracts to distribute grant funds to projects selected by the council.*

*Subd. 9. [RULES.] The commissioner shall, with the concurrence of the council, adopt rules for the administration of a rural development grant program.*

*Subd. 10. [BUDGET.] The commissioner shall review and approve a biennial budget prepared by the council and submit it to the governor and the legislature for approval as part of the biennial budget process.*

**Sec. 4. [116J.965] [INTERAGENCY COOPERATION.]**

*State departments and agencies shall cooperate with and assist the council in its work.*

**Sec. 5. [REPEALER.]**

*Minnesota Statutes 1984, section 9.36, is repealed."*

*Amend the title as follows:*

*Page 1, lines 7 and 8, delete "amending Minnesota Statutes 1984, section 9.36;"*

*Page 1, line 9, before the period, insert "repealing Minnesota Statutes 1984, section 9.36"*

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

Mr. Moe, D.M. from the Committee on Governmental Operations, to which was referred

S.F. No. 363: A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article V, sections 1, 3, and 4; article VIII, section 2; and article XI, sections 7 and 8; eliminating the office of state treasurer; giving the treasurer's powers and duties to another officer provided by law.

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

Delete everything after the enacting clause and insert:

"Section 1. [CONSTITUTIONAL AMENDMENT.]

*An amendment to the Minnesota Constitution is proposed to the people. If the amendment is adopted article IV, section 23, will read:*

Sec. 23. Every bill passed in conformity to the rules of each house and the joint rules of the two houses shall be presented to the governor. If he approves a bill, he shall sign it, deposit it in the office of the ~~secretary of state comptroller~~ and notify the house in which it originated of that fact. If he vetoes a bill, he shall return it with his objections to the house in which it originated. His objections shall be entered in the journal. If, after reconsideration, two-thirds of that house agree to pass the bill, it shall be sent, together with the governor's objections, to the other house, which shall likewise reconsider it. If approved by two-thirds of that house it becomes a law and shall be deposited in the office of the ~~secretary of state comptroller~~. In such cases the votes of both houses shall be determined by yeas and nays, and the names of the persons voting for or against the bill shall be entered in the journal of each house. Any bill not returned by the governor within three days (Sundays excepted) after it is presented to him becomes a law as if he had signed it, unless the legislature by adjournment within that time prevents its return. Any bill passed during the last three days of a session may be presented to the governor during the three days following the day of final adjournment and becomes law if the governor signs and deposits it in the office of the ~~secretary of state comptroller~~ within 14 days after the adjournment of the legislature. Any bill passed during the last three days of the session which is not signed and deposited within 14 days after adjournment does not become a law.

If a bill presented to the governor contains several items of appropriation of money, he may veto one or more of the items while approving the bill. At the time he signs the bill the governor shall append to it a statement of the items he vetoes and the vetoed items shall not take effect. If the legislature is in session, he shall transmit to the house in which the bill originated a copy of the statement, and the items vetoed shall be separately reconsidered. If on reconsideration any item is approved by two-thirds of the members elected to each house, it is a part of the law notwithstanding the objections of the governor.

*Article V, section 1, will read:*

Section 1. The executive department consists of a governor, lieutenant governor, ~~secretary of state, auditor, treasurer comptroller~~, and attorney gen-

eral, who shall be chosen by the electors of the state. The governor and lieutenant governor shall be chosen jointly by a single vote applying to both offices in a manner prescribed by law.

*Article V, section 3, will read:*

Sec. 3. The governor shall communicate by message to each session of the legislature information touching the state and country. He is commander-in-chief of the military and naval forces and may call them out to execute the laws, suppress insurrection and repel invasion. He may require the opinion in writing of the principal officer in each of the executive departments upon any subject relating to his duties. With the advice and consent of the senate he may appoint notaries public and other officers provided by law. He may appoint commissioners to take the acknowledgment of deeds or other instruments in writing to be used in the state. He shall take care that the laws be faithfully executed. He shall fill any vacancy that may occur in the offices of ~~secretary of state, treasurer, auditor comptroller~~, attorney general and the other state and district offices hereafter created by law until the end of the term for which the person who had vacated the office was elected or the first Monday in January following the next general election, whichever is sooner, and until a successor is chosen and qualified.

*Article V, section 4, will read:*

Sec. 4. The term of office of the ~~secretary of state, treasurer,~~ attorney general and ~~state auditor comptroller~~ is four years and until a successor is chosen and qualified. The duties and salaries of the executive officers shall be prescribed by law.

*Article VII, section 8, will read:*

Sec. 8. The returns of every election for officeholders elected statewide shall be made to the ~~secretary of state comptroller~~ who shall call to his assistance two or more of the judges of the supreme court and two disinterested judges of the district courts. They shall constitute a board of canvassers to canvass the returns and declare the result within three days after the canvass.

*Article VIII, section 2, will read:*

Sec. 2. The governor, ~~secretary of state, treasurer, auditor comptroller,~~ attorney general and the judges of the supreme court, court of appeals and district courts may be impeached for corrupt conduct in office or for crimes and misdemeanors; but judgment shall not extend further than to removal from office and disqualification to hold and enjoy any office of honor, trust or profit in this state. The party convicted shall also be subject to indictment, trial, judgment and punishment according to law.

*Article XI, section 6, will read:*

Sec. 6. As authorized by law certificates of indebtedness may be issued during a biennium, commencing on July 1 in each odd-numbered year and ending on and including June 30 in the next odd-numbered year, in anticipation of the collection of taxes levied for and other revenues appropriated to any fund of the state for expenditure during that biennium.

No certificates shall be issued in an amount which with interest thereon to maturity, added to the then outstanding certificates against a fund and interest

thereon to maturity, will exceed the then unexpended balance of all money which will be credited to that fund during the biennium under existing laws. The maturities of certificates may be extended by refunding to a date not later than December 1 of the first full calendar year following the biennium in which the certificates were issued. If money on hand in any fund is not sufficient to pay all non-refunding certificates of indebtedness issued on a fund during any biennium and all certificates refunding the same, plus interest thereon, which are outstanding on December 1 immediately following the close of the biennium, the ~~state auditor comptroller~~ shall levy upon all taxable property in the state a tax collectible in the ensuing year sufficient to pay the same on or before December 1 of the ensuing year with interest to the date or dates of payment.

*Article XI, section 7, will read:*

Sec. 7. Public debt other than certificates of indebtedness authorized in section 6 shall be evidenced by the issuance of bonds of the state. All bonds issued under the provisions of this section shall mature not more than 20 years from their respective dates of issue and each law authorizing the issuance of bonds shall distinctly specify the purposes thereof and the maximum amount of the proceeds authorized to be expended for each purpose. The ~~state treasurer comptroller~~ shall maintain a separate and special state bond fund on his official books and records. When the full faith and credit of the state has been pledged for the payment of bonds, the ~~state auditor comptroller~~ shall levy each year on all taxable property within the state a tax sufficient with the balance then on hand in the fund to pay all principal and interest on bonds issued under this section due and to become due within the ensuing year and to and including July 1 in the second ensuing year. The legislature by law may appropriate funds from any source to the state bond fund. The amount of money actually received and on hand pursuant to appropriations prior to the levy of the tax in any year shall be used to reduce the amount of tax otherwise required to be levied.

*Article XI, section 8, will read:*

Sec. 8. The permanent school fund of the state consists of (a) the proceeds of lands granted by the United States for the use of schools within each township, (b) the proceeds derived from swamp lands granted to the state, (c) all cash and investments credited to the permanent school fund and to the swamp land fund, and (d) all cash and investments credited to the internal improvement land fund and the lands therein. No portion of these lands shall be sold otherwise than at public sale, and in the manner provided by law. All funds arising from the sale or other disposition of the lands, or income accruing in any way before the sale or disposition thereof, shall be credited to the permanent school fund. Within limitations prescribed by law, the fund shall be invested to secure the maximum return consistent with the maintenance of the perpetuity of the fund. The principal of the permanent school fund shall be perpetual and inviolate forever. This does not prevent the sale of investments at less than the cost to the fund; however, all losses not offset by gains shall be repaid to the fund from the interest and dividends earned thereafter. The net interest and dividends arising from the fund shall be distributed to the different school districts of the state in a manner prescribed by law.

A board of investment consisting of the governor, the ~~state auditor~~, the ~~state~~

~~treasurer, the secretary of state comptroller~~, and the attorney general is hereby constituted for the purpose of administering and directing the investment of all state funds. The board shall not permit state funds to be used for the underwriting or direct purchase of municipal securities from the issuer or the issuer's agent.

*Article XI, section 10, will read:*

Sec. 10. As the legislature may provide, any of the public lands of the state, including lands held in trust for any purpose, may be exchanged for any publicly or privately held lands with the unanimous approval of the governor, the attorney general and the ~~state auditor comptroller~~. Lands so acquired shall be subject to the trust, if any, to which the lands exchanged therefor were subject. The state shall reserve all mineral and water power rights in lands transferred by the state.

*and Article XIII, section 11, will read:*

Sec. 11. A seal of the state shall be kept by the ~~secretary of state comptroller~~ and be used by him officially. It shall be called the great seal of the state of Minnesota.

#### Sec. 2. [TRANSITION.]

*If the proposed amendment is adopted, the first comptroller will be elected in the 1990 election.*

#### Sec. 3. [SCHEDULE AND QUESTION.]

*The proposed amendment shall be submitted at the 1986 general election. If approved, the first comptroller will be elected in 1990. The question proposed shall be:*

*"Shall the Minnesota Constitution be amended to consolidate the offices of state treasurer, state auditor, and secretary of state into one office of comptroller?"*

Yes \_\_\_\_\_  
No \_\_\_\_\_

#### Sec. 4. [POWERS AND DUTIES TRANSFERRED.]

*All the powers, duties, and responsibilities assigned by statute to the state auditor, the secretary of state, and the state treasurer are transferred to the state comptroller.*

#### Sec. 5. [FINANCIAL AUDITS TRANSFERRED.]

*The staff of the financial audits division of the legislative audit commission established under section 3.97, and all powers, duties, and responsibilities of the legislative auditor relating to financial audits, described in or assigned in accordance with sections 3.97, subdivision 6; 3.971; 3.972; 3.973; 3.974; 3.9741; and 3.9745, are transferred to the state comptroller.*

#### Sec. 6. [LEGISLATIVE AUDIT COMMISSION RENAMED.]

*The legislative audit commission established under section 3.97, subdivision 2, is renamed the legislative research commission. The legislative research commission retains all powers, duties, and responsibilities assigned by statute to the legislative audit commission, except those transferred to the*

state comptroller by section 5.

Sec. 7. [EFFECTIVE DATE.]

*Sections 4, 5, and 6 are effective January 1, 1991, if by then the amendment proposed under section 3 has been adopted in accordance with the Minnesota Constitution, article IX, section 1."*

Delete the title and insert:

"A bill for an act relating to state government; proposing an amendment to the Minnesota Constitution, article IV, section 23; article V, sections 1, 3, and 4; article VII, section 8; article VIII, section 2; article XI, sections 6, 7, 8, and 10; and article XIII, section 11; combining the offices of state treasurer, state auditor, and secretary of state into the office of state comptroller; providing that the first comptroller would be elected in 1990; transferring the powers, responsibilities, and duties of the state auditor, the secretary of state, and the state treasurer to the state comptroller; transferring the financial audits division of the legislative audit commission and its powers, duties, and responsibilities to the state comptroller; renaming the legislative audit commission."

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

Ms. Berglin from the Committee on Health and Human Services, to which was re-referred

S.F. No. 818: A bill for an act relating to employment and economic opportunity; providing for the streamlining and coordination of job, economic development, and income-maintenance programs; setting as dual goals the lowering of unemployment rates and welfare caseloads; abolishing the department of economic security; creating a new department of employment and training; transferring responsibilities of the department of economic security to the department of employment and training and the department of human services; transferring certain employment and training functions of the department of human services and the department of administration to the department of employment and training; providing for biennial statewide plans for employment and training and apprenticeships; providing for coordination of state and federal jobs programs; establishing community investment programs; granting rulemaking authority; changing formulas for paying local agencies for general assistance grants to recipients subject to work requirements; removing a sunset provision from the Minnesota emergency employment development act; appropriating money; amending Minnesota Statutes 1984, sections 86.33, by adding subdivisions; 116L.03, subdivision 7; 116L.04, by adding a subdivision; 129A.02, subdivision 2; 129A.03; 129A.04; 178.03, by adding a subdivision; 245.87; 248.07; 248.08; 256.01, subdivision 4; 256.736; 256C.24; 256C.25; 256C.26; 256D.02, subdivision 13; 256D.03, subdivision 2; 256D.09, subdivision 3, and by adding a subdivision; 256D.111, subdivision 2; 268.08, by adding a subdivision; 268.31; 268.32; 268.33; 268.34; 268.35; 268.36; 268.672, subdivision 6; and 268.686; proposing coding for new law as Minnesota Statutes, chapters 267 and 268A; repealing Minnesota Statutes 1984, sections 129A.02, subdivision 4; 245.84, subdivision 2; 256.737; 256D.02, subdivision 8a; 256D.111,

subdivision 1a; 256D.112; 268.011; 268.012; 268.013; 268.12, subdivisions 1 and 1a; 268.683, subdivision 2; 268.684; 268.686; 268.80; and 268.81.

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

Page 6, after line 10, insert:

"Sec. 9. Minnesota Statutes 1984, section 136.63, is amended by adding a subdivision to read:

*Subd. 1b. Before prescribing any program involving training in semi-professional and technical fields or adult education, the board shall consult with the full productivity and opportunity coordinator and shall develop a biennial plan.*

Sec. 10. Minnesota Statutes 1984, section 136C.06, is amended to read:

136C.06 [SOLE STATE AGENCY.]

The state board of vocational technical education is the sole state agency to receive and disburse federal funds authorized by the Vocational Education Act of 1963, as amended in the education amendments of 1976, Public Law Number 94-482, and Code of Federal Regulations, title 34, part 400. The state board shall develop and submit the state plan for vocational technical education. The state board shall develop the state plan according to terms of agreement with the state board of education. *Before developing and submitting the state plan, the state board shall consult with the full productivity and opportunity coordinator and shall develop a biennial plan.*"

Page 7, line 13, before "division" insert "distinct" and after "division" insert "with a separate budget"

Page 7, lines 14 and 15, delete "described in this section"

Page 12, line 1, strike the colon and insert "appeal that action in the manner provided for contested cases in chapter 14."

Page 12, strike lines 2 to 18

Page 15, line 21, after "including" insert "supported work programs and other"

Page 17, line 13, delete "applicants for or"

Page 19, line 6, delete "day" and insert "child"

Page 19, after line 19, insert:

*"Subd. 10. [LONG-TERM WELFARE RECIPIENT PROGRAM.] The commissioner of employment and training shall establish a supported work program for recipients of aid to families with dependent children who have received public assistance for more than three years and who are residents of counties that have had more than three percent of their aid to families with dependent children recipients on such assistance for three years or longer.*

*The goals of the supported work program must be made a part of the biennial plan of the commissioner."*

Page 21, line 15, delete "39" and insert "44"

Page 21, line 28, delete "42" and insert "48"



Page 22, line 4, delete "42" and insert "48"

Page 23, line 3, after "administer" insert "and deliver"

Page 23, line 4, strike "delegate administration" and insert "contract for the delivery"

Page 23, line 5, strike "to" and insert "with" and after "government" insert " , public, or nonprofit agency"

Page 23, line 31, delete "42" and insert "48"

Page 23, line 33, delete "provided" and insert "offered" and delete "suitable" and insert "community investment program"

Page 25, after line 30, insert:

"Sec. 25. [268.041] [BOARD FOR THE BLIND.]

*Subdivision 1. [MEMBERSHIP.] There is created the Minnesota board for the blind within the department of employment and training. The board consists of seven members appointed by the governor. At least four of the board members shall be blind or visually handicapped. Board members are appointed for four-year terms, except for the members first appointed, of whom three are appointed for a term ending December 31, 1990, three for terms ending December 31, 1989, and three for terms ending December 31, 1988.*

*Subd. 1a. [REMOVAL; VACANCIES.] The compensation, removal of members, and filling of vacancies on the board shall be as provided in section 15.0575.*

*Subd. 2. [DUTIES.] The board shall:*

*(1) advise the commissioner on the qualifications for the director of the division of services for the blind;*

*(2) advise the commissioner regarding the development of policies, programs, services affecting the blind and visually impaired, and on the use of appropriate federal funds;*

*(3) advise the commissioner regarding policies relating to eligibility determinations;*

*(4) create a public awareness of the special needs and potentialities of blind and visually impaired persons; and*

*(5) provide the commissioner with a review of ongoing services, programs, and proposed legislation affecting the blind and visually impaired."*

Page 28, line 17, after the period, insert "The commissioner shall use any funds collected by him under this paragraph for job search and relocation expenses of structurally unemployed workers participating in the training program."

Page 28, line 28, after "years" insert " . The commissioner shall allocate 80 percent of available funds to youths"

Page 28, line 30, after "budget" insert "and 20 percent of available funds to youths from families with household incomes no greater than 150 percent of the federal poverty guidelines"

Page 28, line 34, delete "42" and insert "48" and strike "other"

Page 31, after line 8, insert:

"Sec. 34. Minnesota Statutes 1984, section 268.676, subdivision 1, is amended to read:

Subdivision 1. [AMONG JOB APPLICANTS.] Allocation of funds among eligible job applicants within a service delivery area shall be determined by the employment administrator in each service delivery area. The employment administrator shall give priority to:

- (1) applicants living in households with no other income source; and
- (2) applicants who would otherwise be eligible to receive general assistance;
- (3) *applicants who are eligible for aid to families with dependent children; and*
- (4) *applicants who live in a farm household who demonstrate severe household financial need.*

In service delivery areas where the unemployment rate for the 12-month period ending the most recent March 31 is below the statewide unemployment rate at that time, the employment administrator shall give higher priority to applicants described in clause (2) than to those described in clause (1)."

Page 31, line 31, delete "33 to 37" and insert "37 to 41"

Page 31, line 34, delete "5" and insert "6"

Page 32, line 21, delete everything after "Subd. 6." and insert "[LOCAL SERVICE UNIT.] *Local service unit*"

Page 32, line 22, delete everything after "means" and insert "*a county, joint power agreement, city of the first class, or service delivery area.*"

Page 32, line 27, before the period, insert "*under the scope of this section*"

Page 32, line 32, before the first semicolon, insert "*, subdivisions 1 to 10*" and after the first semicolon, insert "*268.676, subdivision 1;*" and delete "*and*"

Page 32, line 33, delete the second "*subdivision*" and insert "*subdivisions*" and before the period, insert "*, 3, and 4; and 268.682*"

Page 33, line 11, delete "32 to 35" and insert "36 to 39"

Page 33, line 20, after "(4)" insert "*enter into contracts;*  
(5)"

Page 33, lines 22, 30, and 34, delete "33" and insert "37"

Page 33, line 28, delete "(5)" and insert "(6)"

Page 33, line 32, delete "(6)" and insert "(7)"

Page 33, delete line 35 and insert:

"(8) *where federal and state laws allow, identify, define, and prescribe the services and standards used for all employment and training services;*"

Page 33, line 36, delete "(8) *develop*" and insert "(9) *initiate*" and delete "*implement*" and insert "*oversee*"

Page 34, line 1, delete "(9)" and insert "(10)" and delete "economic security" and insert "employment and training"

Page 34, line 5, delete "and"

Page 34, line 6, delete "(10)" and insert "(11)"

Page 34, line 9, before "for" insert:

"(12)"

Page 34, line 9, delete "service providers who" and insert "local service units that"

Page 34, line 17, delete the period and insert a semicolon

Page 34, after line 17, insert:

"(13) certify competent service providers and decertify service providers that fail to comply with performance criteria developed by the coordinator; and

(14) if the coordinator finds that a local service unit over the period of two years consistently fails to provide service of sufficient quantity and quality to satisfy criteria established for the receipt of state funds, the coordinator has the authority to assume responsibility for employment and training programs in that local service unit."

Page 34, line 18, after "[267.04]" insert "[DUTIES AND RESPONSIBILITIES.]"

Page 34, line 33, after "with" delete the comma and insert "and"

Page 34, lines 33 and 34, delete ", and give necessary instructions and directions to county and local authorities" and insert "local service units"

Page 35, line 3, delete "implement" and insert "oversee the implementation of"

Page 35, line 6, delete "operating" and delete "the service"

Page 35, delete lines 7 and 8, and insert "local service units and obtain from them the reports necessary to monitor and evaluate the success of their employment and training programs;"

Page 35, line 11, delete the first comma and insert "or" and after "un-trained" delete ", and needy"

Page 35, line 22, delete "and" and insert a comma and after "submission" insert ", and updating"

Page 35, line 23, delete the first comma and insert "and" and after "local" delete "governments, and"

Page 35, line 24, delete "providers" and insert "units"

Page 35, line 25, delete "county by county"

Page 35, line 25, delete "criteria based"

Page 35, delete lines 26 and 27 and insert "objectives for individual local service units that include the simultaneous reduction of unemployment rates and welfare case loads."

Page 35, lines 29 and 30, delete "October 15, 1985, and thereafter by

October 15" and insert "July 1"

Page 36, lines 2 and 3, delete "for each service delivery area"

Page 36, lines 4 and 5, delete "for each service delivery area"

Page 36, after line 5, insert:

*"(4) a review and comment on the vocational programs administered by the vocational technical education system and the community colleges;"*

Renumber the clauses in sequence

Page 36, line 13, delete "a plan" and insert "guidelines"

Page 36, line 13, after "and" insert "a"

Page 36, line 15, before "must" insert "may consist of one or more separate operations, but it" and delete "have" and insert "provide"

Page 36, line 23, after "system" insert ", within federal and state data practices provisions,"

Page 36, line 28, after "of" insert "employment and training,"

Page 36, line 32, before the semicolon, insert "and the type of jobs that would provide valuable training, skills, and work experience to part-time program employees"

Page 36, line 33, delete "temporary" and insert "emergency"

Page 37, line 1, delete "development" and insert "developing"

Page 37, after line 14 insert:

*"Subd. 5. [ALLOCATION OF WAGE SUBSIDY FUNDS.] The coordinator shall allocate wage subsidy funds in the following manner: Seventy percent of the funds available for allocation to local service units for wage subsidy programs must be allocated among local service units as follows: the proportion of the wage subsidy funds available to each service delivery unit shall be calculated by giving equal weight to the number of unemployed persons in the local service unit divided by the total number of unemployed persons in the state for the 12-month period ending the most recent March 31 and the number of public assistance recipients in the local service unit divided by the total number of public assistance recipients in the state for the 12-month period ending the most recent March 31; 30 percent of the funds allocated to local service units under the program must be allocated at the discretion of the coordinator."*

Page 37, line 15, delete "5" and insert "6" and delete "DUTIES RELATING TO" and insert "SPECIAL"

Page 37, line 18, delete "localities" and insert "local service units"

Page 37, line 30, delete "pooled and"

Page 37, line 30, after "to" insert "local"

Page 37, line 31, delete "providers in service delivery areas" and insert "units"

Page 37, line 32, after "each" insert "local" and delete "delivery area"

and insert "unit"

Page 37, line 33, before the period, insert "at the end of the most recent quarter"

Page 38, line 8, after "shall" insert "provide information and"

Page 38, after line 14, insert:

"Sec. 42. [267.07] [AUDIT.]

*The legislative auditor shall perform two program audits of the office of full productivity and opportunity. The first program audit shall be submitted to the legislature by January 1, 1988; the second shall be submitted to the legislature by January 1, 1990."*

Pages 39 and 40, delete clauses (3) to (5)

Renumber the clauses in sequence

Page 40, line 14, delete everything after the period

Page 40, delete lines 15 and 16

Page 40, after line 24, insert:

"(3) administer wage subsidy programs;"

Page 41, delete clause (7)

Renumber the clauses in sequence

Page 42, after line 1, insert:

"Sec. 45. [SERVICE PRIORITIES FOR EMPLOYMENT AND TRAINING PROGRAMS.]

*Subdivision 1. To the extent that the state has the authority to establish priority groups to be served under these programs, greatest consideration must be given to client groups identified as experiencing the most severe disadvantages to employment. Individuals volunteering for employment, regardless of whether or not they are required to register, must also be given preference to avoid the effects of long-term dependence on public assistance.*

*Subd. 2. (a) The priority for services to be provided is:*

*(1) permanent, unsubsidized, full-time private or nonprofit sector employment;*

*(2) permanent, subsidized, full-time private sector employment;*

*(3) permanent, subsidized, full-time nonprofit sector employment;*

*(4) training or relocation; and*

*(5) part-time, subsidized, nonprofit, or public employment with continued employment assistance.*

*(b) Individuals receiving any of the priority services in paragraph (a) must be provided day care, transportation, or other support services as appropriate and available."*

Page 42, lines 7 and 8, delete "applicants for and"

Page 42, line 11, delete "applicants and"

Page 42, delete lines 19 to 36

Page 43, delete lines 1 to 3

Page 43, delete lines 9 to 11

Page 43, line 16, delete "day" and insert "child"

Page 43, line 35, delete "supervise" and insert "assist"

Page 44, line 6, delete "prepare" and insert "assure that a client's employment status is appraised within 30 days and that"

Page 44, line 7, after "plan" insert "is prepared"

Page 44, line 8, delete "30" and insert "90"

Page 44, after line 17, insert:

*"(c) If either the recipient or the local agency disagrees with the determination that the individual is lacking work skills or training, the individual or the county may appeal the decision to the commissioner."*

Renumber the subdivisions in sequence

Page 44, line 31, delete "commissioner's" and insert "coordinator's"

Page 45, lines 14 and 15, delete "which provide jobs or job training"

Page 45, line 16, before the period, insert "and must provide program employees with training and work experience"

Page 45, line 31, delete "eligible for and"

Page 45, line 34, delete "and" and insert a comma

Page 45, line 36, before the period, insert ", and who volunteer for the employment"

Page 46, line 4, after the second comma, insert "and"

Page 46, line 5, delete ", and the county emergency jobs program"

Page 46, line 22, after "paid" insert "a wage"

Page 46, line 31, after "hours" insert "or four days"

Page 46, line 34, after "the" insert "voluntary"

Page 47, line 2, delete everything after the comma

Page 47, line 3, delete "required,"

Page 48, after line 22, insert:

*"Subd. 8. [VOLUNTARY PARTICIPATION.] Participation in the community investment program by any recipient of aid to families with dependent children shall be voluntary."*

Page 48, line 29, after "and" insert ", unless the county already operates the job training partnership act program,"

Page 49, line 4, delete "out-stationed" and insert "co-located"

Page 51, line 15, delete "demonstrate" and insert "evaluate"

Page 51, line 21, delete everything after "[ALLOCATION.]" and insert

*“(a) No later than August 1 of each odd-numbered year, the commissioner shall notify all county boards of the allocation and the procedures used for the sliding fee program. If the appropriation is insufficient to meet the needs in all counties, the amount shall be prorated among the counties.”*

*(b) For the purposes of this section, the commissioner shall allocate money appropriated between the metropolitan area, comprising the counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, and Washington, and the area outside the metropolitan area so that no more than 55 percent of the total fund goes to either area after excluding allocations for statewide administrative costs. The commissioner shall allocate 50 percent of the funds among counties on the basis of the number of families below poverty, as determined from the most recent special census and 50 percent on the basis of caseloads of aid to families with dependent children for the preceding fiscal year as determined by the commissioner of human services.”*

Page 51, delete lines 22 to 36

Page 52, delete lines 1 and 2

Page 52, line 10, delete “dependent” and after “families” insert “with dependent children” and delete “or”

Page 52, line 12, delete “county board” and insert “commissioner”

Page 52, line 19, delete “board’s” and insert “commissioner’s”

Page 52, delete lines 25 to 31

Page 52, line 32, before “Persons” insert “(a)”

Page 52, line 34, delete “shall” and insert “are eligible to”

Page 52, line 35, delete everything after the period

Page 52, delete line 36, and insert:

*“(b) Employed persons who work at least ten hours per week and receive at least minimum wage for all hours worked are eligible for child care assistance.”*

Page 53, delete line 1

Page 53, line 10, delete everything after the period

Page 53, delete lines 11 and 12

Page 53, line 16, before “first” insert “program’s”

Page 53, line 17, delete everything after “years”

Page 53, line 18, delete “section”

Page 53, line 21, delete “under the board’s”

Page 53, line 22, delete “established range”

Page 53, line 28, delete “When the county”

Page 53, delete line 29

Page 53, line 30, delete “the commissioner for the same service,”

Page 53, line 35, before “for” insert “of human services”

Page 54, line 9, delete "*The county board may*"

Page 54, delete lines 10 to 14

Page 54, line 16, delete "*ten percent of the first \$200,000 and*"

Page 54, line 17, delete "*the balance of any*" and insert "*its*"

Renumber the subdivisions in sequence

Page 54, lines 24 and 31, delete "*46*" and insert "*52*"

Pages 54 and 55, delete section 49

Page 58, line 5, delete "*268.686*;"

Page 58, line 7, delete "*47*" and insert "*53*"

Page 58, line 8, delete "*31*" and insert "*35*" and delete "*10*" and insert "*12*" and delete "*14*" and insert "*16*"

Page 58, line 9, delete "*46*" and insert "*52*"

Renumber the sections in sequence

Amend the title as follows:

Page 1, line 6, after the semicolon, insert "creating the board for the blind;"

Page 1, line 19, after the semicolon, insert "providing for audits of the program;"

Page 1, line 27, after the second semicolon, insert "136.63, by adding a subdivision; 136C.06;"

Page 1, line 34, before "and" insert "268.676, subdivision 1;"

Page 1, line 35, after "law" insert "in Minnesota Statutes, chapter 268; proposing coding for new law"

Page 1, line 41, delete "*268.686*;"

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

## SECOND READING OF SENATE BILLS

S.F. Nos. 468, 126, 566, 281, 803, 563, 77, 882, 519, 665, 822, 597, 194, 471, 70, 643, 678, 381, 709, 693, 623 and 221 were read the second time.

## MOTIONS AND RESOLUTIONS

Mr. Diessner moved that the name of Mr. Solon be added as a co-author to S.F. No. 10. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Benson be added as a co-author to S.F. No. 633. The motion prevailed.

Mr. Solon moved that his name be stricken as a co-author to S.F. No. 912. The motion prevailed.

Mrs. Lantry moved that the name of Mr. Wegscheid be added as a co-au-



thor to S.F. No. 933. The motion prevailed.

Mr. Waldorf moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 944. The motion prevailed.

Mr. Schmitz moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 949. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 953. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 955. The motion prevailed.

Mr. Samuelson moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 957. The motion prevailed.

Mr. Solon moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 966. The motion prevailed.

Mr. Petty moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 974. The motion prevailed.

Mr. Petty moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 975. The motion prevailed.

Mr. Merriam moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 985. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1003. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1004. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Wegscheid be added as a co-author to S.F. No. 1005. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1017. The motion prevailed.

Mr. Bertram moved that the name of Mr. Stumpf be added as a co-author to S.F. No. 1022. The motion prevailed.

Mr. Bertram moved that the name of Mr. DeCramer be added as a co-author to S.F. No. 1023. The motion prevailed.

Mr. Bertram moved that the names of Messrs. DeCramer and Stumpf be added as co-authors to S.F. No. 1024. The motion prevailed.

Mr. Davis moved that the name of Mr. Purfeerst be added as a co-author to S.F. No. 1033. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Peterson, C.C. be added as a co-author to S.F. No. 1058. The motion prevailed.

Mr. Stumpf moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1069. The motion prevailed.

Mr. Purfeerst moved that the name of Mr. Schmitz be added as a co-author to S.F. No. 1070. The motion prevailed.

Ms. Peterson, D.C. moved that the name of Mr. Pogemiller be added as a

co-author to S.F. No. 1088. The motion prevailed.

Mr. Merriam moved that the name of Mr. Dahl be added as a co-author to S.F. No. 1093. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Jude be added as a co-author to S.F. No. 1098. The motion prevailed.

Mr. DeCramer moved that the name of Mr. Davis be added as a co-author to S.F. No. 1101. The motion prevailed.

Mr. Wegscheid moved that the name of Mr. Davis be added as a co-author to S.F. No. 1102. The motion prevailed.

Mr. Lessard moved that S.F. No. 868 be withdrawn from the Committee on Local and Urban Government and re-referred to the Committee on Judiciary. The motion prevailed.

Mr. Knutson introduced—

Senate Resolution No. 44: A Senate resolution congratulating the hockey team from Burnsville High School for winning the State High School Hockey Championship.

Referred to the Committee on Rules and Administration.

Mr. Knutson introduced—

Senate Resolution No. 45: A Senate resolution congratulating the swimming and diving team from Burnsville High School for winning the State High School Swimming and Diving Championship.

Referred to the Committee on Rules and Administration.

Mrs. McQuaid introduced—

Senate Resolution No. 46: A Senate resolution congratulating the girls basketball team from St. Louis Park High School for winning the 1985 Class AA Girls State High School Consolation Championship.

Referred to the Committee on Rules and Administration.

Mr. Kamrath and Mrs. Adkins introduced—

Senate Resolution No. 47: A Senate resolution congratulating the Spartans girls basketball team from Milroy High School for winning second place in the 1985 Class A Girls State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Samuelson introduced—

Senate Resolution No. 48: A Senate resolution congratulating the Flyers girls basketball team from Little Falls High School for winning the 1985 Class AA Girls State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mr. Anderson introduced—

Senate Resolution No. 49: A Senate resolution congratulating the Cardi-

nals girls basketball team from Staples High School for winning the 1985 Class A Girls State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

Mrs. Kronebusch introduced—

Senate Resolution No. 50: A Senate resolution commending Bonnie Gregorson for saving a life.

Referred to the Committee on Rules and Administration.

Ms. Berglin and Mr. Spear introduced—

Senate Concurrent Resolution No. 13: A Senate concurrent resolution expressing the sense of the House of Representatives and Senate that voluntary departure status should be granted to Central American refugees.

Referred to the Committee on Rules and Administration.

### CALENDAR

S.F. No. 40: A bill for an act relating to transportation; traffic regulations; defining "passenger vehicle"; requiring use of seat belts by passenger vehicle drivers and passengers; imposing a penalty; amending Minnesota Statutes 1984, sections 169.01, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 169.

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 37 and nays 27, as follows:

Those who voted in the affirmative were:

Berglin	Freeman	Langseth	Olson	Spear
Brataas	Gustafson	Lantry	Pehler	Storm
Davis	Hughes	Luther	Peterson, D.C.	Vega
DeCramer	Johnson, D.J.	McQuaid	Peterson, R.W.	Waldorf
Dicklich	Knaak	Mehrkins	Petty	Wegscheid
Diessner	Knutson	Merriam	Pogemiller	
Frank	Kroening	Moe, D. M.	Sieloff	
Frederick	Laidig	Novak	Solon	

Those who voted in the negative were:

Adkins	Chmielewski	Kamrath	Purfeerst	Stumpf
Anderson	Dieterich	Kronebusch	Ramstad	Taylor
Benson	Frederickson	Lessard	Reichgott	Willet
Berg	Isackson	Moe, R. D.	Renneke	
Bernhagen	Johnson, D.E.	Peterson, C.C.	Samuelson	
Bertram	Jude	Peterson, D.L.	Schmitz	

So the bill passed and its title was agreed to.

### CONSENT CALENDAR

S.F. No. 542: A bill for an act relating to local improvements; providing for advertisement for bids in certain publications; amending Minnesota Statutes 1984, section 429.041, subdivision 1.

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

The question was taken on the passage of the bill.

The roll was called, and there were yeas 63 and nays 0, as follows:

Those who voted in the affirmative were:

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

So the bill passed and its title was agreed to.

### GENERAL ORDERS

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

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

S.F. No. 63 and H.F. Nos. 509 and 329, which the committee recommends to pass.

S.F. No. 342, which the committee recommends to pass with the following amendment offered by Mrs. Lantry:

Page 1, line 10, strike "STATE"

Page 1, line 11, strike "; RULES; VIOLATION; PENALTY"

Page 1, line 12, before "The" insert "*Subdivision 1. [RULES; VIOLATION; PENALTY.]*"

Page 1, line 12, strike "state"

Page 1, line 22, before "The" insert "*Subd. 2. [ADMINISTRATION; INSPECTORS.]*"

Page 1, line 25, delete "*local municipality*" and insert "*home rule or statutory city, or a town*"

Page 2, line 1, before "*hold*" insert "*either (1)*" and delete "*licenses*" and insert "*a license*"

Page 2, line 1, before "*master*" insert "*a*" and delete "*plumbers*" and insert "*plumber*"

Page 2, line 2, before the period, insert:

"*, or (2) be a state certified plumbing inspector, as provided under subdivision 3*"

Page 2, after line 2, insert:

*"Subd. 3. [PLUMBING INSPECTOR CERTIFICATION.] (a) To become a state certified plumbing inspector, an individual must pass an examination prepared and administered by the department of health to determine if a person is qualified to be a certified plumbing inspector. The department shall make available upon request to any individual interested in taking the examination information regarding the general nature of, and areas to be tested on, the examination. A copy of the certificate of each individual who passes the examination shall be forwarded to the department of administration.*

*(b) Except as otherwise provided for by law, the commissioner may, upon notice and hearing, direct the dismissal of a plumbing inspector when it appears to the commissioner by competent evidence that the plumbing inspector has consistently failed to act in the public interest in the performance of his duties. Notice must be provided and the hearing conducted in accordance with the provisions of chapter 14 governing contested case proceedings. Nothing in this subdivision limits or otherwise affects the authority of a local jurisdiction to dismiss or suspend a plumbing inspector at its discretion, except as otherwise provided for by law.*

**Sec. 2. [EFFECTIVE DATE.]**

*This act is effective December 1, 1986."*

Amend the title as follows:

Page 1, line 3, delete "licenses" and insert "a license"

Page 1, line 4, before the semicolon, insert "or be a state certified plumbing inspector; establishing a certification procedure"

The motion prevailed. So the amendment was adopted.

S.F. No. 472, which the committee recommends to pass with the following amendments offered by Messrs Johnson, D.J. and Peterson, C.C.:

Mr. Johnson, D.J. moved to amend S.F. No. 472, as follows:

Page 8, line 12, delete the comma

Page 12, line 19, delete the comma

Amend the title as follows:

Page 1, line 10, delete "clarifying"

Page 1, delete line 11

Page 1, line 12, delete "American Indians;"

The motion prevailed. So the amendment was adopted.

Mr. Peterson, C.C. moved to amend S.F. No. 472 as follows:

Page 21, line 13, delete the new language and reinstate the stricken language

The motion prevailed. So the amendment was adopted.

On motion of Mr. Moe, R.D., the report of the Committee of the Whole, as

kept by the Secretary, was adopted.

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

### **MOTIONS AND RESOLUTIONS**

Messrs. Knaak, Laidig and Dahl introduced—

Senate Resolution No. 51: A Senate resolution congratulating the Bears from White Bear Area Senior High School for winning the 1985 Class AA Boys State High School Basketball Championship.

Referred to the Committee on Rules and Administration.

### **INTRODUCTION AND FIRST READING OF SENATE BILLS**

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

Mr. Bertram introduced—

S.F. No. 1119: A bill for an act relating to local government; increasing the amount that a county board may credit to the sheriff's contingency fund; amending Minnesota Statutes 1984, section 387.212.

Referred to the Committee on Local and Urban Government.

Messrs. Waldorf and Frederickson introduced—

S.F. No. 1120: A bill for an act relating to human services; changing nursing home prohibited practices for participation in medical assistance; amending Minnesota Statutes 1984, section 256B.48, subdivision 1.

Referred to the Committee on Health and Human Services.

Ms. Reichgott introduced—

S.F. No. 1121: A bill for an act relating to veterans; making certain veterans eligible for the state civil service veterans preference; repealing Minnesota Statutes 1984, section 43A.11, subdivision 2.

Referred to the Committee on Veterans and General Legislation.

Messrs. Dieterich, Novak, Spear, DeCramer and Peterson, D.L. introduced—

S.F. No. 1122: A bill for an act relating to liquor; recodifying statutory provisions relating to intoxicating liquor and nonintoxicating malt liquor; amending Minnesota Statutes 1984, sections 260.015, subdivision 22; 299A.02; 473F.02, subdivision 17; and 624.701; proposing coding for new law in Minnesota Statutes, chapter 171; proposing coding for new law as Minnesota Statutes, chapters 297C and 340A; repealing Minnesota Statutes 1984, sections 340.001 to 340.988.

Referred to the Committee on Public Utilities and State Regulated Industries.

Messrs. Dieterich, Jude, Novak, Spear and Peterson, D.L. introduced—

S.F. No. 1123: A bill for an act relating to public utilities; deregulating providers of coin telephone service; imposing a penalty; amending Minnesota Statutes 1984, section 237.01, subdivision 2, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 237.

Referred to the Committee on Public Utilities and State Regulated Industries.

Messrs. Spear, Renneke and Pogemiller introduced—

S.F. No. 1124: A bill for an act relating to retirement; Minneapolis teachers maximum service credit accrual; amendment of articles.

Referred to the Committee on Governmental Operations.

Ms. Peterson, D.C.; Messrs. Spear; Johnson, D.E.; DeCramer and Merriam introduced—

S.F. No. 1125: A bill for an act relating to victims of crime; establishing a crime victim and witness advisory board and a crime victim ombudsman; providing the board with extensive duties to assist victims and witnesses; providing the ombudsman with authority to investigate complaints with regard to treatment of victims; proposing coding for new law in Minnesota Statutes, chapter 611A.

Referred to the Committee on Governmental Operations.

Ms. Peterson, D.C.; Messrs. Spear; Johnson, D.E.; Kamrath and DeCramer introduced—

S.F. No. 1126: A bill for an act relating to crimes; transferring administration of crime victim crisis centers and the crime victims reparations board to the office of attorney general; amending Minnesota Statutes 1984, sections 611A.41, subdivision 2; 611A.44; 611A.53, subdivision 2; 611A.54; 611A.55, subdivision 1; and 611A.56, subdivision 1; repealing Minnesota Statutes 1984, section 611A.42.

Referred to the Committee on Judiciary.

Mr. Chmielewski introduced—

S.F. No. 1127: A bill for an act relating to children; expanding the definition of a medically neglected child; requiring the local agency to report and initiate proceedings in cases of medical neglect; amending Minnesota Statutes 1984, sections 260.015, subdivision 10; 626.556, subdivision 2, and by adding a subdivision.

Referred to the Committee on Health and Human Services.

Mrs. Lantry introduced—

S.F. No. 1128: A bill for an act relating to the legislature; reducing the number of members of the senate and house of representatives; amending Minnesota Statutes 1984, sections 2.021; and 2.031, subdivision 1; and re-

pealing Minnesota Statutes 1984, section 2.031, subdivision 2.

Referred to the Committee on Elections and Ethics.

Messrs. Dieterich, Dahl, Petty and Kroening introduced—

S.F. No. 1129: A bill for an act relating to occupations and professions; providing licensing requirements for closing agents; providing penalties; proposing coding for new law in Minnesota Statutes, chapter 82.

Referred to the Committee on Economic Development and Commerce.

Messrs. Waldorf, Diessner, Mrs. Brataas, Messrs. Luther and Spear introduced—

S.F. No. 1130: A bill for an act relating to occupations and professions; revising the standards for licensing and disciplining physicians; establishing reporting requirements for health professionals and granting immunity to those complying with reporting requirements; appropriating money; recodifying certain provisions in Minnesota Statutes, chapter 147; amending Minnesota Statutes 1984, sections 147.02, subdivision 1; 147.021; 147.03; 147.073; 147.074; 147.09; 147.10; and 176.011, subdivision 9; proposing coding for new law in Minnesota Statutes, chapter 147; repealing Minnesota Statutes 1984, sections 147.02, subdivision 2; 147.06; 147.07; 147.072; 147.101; 147.11; 147.12; 147.13; 147.16; 147.17; 147.18; 147.19; 147.20; and 147.23.

Referred to the Committee on Health and Human Services.

Mr. Vega introduced—

S.F. No. 1131: A bill for an act relating to the city of South St. Paul; providing for the financing of certain public improvements.

Referred to the Committee on Taxes and Tax Laws.

Ms. Peterson, D.C. introduced—

S.F. No. 1132: A bill for an act relating to elections; requiring school district elections to comply with the Minnesota election laws; amending Minnesota Statutes 1984, sections 123.11; and 123.32, subdivision 1; repealing Minnesota Statutes 1984, sections 123.32, subdivisions 2, 3, 4, 5, 6, 8, 8a, 24, and 25; and 200.015.

Referred to the Committee on Elections and Ethics.

Messrs. Diessner, Mehrkens, Ms. Berglin, Mr. Spear and Mrs. McQuaid introduced—

S.F. No. 1133: A bill for an act relating to health; establishing a procedure for declaration by competent adults that life-prolonging procedures may be withheld or withdrawn; providing a form; providing for revocation; establishing procedures in absence of a living will; providing for immunity from liability; providing for penalties; specifying effect on insurance and during pregnancy; preserving existing consensual medical treatment rights; proposing coding for new law in Minnesota Statutes, chapter 145.



Referred to the Committee on Judiciary.

Ms. Berglin and Mr. Spear introduced—

S.F. No. 1134: A bill for an act relating to taxation; increasing the maximum dependent care credit for certain recipients; amending Minnesota Statutes 1984, section 290.067, subdivisions 1 and 2.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Moe, D.M.; Renneke; Spear; Pogemiller and Wegscheid introduced—

S.F. No. 1135: A bill for an act relating to retirement; defining and providing for the payment of disability benefits to members of the teachers retirement association for occupational disability; amending Minnesota Statutes 1984, sections 354.05, by adding a subdivision; and 354.48, subdivisions 1, 2, 3, 4, 6, 7, and 10.

Referred to the Committee on Governmental Operations.

Messrs. Moe, D.M.; Renneke; Spear; Pogemiller and Wegscheid introduced—

S.F. No. 1136: A bill for an act relating to retirement; teachers variable annuity fund transfers and repayments; amending Minnesota Statutes 1984, section 354.146, subdivision 1, and by adding subdivisions.

Referred to the Committee on Governmental Operations.

Messrs. Moe, D.M.; Renneke; Spear; Pogemiller and Wegscheid introduced—

S.F. No. 1137: A bill for an act relating to retirement; state employees retirement system; reversing the workers' compensation offset; allowable service computation for leaves of absence; deferred annuities; disability benefits; amending Minnesota Statutes 1984, sections 176.021, subdivision 7; 352.01, subdivision 11; 352.22, subdivision 3; and 352B.10; repealing Minnesota Statutes 1984, section 352.113, subdivision 5.

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

Mr. Schmitz introduced—

S.F. No. 1138: A bill for an act relating to the borough of Belle Plaine; permitting Belle Plaine to use the term "borough" for all purposes; amending Minnesota Statutes 1984, sections 410.015; and 413.02, subdivision 5, and by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Mr. Dicklich introduced—

S.F. No. 1139: A bill for an act relating to corrections; providing for costs

of transporting convicted persons and children adjudicated delinquent to correctional facilities; amending Minnesota Statutes 1984, section 243.17, subdivision 1.

Referred to the Committee on Health and Human Services.

Messrs. Peterson, D.L.; Davis; Isackson and Moe, R.D. introduced—

S.F. No. 1140: A bill for an act relating to agriculture; requiring the inspection of certain animals to ensure their compliance with Minnesota standards; amending Minnesota Statutes 1984, section 31A.03.

Referred to the Committee on Agriculture and Natural Resources.

Mrs. Lantry introduced—

S.F. No. 1141: A bill for an act relating to Ramsey county; exempting county highways from seasonal load restrictions unless posted by the county authority; proposing coding for new law in Minnesota Statutes, chapter 383A.

Referred to the Committee on Transportation.

Messrs. DeCramer and Davis introduced—

S.F. No. 1142: A bill for an act relating to banking; providing assistance to customers of failed banks; appropriating money; proposing coding for new law as Minnesota Statutes, chapter 57.

Referred to the Committee on Economic Development and Commerce.

Messrs. Dicklich and Lessard introduced—

S.F. No. 1143: A bill for an act relating to motor vehicles; abolishing certain fees related to special license plates issued to former prisoners of war; amending Minnesota Statutes 1984, section 168.125, subdivision 1.

Referred to the Committee on Veterans and General Legislation.

Messrs. Knaak, Frederick, Sieloff, Bernhagen and Freeman introduced—

S.F. No. 1144: A resolution memorializing Carthage and Rome to congratulate them on signing a peace treaty to end the Punic Wars.

Referred to the Committee on Veterans and General Legislation.

Mr. Knaak introduced—

S.F. No. 1145: A bill for an act relating to elections; clarifying the term "corporation" as it relates to campaign contributions; amending Minnesota Statutes 1984, section 210A.34, by adding a subdivision.

Referred to the Committee on Elections and Ethics.

Ms. Olson, Messrs. Peterson, D.L.; Nelson; Taylor and Ramstad introduced—

S.F. No. 1146: A bill for an act relating to education; establishing a dem-

onstration site program for mastery learning through individualized learning plans; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 129B.

Referred to the Committee on Education.

Mr. Sieloff and Mrs. Lantry introduced—

S.F. No. 1147: A bill for an act relating to Ramsey county; placing the position of law clerk investigator in the unclassified service; amending Minnesota Statutes 1984, section 383A.29, subdivision 6.

Referred to the Committee on Local and Urban Government.

Messrs. Freeman, Pogemiller, Ms. Peterson, D.C.; Messrs. Laidig and Solon introduced—

S.F. No. 1148: A bill for an act relating to commerce; defining "trade secret"; amending Minnesota Statutes 1984, section 325C.01, subdivision 5.

Referred to the Committee on Economic Development and Commerce.

Messrs. Solon and Gustafson introduced—

S.F. No. 1149: A bill for an act relating to retirement; Duluth police relief association; consolidation into the public employees police and fire fund; terminating the Duluth police relief association; transferring of assets and records; repealing Laws 1949, chapter 153; Laws 1953, chapter 91; Laws 1955, chapter 187; Laws 1959, chapter 191; Laws 1975, chapter 408; Laws 1976, chapter 99; and Laws 1980, chapter 600, section 11.

Referred to the Committee on Governmental Operations.

Mr. Waldorf, Mrs. Adkins, Messrs. Johnson, D.J., Bernhagen and Renneke introduced—

S.F. No. 1150: A bill for an act relating to health; stating legislative intent for abortion services; proposing coding for new law in Minnesota Statutes, chapter 145.

Referred to the Committee on Health and Human Services. Mr. Spear questioned the reference thereon and, under Rule 35, the bill was referred to the Committee on Rules and Administration.

Messrs. Frederickson, Schmitz and Purfeerst introduced—

S.F. No. 1151: A bill for an act relating to elections; adopting the court-ordered apportionment plan, but changing Ottawa township in LeSeuer county from the second to the first congressional district; repealing Minnesota Statutes 1984, sections 2.741 to 2.811.

Referred to the Committee on Elections and Ethics.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1152: A bill for an act relating to local government; authorizing

the creation of a youth coordinating board in the city of Minneapolis.

Referred to the Committee on Local and Urban Government.

Messrs. Kamrath and Peterson, D.L. introduced—

S.F. No. 1153: A bill for an act relating to malt beverages; defining terms requiring registration numbers and records; providing a penalty; proposing coding for new law in Minnesota Statutes, chapter 340.

Referred to the Committee on Public Utilities and State Regulated Industries.

Messrs. Kamrath and Benson introduced—

S.F. No. 1154: A bill for an act relating to crimes; repealing law regulating carrying and transferring of pistols; repealing law prohibiting sale of Saturday Night Special Pistols; amending Minnesota Statutes 1984, sections 624.715; and 624.717; repealing Minnesota Statutes 1984, sections 624.7131; 624.7132; 624.714; 624.716; and 624.718.

Referred to the Committee on Judiciary.

Messrs. Kamrath, Bertram, Gustafson and Jude introduced—

S.F. No. 1155: A bill for an act relating to driver's licenses; allowing same time for expiration of driver's license for spouse of active duty member of armed forces; amending Minnesota Statutes 1984, section 171.27.

Referred to the Committee on Veterans and General Legislation.

Messrs. Davis, Chmielewski and Vega introduced—

S.F. No. 1156: A bill for an act relating to natural resources; establishing a youth conservation corps to promote employment of youths and young adults; redefining hazardous waste; increasing the tax on cigarettes; appropriating money for various natural resource-related projects, a youth conservation corps, and lime sludge removal; amending Minnesota Statutes 1984, sections 116.06, subdivision 13; 297.02, subdivision 1; and 297.22, subdivision 1; proposing coding for new law as Minnesota Statutes, chapter 84C.

Referred to the Committee on Employment.

Mr. Bertram introduced—

S.F. No. 1157: A bill for an act relating to corrections; updating the recordkeeping systems of jails and lockups; amending Minnesota Statutes 1984, sections 641.05; and 642.07.

Referred to the Committee on Health and Human Services.

Ms. Peterson, D.C. introduced—

S.F. No. 1158: A bill for an act relating to psychotherapists; providing a cause of action for wrongful sexual contact; requiring insurance coverage; requiring reporting of sexual abuse by psychotherapists; imposing a penalty;

amending Minnesota Statutes 1984, section 549.20, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 626; proposing coding for new law as Minnesota Statutes, chapter 148A.

Referred to the Committee on Judiciary.

Messrs. Luther; Moe, R.D.; Freeman and Spear introduced—

S.F. No. 1159: A bill for an act relating to corporations; regulating corporate take-overs and control share acquisitions; defining terms; prescribing penalties; amending Minnesota Statutes 1984, sections 80B.01, subdivisions 6, 8, and 9; 80B.03, subdivisions 1, 2, 4a, 5, and 6; 80B.05; 80B.06, subdivision 7; 80B.07, subdivision 3; 80B.10, subdivisions 1, 4, and by adding a subdivision; 302A.011, subdivisions 37, 39, and by adding a subdivision; 302A.449, subdivision 7; and 302A.671; repealing Minnesota Statutes 1984, section 80B.06, subdivisions 3, 4, and 6.

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

Mr. Spear introduced—

S.F. No. 1160: A bill for an act relating to human services; establishing procedures for the involuntary administration of antipsychotic medication; amending Minnesota Statutes 1984, sections 253B.02, by adding subdivisions; and 253B.03, subdivision 6; proposing coding for new law in Minnesota Statutes, chapter 253B.

Referred to the Committee on Judiciary.

Messrs. Kroening; Freeman; Johnson, D.J.; Peterson, C.C. and Belanger introduced—

S.F. No. 1161: A bill for an act relating to taxation; providing that property of the metropolitan sports facilities commission that is leased to tenants retains its tax-exempt status; amending Minnesota Statutes 1984, section 473.556, subdivision 4.

Referred to the Committee on Taxes and Tax Laws.

Mr. Merriam introduced—

S.F. No. 1162: A bill for an act relating to game and fish; authorizing the commissioner of natural resources to permit, on an experimental basis, the taking of two deer by one hunter, under conditions and restrictions prescribed by order; proposing coding for new law in Minnesota Statutes, chapter 98.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Vega, Frank and Peterson, D.L. introduced—

S.F. No. 1163: A bill for an act relating to utilities; exempting small, qualifying energy facilities from the certificate of need process; amending Minnesota Statutes 1984, section 216B.243, subdivision 8.

Referred to the Committee on Public Utilities and State Regulated Indus-

tries.

Mr. Dicklich introduced—

S.F. No. 1164: A bill for an act relating to education; extending a deadline for compliance with certain UFARS standards; amending Minnesota Statutes 1984, section 121.908, subdivision 6.

Referred to the Committee on Education.

Messrs. Anderson and Kamrath introduced—

S.F. No. 1165: A bill for an act relating to regional development commissions; providing for dissolution of a commission upon petition by cities, counties, and towns; amending Minnesota Statutes 1984, section 462.398, subdivisions 1 and 2.

Referred to the Committee on Local and Urban Government.

Messrs. Anderson, Kamrath, Mehrkens and Isackson introduced—

S.F. No. 1166: A bill for an act relating to education; aids to school districts; requiring that AFDC pupil units be computed each year based upon the annual count of pupils whose families receive aid to families with dependent children; amending Minnesota Statutes 1984, sections 124.17, by adding a subdivision; and 124A.02, subdivision 16.

Referred to the Committee on Education.

Mr. Novak introduced—

S.F. No. 1167: A bill for an act relating to the city of New Brighton; providing an exception from the New Brighton police civil service system for the chief and deputy chief of police.

Referred to the Committee on Local and Urban Government.

Mr. Novak, by request, introduced—

S.F. No. 1168: A bill for an act relating to game and fish; authorizing elderly hunters to take deer of either sex; amending Minnesota Statutes 1984, section 98.47, by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Mrs. Lantry and Mr. Novak introduced—

S.F. No. 1169: A bill for an act relating to metropolitan government; metropolitan transit; establishing requirements relating to membership on the regional transit board; funding the local transit subsidy program; providing for the distribution of local transit assistance funds in the metropolitan area by the regional transit board; extending unclassified coverage to certain employees; giving the transit board condemnation authority; expanding the transit commission to five members and providing per diem compensation for its chair; making various changes in contract transit programs; authorizing issuance of bonds by the board; giving the board authority over regular route

fares; appropriating money; amending Minnesota Statutes 1984, sections 15.0591, subdivision 2; 174.32, subdivisions 1 and 2; 352D.02, subdivision 1; 473.373, subdivision 4; 473.375, subdivision 4; 473.384, subdivision 6; 473.386, subdivision 2; 473.39, by adding a subdivision; 473.404, subdivisions 2, 3, and 7; and 473.408, by adding a subdivision.

Referred to the Committee on Transportation.

Messrs. Moe, D.M.; Wegscheid and Pogemiller introduced—

S.F. No. 1170: A bill for an act relating to state government; establishing a management analysis division revolving fund; amending Minnesota Statutes 1984, sections 16B.36, subdivision 1; and 16B.48, subdivision 2.

Referred to the Committee on Governmental Operations.

Mrs. Brataas, Messrs. Benson, Frederick, Bernhagen and Wegscheid introduced—

S.F. No. 1171: A bill for an act relating to state lands; conveying land to Olmsted county.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Lessard; Dicklich; Johnson, D.J. and Solon introduced—

S.F. No. 1172: A bill for an act relating to taxation; property; exempting certain leased lakeshore property; amending Minnesota Statutes 1984, section 272.02, subdivision 1.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Jude and Ramstad introduced—

S.F. No. 1173: A bill for an act relating to outdoor recreation; renaming a state trail; amending Minnesota Statutes 1984, section 85.015, subdivision 10.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Peterson, C.C.; Frederickson; Spear and Wegscheid introduced—

S.F. No. 1174: A bill for an act relating to retirement; state employees retirement system; contributions; benefit formula; early retirement reduction; surviving spouse benefit; amending Minnesota Statutes 1984, sections 352.04, subdivisions 2 and 3; 352.115, subdivision 3; 352.116, subdivision 1; and 352.12, subdivision 2.

Referred to the Committee on Governmental Operations.

Mr. Anderson introduced—

S.F. No. 1175: A bill for an act relating to natural resources; providing for payment of attorney fees for proceedings involving the determination of public waters and wetlands; amending Minnesota Statutes 1984, section 105.391, by adding a subdivision.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Merriam introduced—

S.F. No. 1176: A bill for an act relating to children; requiring a new job classification in child protection; requiring continuing education; providing for a multidisciplinary education program; proposing coding for new law in Minnesota Statutes, chapter 626.

Referred to the Committee on Health and Human Services.

Mr. Merriam introduced—

S.F. No. 1177: A bill for an act relating to wild animals; increasing certain game, fish, and related license and other fees; amending Minnesota Statutes 1984, sections 97.4841, subdivision 3; 97.4842, subdivision 2; 98.46, subdivisions 2 and 14; 98.47, subdivision 1; and 100.271, subdivision 2.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Merriam introduced—

S.F. No. 1178: A bill for an act relating to utilities; providing that owners of electric power lines are strictly liable for damages resulting from contact with lines; requiring owners to trim vegetation around lines; providing that failure to trim vegetation is a nuisance; proposing coding for new law in Minnesota Statutes, chapter 561.

Referred to the Committee on Public Utilities and State Regulated Industries.

Messrs. Merriam, Knaak and Benson introduced—

S.F. No. 1179: A bill for an act relating to the legislature; providing a method for the permanent preservation and use of legislative minutes, tape recordings, bills, and engrossments; amending Minnesota Statutes 1984, section 138.17, subdivisions 1 and 7; proposing coding for new law in Minnesota Statutes, chapters 3 and 138.

Referred to the Committee on Rules and Administration.

Mr. Merriam introduced—

S.F. No. 1180: A bill for an act relating to real property; changing the manner of serving notice to register title to real estate; amending Minnesota Statutes 1984, sections 508.16, subdivision 1; 508.29; 508.39; and 508A.39.

Referred to the Committee on Judiciary.

Mr. Novak introduced—

S.F. No. 1181: A bill for an act relating to public safety; utilities; providing for funding of 911 emergency telephone service by dedicated fee account; amending Minnesota Statutes 1984, section 403.11.

Referred to the Committee on Public Utilities and State Regulated Industries.



tries.

Mr. Novak introduced—

S.F. No. 1182: A bill for an act relating to taxation, sales and use; providing for collection of tax on property purchased for resale by nonprofit organizations; proposing coding for new law in Minnesota Statutes, chapter 297A.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Dieterich, Spear, Willet, DeCramer and Peterson, D.L. introduced—

S.F. No. 1183: A bill for an act relating to intoxicating liquor; providing for issuance of licenses within Indian country; amending Minnesota Statutes 1984, section 340.11, by adding a subdivision.

Referred to the Committee on Public Utilities and State Regulated Industries.

Mr. Hughes, Ms. Olson, Messrs. Nelson and Dicklich introduced—

S.F. No. 1184: A bill for an act relating to education; providing for a research and development student learning program and a teacher education program; appropriating money; proposing coding for new law in Minnesota Statutes, chapter 125.

Referred to the Committee on Education.

Mrs. Adkins, Messrs. Schmitz, Berg, Lessard and Bertram introduced—

S.F. No. 1185: A bill for an act relating to veterans; providing space in the veterans service building for certain veterans organizations; amending Minnesota Statutes 1984, section 197.58.

Referred to the Committee on Veterans and General Legislation.

Messrs. Wegscheid and Moe, D.M. introduced—

S.F. No. 1186: A bill for an act relating to state government; providing for fees for cooperative purchasing and transfer of state surplus property; amending Minnesota Statutes 1984, sections 16B.09, by adding a subdivision; and 16B.29.

Referred to the Committee on Governmental Operations.

Messrs. Novak, Schmitz, Wegscheid and Renneke introduced—

S.F. No. 1187: A bill for an act relating to local government; regulating municipal employee residency requirements; exempting certain firefighters; amending Minnesota Statutes 1984, section 415.16, by adding a subdivision.

Referred to the Committee on Local and Urban Government.

Messrs. Peterson, C.C.; Stumpf, DeCramer and Davis introduced—

S.F. No. 1188: A bill for an act relating to agriculture; restricting limited

partnership ownership of agricultural land; amending Minnesota Statutes 1984, section 500.24.

Referred to the Committee on Agriculture and Natural Resources.

Messrs. Vega, Lessard, Mrs. Adkins and Mr. Kroening introduced—

S.F. No. 1189: A bill for an act relating to local government; fixing conditions of certain energy improvement loans; amending Minnesota Statutes 1984, section 471.65.

Referred to the Committee on Energy and Housing.

Ms. Peterson, D.C. and Mr. Pogemiller introduced—

S.F. No. 1190: A bill for an act relating to housing; providing for local and regional review and comment on housing programs; extending interest reduction program; amending Minnesota Statutes 1984, sections 462C.02, by adding subdivisions; 462C.03, subdivision 1, and by adding a subdivision; 462C.04, subdivision 2; 462C.09, subdivisions 2a and 3, and by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 462C; repealing Minnesota Statutes 1984, sections 462.445, subdivision 13; and 462C.09, subdivision 2.

Referred to the Committee on Energy and Housing.

Ms. Peterson, D.C. introduced—

S.F. No. 1191: A bill for an act relating to human rights; eliminating court examination of evidence when there is a failure to comply with an order; amending Minnesota Statutes 1984, section 363.091.

Referred to the Committee on Judiciary.

Mr. Purfeerst, Ms. Peterson, D.C.; Messrs. Taylor, Waldorf and Nelson introduced—

S.F. No. 1192: A bill for an act relating to education; changing the name of and provisions about the Minnesota school for the deaf and the Minnesota braille and sight saving school; amending Minnesota Statutes 1984, sections 128A.01; 128A.02; 128A.03; and 128A.05.

Referred to the Committee on Education.

Mr. Stumpf introduced—

S.F. No. 1193: A bill for an act relating to taxation; aggregate removal production; changing the time at which a penalty for failure to file is imposed; imposing a penalty; amending Minnesota Statutes 1984, section 298.75, subdivisions 4, 5, and 6.

Referred to the Committee on Taxes and Tax Laws.

Messrs. Hughes; Merriam; Moe, R.D.; Taylor and Stumpf introduced—

S.F. No. 1194: A bill for an act relating to education; permitting arrange-

ments between certain districts and post-secondary institutions for the exchange of pupils and between districts for the exchange of teachers in certain cases; amending Minnesota Statutes 1984, section 123.3513.

Referred to the Committee on Education.

Messrs. Spear, Laidig, Petty, Mses. Peterson, D.C. and Berglin introduced—

S.F. No. 1195: A bill for an act relating to the Minnesota convention center; authorizing the issuance of bonds and appropriating money for it; continuing the Minnesota convention facility commission and prescribing its responsibilities; proposing coding for new law in Minnesota Statutes, chapter 473.

Referred to the Committee on Economic Development and Commerce.

Mr. Spear, Mrs. Lantry, Mr. Dicklich and Mrs. Kronebusch introduced—

S.F. No. 1196: A bill for an act relating to child care; establishing child care resource and referral programs; appropriating money; amending Minnesota Statutes 1984, section 245.83, by adding a subdivision; proposing coding for new law in Minnesota Statutes, chapter 245.

Referred to the Committee on Health and Human Services.

Mr. Frederickson introduced—

S.F. No. 1197: A bill for an act relating to agriculture; creating an exception to the corporate farming law; amending Minnesota Statutes 1984, section 500.24, subdivision 3.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Merriam introduced—

S.F. No. 1198: A bill for an act relating to the environment; providing a PCB amnesty program; prohibiting installation of PCB products in public buildings; requiring PCB products to be removed from public buildings according to a schedule; providing for notification of fire departments of PCB products; providing for burning of PCB oil; appropriating money; amending Minnesota Statutes 1984, sections 116.36, subdivision 1, and by adding subdivisions; and 116.37, subdivisions 1, 2, 3, 4, and by adding subdivisions; proposing coding for new law in Minnesota Statutes, chapter 116.

Referred to the Committee on Agriculture and Natural Resources.

Mr. Stumpf introduced—

S.F. No. 1199: A bill for an act relating to agriculture; clarifying the meaning of lender in the Minnesota emergency farm operating loans act; amending Laws 1985, chapter 4, section 3, subdivision 8.

Referred to the Committee on Economic Development and Commerce.

Mr. Diessner introduced—

S.F. No. 1200: A bill for an act relating to economic development; creating

an enterprise zone to be designated by the city of Cottage Grove.

Referred to the Committee on Economic Development and Commerce.

Mr. Wegscheid introduced—

S.F. No. 1201: A bill for an act relating to agriculture; prohibiting leases of agricultural production land for fixed amounts; proposing coding for new law in Minnesota Statutes, chapter 500.

Referred to the Committee on Agriculture and Natural Resources.

### ADJOURNMENT

Mr. Moe, R.D. moved that the Senate do now adjourn until 2:00 p.m., Thursday, March 28, 1985. The motion prevailed.

Patrick E. Flahaven, Secretary of the Senate